

1 AN ACT relating to the confidentiality of tax information.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO  
4 READ AS FOLLOWS:

5 (1) As used in this section:

6 (a) "Agencies" means the Finance and Administration Cabinet, the  
7 Commonwealth Office of Technology, and the Department of Revenue;

8 (b) "Aggregated format" means the smallest possible combination of data to  
9 ensure that no specific taxpayer is identified, generally with no more than  
10 three (3) taxpayers combined into a single line of data;

11 (c) "Committee" means the:

12 1. Interim Joint Committee on Appropriations and Revenue; or

13 2. a. Senate Standing Committee on Appropriations and Revenue;

14 and

15 b. House Standing Committee on Appropriations and Revenue;

16 and

17 (d) "Data" means all tax return data, accounts receivable data, refund data,  
18 tax expenditure data, or any other information required to make sound tax  
19 policy decisions by the General Assembly as it relates to businesses  
20 operating and citizens living in the Commonwealth.

21 (2) The agencies shall cooperatively provide to the committee all data in an  
22 aggregated format.

23 (3) A working group containing employees from the agencies and the committee is  
24 hereby created to accomplish an efficient and effective delivery of the data  
25 required in subsection (2) of this section in an aggregated format which is easily  
26 accessible, adaptable, and useable by staff of the committee and on a timeline  
27 which meets the needs of the committee.

1 **(4) (a) By June 1, 2022, the secretary of the Finance and Administration Cabinet**  
 2 **shall submit the names and contact information of staff from the agencies**  
 3 **to the committee.**

4 **(b) The first meeting of the working group shall occur no later than June 30,**  
 5 **2022, with monthly meetings to be held thereafter until the delivery**  
 6 **timeline, format, and methodology for each type of data has been**  
 7 **determined and the first submission of each type of data has been received.**

8 **(5) (a) Failure by the agencies to comply with this section may result in a reduction**  
 9 **of up to fifty percent (50%) of the appropriation for each budget unit of the**  
 10 **agencies during the next regular session of the General Assembly.**

11 **(b) All reductions under paragraph (a) of this subsection shall lapse to the**  
 12 **general fund surplus fund account created in KRS 48.700.**

13 ➔Section 2. KRS 48.020 is amended to read as follows:

14 Each branch of government shall have in continuous process of preparation and revision,  
 15 in the light of its direct studies of the operations, plans and needs of its budget units and  
 16 of the existing and prospective sources of income, a branch budget recommendation for  
 17 the next two (2) fiscal years for which a budget recommendation is required to be  
 18 prepared. Upon receipt of the estimates from its budget units, each branch of government  
 19 shall check these estimates in the light of its own information, and shall make such  
 20 further inquiries and investigations and revise its branch budget recommendation as it  
 21 deems warranted.~~[ The branch budget recommendation when approved shall be certified~~  
 22 ~~together with the budget statements provided for in KRS 48.110 and submitted as~~  
 23 ~~provided for in KRS 48.100.]~~

24 ➔Section 3. KRS 48.040 is amended to read as follows:

25 (1) On or before April 1 of each odd-numbered year, representatives designated by the  
 26 Governor, the Chief Justice and the Legislative Research Commission for their  
 27 respective branches shall propose drafts of uniform forms to be used by all budget

1 units in submitting their budget estimates, requests and recommendations, and shall  
2 recommend to the Legislative Research Commission such rules and regulations  
3 deemed necessary for the preparation of such budget estimates, requests and  
4 recommendations.

5 (2) On or before July 1 of each odd-numbered year, the Legislative Research  
6 Commission shall prescribe uniform forms, records, and instructions to be used by  
7 branch budget units. Included in such forms shall be a section requiring budget units  
8 to identify the amount of funds to be spent on agency publications.

9 (3) (a) On or before August 15 of each odd-numbered year, each of the state-  
10 administered retirement systems as defined by KRS 6.350(5) shall submit to  
11 the state budget director's office and the Legislative Research Commission a  
12 preliminary projection of the actuarially required contribution rates payable  
13 for the budget biennium that begins in the following fiscal year.

14 (b) On or before October~~November~~ 15 of each odd-numbered year, the state-  
15 administered retirement systems as defined by KRS 6.350(5) shall submit  
16 revised projections to the state budget director's office and the Legislative  
17 Research Commission, based upon the most recently completed actuarial  
18 valuation, of the actuarially required contribution rates payable for the budget  
19 biennium that begins in the following fiscal year.

20 (c) The Legislative Research Commission shall distribute the information  
21 received under this subsection to the committee staff and co-chairs of any  
22 committee that has jurisdiction over a state-administered retirement system.

23 (4) On or before September 1 of each odd-numbered year, the Finance and  
24 Administration Cabinet shall supply each branch of government with at least three

25 (3) complete sets of the prescribed uniform forms and instructions for the  
26 preparation of estimates and statements, and one (1) copy of the complete statement  
27 of the expenditures of each budget unit of the branch to aid each branch of

1 government in preparing its estimates and statements.

2 (5) Upon request, the Finance and Administration Cabinet shall provide such additional  
3 assistance to each branch of government as may be required.

4 ➔Section 4. KRS 48.050 is amended to read as follows:

5 The head of each budget unit shall submit its budget unit request to the Office of State  
6 Budget Director, in the case of the executive branch, to the Chief Justice, in the case of  
7 the judicial branch, to the director of the Legislative Research Commission, in the case of  
8 the legislative branch; and to the Legislative Research Commission, not later than  
9 October~~November~~ 15 of each odd-numbered year.

10 ➔Section 5. KRS 48.110 is amended to read as follows:

11 Each branch budget recommendation shall contain a complete financial plan for the  
12 branch of government for each of the next two (2) fiscal years. **Each branch budget**  
13 **recommendation and all supporting documentation shall be submitted in a form and**  
14 **format cooperatively developed by each respective branch of government and the**  
15 **General Assembly and approved by the Legislative Research Commission.** Each branch  
16 budget recommendation shall include:

17 (1) A budget message signed by:

18 (a) The Governor for the executive branch;

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

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

22 (2) (a) Statements of income and receipts for the two (2) fiscal years last concluded,  
23 and the estimated income and receipts, for each budget unit of the branch of  
24 government for the current fiscal year and each of the next two (2) fiscal  
25 years.

26 (b) The statements of income and estimated income shall be itemized by budget  
27 unit and fund, and shall show separately receipts from:

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

- 1 two (2) fiscal years, and drafts of such revenue and other acts as may be  
2 recommended for implementing the proposed financial plan;
- 3 (b) Recommended appropriations for extraordinary expenses and capital outlays,  
4 which shall be itemized in the proposed branch budget bill for the branch by  
5 budget unit. The title of each budget unit shall be worded to limit each  
6 appropriation to the specific use or purpose intended;
- 7 (c) A plan for the reduction of the branch budget if there is a revenue shortfall of  
8 five percent (5%) or less in the general fund or road fund. In recommending  
9 budget reductions, the Governor, the Chief Justice, and the Legislative  
10 Research Commission shall not recommend universal percentage reductions,  
11 but shall weigh the needs of all budget units and shall strive to protect the  
12 highest possible level of service in their respective branches. Services which  
13 are not essential to constitutional functions shall be subject to reduction.  
14 Transfer of funds may be authorized by the budget reduction plan;
- 15 (d) 1. A plan for the expenditure of a general fund or road fund surplus of up  
16 to two and one-half percent (2.5%).
- 17 2. The plan shall include provisions for the expenditure of a surplus, and  
18 may provide for additional moneys for nonrecurring expenditures for  
19 which an appropriation was not made in a branch budget bill, or for a  
20 program or service authorized by law for which an appropriation was not  
21 made, or which was not fully funded.
- 22 3. In lieu of recommending the appropriation of funds, the plan may  
23 instead recommend the retention of surplus funds in the surplus account  
24 of the general fund or road fund for investment until appropriated by the  
25 General Assembly;
- 26 (e) 1. A recommended state capital projects program and a recommended  
27 program for the purchase of major items of equipment.

- 1           2. The recommended capital construction program shall include:
- 2           a. A complete list and summary description of each specific capital
- 3           construction project recommended for funding during the
- 4           biennium; and
- 5           b. For each project:
- 6           i. The agency and purpose for which it will be used;
- 7           ii. The justification for the project;
- 8           iii. Its estimated completion date;
- 9           iv. The total estimated cost of completing the project;
- 10          v. The estimated cost of the project during the biennium;
- 11          vi. The recommended sources of funds for the entire project;
- 12          and
- 13          vii. The dollar amounts recommended for appropriation and the
- 14          dollar amounts, listed by source, that are anticipated
- 15          from every other source of funds for the biennium.
- 16          3. All information required by subparagraph 2. of this paragraph shall be
- 17          included in each branch budget recommendation. Each branch budget
- 18          bill shall contain only a complete list of the specific capital construction
- 19          projects recommended for funding during the biennium and, for each
- 20          project, the information specified in subparagraph 2.b.v., vi., and vii. of
- 21          this paragraph.
- 22          4. A report which details the effect of recommended new debt on the debt
- 23          position of the Commonwealth shall be submitted at the same time the
- 24          recommended capital program is submitted. Information shall be
- 25          presented separately, and in total, for the general fund, road fund, and
- 26          any affected restricted fund account.
- 27          5. Information in the report shall include but not be limited to the

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



- 1                   and any expenses necessary to make the equipment  
2                   functional and operational;
- 3                   iv.    The recommended sources of funds; and
- 4                   v.    The dollar amounts recommended for appropriation and  
5                   anticipated from every other source of funds for the  
6                   purchase.
- 7                   7.    All information required by subparagraph 5. of this paragraph shall be  
8                   included in the executive branch budget recommendation. The branch  
9                   budget bill for the executive branch shall contain only a complete list of  
10                  each specific item of major equipment recommended for purchase  
11                  during the biennium and, for each item, the information specified in  
12                  subparagraph 6.b.iii., iv., and v. of this paragraph;
- 13                  (f)   The branch budget recommendation for the Transportation Cabinet shall  
14                  include the following information:
- 15                   1.    A separate branch budget bill;
- 16                   2.    A recommended biennial highway construction plan, which shall be  
17                   presented as a separate bill, and which shall include a list of individual  
18                   transportation projects included in the last four (4) years of the six (6)  
19                   year road plan, not to exceed ten percent (10%) of the recommended  
20                   biennial highway construction appropriation, which can be advanced if:
- 21                   a.    Additional funds are received; and
- 22                   b.    All projects included in the biennial highway construction plan  
23                   have been advanced or completed to the extent possible; and
- 24                   3.    The six (6) year road plan. The Governor shall have ten (10) working  
25                   days after submission of the branch budget recommendation and the  
26                   recommended biennial highway construction plan to submit the six (6)  
27                   year road plan. The six (6) year road plan shall be submitted in a form

1 and format cooperatively developed by the Transportation Cabinet and  
2 the General Assembly and approved by the Legislative Research  
3 Commission; and

- 4 (g) 1. In the executive branch budget recommendation, as a separate section,  
5 an amount sufficient to meet unexpected contingencies or emergencies,  
6 including but not limited to natural or man-made disasters, civil  
7 disorders, court orders requiring or resulting in the expenditure of state  
8 funds, or other related causes.
- 9 2. The amount shall be based on the nature, type, and frequency of named  
10 categories of events which may, from past experience, be reasonably  
11 anticipated.
- 12 3. This portion of the budget recommendation shall detail similar incidents  
13 and the nature and amount of the expenditures for each during the ten  
14 (10) years immediately preceding.

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

18 (7) A certificate of the branch of government as to the accuracy of the statements of  
19 financial condition, of income and receipts, and of expenditures; and

20 (8) Such other information as is deemed desirable, or is required by law or regulation.

21 ➔Section 6. KRS 48.120 is amended to read as follows:

22 (1) By August 15 of each odd-numbered year, the Office of State Budget Director, in  
23 conjunction with the consensus forecasting group, shall provide to each branch of  
24 government a budget planning report. The budget planning report shall include:

- 25 (a) A baseline analysis and projections of economic conditions and outlook;
- 26 (b) Any potential consequences of the analysis and projections for the  
27 Commonwealth's fiscal condition;

- 1 (c) The revenue estimates and implications for the general fund and road fund for  
 2 the current fiscal year and next four (4) fiscal years; and
- 3 (d) Projections of personal income, employment, and economic indicators that  
 4 reflect economic conditions.
- 5 (2) By October 15 of each odd-numbered year, the Office of State Budget Director shall  
 6 provide to each branch of government preliminary revenue estimates made by the  
 7 consensus forecast group for the general fund and road fund for the current and next  
 8 two (2) fiscal years, including explanatory statements, and a comparative record of  
 9 the actual revenues of these funds for each of the last two (2) years concluded.
- 10 (3) **By December 20 of each odd-numbered year**~~[On or before the fifteenth legislative~~  
 11 ~~day]~~, the Office of State Budget Director shall certify and present to the **Legislative**  
 12 **Research Commission**~~[General Assembly]~~ the official revenue estimates made by  
 13 the consensus forecasting group for the general fund and road fund for the current  
 14 and next two (2) fiscal years.
- 15 (4) Appropriations made in the branch budget bills enacted for each branch of  
 16 government shall be based upon the official revenue estimates presented to the  
 17 **Legislative Research Commission**~~[General Assembly]~~ by the Office of State  
 18 Budget Director under subsection (3) of this section, as modified by the General  
 19 Assembly.
- 20 (5) The enacted estimates shall become the official revenue estimates of the  
 21 Commonwealth upon the branch budget bills becoming law, and shall remain the  
 22 official revenue estimates of the Commonwealth until revised by the consensus  
 23 forecasting group as provided in KRS 48.115.

24 ➔Section 7. KRS 48.170 is amended to read as follows:

25 In addition to the requirements set forth in this chapter, the **standing**~~[appropriations]~~  
 26 committees of each house or the Legislative Research Commission, as appropriate, may  
 27 require additional information and **shall**~~[may]~~ prescribe the form in which such additional

1 information shall be submitted as a part of, or in support of, a branch budget  
 2 recommendation. **The information shall be submitted within fourteen (14) days of the**  
 3 **request unless an extension is granted by the requesting staff person. The extension**  
 4 **shall not exceed seven (7) days from the date the extension was granted.**

5 ➔Section 8. KRS 48.300 is amended to read as follows:

- 6 (1) The financial plan for each fiscal year ~~as presented in the branch budget~~  
 7 ~~recommendation~~ shall be adopted, with any modifications made by the General  
 8 Assembly, by the passage of a branch budget bill for each branch of government,  
 9 and any revenue and other acts as necessary.
- 10 (2) With regard to the Transportation Cabinet, the General Assembly shall:
- 11 (a) Enact, as a separate bill, a branch budget for the Transportation Cabinet;
- 12 (b) Enact, as a separate bill, the biennial highway construction plan, as amended  
 13 by the General Assembly, including identification of projects from the last  
 14 four (4) years of the six (6) year road plan that may be moved forward, and the  
 15 conditions and requirements under which the identified projects may be  
 16 moved forward; and
- 17 (c) Adopt the last four (4) years of the six (6) year road plan, as amended by the  
 18 General Assembly, as a joint resolution.

19 ➔Section 9. KRS 48.810 is amended to read as follows:

20 Each ~~program~~ cabinet, the Department for Local Government, the Department of  
 21 Military Affairs, and the Commonwealth Office of Technology shall develop and submit  
 22 a four (4) year strategic plan to meet the broad goals outlined by the Governor and shall  
 23 submit an electronic copy of the full plan and an electronic copy of a brief summary of  
 24 that plan to the state budget director, the secretary of the Executive Cabinet, and the  
 25 Legislative Research Commission with each biennial budget request.

26 (1) Each strategic plan shall include but not be limited to:

- 27 (a) A statement of the cabinet or administrative entity's value, vision, and

- 1 mission;
- 2 (b) A statement of how the cabinet or administrative entity's strategic plan is  
3 aligned with the Governor's goals and linked to the budget request **by**  
4 **program** and the six (6) year capital plan of the cabinet or administrative  
5 entity;
- 6 (c) A brief summary of a situation analysis conducted by the~~[-program]~~ cabinet or  
7 administrative entity;
- 8 (d) Identification of measurable goals for the next four (4) years **by program**;
- 9 (e) Specification of objectives to meet the stated goals **by program**;
- 10 (f) Identification of performance indicators to be used to measure progress  
11 toward meeting goals and objectives **by program**; and
- 12 (g) A progress report providing data and information on the performance  
13 indicators set forth in the~~[-program]~~ cabinet or administrative entity's most  
14 recent strategic plan.
- 15 (2) On or before September 1 of each even-numbered fiscal year,~~[-program]~~ cabinets  
16 and administrative entities which have submitted strategic plans in the previous  
17 fiscal year shall submit a progress report to the Office of~~[-the]~~ State Budget  
18 Director, or its designee, which provides data and information regarding the  
19 progress the~~[-program]~~ cabinet or entity has made toward meeting its goals as  
20 measured by performance indicators set forth in the cabinet's or entity's most recent  
21 strategic plan.
- 22 (3) The state budget director shall designate an entity to develop and implement a  
23 methodology for strategic planning and progress reporting for use by~~[-program]~~  
24 cabinets and administrative entities submitting strategic plans and progress reports  
25 pursuant to this section. The entity designated by the state budget director shall  
26 develop and make available a training course in strategic planning that is  
27 appropriate for and targeted to state government managers, and shall make that

1 training course available to state managers and their designees who have  
2 responsibility for the completion of a strategic plan as required by this section.

3 (4) The Commonwealth Office of Technology shall maintain uniform electronic  
4 strategic plan and progress report submission forms and a procedure that allows all  
5 plans and progress reports to be entered into an electronic database that is  
6 searchable by interested parties. The database shall be developed and maintained in  
7 a form that complies with all provisions of KRS 48.950, 48.955, and 48.960. The  
8 Commonwealth Office of Technology shall develop and maintain a program to  
9 provide public access to submitted plans and progress reports.

10 ➔Section 10. KRS 48.950 is amended to read as follows:

11 (1) In order to effectuate the constitutional power and duty of the General Assembly to  
12 raise and appropriate revenue and approve and adopt a balanced budget, and in  
13 order that members and committees of the General Assembly and the Legislative  
14 Research Commission may be informed on a continuous basis about current and  
15 prospective financial conditions and budgetary needs of the Commonwealth and its  
16 budget units, the Kentucky General Assembly finds and declares that uniform  
17 detailed budget data and records relating to expenditures, receipts and activities and  
18 the budgetary operations of all budget units must be available in electronic and print  
19 form to the General Assembly and the Legislative Research Commission on a  
20 continuous and timely basis, including the electronic accounting and budgeting  
21 systems utilized by all branches of state government such as the Enhanced  
22 Management Administrative Reporting System and the Kentucky Budgeting  
23 System.

24 (2) The contents of all electronic and print forms, records, data and procedures  
25 established under KRS 48.955 and 48.960 shall pertain to:

- 26 (a) The submission of budget unit requests and branch budget recommendations;  
27 (b) The adoption of budget bills;

- 1 (c) The allotments under, and authorized adjustments and revisions to, the  
2 enacted budget;
- 3 (d) The receipts and disbursements of budget funds pursuant to appropriations  
4 enacted by the General Assembly; and
- 5 (e) The financial and budgetary conditions of the Commonwealth and branch  
6 budget units.

7 These contents, forms and records shall be standard and uniform for all budget  
8 units.

- 9 (3) The Governor, the Chief Justice and the Legislative Research Commission for their  
10 respective branches and budget units, shall cause to be created, maintained and  
11 transmitted in electronic form the data, records and procedures necessary to fulfill  
12 the intent and purposes of KRS 48.955 and 48.960 and which may be provided by  
13 KRS 48.955 and 48.960.

14 ➔Section 11. KRS 67.790 is amended to read as follows:

- 15 (1) A business entity subject to tax on gross receipts or net profits may be subject to a  
16 penalty equal to five percent (5%) of the tax due for each calendar month or fraction  
17 thereof if the business entity:
- 18 (a) Fails to file any return or report on or before the due date prescribed for filing  
19 or as extended by the tax district; or
- 20 (b) Fails to pay the tax computed on the return or report on or before the due date  
21 prescribed for payment.

22 The total penalty levied pursuant to this subsection shall not exceed twenty-five  
23 percent (25%) of the total tax due; however, the penalty shall not be less than  
24 twenty-five dollars (\$25).

- 25 (2) Every employer who fails to file a return or pay the tax on or before the date  
26 prescribed under KRS 67.783 may be subject to a penalty in an amount equal to five  
27 percent (5%) of the tax due for each calendar month or fraction thereof. The total

1 penalty levied pursuant to this subsection shall not exceed twenty-five percent  
2 (25%) of the total tax due; however, the penalty shall not be less than twenty-five  
3 dollars (\$25).

4 (3) In addition to the penalties prescribed in this section, any business entity or  
5 employer shall pay, as part of the tax, an amount equal to twelve percent (12%) per  
6 annum simple interest on the tax shown due, but not previously paid, from the time  
7 the tax was due until the tax is paid to the tax district. A fraction of a month is  
8 counted as an entire month.

9 (4) Every tax subject to the provisions of KRS 67.750 to 67.790, and all increases,  
10 interest, and penalties thereon, shall become, from the time the tax is due and  
11 payable, a personal debt of the taxpayer to the tax district.

12 (5) In addition to the penalties prescribed in this section, any business entity or  
13 employer who willfully fails to make a return, willfully makes a false return, or  
14 willfully fails to pay taxes owing or collected, with the intent to evade payment of  
15 the tax or amount collected, or any part thereof, shall be guilty of a Class A  
16 misdemeanor.

17 (6) Any person who willfully aids or assists in, or procures, counsels, or advises the  
18 preparation or presentation under, or in connection with, any matter arising under  
19 KRS 67.750 to 67.790 of a return, affidavit, claim, or other document, which is  
20 fraudulent or is false as to any material matter, whether or not the falsity or fraud is  
21 with the knowledge or consent of the person authorized or required to present the  
22 return, affidavit, claim, or document, shall be guilty of a Class A misdemeanor.

23 (7) A return for the purpose of this section shall mean and include any return,  
24 declaration, or form prescribed by the tax district and required to be filed with the  
25 tax district by the provisions of KRS 67.750 to 67.790, or by the rules of the tax  
26 district or by written request for information to the business entity by the tax  
27 district.



- 1 (8) (a) No present or former employee of any tax district shall intentionally and  
 2 without authorization inspect or divulge any information acquired by him or  
 3 her of the affairs of any person, or information regarding the tax schedules,  
 4 returns, or reports required to be filed with the tax district or other proper  
 5 officer, or any information produced by a hearing or investigation, insofar as  
 6 the information may have to do with the affairs of the person's business. This  
 7 prohibition does not extend to:
- 8 **1.** Information required in prosecutions for making false reports or returns  
 9 for taxation~~[,]~~ or any other infraction of the tax laws;
  - 10 **2.** **Information that is**~~[, or]~~ in any way made a matter of public record;
  - 11 **3.** **Information requested for audit purposes by a taxing jurisdiction;**
  - 12 **4.** ~~[, Nor does it preclude ]~~Furnishing any taxpayer or the taxpayer's  
 13 properly authorized agent with information respecting his or her own  
 14 return; **or**
  - 15 **5.** **An**~~[. Further, this prohibition does not preclude any]~~ employee of the tax  
 16 district **when the employee is**~~[from]~~ testifying in any court~~[,]~~ or~~[ from]~~  
 17 introducing as evidence returns or reports filed with the tax district, in an  
 18 action for violation of a tax district tax laws or in any action challenging  
 19 a tax district tax laws.
- 20 (b) Any person who violates the provisions of paragraph (a) of this subsection by  
 21 intentionally inspecting confidential taxpayer information without  
 22 authorization shall be fined not more than five hundred dollars (\$500) or  
 23 imprisoned for not longer than six (6) months, or both.
- 24 (c) Any person who violates the provisions of paragraph (a) of this subsection by  
 25 divulging confidential taxpayer information shall be fined not more than one  
 26 thousand dollars (\$1,000) or imprisoned for not more than one (1) year, or  
 27 both.

1 (9) If a tax district that imposes a net profits or gross receipts occupational license tax  
2 fails to comply with the requirements of KRS 67.766(1) or (2), the Secretary of  
3 State shall inform the tax district in writing of its noncompliance. If the tax district  
4 is not in compliance within thirty (30) days following the notice from the Secretary,  
5 the Secretary shall notify all state agencies which deliver services or payments of  
6 money from the Commonwealth to the tax district of the tax district's  
7 noncompliance. Those agencies shall suspend delivery of all services or payments  
8 to a tax district which fails to comply with the requirements of KRS 67.766(1) or  
9 (2). The Secretary of State shall immediately notify those same agencies when the  
10 tax district is in compliance with the requirements of KRS 67.766(1) or (2), and  
11 those agencies shall reinstate the delivery of services or payments to the tax district.

12 ➔SECTION 12. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO  
13 READ AS FOLLOWS:

14 **(1) The General Assembly hereby establishes the statewide Healthcare Worker Loan**  
15 **Relief Program designed to be in alignment with the federally funded state loan**  
16 **repayment program authorized under KRS 211.165 in providing student loan**  
17 **repayment for eligible healthcare workers within the Commonwealth. The**  
18 **Healthcare Worker Loan Relief Program shall be administered by the University**  
19 **of Kentucky through the Center of Excellence in Rural Health, and all costs**  
20 **associated with the program, including the reimbursement of any expenses**  
21 **incurred by the center in its administration of the program, shall be funded by**  
22 **state appropriations and other funds held in the healthcare worker loan relief**  
23 **fund, which shall be excluded from the comprehensive funding model established**  
24 **in KRS 164.092.**

25 **(2) The board of trustees of the University of Kentucky, on behalf of the Center of**  
26 **Excellence in Rural Health, shall adopt policies for the administration of the**  
27 **program that are in alignment with the policies implemented in the**

1 administration of KRS 211.165 and the federally funded state loan repayment  
2 program it authorizes, and shall include:

3 (a) The professional, certification, education, employment, and worksite  
4 eligibility requirements, except that the professional requirements shall also  
5 grant eligibility to ophthalmologists, optometrists, and audiologists;

6 (b) Student loan eligibility requirements;

7 (c) A process to consider applications from eligible healthcare workers, except  
8 the policy shall include an application cycle that is open at least twice a  
9 year;

10 (d) Program admission guidelines;

11 (e) The conditions under which admitted healthcare workers shall receive  
12 awards;

13 (f) To the extent that funding is available, the process for determining award  
14 amounts, which shall include the tiering of award amounts based on  
15 provider type, student loan amounts, and other factors, except that the  
16 policy shall not require a dollar-for-dollar match component from admitted  
17 healthcare workers' employers; and

18 (g) Procedures to provide repayment to loan servicers.

19 (3) (a) The healthcare worker loan relief fund is hereby created as a trust fund in  
20 the State Treasury to be administered by the University of Kentucky on  
21 behalf of the Center of Excellence in Rural Health for the purpose of  
22 providing loan repayment as described in this section.

23 (b) The trust fund shall consist of state general fund appropriations, gifts and  
24 grants from public and private sources, and federal funds. All moneys  
25 included in the fund shall be appropriated for the purposes set forth in this  
26 section.

27 (c) Any unallotted or unencumbered balances in the trust fund shall be

1                   *invested as provided in KRS 42.500(9). Income earned from the investments*  
2                   *shall be credited to the trust fund.*

3                   *(d) Notwithstanding KRS 45.229, any fund balance at the close of the fiscal*  
4                   *year shall not lapse but shall be carried forward to the next fiscal year and*  
5                   *continuously appropriated only for the purposes specified in this section.*

6                   ➔Section 13. KRS 164.937 is amended to read as follows:

- 7                   (1) The University of Kentucky shall maintain a Center of Excellence in Rural Health.
- 8                   (2) The mission of the Center of Excellence in Rural Health shall be the improvement  
9                   of the health of all rural Kentuckians and the improvement of rural health care  
10                  systems through education, research, and service.
- 11                  (3) The Center of Excellence in Rural Health shall:
- 12                  (a) Support a site-based director, core faculty, and staff;
- 13                  (b) Collect and maintain statistical and other information relating to rural health  
14                  status, rural health care systems, rural health policy, and other issues affecting  
15                  the health and well-being of rural populations;
- 16                  (c) Collect, analyze, interpret, disseminate, and make recommendations regarding  
17                  the availability, distribution, and sufficiency of the health professions  
18                  workforce;
- 19                  (d) Provide educational opportunities for students committed to rural health care:
- 20                      1. To obtain education in needed health professions as determined by the  
21                      workforce analyses, rotating these programs as necessary;
- 22                      2. By testing and developing innovative models for learning; and
- 23                      3. By reserving funds budgeted for specific educational programs that in  
24                      the future are deemed no longer necessary for use for educational  
25                      programs for other health professions;
- 26                  (e) Maintain site-based family practice residencies;
- 27                  (f) Serve as the federally designated Office of Rural Health and perform the

1 duties prescribed by the United States Health Resources and Services  
2 Administration;

3 **(g) Administer the Healthcare Worker Loan Relief Program established under**  
4 **Section 12 of this Act;**

5 **(h)**~~(g)~~ Demonstrate or provide innovative programs that improve the health of  
6 rural Kentuckians and strengthen rural health care systems; and

7 **(i)**~~(h)~~ Advocate for rural health care.

8 (4) To the extent additional funds are appropriated, the Center of Excellence in Rural  
9 Health shall establish additional sites throughout the Commonwealth as necessary  
10 to achieve the mission of the center.

11 (5) Nothing in this section shall be construed to restrict the study of rural health  
12 policies, workforce analyses, or the training of health professionals in or for rural or  
13 medically underserved areas by other state universities.

14 (6) The University of Kentucky shall report to the Council on Postsecondary Education  
15 and the Legislative Research Commission a detailed, audited statement of  
16 expenditures for each program function in the Center of Excellence for Rural Health  
17 Care by September 1 of each year which enumerates expenditures for the preceding  
18 fiscal year.

19 ➔SECTION 14. A NEW SECTION OF KRS CHAPTER 210 IS CREATED TO  
20 READ AS FOLLOWS:

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

22 **(a) "Cabinet" means the Cabinet for Health and Family Services;**

23 **(b) "CMHC" means a community mental health center;**

24 **(c) "Fund" means the mobile crisis services fund; and**

25 **(d) "Mobile unit" means any vehicle which a CMHC uses to travel within its**  
26 **region to provide community services for Kentuckians who experience**  
27 **issues with mental health, developmental and intellectual disabilities, and**

1 substance use disorder.

2 (2) (a) The mobile crisis services fund is hereby established within the cabinet to  
3 provide loans to CMHCs for:

4 1. Increasing access to mental health services; and

5 2. Providing services to individuals who lack sufficient access to  
6 transportation and who are:

7 a. Residing in rural areas;

8 b. Residing in homeless shelters; or

9 c. Disadvantaged mentally, physically, or economically.

10 (b) Any loan issued by the cabinet shall not exceed a five (5) year term and the  
11 interest rate shall not exceed one percent (1%).

12 (3) The cabinet shall:

13 (a) Determine the terms and conditions of each loan, including the repayment  
14 to be deposited back in the fund for issuance of future loans to other  
15 CMHCs;

16 (b) Review and adjudicate applications submitted by CMHCs that apply for a  
17 loan;

18 (c) Monitor the performance of each CMHC in the program; and

19 (d) By December 1, 2022, and by each December 1 thereafter, report to the  
20 Interim Joint Committee on Health, Welfare, and Family Services  
21 information about each CMHC in the program, including:

22 1. The name and location of each CMHC that received a loan;

23 2. The amount of principal originally loaned; and

24 3. How each CMHC used the funds.

25 (4) In order to apply for loan, a CMHC shall:

26 (a) Submit an application to the cabinet;

27 (b) Agree to use the funds for the purchase, operation, or establishment of

1           mobile units; and

2           (c) Agree to provide services to individuals who lack sufficient access to  
 3           transportation and who are:

4           1. Residing in rural areas;

5           2. Residing in homeless shelters; or

6           3. Disadvantaged mentally, physically, or economically.

7           (5) (a) The fund created in subsection (2) of this section shall be a trust and agency  
 8           account.

9           (b) The fund shall be administered by the cabinet.

10          (c) The fund shall include moneys appropriated by the General Assembly,  
 11          contributions, donations, gifts, or federal funds.

12          (d) Moneys in the fund shall be used by the cabinet to administer this section.

13          (e) Notwithstanding KRS 45.229, any moneys remaining in the fund at the  
 14          close of the fiscal year shall not lapse but shall be carried forward into the  
 15          succeeding fiscal year.

16          (f) Interest earned on any moneys in the fund shall accrue to the fund.

17          (g) Moneys deposited in the fund are hereby appropriated for the sole purpose  
 18          of providing loans to CMHCs.

19          (6) The Cabinet for Health and Family Services may promulgate administrative  
 20          regulations in accordance with KRS Chapter 13A to implement this section.

21          ➔Section 15. KRS 262.330 is amended to read as follows:

22          (1) The board may make available or lease, on such terms as it prescribes, to  
 23          landowners and occupiers within the district, agricultural and engineering  
 24          machinery and equipment, including heavy or specialized equipment acquired  
 25          pursuant to Section 16 of this Act, fertilizer, seeds, seedlings and such other  
 26          material or equipment as will assist the landowners and occupiers to carry on  
 27          operations upon their lands for the conservation of soil resources and for the

1 prevention and control of soil erosion.

2 (2) As a condition to the extending of any benefits under this chapter to, or the  
3 performance of work upon, any lands not owned or controlled by this state or any of  
4 its agencies, the board may require contributions in money, services, materials or  
5 otherwise to any operations conferring such benefits, and require landowners and  
6 occupiers to enter into and perform such agreements or covenants as to the  
7 permanent use of their lands as will tend to prevent or control erosion.

8 ➔Section 16. KRS 262.610 is amended to read as follows:

9 (1) (a) The Soil and Water Conservation Commission as referred to in KRS Chapter  
10 146, subject to the supervision of the commissioner of the Department for  
11 Natural Resources~~[for natural resources]~~, to the restrictions provided in  
12 Section 15 of this Act and KRS 262.610 to 262.660, and to the requirements  
13 of KRS Chapters 42 and 45A, is hereby authorized to acquire and to make  
14 available, or to assist in acquiring or making available to soil and water  
15 conservation districts, heavy or specialized equipment or infrastructure which  
16 an individual district cannot itself economically obtain.

17 (b) A district may submit a request to the commission for the acquisition of  
18 heavy or specialized equipment jointly with a person residing within the  
19 district to whom the district has agreed to lease the equipment in the event  
20 that it is acquired or made available. The district and the person shall  
21 submit all information with their joint request for heavy or specialized  
22 equipment as may be required by the commission in the administrative  
23 regulations promulgated under Section 17 of this Act. Any application made  
24 by a district, or two (2) or more districts acting jointly pursuant to KRS  
25 262.650, to the commission to acquire or make available infrastructure, or  
26 to assist in doing so, shall not be made jointly with any person.

27 (2) When the commission acquires or makes available to any district the equipment or



1 infrastructure above referred to, it shall require said district to fully amortize, in the  
 2 form of rentals or payments, to the Division of Conservation, as referred to in KRS  
 3 Chapter 146, any amount so expended by the commission for such assistance. The  
 4 amount and method of amortization for each piece of heavy equipment or  
 5 infrastructure shall be determined by the commission, subject to approval of the  
 6 commissioner of *the Department for Natural Resources*~~[natural resources]~~. The  
 7 amount and method of amortization for each piece of heavy or specialized  
 8 equipment shall be determined on the basis of *the lease or* a rental *fee* to be charged  
 9 by the district to the *lessee or other* user of equipment sufficient to:

- 10 (a) Fully amortize to the division the capital outlay for the machinery itself over  
 11 the period of its reasonably anticipated full usefulness;  
 12 (b) Cover the cost of operation, maintenance and repairs;  
 13 (c) Pay the usual cost of providing an operator; and  
 14 (d) Compensate the district for the usual costs of transportation from one (1) job  
 15 to another.

16 (3) In giving effect to all of the foregoing, the commission shall estimate the amount of  
 17 time such equipment would ordinarily be idle.

18 ➔Section 17. KRS 262.660 is amended to read as follows:

19 *(1)* The commission, with the approval of the commissioner *of the Department for*  
 20 *Natural Resources*~~[for natural resources]~~, is hereby authorized to promulgate such  
 21 other rules and regulations or methods of accounting as may be necessary or  
 22 expedient to give effect to the purposes expressed in KRS 262.610 to 262.650.

23 *(2) On or before January 1, 2023, the commission, with the approval of the*  
 24 *commissioner of the Department for Natural Resources, shall promulgate*  
 25 *administrative regulations pursuant to KRS Chapter 13A that shall at a*  
 26 *minimum set forth:*

27 *(a) The form and manner in which a person and a district may jointly request*

1 the acquisition of heavy or specialized equipment pursuant to subsection  
 2 (1)(b) of Section 16 of this Act, including but not limited to any financial or  
 3 other disclosures the commission may require;

4 (b) The terms, conditions, and repayment of loans for heavy or specialized  
 5 equipment that the commission makes available to districts for lease to  
 6 persons within those districts; and

7 (c) The terms and conditions for lease agreements between districts and  
 8 persons for the use of acquired heavy or specialized equipment, including  
 9 but not limited to permissible uses of the equipment, care and maintenance  
 10 of the equipment, liability assumptions for property damage or bodily injury  
 11 caused by the equipment, insurance requirements, availability of the  
 12 equipment for use by others in the district, and the keeping of public records  
 13 regarding the use of the equipment. Notwithstanding any provision of this  
 14 chapter or KRS Chapter 42 or 45A to the contrary, lease agreements shall  
 15 allow a lessee to use acquired heavy or specialized equipment outside of his  
 16 or her district with prior approval of the board for the leasing district.

17 ➔Section 18. KRS 15A.065 is amended to read as follows:

18 (1) The Department of Juvenile Justice shall be headed by a commissioner and shall  
 19 develop and administer programs for:

- 20 (a) Prevention of juvenile crime;
- 21 (b) Identification of juveniles at risk of becoming status or public offenders and  
 22 development of early intervention strategies for these children, and, except for  
 23 adjudicated youth, participation in prevention programs shall be voluntary;
- 24 (c) Providing educational information to law enforcement, prosecution, victims,  
 25 defense attorneys, the courts, the educational community, and the public  
 26 concerning juvenile crime, its prevention, detection, trial, punishment, and  
 27 rehabilitation;

- 1 (d) The operation of or contracting for the operation of postadjudication treatment  
2 facilities and services for children adjudicated delinquent or found guilty of  
3 public offenses or as youthful offenders;
- 4 (e) The operation or contracting for the operation, and the encouragement of  
5 operation by others, including local governments, volunteer organizations, and  
6 the private sector, of programs to serve predelinquent and delinquent youth;
- 7 (f) Utilizing outcome-based planning and evaluation of programs to ascertain  
8 which programs are most appropriate and effective in promoting the goals of  
9 this section;
- 10 (g) Conducting research and comparative experiments to find the most effective  
11 means of:
- 12 1. Preventing delinquent behavior;
- 13 2. Identifying predelinquent youth;
- 14 3. Preventing predelinquent youth from becoming delinquent;
- 15 4. Assessing the needs of predelinquent and delinquent youth;
- 16 5. Providing an effective and efficient program designed to treat and  
17 correct the behavior of delinquent youth and youthful offenders;
- 18 6. Assessing the success of all programs of the department and those  
19 operated on behalf of the department and making recommendations for  
20 new programs, improvements in existing programs, or the modification,  
21 combination, or elimination of programs as indicated by the assessment  
22 and the research; and
- 23 (h) Seeking funding from public and private sources for demonstration projects,  
24 normal operation of programs, and alterations of programs.
- 25 (2) The Department of Juvenile Justice may contract, with or without reimbursement,  
26 with a city, county, or urban-county government, for the provision of probation,  
27 diversion, and related services by employees of the contracting local government.

- 1 (3) The Department of Juvenile Justice may contract for the provision of services,  
2 treatment, or facilities which the department finds in the best interest of any child,  
3 or for which a similar service, treatment, or facility is either not provided by the  
4 department or not available because the service or facilities of the department are at  
5 their operating capacity and unable to accept new commitments. The department  
6 shall, after consultation with the Finance and Administration Cabinet, promulgate  
7 administrative regulations to govern at least the following aspects of this  
8 subsection:
- 9 (a) Bidding process; and  
10 (b) Emergency acquisition process.
- 11 (4) The Department of Juvenile Justice shall develop programs to:
- 12 (a) Ensure that youth in state-operated or contracted residential treatment  
13 programs have access to an ombudsman to whom they may report program  
14 problems or concerns;  
15 (b) Review all treatment programs, state-operated or contracted, for their quality  
16 and effectiveness; and  
17 (c) Provide mental health services to committed youth according to their needs.
- 18 (5) (a) The Department of Juvenile Justice shall have an advisory board appointed by  
19 the Governor, which shall serve as the advisory group under the Juvenile  
20 Justice and Delinquency Prevention Act of 1974, Pub. L. No. 93-415, as  
21 amended, and which shall provide a formulation of and recommendations for  
22 meeting the requirements of this section not less than annually to the  
23 Governor, the Justice and Public Safety Cabinet, the Department of Juvenile  
24 Justice, the Cabinet for Health and Family Services, **and** the Interim Joint  
25 **Committee**~~[Committees]~~ on Judiciary ~~[and on Appropriations and Revenue]~~  
26 of the Legislative Research Commission when the General Assembly is not in  
27 session, and the Judiciary **Committee**~~[and the Appropriations and Revenue~~

1           Committees] of the House of Representatives and the Senate when the  
2           General Assembly is in session. The advisory board shall develop program  
3           criteria for early juvenile intervention, diversion, and prevention projects,  
4           develop statewide priorities for funding, and make recommendations for  
5           allocation of funds to the Commissioner of the Department of Juvenile  
6           Justice. The advisory board shall review grant applications from local juvenile  
7           delinquency prevention councils and include in its annual report the activities  
8           of the councils. The advisory board shall meet not less than quarterly.

9           (b) The advisory board shall be chaired by a private citizen member appointed by  
10          the Governor and shall serve a term of two (2) years and thereafter be elected  
11          by the board. The members of the board shall be appointed to staggered terms  
12          and thereafter to four (4) year terms. The membership of the advisory board  
13          shall consist of no fewer than fifteen (15) persons and no more than thirty-  
14          three (33) persons who have training, experience, or special knowledge  
15          concerning the prevention and treatment of juvenile delinquency or the  
16          administration of juvenile justice. A majority of the members shall not be full-  
17          time employees of any federal, state, or local government, and at least one-  
18          fifth (1/5) of the members shall be under the age of twenty-four (24) years at  
19          the time of appointment. On July 15, 2002, any pre-existing appointment of a  
20          member to the Juvenile Justice Advisory Board and the Juvenile Justice  
21          Advisory Committee shall be terminated unless that member has been re-  
22          appointed subsequent to January 1, 2002, in which case that member's  
23          appointment shall continue without interruption. The membership of the board  
24          shall include the following:

- 25           1. Three (3) current or former participants in the juvenile justice system;
- 26           2. An employee of the Department of Juvenile Justice;
- 27           3. An employee of the Cabinet for Health and Family Services;

- 1           4.    A person operating alternative detention programs;
- 2           5.    An employee of the Department of Education;
- 3           6.    An employee of the Department of Public Advocacy;
- 4           7.    An employee of the Administrative Office of the Courts;
- 5           8.    A representative from a private nonprofit organization with an interest in
- 6           youth services;
- 7           9.    A representative from a local juvenile delinquency prevention council;
- 8           10.   A member of the Circuit Judges Association;
- 9           11.   A member of the District Judges Association;
- 10          12.   A member of the County Attorneys Association;
- 11          13.   A member of the County Judge/Executives Association;
- 12          14.   A person from the business community not associated with any other
- 13          group listed in this paragraph;
- 14          15.   A parent not associated with any other group listed in this paragraph;
- 15          16.   A youth advocate not associated with any other group listed in this
- 16          paragraph;
- 17          17.   A victim of a crime committed by a person under the age of eighteen
- 18          (18) not associated with any other group listed in this paragraph;
- 19          18.   A local school district special education administrator not associated
- 20          with any other group listed in this paragraph;
- 21          19.   A peace officer not associated with any other group listed in this
- 22          paragraph; and
- 23          20.   A college or university professor specializing in law, criminology,
- 24          corrections, psychology, or similar discipline with an interest in juvenile
- 25          corrections programs.
- 26          (c)   Failure of any member to attend three (3) meetings within a calendar year
- 27          shall be deemed a resignation from the board. The board chair shall notify the

1 Governor of any vacancy and submit recommendations for appointment.

2 (6) The Department of Juvenile Justice shall, in cooperation with the Department of  
3 Public Advocacy, develop a program of legal services for juveniles committed to  
4 the department who are placed in state-operated residential treatment facilities and  
5 juveniles in the physical custody of the department who are detained in a state-  
6 operated detention facility, who have legal claims related to the conditions of their  
7 confinement involving violations of federal or state statutory or constitutional  
8 rights. This system may utilize technology to supplement personal contact. The  
9 Department of Juvenile Justice shall promulgate an administrative regulation to  
10 govern at least the following aspects of this subsection:

- 11 (a) Facility access;
- 12 (b) Scheduling; and
- 13 (c) Access to residents' records.

14 (7) The Department of Juvenile Justice may, if space is available and conditioned upon  
15 the department's ability to regain that space as needed, contract with another state or  
16 federal agency to provide services to youth of that agency.

17 ➔Section 19. KRS 18A.2255 is amended to read as follows:

18 ~~{(1)}~~The secretary of the Personnel Cabinet shall submit to the Advisory Committee of  
19 State Health Insurance Subscribers established in KRS 18A.225, at least thirty (30) days  
20 prior to issuing requests for proposals, the health benefit plans that will be submitted to  
21 carriers. The secretary of the Personnel Cabinet shall also provide to employee  
22 organizations who are represented on the Advisory Committee of State Health Insurance  
23 Subscribers information necessary so that the member representing the organization can  
24 fulfill his or her responsibilities under this section. The advisory committee shall submit  
25 in writing to the secretary the committee's approval of the plans or its recommendations  
26 on changes to the plans no later than seven (7) days prior to the issuance of requests for  
27 proposals. The advisory committee shall advise the secretary on:

- 1 ~~(1)(a)~~ Health insurance benefit options that should be included in the program;
- 2 ~~(2)(b)~~ Procedures for soliciting bids or requesting proposals for contracts from  
3 carriers for the program;
- 4 ~~(3)(c)~~ The implementation, maintenance, and administration of the health insurance  
5 benefits under the program; and
- 6 ~~(4)(d)~~ The development of a uniform prescription drug formulary that contains fair  
7 and reasonable standards and procedures for patient access to medically necessary  
8 alternatives to the formulary and patient choice of higher-cost alternatives to the  
9 formulary, and that ensures that discounts negotiated with drug manufacturers are  
10 passed to the program.

11 ~~[(2) The secretary of the Personnel Cabinet shall, at the discretion of the co-chairs of the~~  
12 ~~Interim Joint Committee on Appropriations and Revenue, either submit a written~~  
13 ~~report to or testify before the Interim Joint Committee on Appropriations and~~  
14 ~~Revenue on the state employee health insurance program for the next plan year prior~~  
15 ~~to the issuance of the requests for proposals.]~~

16 ➔Section 20. KRS 39G.030 is amended to read as follows:

17 Each year by November 1, the executive director of the Kentucky Office of Homeland  
18 Security shall submit a written report to the Governor, the Auditor of Public Accounts,  
19 the Legislative Research Commission, and the Interim Joint Committee on Seniors,  
20 Veterans, Military Affairs, and Public Protection. The written report shall:

- 21 (1) Assess the Commonwealth's preparedness to respond to acts of war or terrorism,  
22 including nuclear, biological, chemical, electromagnetic pulse, agro-, eco-, or cyber-  
23 terrorism;
- 24 (2) Identify the priority of needs, areas of improvement, and the overall progress made  
25 with regard to the Commonwealth's preparedness; and
- 26 (3) Provide a record of all federal homeland security funding, including grants, gathered  
27 under KRS 39G.020 since the last annual written report, as well as any other



1 relevant homeland security funding information gathered by the Kentucky Office of  
 2 Homeland Security. The record shall identify, at a minimum, the specific federal  
 3 source, the amount, the specific recipient, the intended use of the funding, the actual  
 4 use of the funding, and any unspent amount.

5 (4) The Auditor of Public Accounts shall conduct an examination of revenues and  
 6 expenditures provided under the annual written report and under KRS  
 7 39G.020(2)(c) and, if examination findings warrant, shall conduct audits. No later  
 8 than January 30, the Auditor shall submit all examination and audit reports to the  
 9 Senate Veterans, Military Affairs, and Public Protection Committee and the House  
 10 Seniors, Military Affairs, and Public Safety Committee.

11 (5) (a) In addition to the annual report required under this section, the executive  
 12 director of the Office of Homeland Security shall provide to the Legislative  
 13 Research Commission and the Interim Joint Committee on Appropriations  
 14 and Revenue an annual~~[a quarterly]~~ report on the receipt and expenditure of  
 15 homeland security funds since the previous ~~[quarterly]~~ report.

16 (b) The report shall identify, at a minimum, the following:

- 17 1. Amount and specific source of any homeland security funds received;
- 18 2. Specific expenditures by amount, recipient, and intended or actual use;
- 19 and
- 20 3. Balance of funds remaining in the account.

21 (c) The initial annual~~[quarterly]~~ report shall be submitted by October 15,  
 22 2022~~[2006]~~, and shall contain the required information on receipts and  
 23 expenditures since the passage of the federal Homeland Security Act of 2002,  
 24 Pub. L. No. 107-296.

25 ➔Section 21. KRS 45.031 is amended to read as follows:

26 (1) Any department, board, commission, agency, advisory council, interstate compact,  
 27 corporate body, or instrumentality of the Commonwealth of Kentucky applying for

1 federal funds, aids, loans, or grants shall file a summary notification of the intended  
2 application with the Department for Local Government in accordance with the  
3 existing A-95 procedures.

4 (2) When as a condition to receiving federal funds, the Commonwealth of Kentucky is  
5 required to match the federal funds, a statement shall be filed with the notice of  
6 intent or summary of the application stating:

7 (a) The amount and source of state funds needed for matching purposes;

8 (b) The length of time the matching funds shall be required;

9 (c) The growth of the program;

10 (d) How the program will be evaluated;

11 (e) What action will be necessary should the federal funds be canceled, curtailed,  
12 or restricted; and

13 (f) Any other financial and program management data required by the Finance  
14 and Administration Cabinet or by law.

15 (3) Any application for federal funds, aids, loans, or grants which will require state  
16 matching or replacement funds at the time of application or at any time in the  
17 future, must be approved by the secretary of the Finance and Administration  
18 Cabinet, the Legislative Research Commission, and the Chief Justice for their  
19 respective branches of government or their designated agents prior to its filing with  
20 the appropriate federal agency. Any application for federal funds, aids, loans, or  
21 grants which will require state matching or replacement funds at the time of  
22 application or at any time in the future, when funds have not been appropriated for  
23 that express purpose, must be approved by the General Assembly, if in session.  
24 ~~[When the General Assembly is not in session, the application shall be reported to~~  
25 ~~and reviewed by the Interim Joint Committee on Appropriations and Revenue, as~~  
26 ~~provided by KRS 48.500(3).]~~

27 (4) When any federal funds, aids, loans, or grants are received by any department,

1 board, commission or agency of the Commonwealth of Kentucky, a report of the  
2 amount of funds received shall be filed with the Finance and Administration  
3 Cabinet; and this report shall specify the amount of funds which would reimburse  
4 an agency for indirect costs as provided for under OMB Circular A-87.

5 (5) The secretary of the Finance and Administration Cabinet may refuse to issue his  
6 warrant for the disbursement of any state or federal funds from the State Treasury as  
7 the result of any application which is not approved as provided by this section, or in  
8 regard to which the statement or reports required by this section were not filed.

9 (6) The secretary of the Finance and Administration Cabinet shall be responsible for the  
10 orderly administration of this section and for issuing the appropriate guidelines and  
11 regulations from each source of fund used.

12 ➔Section 22. KRS 45.241 is amended to read as follows:

13 (1) As used in this section:

14 (a) "Debt" means:

15 1. For agencies, a sum certain which has been certified by an agency as due  
16 and owing; and

17 2. For local governments, a sum certain which has been certified by a local  
18 government as due and owing, including but not limited to any  
19 delinquent taxes or fees other than delinquent real and personal property  
20 taxes;

21 (b) "Liquidated debt" means:

22 1. For agencies, a legal debt for a sum certain which has been certified by  
23 an agency as final due and owing, all appeals and legal actions having  
24 been exhausted;

25 2. For local governments, a legal debt for a sum certain which has been  
26 certified by a local government as final due and owing, all appeals and  
27 legal actions having been exhausted, including but not limited to any

- 1 delinquent taxes or fees other than delinquent real and personal property  
2 taxes; and
- 3 3. For the Court of Justice, a legal debt including any fine, fee, court costs,  
4 or restitution due the Commonwealth, which have been imposed by a  
5 final sentence of a trial court of the Commonwealth and for which the  
6 time permitted for payment pursuant to the provisions of KRS 534.020  
7 has expired;
- 8 (c) "Agency" means an organizational unit or administrative body in the  
9 executive branch of state government, as defined in KRS 12.010;
- 10 (d) "Department" means the Department of Revenue;
- 11 (e) "Court of Justice" means the Administrative Office of the Courts, all courts,  
12 and all clerks of the courts;
- 13 (f) "Forgivable loan agreement" means a loan agreement entered into between an  
14 agency and a borrower that establishes specific conditions, which, if satisfied  
15 by the borrower, allows the agency to forgive a portion or all of the loan;
- 16 (g) "Improper payment" means a payment made to a vendor, provider, or recipient  
17 due to error, fraud, or abuse; and
- 18 (h) "Local government" means any city, county, urban-county government,  
19 consolidated local government, charter county, or unified local government of  
20 the Commonwealth.
- 21 (2) Each agency and the Court of Justice shall develop, maintain, and update in a timely  
22 manner an ongoing inventory of each debt owed to it, including debts due to  
23 improper payments, and shall make every reasonable effort to collect each debt.  
24 Within sixty (60) days after the identification of a debt, each agency shall begin  
25 administrative action to collect the debt.
- 26 (3) The Auditor of Public Accounts shall review each agency's debt identification and  
27 collection procedures as part of the annual audit of state agencies.

- 1 (4) An agency shall not forgive any debt owed to it unless that agency has entered into a  
2 forgivable loan agreement with a borrower, or unless otherwise provided by statute.
- 3 (5) For those agencies without statutory procedures for collecting debts, the Department  
4 of Revenue shall promulgate administrative regulations in accordance with KRS  
5 Chapter 13A to prescribe standards and procedures with which those agencies shall  
6 comply regarding collection of debts, notices to persons owing debt, information to  
7 be monitored concerning the debts, and an appeals process.
- 8 (6) (a) Each agency and the Court of Justice shall identify all liquidated debts,  
9 including debts due to improper payments, and shall submit a list of those  
10 liquidated debts in the form and manner prescribed by the department to the  
11 department for review. The department shall review the information submitted  
12 by the agencies and the Court of Justice and shall, within ninety (90) days of  
13 receipt of the information, determine whether it would be cost-effective for  
14 the department to further pursue collection of the liquidated debts.
- 15 (b) A local government, after making reasonable efforts to collect its debts, may  
16 by ordinance, resolution, or otherwise pursuant to law, submit a list of its  
17 liquidated debts that have been due and owing for more than ninety (90) days  
18 to the department for review to determine whether it would be cost-effective  
19 for the department to pursue collection of the liquidated debts. The  
20 department shall review the information submitted by a local government and  
21 shall, within ninety (90) days of receipt of the information, determine whether  
22 it would be cost-effective for the department to further pursue collection of the  
23 liquidated debts.
- 24 (c) The department may, after consultation with the agency, Court of Justice, or a  
25 local government, return the liquidated debt to the entity submitting the  
26 liquidated debt if:
- 27 1. The request for review contains insufficient information; or

1           2.    The debt is not feasible to collect.

2           Any return of a liquidated debt shall be in writing, and shall state why the debt  
3           is being returned.

4           (d)   The department shall identify in writing to the submitting agency, Court of  
5           Justice, or local government, the liquidated debts it has determined that it can  
6           pursue in a cost-effective manner, and the agency, Court of Justice, or local  
7           government shall officially refer the identified liquidated debts to the  
8           department for collection.

9           (e)   The agency, Court of Justice, and local government shall retain a complete  
10          record of all liquidated debts referred to the department for collection until the  
11          debt is collected, forgiven, or returned as uncollectible.

12          (f)   Each agency, the Court of Justice, and local government shall make  
13          appropriate accounting of any uncollected debt as prescribed by law.

14         (7)   (a)   If the agency recovers the debt funds prior to referral to the department, the  
15          agency shall retain the collected funds in accordance with its statutory  
16          authority.

17          (b)   1.    Upon referral of a liquidated debt to the department, the liquidated debt  
18          shall accrue the following amounts:

19                 a.    Interest on the total amount of the debt plus legal accruals at the  
20                         tax interest rate provided in KRS 131.183, from the time of referral  
21                         until paid; and

22                 b.    A one (1) time twenty-five percent (25%) collection fee on the  
23                         total amount of the debt plus legal accruals, as of the time of  
24                         referral;

25                         unless the interest and collection fee are waived by the department.

26          2.    The interest and collection fee shall be in addition to any other costs  
27          accrued prior to the time of referral.

- 1           3. The department may deduct and retain from the liquidated debt  
2           recovered an amount equal to the lesser of the collection fee or the  
3           actual expenses incurred in the collection of the debt.
- 4           4. In the case of agencies and the Court of Justice, any funds recovered by  
5           the department after the deduction of the department's cost of collection  
6           expenses may, at the discretion of the secretary of the Finance and  
7           Administration Cabinet, be returned to the agency identifying the  
8           liquidated debt or to the Court of Justice for allocation as otherwise  
9           provided by law. If the recovered funds and interest are not returned to  
10          the agency or Court of Justice, the amounts shall be deposited in the  
11          general fund, except for Medicaid benefits funds and funds required by  
12          law to be remitted to a federal agency, which shall be remitted as  
13          required by law.
- 14          5. In the case of local governments, any funds recovered by the department  
15          after the deduction of the department's cost of collection expenses shall  
16          be returned to the local government referring the liquidated debt, for  
17          allocation as provided by ordinance, resolution, or as otherwise provided  
18          by law.
- 19          (c) Nothing in this section shall prohibit the department from entering into a  
20          memorandum of agreement with an agency pursuant to KRS 131.130(11), for  
21          collection of debts prior to liquidation. If an agency enters into an agreement  
22          with the department, the agency shall retain funds collected according to the  
23          provisions of the agreement.
- 24          (d) This section shall not affect any agreement between the department and an  
25          agency entered into under KRS 131.130(11) that is in effect on July 13, 2004,  
26          that provides for the collection of liquidated debts by the department on behalf  
27          of the agency.

1 (e) This section shall not affect the collection of delinquent taxes by sheriffs or  
2 county attorneys under KRS 91A.070 or 134.504.

3 (f) This section shall not affect the collection of performance or reclamation  
4 bonds.

5 (8) Upon receipt of a referred liquidated debt and after its determination that the debt is  
6 feasible and cost-effective to collect, the department shall pursue collection of the  
7 referred debt in accordance with KRS 131.030.

8 (9) By administrative regulation promulgated under KRS Chapter 13A, the department  
9 shall prescribe the electronic format and form of, and the information required in, a  
10 referral.

11 (10) ~~{(a)}~~ The department shall report annually by October 1 to the Interim Joint  
12 Committee on Appropriations and Revenue on the collection of debts,  
13 including debts due to improper payments, referred by agencies and the Court  
14 of Justice. The report shall include the total amount by agency and fund type  
15 of liquidated debt that has been referred to the department; the amount of each  
16 referring agency's liquidated debt, by fund type, that has been collected by the  
17 department; and the total amount of each referring agency's liquidated debt, by  
18 fund type, that the department determined to be cost-ineffective to collect,  
19 including the reasons for the determinations.

20 ~~{(b)}~~ Each cabinet shall report annually by October 1 to the Interim Joint  
21 Committee on Appropriations and Revenue on:

22 1. ~~The amount of previous fiscal year unliquidated debt by agency,~~  
23 ~~including debts due to improper payments, fund type, category, and age,~~  
24 ~~the latter to be categorized as less than one (1) year, less than five (5)~~  
25 ~~years, less than ten (10) years, and over ten (10) years; and~~

26 2. ~~The amount, by agency, of liquidated debt, including debts due to~~  
27 ~~improper payments, not referred to the department; a summary, by~~



1                    criteria listed in subsection (6)(a) of this section, of reasons the  
 2                    department provided for not requesting referral of those liquidated debts;  
 3                    and a summary of the actions each agency is taking to collect those  
 4                    liquidated debts.

5                    ~~(c) Beginning on October 1, 2005, the Court of Justice shall report annually by~~  
 6                    ~~October 1 of each year to the Interim Joint Committee on Appropriations and~~  
 7                    ~~Revenue the amount of previous fiscal year unliquidated debt by county and~~  
 8                    ~~whether in the Circuit Court or District Court; and fund type and age, the~~  
 9                    ~~latter categorized as less than one (1) year, less than five (5) years, less than~~  
 10                    ~~ten (10) years, and over ten (10) years. The first year for which the Court of~~  
 11                    ~~Justice shall be required to report is the fiscal year beginning on July 1, 2004~~  
 12                    ~~and ending on June 30, 2005. The Court of Justice shall not be required to~~  
 13                    ~~report unliquidated debts in existence prior to July 1, 2004.~~

14                    ~~(d) The Finance and Administration Cabinet shall report annually by October 1 to~~  
 15                    ~~the Interim Joint Committee on Appropriations and Revenue on the amount of~~  
 16                    ~~the General Government Cabinet's unliquidated debt by agency, fund type,~~  
 17                    ~~and age, the latter categorized as less than one (1) year, less than five (5)~~  
 18                    ~~years, less than ten (10) years, and over ten (10) years.]~~

19                    (11) At the time of submission of a liquidated debt to the department for review, the  
 20                    referring agency, the Court of Justice, or, where feasible, the local government shall  
 21                    provide information about the debt to the State Treasurer for the Treasurer's action  
 22                    under KRS 44.030(1).

23                    ➔ Section 23. KRS 45.812 is amended to read as follows:

24                    (1) Prior to the issuance of the revenue bonds or notes authorized by an appropriation  
 25                    of the General Assembly, or by or on behalf of any Kentucky school district, the  
 26                    agency, corporation, or school district authorized to issue the bonds or notes shall  
 27                    furnish to the Capital Projects and Bond Oversight Committee ~~and the Interim~~

1 ~~Joint Committee on Appropriations and Revenue~~, and make available to the public,  
2 a listing of all costs associated, either directly or indirectly, with the issuance of the  
3 revenue bonds or notes. The costs shall be itemized as to amount and name of  
4 payee, and shall include fees or commissions paid to, or anticipated to be paid to,  
5 issuers, underwriters, placement agents and advisors, financial advisors,  
6 remarketing agents, credit enhancers, trustees, accountants, and the counsel of all  
7 these persons, bond counsel, and special tax counsel, and shall include the  
8 economic benefits received or anticipated to be received by any other persons from  
9 any source in return for services performed relating to the issuance of the bonds or  
10 notes. Changes in amounts or names of payees or recipients, or additions of  
11 amounts or names of payees or recipients, to the listing furnished and made  
12 available pursuant to this subsection, shall be furnished to the Capital Projects and  
13 Bond Oversight Committee ~~and the Interim Joint Committee on Appropriations~~  
14 ~~and Revenue~~ and made available to the public within three (3) days following the  
15 change.

16 (2) The costs required to be furnished under the provisions of subsection (1) of this  
17 section shall not include the payment of wages or expenses to full-time, permanent  
18 employees of the Commonwealth of Kentucky.

19 ➔Section 24. KRS 45.814 is amended to read as follows:

20 Prior to the issuance of the revenue bonds or notes authorized by a branch budget bill, the  
21 agency authorized to issue the bonds or notes shall furnish to the Capital Projects and  
22 Bond Oversight Committee ~~and the Interim Joint Committee on Appropriations and~~  
23 ~~Revenue~~, and make available to the public, a listing of all costs associated, either directly  
24 or indirectly, with the issuance of the revenue bonds or notes. The costs shall be itemized  
25 as to amount and name of payee, and shall include fees or commissions paid to, or  
26 anticipated to be paid to issuers, underwriters, placement agents and advisors, financial  
27 advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of

1 all these persons, bond counsel, and special tax counsel, and shall include the economic  
2 benefits received or anticipated to be received by any other persons from any source in  
3 return for services performed relating to the issuance of the bonds or notes. Changes in  
4 amounts or names of payees or recipients, or additions of amounts or names of payees or  
5 recipients, to the listing furnished and made available pursuant to this section shall be  
6 furnished to the Capital Projects and Bond Oversight Committee ~~and the Interim Joint~~  
7 ~~Committee on Appropriations and Revenue~~ and made available to the public within  
8 three (3) days following the change.

9       ➔Section 25. KRS 45.816 is amended to read as follows:

10 Prior to the issuance of the revenue bonds or notes, the agency authorized to issue the  
11 bonds or notes shall furnish to the Capital Projects and Bond Oversight Committee~~and~~  
12 ~~the Interim Joint Committee on Appropriations and Revenue~~, and make available to the  
13 public, a listing of all costs associated, either directly or indirectly, with the issuance of  
14 the revenue bonds or notes. The costs shall be itemized as to amount and name of payee,  
15 and shall include fees or commissions paid to, or anticipated to be paid to, issuers,  
16 underwriters, placement agents and advisors, financial advisors, remarketing agents,  
17 credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel  
18 and special tax counsel, and shall include the economic benefits received or anticipated to  
19 be received by any other persons from any source in return for services performed relating  
20 to the issuance of the bonds or notes. Changes in amounts or names of payees or  
21 recipients, or additions of amounts or names of payees or recipients, to the listing  
22 furnished and made available pursuant to this section, shall be furnished to the Capital  
23 Projects and Bond Oversight Committee and~~the Interim Joint Committee on~~  
24 ~~Appropriations and Revenue and~~ made available to the public within three (3) days  
25 following the change.

26       ➔Section 26. KRS 56.863 is amended to read as follows:

27 The commission shall have the power and duty to:

- 1 (1) Maintain the records and perform the functions necessary and proper to accomplish  
2 the purposes of KRS 56.860 to 56.869;
- 3 (2) Promulgate administrative regulations relating to KRS 56.860 to 56.869;
- 4 (3) Conduct analysis to determine the impact of fluctuating receipts of revenues on the  
5 budget of the Commonwealth, fluctuating interest rates upon the interest-sensitive  
6 assets and interest-sensitive liabilities of the Commonwealth, and the resulting  
7 change in the net interest margin on the budget of the Commonwealth;
- 8 (4) Develop strategies to mitigate the impact of fluctuating receipts of revenues on the  
9 budget of the Commonwealth and of fluctuating interest rates on the  
10 Commonwealth's interest-sensitive assets and interest-sensitive liabilities;
- 11 (5) Report its findings to the State Investment Commission at least annually to assist  
12 the State Investment Commission in developing and implementing its investment  
13 strategy. The State Investment Commission shall provide the commission with a  
14 copy of its monthly investment income report to aid the commission in developing  
15 and implementing its strategies;
- 16 (6) Issue funding notes, project notes, and tax and revenue anticipation notes or other  
17 obligations on behalf of any state agency to fund authorized projects or to satisfy  
18 judgments;
- 19 (7) Refund any funding notes, project notes, or tax and revenue anticipation notes  
20 issued under KRS 56.860 to 56.869 to achieve economic savings, to better match  
21 receipts with expenditures, or as a part of a continuing finance program;
- 22 (8) Designate individual employees or officers of the Office of Financial Management  
23 within the Office of the Controller as agents for purposes of approving the principal  
24 amount of tax and revenue anticipation notes, the interest rate, the discount,  
25 maturity date, and other relevant terms of tax and revenue anticipation notes, project  
26 notes, and funding notes or refunding notes issued within constraints established by  
27 the commission and to execute agreements, including notes and financial

- 1           agreements, for the commission;
- 2   (9) Enter into financial agreements for the purpose of hedging its current or projected  
3       interest-sensitive assets and interest-sensitive liabilities to stabilize the  
4       Commonwealth's net interest margin, as deemed necessary by the commission,  
5       subject to administrative regulations promulgated by the commission that limit the  
6       net exposure of the Commonwealth as a result of these financial agreements;
- 7   (10) Deposit net interest payments and premiums received by the commission under  
8       financial agreements into a restricted account, which shall not lapse at the end of the  
9       fiscal year but shall continue to accumulate to act as security for these financial  
10      agreements. This duty is mandatory in nature. Any accumulated funds in excess of  
11      the amount determined by the commission to be necessary to establish this security  
12      may be applied to debt service payments, net interest payments, and premiums and  
13      expenses related to interest-sensitive liabilities; and
- 14   (11) Report to the Capital Projects and Bond Oversight Committee ~~and the Interim Joint~~  
15      ~~Committee on Appropriations and Revenue~~ on a semiannual basis, by September  
16      30 and March 31 of each year, the following:
- 17       (a) A description of the Commonwealth's investment and debt structure;
- 18       (b) The plan developed to mitigate the impact of fluctuating revenue receipts on  
19           the budget of the Commonwealth and fluctuating interest rates on the interest-  
20           sensitive assets and interest-sensitive liabilities of the Commonwealth,  
21           including an analysis of the impact that a change in the net interest margin  
22           would have on the budget of the Commonwealth. The report due by March 31  
23           of each year shall reflect the strategy for January through June of the fiscal  
24           year, and the report due by September 30 shall reflect the strategy for July  
25           through December of the fiscal year;
- 26       (c) The principal amount of notes issued, redeemed, and outstanding; and a  
27       description of all financial agreements entered into during the reporting

1 period. The report due by March 31 shall include information about  
2 agreements entered into from July through December of the fiscal year. The  
3 report due by September 30 shall include information about agreements  
4 entered into between January and June of the prior fiscal year; and

5 (d) A summary of gains and losses associated with financial agreements and any  
6 other cash flow strategies undertaken by the commission to mitigate the effect  
7 of fluctuating interest rates during each reporting period. The report due by  
8 March 31 shall include information about agreements and strategies entered  
9 into or undertaken from July through December of the fiscal year. The report  
10 due by September 30 shall include information about agreements and  
11 strategies entered into or undertaken from January through June of the prior  
12 fiscal year.

13 ➔Section 27. KRS 151.720 is amended to read as follows:

14 The Kentucky River Authority is authorized and empowered to:

- 15 (1) Construct, reconstruct, provide for the major maintenance, or repair the locks and  
16 dams on the Kentucky River and all real and personal property pertaining thereto, as  
17 well as maintain the channel;
- 18 (2) Acquire by purchase, exercise of the rights of eminent domain, grant, gift, devise, or  
19 otherwise, the fee simple title to or any acceptable lesser interest in any real or  
20 personal property and by lease or other conveyance, contract for the right to use and  
21 occupy any real or personal property selected in the discretion of the authority as  
22 constituting necessary, desirable, or acceptable sites to fulfill its statutory authority  
23 and power;
- 24 (3) Lease its real or personal property to other state agencies, political subdivisions of  
25 the Commonwealth, corporations, partnerships, associations, foundations, or  
26 persons as the authority deems necessary to carry out the purposes of this section;
- 27 (4) Sell or otherwise dispose of its real or personal property in accordance with KRS

- 1           56.463 and 45A.045;
- 2       (5)   Collect water use fees from all facilities using water from the Kentucky River basin,  
3           except those facilities using water primarily for agricultural purposes. Facilities  
4           charged such a fee may pass on all or any part of the fee;
- 5       (6)   Issue revenue bonds in accordance with KRS 151.730;
- 6       (7)   Employ persons to carry out the authority's responsibilities with revenue from the  
7           water use fees, including an executive director who shall serve at the pleasure of the  
8           authority;
- 9       (8)   Contract for services with other state agencies, political subdivisions of the  
10           Commonwealth, corporations, partnerships, associations, foundations, or persons to  
11           perform its duties;
- 12       (9)   Promulgate administrative regulations providing for clean water, which shall not be  
13           less stringent than the state and federal regulations for clean water;
- 14       (10)   Exercise all other powers necessary to perform its public purpose to implement and  
15           enforce the plans developed by the authority pursuant to this section and KRS  
16           151.727 and 151.728, and to enforce administrative regulations promulgated by the  
17           authority. The long-range water resource plan and drought response plan shall be  
18           implemented for the basin upon the direction of the authority;
- 19       (11)   Develop comprehensive plans for the management of the Kentucky River within the  
20           basin, including a long-range water resource plan and a drought response plan. Each  
21           county within the basin shall develop a long-range water resource plan and submit it  
22           to the authority. The authority, after consultation with the Energy and Environment  
23           Cabinet, shall develop a unified long-range water resource plan for the basin. The  
24           unified long-range water resource plan shall be implemented over short-range and  
25           long-range time periods. The short-range plan shall be for a period of six (6) years  
26           and the long-range plan shall be for a period of twenty (20) years. The authority  
27           shall conduct a public hearing on the plan prior to its adoption and amend the plan

- 1 as appropriate based on the comments received. The Energy and Environment  
2 Cabinet shall review the draft unified plan and provide comment during the public  
3 comment period concerning the consistency of the plan with the state requirements  
4 under KRS Chapters 224 and 151. A drought response plan for the basin shall be  
5 developed by the authority and shall be coordinated with the Energy and  
6 Environment Cabinet to assure consistency with KRS Chapters 224 and 151, and  
7 this plan shall be implemented for the basin upon the direction of the authority;
- 8 (12) Develop and promote a plan for the protection and use of groundwater within the  
9 basin. Administrative regulations may be promulgated implementing the plan, and  
10 these regulations shall not be less stringent than state and federal regulations  
11 protecting groundwater;
- 12 (13) Promote private investment in the installation of hydroelectric generating units on  
13 all existing constructed and reconstructed Kentucky River dams under the  
14 jurisdiction of the authority, by developing a standard lease, establishing reasonable  
15 financial responsibility requirements, verifying that the proposed installation of the  
16 hydroelectric unit will not adversely affect the structural integrity of the dam, and  
17 adopting a schedule of reasonable fees for water used in the generation of  
18 hydroelectric power;
- 19 (14) Develop recreational areas within the basin. These recreational areas may be  
20 operated and funded by the state Department of Parks, Office of Kentucky Nature  
21 Preserves, or other governmental entity as specifically authorized or permitted  
22 within the biennial executive budget. There is hereby created the Kentucky River  
23 Park to be located as determined by the authority;
- 24 (15) Utilize funds provided for recreational purposes within the biennial executive  
25 budget for major or minor maintenance if the authority certifies to the secretary of  
26 the Finance and Administration Cabinet that a significant need exists for the repairs  
27 and no other funds are available for the maintenance;



1 (16) Coordinate the Kentucky River basin water resources activities among state  
2 agencies;

3 ~~(17) Report quarterly on all of its activities to the legislative Committee on~~  
4 ~~Appropriations and Revenue;~~

5 ~~(18)~~ Receive reports from state agencies on litigation concerning the Kentucky River,  
6 which agencies are hereby directed to report to the authority;

7 ~~(18)~~(18)~~(19)~~ Credit to the authority any income derived from the interest earned on the  
8 investment of the water use fees collected, which shall be available for the  
9 authority's expenditure; and

10 ~~(19)~~(19)~~(20)~~ Accomplish the watershed management mission of the authority, which is to  
11 fulfill the provisions of this section for the Kentucky River basin, the boundary of  
12 which shall be defined by a hydrologic map promulgated in an administrative  
13 regulation.

14 ➔Section 28. KRS 151.728 is amended to read as follows:

15 (1) Beginning with the 2000-2002 biennium and each biennium thereafter, the authority  
16 shall submit to the General Assembly a six (6) year program of preconstruction and  
17 construction activities to maintain or increase water available within the Kentucky  
18 River. The program shall include a two (2) year construction component that shall  
19 be implemented as authorized by the General Assembly in the authority's biennial  
20 budget and a four (4) year preconstruction component that shall advise the General  
21 Assembly of the consistency of ongoing and long-term planning with the  
22 construction activities funded by the General Assembly.

23 (2) The program shall be developed by considering, at a minimum, the following  
24 factors:

25 (a) The population to be served by the available water;

26 (b) The social, economic, and environmental impact of program elements;

27 (c) The condition of existing facilities critical to water availability;

- 1 (d) The cost of maintaining, improving, replacing, or removing facilities; and  
2 (e) The dependence of communities within the river basin on specific Kentucky  
3 River dam pools or other sources of water.

4 (3) The program shall include a four (4) year planning document setting out  
5 preconstruction activities that include planning and design and an environmental  
6 analysis of projects to maintain or increase water available within the Kentucky  
7 River and geotechnical and stability evaluations of the Kentucky River locks and  
8 dams.

9 (4) The authority shall provide to the General Assembly a long-range planning  
10 document consisting of twenty (20) years for water supply projects being considered  
11 by the authority.

12 (5) The authority shall be responsible for the execution of each six (6) year program as  
13 approved and authorized in the budget by the General Assembly ~~and shall report~~  
14 ~~any anticipated deviations from the authorized construction funding or~~  
15 ~~preconstruction program to the Interim Joint Committee on Appropriations and~~  
16 ~~Revenue~~.

17 ➔Section 29. KRS 154.80-140 is amended to read as follows:

18 (1) There is created the riverport marketing assistance trust fund, to be administered by  
19 the Cabinet for Economic Development.

20 (2) The riverport marketing assistance trust fund may receive appropriations, federal  
21 funds, contributions, gifts, and donations.

22 (3) The purpose of the riverport marketing assistance trust fund shall be to promote and  
23 market Kentucky's riverport to industrial, business, and commercial prospects, to  
24 attract economic development. To the extent funds are available, the fund shall  
25 make grants to riverport authorities for marketing activities, including research,  
26 advertising, participation in trade shows, and preparation of promotional materials.  
27 Grants shall not be used for activities such as salaries, administrative expenses, or

1 internal newsletters.

2 (4) Notwithstanding KRS 45.229, moneys remaining in the fund at the close of a fiscal  
3 year shall not lapse but shall carry forward into the succeeding fiscal year. Interest  
4 earned on any moneys in the fund shall accrue to the fund. Amounts from the fund  
5 shall be disbursed and expended in accordance with this section.

6 (5) Grants under this section shall not exceed fifteen thousand dollars (\$15,000) per  
7 project or thirty thousand dollars (\$30,000) per applicant each year. Projects shall be  
8 completed within one (1) year of funding. To receive a grant, an applicant shall  
9 provide at least a fifty percent (50%) match, which may be obtained from any public  
10 or private source.

11 (6) (a) Grants shall be reviewed and awarded semiannually.

12 (b) The Cabinet for Economic Development shall submit all applications to the  
13 Water Transportation Advisory Board established by KRS 174.200 for  
14 evaluation and recommendations prior to awarding any grant funding under  
15 this section.

16 (c) Higher priority shall be given to applications with a larger share of match  
17 money, for those where the match money has already been obtained, and for  
18 projects with a detailed riverport marketing plan.

19 (7) The Cabinet for Economic Development shall on a semiannual basis submit a report  
20 detailing all grants awarded under this section to the Water Transportation Advisory  
21 Board and[-] the Interim Joint Committee on Transportation[-, and the Interim Joint  
22 Committee on Appropriations and Revenue].

23 ➔Section 30. KRS 171.027 is amended to read as follows:

24 There is established a public library facilities construction fund to assist local libraries  
25 with debt service payments for new library facilities and library improvements. The  
26 Department for Libraries and Archives is authorized to enter into long-term written  
27 memoranda of agreement with local libraries or other governing bodies to assist in debt

1 service payments relating to library construction or renovation projects. The agreements  
2 shall specify the rights, duties, and obligations of both the local public library, or other  
3 governing body, and the department. The department shall promulgate administrative  
4 regulations to establish the application process, criteria for selecting projects for  
5 assistance, a minimum level of local participation, and the process to be followed in the  
6 construction of facilities. ~~[- The department shall report assistance awards to the Interim  
7 Joint Committee on Appropriations and Revenue within thirty (30) days of execution of  
8 any memorandum of agreement.]~~

9 ➔ Section 31. KRS 174.210 is amended to read as follows:

- 10 (1) There is created a riverport financial assistance trust fund, to be administered by the  
11 Transportation Cabinet.
- 12 (2) The riverport financial assistance trust fund may receive appropriations, federal  
13 funds, contributions, gifts, and donations.
- 14 (3) The purpose of the riverport financial assistance trust fund shall be to improve  
15 riverport facilities and infrastructure, to capture the economic and trade potential  
16 offered by water transportation. To the extent funds are available, the fund shall  
17 make grants to riverport authorities for new construction and major replacement or  
18 repair projects, including but not limited to improvement of docks, wharves,  
19 equipment, port buildings, storage facilities, roads and railroads to facilitate the  
20 flow of commerce through the port, other on-site improvements, and related  
21 professional services. Eligible projects shall not include routine operations,  
22 maintenance, or repair activities.
- 23 (4) Notwithstanding KRS 45.229, moneys remaining in the fund at the close of a fiscal  
24 year shall not lapse but shall carry forward into the succeeding fiscal year. Interest  
25 earned on any moneys in the fund shall accrue to the fund. Amounts from the fund  
26 shall be disbursed and expended in accordance with this section.
- 27 (5) To be eligible for a grant under this section, the applicant shall provide at least a

1 twenty percent (20%) match, which may be obtained from any public or private  
2 source.

3 (6) (a) Grant applications shall be reviewed and awarded annually.

4 (b) The Transportation Cabinet shall submit all applications to the Water  
5 Transportation Advisory Board established by KRS 174.200 for evaluation  
6 and recommendations prior to awarding any grant funding under this section.

7 (c) Priority shall be given to applicants with a riverport master plan, for capital-  
8 intensive projects for which permits have been obtained, and for projects for  
9 which matching funds have been obtained.

10 (7) The Transportation Cabinet shall submit on an annual basis a report detailing all  
11 grants awarded under this section to the Water Transportation Advisory Board  
12 and,<sup>1</sup> the Interim Joint Committee on Transportation~~[, and the Interim Joint~~  
13 ~~Committee on Appropriations and Revenue].~~

14 ➔Section 32. KRS 198A.090 is amended to read as follows:

15 (1) Except as provided in subsection (6) of this section, the corporation may provide for  
16 the issuance, at one (1) time or from time to time, of bonds of the corporation if the  
17 cumulative outstanding indebtedness of the corporation's bonds does not exceed  
18 five billion dollars (\$5,000,000,000), in order to carry out and effectuate its  
19 corporate purposes and powers.

20 (2) In anticipation of the issuance of bonds, the corporation may provide for the  
21 issuance, at one (1) time or from time to time, of bond anticipation notes. The  
22 principal of and the interest on the bonds or notes shall be payable solely from the  
23 funds provided for the payment. Notes may be made payable from the proceeds of  
24 bonds or renewal notes or, if bond or renewal note proceeds are not available, notes  
25 may be paid from any available revenues or assets of the corporation.

26 (3) The bonds or notes of each issue shall be dated and may be made redeemable before  
27 maturity at the option of the corporation at a price and under terms and conditions

1 determined by the corporation. Bonds or notes shall bear interest at a rate  
2 determined by the corporation. Notes shall mature at a time not exceeding ten (10)  
3 years from their date and bonds shall mature at a time not exceeding forty (40) years  
4 from their date, as determined by the corporation. The corporation shall determine  
5 the form and manner of execution of the bonds or notes, including any interest  
6 coupons to be attached thereto, and shall fix the denomination and the place of  
7 payment of principal and interest, which may be any bank or trust company within  
8 or without the Commonwealth. If an officer whose signature or a facsimile of  
9 whose signature appears on any bonds, notes, or coupons attached to them shall  
10 cease to be an officer before the delivery thereof, the signature or facsimile shall be  
11 valid and sufficient for all purposes as if he had remained in office until delivery.  
12 The corporation may provide for the authentication of the bonds or notes by a  
13 trustee or fiscal agent. The bonds or notes may be issued in coupon or in registered  
14 form, or both, as the corporation may determine, and provision may be made for the  
15 registration of any coupon bonds or notes as to principal alone and also as to both  
16 principal and interest, and for the reconversion into coupon bonds or notes of any  
17 bonds or notes registered as to both principal and interest, and for the interchange of  
18 registered and coupon bonds or notes. Upon the approval of a resolution of the  
19 corporation, authorizing the sale of its bonds or notes, the bonds or notes may be  
20 sold in a manner, either at public or private sale, and for a price the corporation  
21 shall determine to be for the best interest of the corporation and best effectuate the  
22 purposes of this chapter, if the sale is approved by the corporation.

23 (4) The proceeds of any bonds or notes shall be used solely for the purposes for which  
24 they are issued and shall be disbursed in the manner and under the restrictions, if  
25 any, the corporation may provide in the resolution authorizing the issuance of bonds  
26 or notes or in the trust agreement securing the same.

27 (5) Prior to the preparation of definitive bonds, the corporation may, under like

1 restrictions, issue interim receipts or temporary bonds, with or without coupons,  
2 exchangeable for definitive bonds when the bonds have been executed and are  
3 available for delivery. The corporation may also provide for the replacement of any  
4 bonds or notes which become mutilated, destroyed, or lost.

5 (6) (a) Prior to the issuance of any bonds or notes that are not secured by:

- 6 1. Direct obligations or obligations guaranteed by the United States of  
7 America; or
- 8 2. Obligations of federal agencies to the extent that the obligations are  
9 backed by the full faith and credit of the United States of America; or
- 10 3. Repurchase agreements with any primary dealer in securities fully  
11 secured by obligations described in subparagraphs 1. and 2. of this  
12 paragraph if the market value of the security is maintained at one  
13 hundred three percent (103%) of the principal amount of the repurchase  
14 agreement and the security is held by an independent third-party  
15 custodian financial institution; or
- 16 4. Insured or guaranteed construction loans or mortgage loans as defined  
17 by KRS 198A.010(10) and (11); or
- 18 5. Guaranty insurance policies which guarantee payment of the principal  
19 and interest on the bonds issued by a nationally recognized entity  
20 authorized to issue guarantees and rated in the highest rating category by  
21 at least one (1) of the nationally recognized rating services;

22 the corporation shall obtain the approval of the issuance from the General  
23 Assembly in accordance with the provisions of KRS 56.870(1), unless the  
24 provisions of paragraph (b) of this subsection apply. This requirement shall  
25 not apply to refunding bond or note issues which are for the purpose of  
26 achieving debt service savings and which do not extend the term of the  
27 refunded bonds or notes.

1 (b) The corporation may provide for the issuance, at any one (1) time or from  
2 time to time, of bonds which do not satisfy the requirements of paragraph (a)  
3 of this subsection without approval of the issuance by the General Assembly if  
4 the cumulative outstanding indebtedness of the corporation that does not meet  
5 the requirements of paragraph (a) of this subsection does not exceed thirty  
6 million dollars (\$30,000,000).

7 ~~[(c) The corporation shall annually report on its housing and bonding programs to~~  
8 ~~the Interim Joint Committee on Appropriations and Revenue.]~~

9 (7) The Finance and Administration Cabinet shall provide to the corporation fiscal  
10 consultant services regarding revenue bond management as necessary.

11 ➔Section 33. KRS 214.544 is amended to read as follows:

12 (1) A Colon Cancer Screening and Prevention Advisory Committee shall be  
13 established. The advisory committee shall include:

14 (a) One (1) member of the House of Representatives who shall be appointed by  
15 the Speaker of the House;

16 (b) One (1) member of the Senate who shall be appointed by the President of the  
17 Senate;

18 (c) The deputy commissioner of the Department for Public Health;

19 (d) The commissioner of the Department of Insurance, or his or her designee;

20 (e) The commissioner of the Department for Medicaid Services, or his or her  
21 designee;

22 (f) Two (2) at-large members who shall be appointed by the Governor;

23 (g) One (1) member who shall be appointed by the Governor from a list of three  
24 (3) names provided by the American Cancer Society;

25 (h) The director of the Kentucky Cancer Program at the University of Kentucky;

26 (i) The director of the Kentucky Cancer Program at the University of Louisville;

27 (j) The director of the Kentucky Cancer Registry;



1 (k) The director of the Colon Cancer Prevention Project;

2 (l) The chair of Kentucky African Americans Against Cancer; and

3 (m) The director of the Kentucky Cancer Consortium.

4 Members of the advisory committee shall be appointed for a term of four (4) years.

5 (2) (a) Members appointed under subsection (1)(a) to (g) of this section shall be  
6 appointed as follows:

7 1. Members shall be appointed for a term of four (4) years, except as  
8 provided in subparagraph 2. of this paragraph;

9 2. The initial appointments shall be for a period of two (2) years; thereafter,  
10 the appointments shall be for a term of four (4) years; and

11 3. Members shall not serve more than two (2) terms of four (4) years.

12 (b) Members serving under subsection (1)(h) to (m) of this section shall serve by  
13 virtue of their positions and shall not be subject to term limits.

14 (3) The chair of the advisory committee shall be elected from the membership of the  
15 advisory committee to serve for a two (2) year term. A member of the advisory  
16 committee may designate an alternate to attend meetings in his or her place.

17 (4) The advisory committee may add members from other organizations as deemed  
18 appropriate.

19 (5) The advisory committee shall provide recommendations for the overall  
20 implementation and conduct of the Colon Cancer Screening and Prevention  
21 Program.

22 (6) The advisory committee shall establish and provide oversight for a colon cancer  
23 screening public awareness campaign. The Cabinet for Health and Family Services  
24 shall contract with the Kentucky Cancer Consortium at the University of Kentucky  
25 to provide the required support. The amount of the contract shall not be included in  
26 the base budget of the university as used by the Council on Postsecondary  
27 Education in determining the funding formula for the university.

1 (7) The Colon Cancer Screening and Prevention Advisory Committee shall provide an  
2 annual report on implementation and outcomes from the Colon Cancer Screening  
3 and Prevention Program and recommendations to the Legislative Research  
4 Commission, the Interim Joint Committee on Health, Welfare, and Family Services,  
5 ~~[the Interim Joint Committee on Appropriations and Revenue,]~~ the Governor, the  
6 secretary of the Cabinet for Health and Family Services, and the commissioner of  
7 the Department for Public Health.

8 (8) The Kentucky Cancer Program, jointly administered by the University of Kentucky  
9 and the University of Louisville, shall establish a colon cancer screening, education,  
10 and outreach program in each of the state area development districts. The colon  
11 cancer screening, education, and outreach program shall focus on individuals who  
12 lack access to colon cancer screening. The Cabinet for Health and Family Services  
13 shall contract with the University of Louisville and the University of Kentucky to  
14 provide the required support. The amount of the contract shall not be included in the  
15 base budgets of the universities as used by the Council on Postsecondary Education  
16 in determining the funding formula for the universities.

17 ➔Section 34. KRS 214.556 is amended to read as follows:

18 (1) There is hereby established within the Kentucky cancer program the Kentucky  
19 Cancer Registry and the cancer patient data management system for the purpose of  
20 providing accurate and up-to-date information about cancer in Kentucky and  
21 facilitating the evaluation and improvement of cancer prevention, screening,  
22 diagnosis, therapy, rehabilitation, and community care activities for citizens of the  
23 Commonwealth. The cancer patient data management system shall be administered  
24 by the Lucille Parker Markey Cancer Center.

25 (2) Each licensed health facility which provides diagnostic services, or diagnostic  
26 services and treatment, or treatment to cancer patients shall report to the Kentucky  
27 Cancer Registry, through the cancer patient data management system and in a

1 format prescribed by the Kentucky Cancer Registry, each case of cancer seen at that  
2 health facility. Failure to comply may be cause for assessment of an administrative  
3 fine for the health facility, the same as for violation of KRS 216B.250.

4 (3) Each health facility shall grant to the cancer registry access to all records which  
5 would identify cases of cancer or would establish characteristics of the cancer,  
6 treatment of the cancer, or status of any identified cancer patient. Hospitals actively  
7 participating and enrolled in the cancer patient data management system of the  
8 Kentucky Cancer Program as of July 13, 1990, shall be considered to be in  
9 compliance with this section. The Lucille Parker Markey Cancer Center shall  
10 provide staff assistance in compiling and reporting required information to hospitals  
11 which treat a low volume of patients.

12 (4) No liability of any kind or character for damages or other relief shall arise or be  
13 enforced against any licensed health facility by reason of having provided the  
14 information or material to the Kentucky Cancer Registry pursuant to the  
15 requirements of this section.

16 (5) The identity of any person whose condition or treatment has been reported to the  
17 Kentucky Cancer Registry shall be confidential, except that:

18 (a) The Kentucky Cancer Registry may exchange patient-specific data with any  
19 other cancer control agency or clinical facility for the purpose of obtaining  
20 information necessary to complete a case record, but the agency or clinical  
21 facility shall not further disclose such personal data; and

22 (b) The Kentucky Cancer Registry may contact individual patients if necessary to  
23 obtain follow-up information which is not available from the health facility.

24 (6) All information, interviews, reports, statements, memoranda, or other data furnished  
25 by reason of this section, expressly including all portions, subsets, extracts, or  
26 compilations of the data as well as any findings or conclusions resulting from those  
27 studies, shall be privileged and shall not be considered public records under KRS

1 61.870 to 61.884. The Kentucky Cancer Registry may determine that certain  
2 extracts, subsets, or compilations of data do not reveal privileged information and  
3 may be published or otherwise shared to further the public health goals set forth  
4 herein.

5 (7) The Kentucky Cancer Registry shall make periodic reports of its data and any  
6 related findings and recommendations to the Legislative Research Commission, the  
7 Interim Joint Committee~~[Committees on Appropriations and Revenue and]~~ on  
8 Health and Welfare, the Governor, the Cabinet for Health and Family Services, the  
9 reporting health facility, and other appropriate governmental and nongovernmental  
10 cancer control agencies whose intent it is to reduce the incidence, morbidity, and  
11 mortality of cancer. The Kentucky Cancer Registry may conduct analyses and  
12 studies as are indicated to advance cancer control in the Commonwealth, either  
13 directly or by confidentially sharing data with third parties.

14 ➔Section 35. KRS 216.2929 is amended to read as follows:

15 (1) (a) The Cabinet for Health and Family Services shall make available on its Web  
16 site information on charges for health-care services at least annually in  
17 understandable language with sufficient explanation to allow consumers to  
18 draw meaningful comparisons between every hospital and ambulatory facility,  
19 differentiated by payor if relevant, and for other provider groups as relevant  
20 data becomes available.

21 (b) Any charge information compiled and reported by the cabinet shall include the  
22 median charge and other percentiles to describe the typical charges for all of  
23 the patients treated by a provider and the total number of patients represented  
24 by all charges, and shall be risk-adjusted.

25 (c) The report shall clearly identify the sources of data used in the report and  
26 explain limitations of the data and why differences between provider charges  
27 may be misleading. Every provider that is specifically identified in any report

1 shall be given thirty (30) days to verify the accuracy of its data prior to public  
2 release and shall be afforded the opportunity to submit comments on its data  
3 that shall be included on the Web site and as part of any printed report of the  
4 data.

5 (d) The cabinet shall only provide linkages to organizations that publicly report  
6 comparative-charge data for Kentucky providers using data for all patients  
7 treated regardless of payor source, which may be adjusted for outliers, is risk-  
8 adjusted, and meets the requirements of paragraph (c) of this subsection.

9 (2) (a) The cabinet shall make information available on its Web site at least annually  
10 describing quality and outcome measures in understandable language with  
11 sufficient explanations to allow consumers to draw meaningful comparisons  
12 between every hospital and ambulatory facility in the Commonwealth and  
13 other provider groups as relevant data becomes available.

14 (b) 1. The cabinet shall utilize only national quality indicators that have been  
15 endorsed and adopted by the Agency for Healthcare Research and  
16 Quality, the National Quality Forum, or the Centers for Medicare and  
17 Medicaid Services; or

18 2. The cabinet shall provide linkages only to the following organizations  
19 that publicly report quality and outcome measures on Kentucky  
20 providers:

21 a. The Centers for Medicare and Medicaid Services;

22 b. The Agency for Healthcare Research and Quality;

23 c. The Joint Commission; and

24 d. Other organizations that publicly report relevant outcome data for  
25 Kentucky providers.

26 (c) The cabinet shall utilize or refer the general public to only those nationally  
27 endorsed quality indicators that are based upon current scientific evidence or

1 relevant national professional consensus and have definitions and calculation  
2 methods openly available to the general public at no charge.

- 3 (3) Any report the cabinet disseminates or refers the public to shall:
- 4 (a) Not include data for a provider whose caseload of patients is insufficient to  
5 make the data a reliable indicator of the provider's performance;
- 6 (b) Meet the requirements of subsection (1)(c) of this section;
- 7 (c) Clearly identify the sources of data used in the report and explain the  
8 analytical methods used in preparing the data included in the report; and
- 9 (d) Explain any limitations of the data and how the data should be used by  
10 consumers.
- 11 (4) The cabinet shall report at least biennially, no later than October 1 of each odd-  
12 numbered year, on the special health needs of the minority population in the  
13 Commonwealth as compared to the population in the Commonwealth as compared  
14 to the population at large. The report shall contain an overview of the health status  
15 of minority Kentuckians, shall identify the diseases and conditions experienced at  
16 disproportionate mortality and morbidity rates within the minority population, and  
17 shall make recommendations to meet the identified health needs of the minority  
18 population.
- 19 (5) The report required under subsection (4) of this section shall be submitted to the  
20 Interim Joint Committee~~[Committees]~~ on ~~[Appropriations and Revenue and]~~ Health  
21 and Welfare and to the Governor.

22 ➔Section 36. KRS 224.10-230 is amended to read as follows:

- 23 (1) The cabinet shall implement a time and accounting system to reasonably and  
24 accurately document its actual costs.
- 25 ~~(2) [The cabinet shall submit documentation of its costs to the Interim Joint~~  
26 ~~Appropriations and Revenue Committee prior to the cabinet's submittal of its~~  
27 ~~biennial budget request.~~

1 ~~(3)~~—The cabinet may promulgate regulations amending the fees set forth in KRS  
2 224.20-050, 224.46-012 to 224.46-018, and 224.70-120. The fees established in the  
3 promulgated regulations shall be based on the cabinet's actual costs.

4 ➔Section 37. KRS 342.1223 is amended to read as follows:

5 (1) The Kentucky Workers' Compensation Funding Commission is created as an  
6 agency of the Commonwealth for the public purpose of controlling, investing, and  
7 managing the funds collected pursuant to KRS 342.122.

8 (2) The commission shall:

9 (a) Hold, administer, invest, and reinvest the funds collected pursuant to KRS  
10 342.122 and its other funds separate and apart from all "state funds" or "public  
11 funds," as defined in KRS Chapter 446;

12 (b) Act as a fiduciary, as defined in KRS Chapter 386, in exercising its power  
13 over the funds collected pursuant to KRS 342.122, and may invest association  
14 funds through one (1) or more banks, trust companies, or other financial  
15 institutions with offices in Kentucky in good standing with the Department of  
16 Financial Institutions, in investments described in KRS Chapter 386, except  
17 that the funding commission may, at its discretion, invest in equity securities;

18 (c) Report to the General Assembly at each even-numbered-year regular session  
19 the actuarial soundness and adequacy of the funding mechanism for the  
20 special fund and other programs supported by the mechanism, including  
21 detailed information on the investment of funds and yields thereon;

22 (d) Recommend to the General Assembly, not later than October 31 of the year  
23 prior to each even-numbered-year regular legislative session, changes deemed  
24 necessary in the level of the assessments imposed in this chapter;

25 (e) In conjunction with the Labor Cabinet, submit to the General Assembly, not  
26 later than October 31 of the year prior to each even-numbered-year regular  
27 legislative session, a proposed budget for the biennium beginning July 1

- 1 following the even-numbered-year regular session of the General Assembly;
- 2 (f) ~~[In conjunction with the Labor Cabinet, provide to the Interim Joint~~
- 3 ~~Committee on Appropriations and Revenue an annual budget and detailed~~
- 4 ~~quarterly financial reports;~~
- 5 ~~(g)~~ Conduct periodic audits, independently or in cooperation with the Labor
- 6 Cabinet or the Department of Revenue, of all entities subject to the
- 7 assessments imposed in this chapter; and
- 8 ~~(g)~~~~(h)~~ Report monthly to the Committee~~[Committees on Appropriations and~~
- 9 ~~Revenue and]~~ on Economic Development and Workforce Investment its
- 10 monthly expenditures of restricted agency funds and the nature of the
- 11 expenditures.
- 12 (3) The commission shall have all of the powers necessary or convenient to carry out
- 13 and effectuate the purposes for which it was established, including, but not limited
- 14 to, the power:
- 15 (a) To sue and be sued, complain, or defend, in its name;
- 16 (b) To elect, appoint, or hire officers, agents, and employees, and define their
- 17 duties and fix their compensation within the limits of its budget approved by
- 18 the General Assembly. Notwithstanding any provision of KRS Chapter 18A to
- 19 the contrary, officers and employees of the funding commission may be
- 20 exempted from the classified service;
- 21 (c) To contract for investment counseling, legal, actuarial, auditing, and other
- 22 professional services in accordance with the provisions relating to personal
- 23 service contracts contained in KRS Chapter 45A;
- 24 (d) To appoint, hire, and contract with banks, trust companies, and other entities
- 25 to serve as depositories and custodians of its investment receipts and other
- 26 funds;
- 27 (e) To take any and all other actions consistent with the purposes of the



1 commission and the provisions of this chapter; and

2 (f) To make and promulgate administrative regulations.

3 (4) The Kentucky Workers' Compensation Funding Commission may utilize the  
4 investment expertise and advice of the Office of Financial Management within the  
5 Finance and Administration Cabinet. The Kentucky Workers' Compensation  
6 Funding Commission may procure one (1) or more consulting firms and enter into a  
7 personal service contract with such consulting firms to provide investment advisory,  
8 investment counseling, or investment management services. The Office of Financial  
9 Management shall participate in the selection of any firms for investment services  
10 provided, however, the Kentucky Workers' Compensation Funding Commission  
11 shall have the right to make the final decision on the selection of any firms.  
12 Notwithstanding any provisions of this section to the contrary, all contracts for  
13 investment advisory, investment counseling, or investment management services or  
14 for the management of assets shall be subject to KRS Chapter 45A. The fees  
15 charged by financial institutions for managing the investments of the funds of the  
16 funding commission shall be paid from the investment earnings of the funds.

17 (5) The commission shall be attached to the Labor Cabinet for administrative purposes  
18 only.

19 ➔Section 38. KRS 342.765 is amended to read as follows:

20 (1) Notwithstanding the provisions of KRS Chapter 342 to the contrary, the office of  
21 the Attorney General shall be responsible for the administration of the uninsured  
22 employers' fund and shall be charged with the conservation of the assets of the fund.  
23 Funds to reimburse the Attorney General's office for expenses incurred in litigation  
24 and administration in defense of the uninsured employers' fund shall be transferred  
25 upon request of the Attorney General's office and approval by the secretary of the  
26 Labor Cabinet.

27 (2) The office of the Attorney General shall report monthly to ~~the Interim Joint~~

1 ~~Committee on Appropriations and Revenue,~~ the Interim Joint Committee on  
2 Economic Development and Workforce Investment~~],~~ and the commissioner the  
3 amount of the agency fund expenditures in each month for the uninsured employers'  
4 fund and the nature of these expenditures. In addition, the Office of the Attorney  
5 General shall report quarterly to the commissioner on the amount of funds recouped  
6 from uninsured employers.

7 ➔Section 39. KRS 353.776 is amended to read as follows:

8 By January 1 each year, the authority shall make an annual report of its activities for the  
9 preceding fiscal year to the Office of the State Budget Director ~~and to the Interim Joint~~  
10 ~~Committee on Appropriations and Revenue~~. Each such report shall set forth a complete  
11 operating and financial statement covering its operations during the year. The authority  
12 shall provide for an audit of its books and accounts to be made within ninety (90) days  
13 after the close of each fiscal year by certified public accountants and the cost thereof may  
14 be treated as a part of the cost of construction of the project. Audits under this section  
15 shall be public records within the meaning of KRS 61.870 to 61.884.

16 ➔Section 40. The Commonwealth West Healthcare Workforce Innovation Center  
17 shall be established to provide accessible, healthcare-specific educational pathways in the  
18 western region of the state for postsecondary, high school, and nontraditional students to  
19 address decreased student enrollment in healthcare-related fields, resulting in expanding  
20 the pipeline of qualified healthcare workers and reducing the shortage of qualified  
21 medical staff across the Commonwealth.

22 ➔Section 41. The center shall be a health education, innovation, and simulation  
23 facility located in Owensboro that offers a combination of instruction and hands-on  
24 experiential learning opportunities to students pursuing nursing and allied health  
25 credentials. The center shall be operated and maintained through a collaborative  
26 partnership between public and private organizations, including but not limited to Brescia  
27 University, Elizabethtown Community and Technical College, Henderson Community

1 and Technical College, Hopkinsville Community and Technical College, Kentucky  
2 Wesleyan College, Madisonville Community and Technical College, Owensboro  
3 Community and Technical College, Western Kentucky University, Western Kentucky  
4 University-Owensboro, University of Louisville School of Nursing-Owensboro, and  
5 Owensboro Health, Inc.

6 →Section 42. The center shall provide in-person and virtual didactic instruction  
7 and hands-on, experiential learning opportunities while offering career paths to address  
8 immediate workforce needs, including but not limited to nursing, nursing assistant,  
9 medical office assistant, radiology science, long-term care, social work, clinical  
10 psychology, behavioral health, laboratory services, paramedic, and community healthcare  
11 workers.

12 →Section 43. The General Assembly shall provide funds for the initial start-up  
13 and operating costs of the center, including but not limited to faculty, personnel, facility,  
14 equipment, and furnishings in the form of a grant to be administered by the Kentucky  
15 Community and Technical College System and distributed to the collaborating partners  
16 and organizations in accordance with the agreements established for the center.

17 →Section 44. By January 1, 2023, and by November 1, 2024, the Kentucky  
18 Community and Technical College System shall provide a report to the Legislative  
19 Research Commission on the status of the center, including but not limited to operations,  
20 enrollment, expenditures, funding, and partnerships.

21 →Section 45. The offers of assistance for fiscal year 2022-2023 and fiscal year  
22 2023-2024 shall not be contingent upon the school district's use of available local  
23 resources.

24 →Section 46. The following KRS sections are repealed:

25 342.231 Monthly reports.

26 176.5066 Revenues relating to motorcycle safety education program fund -- Report.

27 →Section 47. Whereas it is imperative for the General Assembly to have

1 immediate access to current data and whereas the healthcare workforce shortage is a  
2 significant challenge for the Commonwealth and the provisions of this Act will help  
3 address the problem, an emergency is declared to exist, and Sections 1, 40, 41, 42, 43,  
4 and 44 of this Act take effect upon its passage and approval by the Governor or upon its  
5 otherwise becoming a law.