

1 AN ACT relating to fire department reporting.

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

3 ➔Section 1. KRS 95A.055 is amended to read as follows:

4 (1) As used in this section~~["fire department" means]:~~

5 (a) **"Fire district" means** any fire protection district or volunteer fire department
6 district operating under KRS Chapter 75 with the higher of annual receipts
7 from all sources or annual expenditures of less than one hundred thousand
8 dollars (\$100,000); ~~and~~~~or~~

9 (b) **"Nonprofit fire department" means** any fire department incorporated under
10 KRS Chapter 273.

11 (2) If a fire ~~protection district or volunteer fire department~~ district's annual revenues
12 or expenditures equals or exceeds one hundred thousand dollars (\$100,000) for two
13 (2) consecutive fiscal years, then the fire district shall, for the next reporting period
14 and any subsequent reporting period for which it exceeds that amount, be
15 considered a special purpose governmental entity as defined in KRS 65A.010 and
16 shall comply with KRS Chapter 65A until its annual revenues or expenditures are
17 less than one hundred thousand dollars (\$100,000), whereupon it may again qualify
18 as a fire department under this section.

19 (3) Each fire ~~district~~~~department~~ shall for each fiscal year beginning on and after July
20 1, 2016, annually submit to the commission the information required by this
21 section. The information shall be submitted at the time and in the form and format
22 required by the commission. The information submitted shall include at a minimum
23 the following:

24 (a) Administrative information:

25 1. The name, address, and, if applicable, the term and appointing authority
26 for each board member of the governing body of the fire
27 **district**~~department~~;

- 1 2. The fiscal year of the fire district[department];
- 2 3. The Kentucky Revised Statute and, if applicable, the local government
- 3 ordinance under which the fire district[department] was established; the
- 4 date of establishment; the establishing entity; and the statute or statutes,
- 5 local government ordinance, or interlocal agreement under which the
- 6 fire district[department] operates, if different from the statute or statutes,
- 7 ordinance, or agreement under which it was established;
- 8 4. The mailing address and telephone number and, if applicable, the Web
- 9 site uniform resource locator (URL) of the fire district[department];
- 10 5. The operational boundaries and service area of the fire
- 11 district[department] and the services provided by the fire
- 12 district[department];
- 13 6. A listing of the taxes or fees imposed and collected by the fire
- 14 district[department], including the rates or amounts charged for the
- 15 reporting period and the statutory or other source of authority for the
- 16 levy of the tax or fee;
- 17 7. The primary contact for the fire district[department] for purposes of
- 18 communication with the commission;
- 19 8. The code of ethics that applies to the fire district[department], and
- 20 whether the fire district[department] has adopted additional ethics
- 21 provisions;
- 22 9. A listing of all federal, state, and local governmental entities that have
- 23 oversight authority over the fire district[department] or to which the fire
- 24 district[department] submits reports, data, or information; and
- 25 10. Any other related administrative information required by the
- 26 commission; and
- 27 (b) Financial information including budgets and financial expenditure information

1 that are designed to ensure that all public funds received by the fire districts
2 ~~[departments]~~ are being responsibly used. The commission shall, through the
3 promulgation of an administrative regulation, establish the specific financial
4 information that shall be filed to meet the requirements of this paragraph.

5 (4) The commission shall review the reports required for fire districts by this section
6 and, if the commission finds that a report submitted does not comply with the
7 requirements established by this section and regulations promulgated hereunder, the
8 commission shall notify the fire district~~[department]~~ in writing. The notification
9 shall include a description of the specific deficiencies identified, and shall describe
10 the process the fire district~~[department]~~ shall follow to correct the deficiencies,
11 including the time within which a response must be provided.

12 (5) The commission shall ensure that every fire district or nonprofit fire department
13 shall at least once every twelve (12) months~~[four (4) years]~~ be subject to a financial
14 review that shall include procedures developed by the commission and approved by
15 the Auditor of Public Accounts in advance. Subsequent changes to these procedures
16 shall also be approved by the Auditor of Public Accounts prior to the period in
17 which they are performed.

18 (6) The commission may require any fire district or nonprofit fire department with the
19 higher of annual receipts from all sources or annual expenditures equal to or greater
20 than one hundred thousand dollars (\$100,000) but less than five hundred thousand
21 dollars (\$500,000) to once every four (4) years be subject to an independent audit in
22 the manner specified in KRS 65A.030(2).

23 (7) The commission shall ensure that every fire district or nonprofit fire department
24 with the higher of annual receipts from all sources or annual expenditures equal to
25 or greater than five hundred thousand dollars (\$500,000) for two (2) consecutive
26 fiscal years is audited annually in the manner specified in KRS 65A.030(2) until its
27 annual revenues or expenditures are less than five hundred thousand dollars

- 1 (\$500,000).
- 2 (8) The Auditor of Public Accounts may, upon request, examine and review the reports
3 and all related work papers and documents relating to a financial review or audit
4 under this section.
- 5 (9) If a fire *district or nonprofit fire* department fails to comply with this section or
6 KRS 75.430, then the commission may withhold:
- 7 (a) Incentive pay to qualified firefighters under KRS 95A.250;
- 8 (b) Volunteer fire department aid, funds used to purchase workers' compensation
9 insurance for fire *districts and nonprofit fire* departments, and the low-
10 interest loans under KRS 95A.262;
- 11 (c) Funds from the thermal vision grant program under KRS 95A.400 to
12 95A.440; and
- 13 (d) Any other funds that the commission controls.
- 14 (10) The commission shall report any irregularities relating to the finances or operations
15 of a fire *district or nonprofit fire* department that it identifies to the Attorney
16 General and Auditor of Public Accounts, and the commission may notify any other
17 public official with jurisdiction over fire *districts or nonprofit fire* departments for
18 further investigation and follow-up.
- 19 (11) The commission may prescribe corrective actions to bring fire *districts or nonprofit*
20 *fire* departments that are, as of July 15, 2016, not in compliance with KRS Chapter
21 65A into compliance with this section. Any sanctions imposed by the Department
22 for Local Government prior to July 15, 2016, shall be lifted upon notification by the
23 commission to the department that the fire *district or nonprofit fire* department in
24 question has complied with the corrective actions prescribed by the commission.
- 25 (12) The information reported by fire *districts or nonprofit fire* departments under this
26 section shall be considered public records under KRS 61.872 to 61.884. The
27 commission shall prominently post on its Web site the availability of the

1 information required by this section and shall provide contact information and
2 procedures for obtaining copies of the information.

3 (13) The commission shall promulgate administrative regulations under KRS Chapter
4 13A as soon as practicable after July 15, 2016, to implement this section and KRS
5 75.430.

6 (14) By October 1, 2016, and on or before each October 1 thereafter, the commission
7 shall file an annual report with the Legislative Research Commission detailing the
8 compliance of the fire *districts or nonprofit fire* departments required to report
9 under this section with subsection (3) of this section. The Legislative Research
10 Commission shall refer the report to the Interim Joint Committee on Local
11 Government for review.