

1 AN ACT relating to special purpose governmental entities.

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

3 ➔Section 1. KRS 65A.110 is amended to read as follows:

- 4 (1) This section applies to any ad valorem tax or fee levied by a special purpose
5 governmental entity that is not otherwise required by statute or ordinance to be
6 adopted or approved through an official act of an establishing entity.
- 7 (2) This section does not apply to:
- 8 (a) An air board established or operating under KRS 183.132 to 183.160;
- 9 (b) A fire protection district established or operating under KRS Chapter 75; or
- 10 (c) An ambulance taxing district established or operating under KRS 108.090 to
11 108.180.
- 12 (3) As used in this section, "compensating tax rate" has the same meaning as in KRS
13 132.010 and applies to all special purpose governmental entities with the authority
14 to levy ad valorem taxes, regardless of whether the special purpose governmental
15 entity is subject to KRS 132.023 or any other provision of the Kentucky Revised
16 Statutes that requires advertisement or allows for voter recall.
- 17 (4) (a) Notwithstanding any other provision of the Kentucky Revised Statutes, any
18 special purpose governmental entity, other than the special purpose
19 governmental entities described in subsection (2) of this section, proposing to
20 levy:
- 21 1. An ad valorem tax rate for the upcoming year that is projected to
22 generate more revenue than would be generated by the levy of the
23 compensating tax rate; or
- 24 2. An ad valorem tax for the first time;
- 25 shall submit in writing the proposed rate to the establishing entity. If the
26 establishing entity includes more than one (1) city or county, or if there is no
27 establishing entity, the rate shall be submitted to the governing body of the

1 city or county in which the largest number of citizens served by the special
2 purpose governmental entity reside. If the special purpose governmental entity
3 serves only the residents of a city, the notice shall be provided to the
4 governing body of that city. The rate shall be submitted no later than seven (7)
5 days after the adoption of the ordinance, order, resolution, or motion to levy a
6 tax rate that exceeds the compensating tax rate, or to levy a new ad valorem
7 tax.

8 (b) The governing body of the city or county to which the rate was submitted shall
9 have thirty (30) days from the date of submission to:

10 1. Approve or fail to act on the proposed rate, in which case the proposed
11 rate may be implemented by the special purpose governmental entity
12 after all other statutory requirements for levying the rate are met;

13 2. a. Approve a rate that is less than the proposed rate but greater than
14 the compensating tax rate when the special purpose governmental
15 entity is proposing the levy of a rate that is projected to generate
16 more revenue than would be generated by the levy of the
17 compensating tax rate; or

18 b. Approve a rate that is less than the proposed rate when the special
19 purpose governmental entity is proposing the levy of an ad
20 valorem tax for the first time.

21 If the governing body approves a rate under subdivision a. or b. of this
22 subparagraph, the approved amount of the rate may be implemented by
23 the special purpose governmental entity after all other statutory
24 requirements for levying the rate are met; or

25 3. Disapprove the entire proposed rate by a majority vote of the governing
26 body, in which case subdivisions a. and b. of this subparagraph shall
27 apply:

- 1 a. If the special purpose governmental entity levied an ad valorem tax
2 during the current year, the special purpose governmental entity
3 may levy a rate for the upcoming year that does not exceed the
4 compensating tax rate; and
- 5 b. If the special purpose governmental entity is proposing an initial
6 levy, the levy shall not be imposed, and the special purpose
7 governmental entity shall wait at least one (1) year before
8 proposing another ad valorem tax levy.
- 9 (c) Upon request of a special purpose governmental entity, the DLG shall
10 calculate rates on behalf of the special purpose governmental entity.
- 11 (5) (a) Notwithstanding any other provision of the Kentucky Revised Statutes, any
12 special purpose governmental entity, other than the special purpose
13 governmental entities described in subsection (2) of this section, proposing the
14 imposition of a new fee, or a fee which is expected to produce increased
15 revenue as compared to revenue generated during the prior fiscal year, and
16 that is not subject to an approval process for the proposed fee under another
17 provision of the Kentucky Revised Statutes or administrative regulations
18 promulgated pursuant thereto, shall submit the proposed fee to the
19 establishing entity. If the establishing entity includes more than one (1) city or
20 county, or if there is no establishing entity, the fee shall be submitted to the
21 governing body of the city or county in which the largest number of citizens
22 served by the special purpose governmental entity reside, except as provided
23 in subsection (6) of this section. If the special purpose governmental entity
24 serves only the residents of a city, the notice shall be provided to the
25 governing body of that city. The proposed fee shall be submitted to the
26 relevant city or county no later than forty-five (45) days prior to the scheduled
27 implementation of the fee.

- 1 (b) The governing body of the city or county shall have thirty (30) days from the
2 date of submission to:
- 3 1. Approve or fail to act on the proposed fee, in which case the proposed
4 fee may be implemented by the special purpose governmental entity
5 after all other statutory requirements for levying the fee are met;
 - 6 2. Approve a fee in an amount less than the amount of the proposed fee, in
7 which case the approved fee amount may be implemented by the special
8 purpose governmental entity after all other statutory requirements for
9 levying the fee are met; or
 - 10 3. Disapprove the entire proposed fee by a majority vote of the governing
11 body, in which case subdivisions a. and b. of this subparagraph shall
12 apply:
 - 13 a. If a proposed increase of an existing fee is disapproved, any fee
14 then in existence shall remain unchanged, and the special purpose
15 governmental entity shall not seek to increase the fee again for at
16 least one (1) year from the date of the submission of the
17 disapproved fee increase; and
 - 18 b. If a proposed initial fee is disapproved, the special purpose
19 governmental entity shall not seek to impose the fee again for at
20 least one (1) year from the date of the submission of the
21 disapproved initial fee.
- 22 (6) The requirements established by subsection (5) of this section shall not apply to the
23 following provisions of this subsection:
- 24 (a) Rental fees;
 - 25 (b) Fees established by contractual arrangement;
 - 26 (c) Admission fees;
 - 27 (d) Fees or charges to recover costs incurred by a special purpose governmental

- 1 entity for the connection, restoration, relocation, or discontinuation of any
2 service requested by any person;
- 3 (e) Any penalty, interest, sanction, or other fee or charge imposed by a special
4 purpose governmental entity for a failure to pay a charge or fee, or for the
5 violation or breach of or failure to pay or perform as agreed pursuant to a
6 contractual agreement or as reflected in a published schedule;
- 7 (f) Amounts charged to customers or contractual partners for nonessential
8 services provided on a voluntary basis;
- 9 (g) Fees or charges authorized under federal law that pursuant to federal law may
10 not be regulated by the Commonwealth or local governments within the
11 Commonwealth;
- 12 (h) Purchased water or sewage treatment adjustments, as authorized by KRS
13 278.015, made by a special purpose governmental entity as a direct result of a
14 rate increase by its wholesale water supplier or wholesale sewage treatment
15 provider;
- 16 (i) Any new fee or fee increase for which a special purpose governmental entity
17 must obtain prior approval from the Public Service Commission pursuant to
18 KRS Chapter 278;
- 19 (j) Other charges or fees imposed by a special purpose governmental entity for
20 the provision of any service that is also available on the open market; or
- 21 (k) Fees or charges imposed by municipal utilities for the provision of power,
22 water, wastewater, natural gas, or telecommunications services, unless
23 submission is otherwise required by statute or an ordinance adopted by the
24 establishing entity.
- 25 (7) (a) Subsections (4) and (5) of this section shall not be interpreted as transferring
26 any tax-levying or fee-levying authority granted to a special purpose
27 governmental entity under any other provision of the Kentucky Revised

1 Statutes to cities and counties charged with reviewing tax and fee increases
2 under this section.

3 (b) This section shall not be interpreted to grant tax-levying or fee-levying
4 authority on behalf of special purpose governmental entities to any city or
5 county reviewing tax rates or fees proposed by a special purpose governmental
6 entity and subject to review under this section.

7 (8) This section shall apply independently of and in addition to any other statutory
8 requirements and provisions relating to the levy of ad valorem taxes or fees by
9 special purpose governmental entities, other than the special purpose governmental
10 entities described in subsection (2) of this section, including statutory rate limits,
11 public hearing requirements, and recall provisions, and shall not be interpreted to
12 circumvent, supplant, or otherwise replace those requirements and provisions.

13 (9) The provisions of this section shall not be interpreted as limiting the ability of any
14 city, county, or other establishing entity to impose reporting or submission
15 requirements that are more stringent than those established in this section.

16 **(10) (a) If a special purpose governmental entity has implemented or increased a tax**
17 **rate without seeking and receiving the approvals necessary under this**
18 **section, or has implemented a tax or rate at an amount other than as**
19 **designated by the establishing entity or appropriate governing body under**
20 **this section, then persons who have paid those taxes on or after January 1,**
21 **2021, are entitled to a refund of the following amounts:**

22 **1. The entire amount paid under an ad valorem tax enacted for the first**
23 **time;**

24 **2. That portion of the ad valorem tax paid in excess of the compensating**
25 **tax rate; or**

26 **3. That portion of the ad valorem tax paid in excess of the amount**
27 **approved by the establishing entity or appropriate governing body.**

1 *The refund shall be awarded and distributed under KRS 134.590.*

2 *(b) If a special purpose governmental entity has implemented or increased a fee*
 3 *without seeking and receiving the approvals necessary under this section or*
 4 *implemented a fee at an amount other than as designated by the*
 5 *establishing entity or appropriate governing body under this section, then*
 6 *persons who have paid the fee on or after January 1, 2021, are entitled to a*
 7 *refund of the following amounts:*

8 *1. The entire fee enacted for the first time;*

9 *2. That portion of a fee that is increased and which produces increased*
 10 *revenue as compared to revenue generated during the prior fiscal*
 11 *year; or*

12 *3. That portion of the fee in excess of the amount approved by the*
 13 *establishing entity or appropriate governing body*

14 *No refund shall be made unless each fee payer individually applies to the*
 15 *special purpose governmental entity within two (2) years from the date*
 16 *payment was made. If the amount of fees due is in litigation, the fee payer*
 17 *shall individually apply for refund within two (2) years from the date the*
 18 *amount due is finally determined. Each claim or application for a refund*
 19 *shall be in writing and state the specific grounds upon which it is based. No*
 20 *refund shall be made until the refund is approved by resolution by the*
 21 *establishing entity or the governing body.*

22 ➔Section 2. KRS 39F.160 is amended to read as follows:

23 (1) A rescue squad taxing district may be created by the fiscal court pursuant to KRS
 24 65.182 or 65.188.

25 (2) The ad valorem tax that may be imposed for the maintenance and operation of the
 26 district shall not exceed ten cents (\$0.10) for each one hundred dollars (\$100) of the
 27 assessed valuation of all property in the district.

- 1 (3) Upon the creation of a district, the district so established shall be a taxing district
2 within the meaning of Section 157 of the Constitution of Kentucky.
- 3 (4) The district ad valorem taxes shall be collected by the sheriff in the same manner as
4 county ad valorem taxes. The sheriff shall be entitled to a fee of four percent (4%)
5 of the amount of the tax collected for the district.
- 6 (5) The affairs of the district shall be controlled by a board of directors appointed by the
7 county judge/executive, the mayor of an urban-county, or the chief executive of
8 another local government with the approval of the legislative body of that
9 jurisdiction.
- 10 (a) If the district consists of one (1) county, three (3) directors shall be appointed;
- 11 (b) If the district consists of two (2) counties, the county judge/executive of the
12 county having the greater portion of the population of the district shall appoint
13 two (2) directors and the county judge/executive of the other county shall
14 appoint the third director;
- 15 (c) If the district consists of more than two (2) counties, the county
16 judge/executive of the county having the greatest portion of the population of
17 the district shall appoint two (2) directors and the county judge/executive of
18 the remaining counties comprising the district shall each appoint one (1)
19 director;
- 20 (d) The legislative body of each city that contains a population equal to or greater
21 than three thousand (3,000) based upon the most recent federal decennial
22 census shall appoint one (1) additional director. If there is not a city within the
23 district that contains a population equal to or greater than three thousand
24 (3,000), then the city with the greatest population based upon the most recent
25 federal decennial census shall appoint one (1) additional director.
- 26 (6) The board of directors shall be appointed within thirty (30) days after the
27 establishment of the district. Each board member shall reside within the county or

1 city for which appointed. Directors shall be appointed for terms of two (2) years
2 each, except that initially the appointing authority shall appoint a minority of the
3 board members for one (1) year terms. Subsequent terms shall all be for two (2)
4 years. Any vacancies shall be filled by the appointing authority for the unexpired
5 term.

6 (7) A majority of the membership of the board shall constitute a quorum.

7 (8) A member of the board of directors may be removed from office as provided by
8 KRS 65.007.

9 (9) The board of directors shall provide rescue service to inhabitants of the district and
10 may:

11 (a) Purchase vehicles and all other necessary equipment and employ trained
12 personnel who meet all federal and state requirements;

13 (b) Adopt rules and regulations necessary to effectively and efficiently provide
14 rescue service for the district. Rules and regulations shall be consistent with
15 the provisions of this chapter;

16 (c) Employ persons to administer the daily operations of the rescue service;

17 (d) Compensate employees of the district at a rate determined by the board;

18 (e) Apply for and receive available funds from the state and federal government
19 for the purpose of maintaining or improving the rescue service of the district;
20 and

21 (f) Acquire by bequest, gift, grant, or purchase any real or personal property
22 necessary to provide rescue service.

23 (10) A district shall be eligible for grants pursuant to KRS 39F.130 and workers'
24 compensation coverage pursuant to KRS 39F.170.

25 (11) Tax revenues of a rescue squad taxing district shall be used only for rescue services
26 as described in this chapter. Tax revenues of a rescue squad taxing district shall be
27 distributed among all rescue squads in the district in proportion to the percentage of

1 the district's population served by each squad.

2 (12) The board of directors shall comply with the provisions of KRS Chapter
3 65A~~[65A.010 to 65A.090]~~.

4 ➔Section 3. KRS 65.005 is amended to read as follows:

5 (1) The provisions of this section shall apply prior to July 1, 2014. On and after July 1,
6 2014, the provisions of this section shall no longer apply; instead the provisions of
7 KRS Chapter 65A~~[65A.010 to 65A.090]~~ shall apply. Special districts shall
8 cooperate with the Department for Local Government and the Auditor of Public
9 Accounts to ensure an orderly transition from the reporting requirements of this
10 section to the reporting requirements of KRS Chapter 65A~~[65A.010 to 65A.090]~~.
11 Notwithstanding the dates established by this subsection, the provisions of this
12 section and KRS Chapter 65A~~[65A.010 to 65A.090]~~ shall be administered such that
13 the registration required by KRS 65A.090(1) occurs as required by that subsection,
14 and there is no gap in reporting by entities subject to this section and KRS 65A.010
15 to 65A.090 as the transition occurs.

16 (2) (a) "Special district" means any agency, authority, or political subdivision of the
17 state which exercises less than statewide jurisdiction and which is organized
18 for the purpose of performing governmental or other prescribed functions
19 within limited boundaries. It includes all political subdivisions of the state
20 except a city, a county, or a school district.

21 (b) "Governing body" means the body possessing legislative authority in a city,
22 county, or special district.

23 (3) No special district shall be legally created without sending notification of its
24 existence in writing to the clerk of the county within the jurisdiction of which its
25 principal office shall be located. This requirement for notification is in addition to
26 all other provisions of existing law providing for the creation of special districts.
27 The notification shall contain the names and addresses of the members of the

1 governing body of the district, the name and address of its chief executive officer, a
 2 specific reference to the statute or statutes under which it was created, and a brief
 3 description of its service area and activities. The clerk shall record the original and
 4 forward a copy of the notification to the state local finance officer and the state local
 5 debt officer, Department for Local Government. The clerk shall be paid a fee of two
 6 dollars (\$2) by the district for recording and mailing the notification.

7 (4) The governing body of any existing special district shall submit notification as
 8 required in subsection (3) of this section within thirty (30) days after June 16, 1966,
 9 and the governing body of a newly created special district shall submit the required
 10 notification at or before its first meeting.

11 ➔Section 4. KRS 65.065 is amended to read as follows:

12 (1) The provisions of this section shall apply for fiscal periods ending prior to July 1,
 13 2014. For fiscal periods beginning on or after July 1, 2014, the provisions of this
 14 section shall no longer apply; instead, the provisions of KRS Chapter 65A~~[65A.010~~
 15 ~~to 65A.090]~~ shall apply. Districts shall cooperate with the Department for Local
 16 Government and the Auditor of Public Accounts to ensure an orderly transition
 17 from the reporting requirements of this section to the reporting requirements of
 18 KRS Chapter 65A~~[65A.010 to 65A.090]~~. Notwithstanding the dates established by
 19 this subsection, the provisions of this section and KRS Chapter 65A~~[65A.010 to~~
 20 ~~65A.090]~~ shall be administered such that the registration required by KRS
 21 65A.090(1) occurs as required by that subsection, and there is no gap in reporting
 22 by entities subject to this section and KRS Chapter 65A~~[65A.010 to 65A.090]~~ as
 23 the transition occurs.

24 (2) The governing body of each district shall annually prepare a budget and, as
 25 appropriate, shall classify budget units in the same fashion as county budgets are
 26 classified in accordance with KRS 68.240(2) to (5). The state local finance officer
 27 shall prepare standard budget forms for district use and shall furnish them to county

1 clerks for distribution to district officers. No moneys shall be expended from any
2 funds or any sources, except in accordance with the budget which has been filed
3 with the fiscal court to be available for public inspection. No budget of a district
4 shall become effective until filed with the fiscal court of the county in which the
5 district is located for submission to the Department for Local Government. For
6 those districts with multicounty jurisdictions, the district shall file a copy with each
7 of the fiscal courts within the jurisdiction of the district for their review. If the
8 budget is not filed with the fiscal court at least thirty (30) days prior to the start of
9 the district fiscal year, the fiscal court shall immediately notify the county attorney.
10 The county attorney shall then notify the governing board of the special district of
11 the noncompliance and then proceed with any steps necessary to prevent the
12 expenditure of funds by the special district until the district is in compliance.

13 (3) The governing body of each district which for the year in question receives from all
14 sources or expends for all purposes less than seven hundred fifty thousand dollars
15 (\$750,000) shall annually prepare a financial statement, except that once every four
16 (4) years the district's governing body shall provide for the performance of an audit
17 as provided in subsection (5) of this section.

18 (4) The governing body of each district which for the year in question receives from all
19 sources or expends for all purposes seven hundred fifty thousand dollars (\$750,000)
20 or more shall provide for the performance of an annual audit as provided in
21 subsection (5) of this section.

22 (5) To provide for the performance of an audit, the governing body of a district shall
23 employ an independent certified public accountant or contract with the Auditor of
24 Public Accounts to perform an audit of the funds in the district budget. The audit
25 shall conform to:

26 (a) Generally accepted governmental auditing standards, which means those
27 standards for audits of governmental organizations, programs, activities, and

1 functions issued by the Comptroller General of the United States; and

2 (b) Additional procedures and reporting requirements as may be required by the
3 Auditor of Public Accounts. A unit of government furnishing funds directly to
4 a district may require additional audits at its own expense. Upon request, the
5 State Auditor of Public Accounts may review the final report and all related
6 work papers and documents of the independent certified public accountant
7 relating to the audit. If a district is required by law to audit its funds more
8 often than is required by this section, it shall perform those audits and may
9 submit them in lieu of the requirements of this section, if the audits meet the
10 requirements of this subsection.

11 (6) The provisions of subsection (3) of this section shall not apply to any district that is
12 required by law to annually submit a financial report to an agency of state
13 government. The districts shall annually submit a copy of their financial report to
14 the county judge/executive and to the state local finance officer and once every four
15 (4) years provide for the performance of an audit as provided in subsection (5) of
16 this section.

17 (7) Any resident of the district may bring an action in the Circuit Court to enforce the
18 provisions of this section. The Circuit Court shall hear the action and, on a finding
19 that the governing body of the district has violated the provisions of this section,
20 shall order the district to comply with the provisions. The Circuit Court, in its
21 discretion, may allow the prevailing party, other than the district, a reasonable
22 attorney's fee and court costs, to be paid from the district's treasury.

23 ➔Section 5. KRS 65.070 is amended to read as follows:

24 (1) The provisions of this section shall apply for fiscal periods ending prior to July 1,
25 2014. For fiscal periods beginning on and after July 1, 2014, the provisions of this
26 section shall no longer apply; instead, the provisions of KRS ***Chapter 65A***~~65A.010~~
27 ~~to 65A.090~~ shall apply. Districts shall cooperate with the Department for Local

1 Government and the Auditor of Public Accounts to ensure an orderly transition
2 from the reporting requirements of this section to the reporting requirements of
3 KRS Chapter 65A~~[65A.010 to 65A.090]~~. Notwithstanding the dates established by
4 this subsection, the provisions of this section and KRS Chapter 65A~~[65A.010 to~~
5 ~~65A.090]~~ shall be administered such that the registration required by KRS
6 65A.090(1) occurs as required by that subsection, and there is no gap in reporting
7 by entities subject to this section and KRS Chapter 65A~~[65A.010 to 65A.090]~~ as
8 the transition occurs.

- 9 (2) Within sixty (60) days following the close of the fiscal year, the district shall:
- 10 (a) File with the county clerk of each county with territory in the district a
11 certification showing any of the following information that has changed since
12 the last filing by the district:
- 13 1. The name of the district;
 - 14 2. A map or general description of its service area;
 - 15 3. The statutory authority under which it was created; and
 - 16 4. The names, addresses, and the date of expiration of the terms of office of
17 the members of its governing body and chief executive officer;
- 18 (b) Submit for review a copy of the summary financial statement with the fiscal
19 court of each county with territory in the district; and
- 20 (c) Publish, in lieu of the provisions of KRS 424.220, but in compliance with
21 other applicable provisions of KRS Chapter 424, the names and addresses of
22 the members of its governing body and chief executive officer, and either a
23 summary financial statement, which includes the location of supporting
24 documents, or the location of district financial records which may be
25 examined by the public.
- 26 (3) The district shall submit for review a copy of the audit with the fiscal court of each
27 county with territory in the district. The submission shall be made within thirty (30)

1 days of the district's receipt of the completed audit.

2 (4) The Department for Local Government shall prepare and furnish to county clerks
3 standard reporting forms which districts may use to comply with the provisions of
4 this section.

5 (5) Any resident of the district may bring an action in the Circuit Court to enforce the
6 provisions of this section. The Circuit Court shall hear the action and, on a finding
7 that the governing body of the district has violated the provisions of this section,
8 shall order the district to comply with its provisions. The Circuit Court, in its
9 discretion, may allow the prevailing party, other than the district, a reasonable
10 attorney's fee and court costs, to be paid from the district's treasury.

11 ➔Section 6. KRS 65.181 is amended to read as follows:

12 The board of any taxing district established pursuant to KRS 65.180 to 65.192 shall
13 comply with the provisions of KRS Chapter 65A~~[65A.010 to 65A.090]~~.

14 ➔Section 7. KRS 65.352 is amended to read as follows:

15 Any board formed and operating under KRS 65.350 to 65.375 shall comply with the
16 provisions of KRS Chapter 65A~~[65A.010 to 65A.090]~~.

17 ➔Section 8. KRS 65.530 is amended to read as follows:

18 (1) The purposes of the authority shall be to establish, maintain, operate, and expand
19 necessary and proper riverport and river navigation facilities, and to acquire and
20 develop property, or rights therein within the economic environs, the home county,
21 or any county adjacent thereto, of the riverport or proposed riverport to attract
22 directly or indirectly river-oriented industry. It shall have the duty and such powers
23 as may be necessary or desirable to promote and develop navigation, river
24 transportation, riverports, and riverport facilities, and to attract industrial or
25 commercial operations to the property held as industrial parks.

26 (2) The authority may establish and fix reasonable rates, charges, and fees for the use of
27 the riverport facilities which shall be published in a manner available to the general

1 public in the county in which the riverport is located. In fixing rates, charges, or fees
2 the authority may take into consideration, among other factors, the total capital
3 investment of the authority, the revenue needed properly to maintain such facilities,
4 the revenue needed properly to expand the riverport and its facilities, the portion of
5 the facilities utilized by the licensee or contracting party and its customers, and the
6 volume and type of business conducted. Any party aggrieved by the rates, charges,
7 or fees may appeal from the action of the authority to the Circuit Court of the
8 county within which the authority operates, within ninety (90) days from the date
9 that the authority finally publishes the rates, charges, or fees and gives notice of
10 same to the contracting party or licensee. The Circuit Court may hear evidence and
11 determine whether or not the rates, charges, or fees are, or are not, reasonable in
12 amount. Appeal from the judgment of the Circuit Court may be prosecuted as any
13 other civil appeal.

14 (3) The authority shall also have power, from time to time, to fix rates, charges, or fees
15 by contract, or by publishing general rates, charges, or fees for commercial vendors,
16 concessionaires, or other persons for the use or occupancy of riverport facilities
17 under the terms and conditions it deems to be in the best interest of maintaining,
18 operating, or expanding necessary riverport facilities, and the public use thereof.

19 (4) The authority may acquire by contract, lease, purchase, option, gift, condemnation,
20 or otherwise any real or personal property, or rights therein, necessary or suitable
21 for establishing, developing, operating, or expanding riverports, riverport facilities,
22 water navigation facilities, including spoilage areas for the disposal of materials
23 dredged from river bottoms in an effort to improve the navigability of rivers, reserve
24 storage areas and reserves of bulk materials utilized by the authority or any person
25 acting as the authority's agent or licensee, and industrial parks or sites within the
26 economic environs of the riverport or proposed riverport. The authority may erect,
27 equip, operate, and maintain on the property buildings and equipment necessary and

1 proper for riverport and water navigation facilities. The authority may dispose of
2 any real or personal property, or rights therein, which in the opinion of the authority
3 is not needed for use as riverport or water navigation facilities, or use as industrial
4 parks or sites. The authority may lease, sell, convey, or assign its interest in land
5 owned, optioned, or otherwise held by it to any person for the purpose of
6 constructing and/or operating any industrial or commercial facility or for the
7 purpose of acting as the authority's agent or licensee in effectively carrying out any
8 of its powers and duties.

9 (5) With the consent of the legislative body of the governmental unit in which the
10 property to be condemned is located, the authority may by resolution, reciting that
11 the property cannot be acquired by purchase or agreement and is needed for
12 riverport, water navigation, or industrial purposes in accordance with the powers set
13 forth in subsection (4) of this section, direct the condemnation of any property. The
14 procedure for condemnation shall conform to the procedure set out in the Eminent
15 Domain Act of Kentucky.

16 (6) The authority may apply for, receive authorization for, establish, and operate a
17 foreign trade zone, as permitted by 19 U.S.C. sec. 81, provided approval is obtained
18 from the Cabinet for Economic Development.

19 (7) The authority shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
20 ~~65A.090]~~.

21 ➔Section 9. KRS 65.661 is amended to read as follows:

22 Any emergency services board established pursuant to KRS 65.660 to 65.679 shall
23 comply with the provisions of KRS Chapter 65A~~[65A.010 to 65A.090]~~.

24 ➔Section 10. KRS 65.8925 is amended to read as follows:

25 (1) By January 1, 2012, the commissioners of a regional wastewater commission
26 established under the provisions of KRS 65.8901 to 65.8923 shall provide public
27 access to records relating to expenditures of the commission through display of the

1 records on a Web site.

- 2 (2) The Web site shall be in a searchable format and shall provide financial information
3 about expenditures not exempt under the provisions of state or federal law,
4 including:
- 5 (a) The payee name;
 - 6 (b) The category or type of expenditure;
 - 7 (c) A description of the reason for the expenditure, if available;
 - 8 (d) The expenditure amount;
 - 9 (e) An electronic link to documents relating to the expenditure, if the documents
10 are available electronically;
 - 11 (f) The budget adopted by the commission and subsequent amendments to that
12 budget;
 - 13 (g) The completed annual audit results; and
 - 14 (h) Any other information deemed relevant by the commission.

15 (3) Information on the Web site shall be updated at least on a monthly basis and shall
16 be maintained on the Web site for at least three (3) years.

17 (4) (a) The regional wastewater commission shall register with the Department for
18 Local Government as required by KRS 65A.090.

19 (b) For fiscal periods beginning on and after July 1, 2014, the provisions of KRS
20 Chapter 65A ~~{65A.010 to 65A.090}~~ shall apply to regional wastewater
21 commissions. Commissioners shall work with the Department for Local
22 Government to provide the information required by this section through the
23 registry established by KRS 65A.020.

24 ➔Section 11. KRS 65.905 is amended to read as follows:

25 (1) Except as otherwise provided in subsection (2) of this section, each local
26 government shall annually, after the close of the fiscal year, complete a uniform
27 financial information report. The report shall be submitted to the Department for

1 Local Government by May 1 immediately following the close of the fiscal year. The
2 Department for Local Government shall immediately send the compiled data from
3 the uniform financial information report to the Legislative Research Commission in
4 accordance with KRS 65.925 to be used for the purposes of KRS 6.955 to 6.975.

5 (2) The final quarterly report filed by a county within fifteen (15) days after the end of
6 the last quarter of the fiscal year, in accordance with KRS 68.360(2), shall be
7 deemed the uniform financial information report for that county for purposes of
8 compliance with KRS 65.900 to 65.925.

9 (3) (a) 1. Each city may have the uniform financial information report completed
10 by its selected auditor as part of the terms and conditions of the written
11 agreement between the city and the auditor in accordance with KRS
12 91A.040.

13 2. Each county may have the uniform financial information report
14 completed by its auditor selected in accordance with KRS 43.070 or
15 64.810.

16 ~~[3. For fiscal periods ending prior to July 1, 2014, each special district may~~
17 ~~have the uniform financial information report completed by its auditor~~
18 ~~selected in accordance with KRS 65.065. For fiscal periods beginning on~~
19 ~~and after July 1, 2014, the provisions of this section shall no longer~~
20 ~~apply to special districts. Instead, the provisions of KRS 65A.010 to~~
21 ~~65A.090 shall apply. Notwithstanding the dates established by this~~
22 ~~subparagraph, the provisions of this section and KRS 65A.010 to~~
23 ~~65A.090 shall be administered such that the registration required by~~
24 ~~KRS 65A.090(1) occurs as required by that subsection, and there is no~~
25 ~~gap in reporting by entities subject to this section and KRS 65A.010 to~~
26 ~~65A.090 as the transition occurs.]~~

27 (b) If a city does not use the auditor to complete the uniform financial information

1 report, it shall by order designate an elected or nonelected official to be
2 responsible for annually completing the report and submitting it to the
3 Department for Local Government.

4 (c) If a local government has any agency, board, or commission that receives any
5 funding from the local government, but conducts its operations on an
6 autonomous or semi-autonomous basis, the local government shall note on the
7 uniform financial information report the name of the agency, board, or
8 commission; the mailing address of the agency, board, or commission; and the
9 dollar amount annually appropriated by the local government to the agency,
10 board, or commission.

11 (4) The Department for Local Government shall by administrative regulation prescribe
12 the format of the uniform financial information report, and shall attempt to
13 coordinate and combine efforts with the United States Bureau of the Census in the
14 development of the format of the uniform financial information report so that a
15 single report will meet the needs of both agencies and fulfill the requirements of
16 KRS 65.900 to 65.925. Regardless of any agreement between the Department for
17 Local Government and the United States Bureau of the Census, the Department for
18 Local Government shall maintain responsibility for assuring that a uniform financial
19 information report is distributed to each local government as soon as practicable
20 after the close of each fiscal year, but in no event later than one hundred twenty
21 (120) days prior to the required submission date of May 1.

22 (5) The Department for Local Government shall use the uniform financial information
23 report to replace as many financial information forms as possible that local
24 governments are currently required to complete and submit to that office for use by
25 either the state or federal governments, by consolidating the required information
26 into the uniform report.

27 ➔Section 12. KRS 65A.020 is amended to read as follows:

1 (1) The DLG shall:

2 (a) On or before March 1, 2014, make the necessary reporting and certification
3 forms, online reporting portal, and online central registry available for
4 reporting by special purpose governmental entities. The portal and registry
5 shall serve as a unified location for the reporting of and access to
6 administrative and financial information by special purpose governmental
7 entities; and

8 (b) On or before October 1, 2014, make available online public access to
9 administrative and financial information reported by special purpose
10 governmental entities.

11 (2) (a) For each fiscal period beginning on or after July 1, 2014, all special purpose
12 governmental entities shall annually submit to the DLG the information
13 required by this section. The information shall be submitted in accordance
14 with this section, at the time, and in the form and format required by the DLG.
15 The information submitted shall include at a minimum the following:

16 1. Administrative information:

17 a. The name, address, and, if applicable, the term and appointing
18 authority for each board member of the governing body of the
19 entity;

20 b. The fiscal year of the entity;

21 c. The Kentucky Revised Statute and, if applicable, the local
22 government ordinance and interlocal agreement under which the
23 entity was established; the date of establishment; the establishing
24 entity; and the statute or statutes, local government ordinance, or
25 interlocal agreement under which the entity operates, if different
26 from the statute or statutes, ordinance, or agreement under which it
27 was established;

- 1 d. The mailing address and telephone number and, if applicable, the
2 Web site uniform resource locator (URL) of the entity;
- 3 e. The operational boundaries and service area of the entity and the
4 services provided by the entity;
- 5 f. i. A listing of all the most significant taxes or fees imposed and
6 collected by the entity, including the rates or amounts
7 charged for the reporting period and the statutory or other
8 source of authority for the levy of the tax or fee.
- 9 ii. As used in this subdivision, "most significant taxes or fees"
10 means the five (5) taxes or fees levied by the entity that
11 produce the most tax and fee revenue for the entity, provided
12 that if the top five (5) revenue-producing taxes and fees do
13 not produce at least eighty-five percent (85%) of all tax and
14 fee revenues received by the entity, additional taxes and fees
15 shall be listed until the taxes and fees listed produce at least
16 eighty-five percent (85%) of all tax and fee revenues of the
17 entity. If an entity levies fewer than five (5) taxes and fees,
18 the entity shall list all taxes and fees levied;
- 19 g. The primary contact for the entity for purposes of communication
20 from the DLG;
- 21 h. The code of ethics that applies to the entity, and whether the entity
22 has adopted additional ethics provisions;
- 23 i. A listing of all federal, state, and local governmental entities that
24 have oversight authority over the special purpose governmental
25 entity or to which the special purpose governmental entity submits
26 reports, data, or information; and
- 27 j. Any other related administrative information required by the DLG;

1 and

2 2. Financial information:

3 a. i. The most recent adopted budget of the entity for the
4 upcoming fiscal year;

5 ii. After the close of each fiscal year, a comparison of the
6 budget to actual revenues and expenditures for each fiscal
7 year, including any amendments made throughout the fiscal
8 year to the budget originally submitted;

9 iii. Completed audits or attestation engagements as provided in
10 KRS 65A.030; and

11 iv. Other financial oversight reports or information required by
12 the DLG.

13 b. In lieu of the submissions required by subdivision a.i., ii., and iv.
14 of this subparagraph:

15 i. A federally regulated municipal utility shall submit, after the
16 close of each fiscal year, the monthly balance, revenue, and
17 expense report required by the federal regulator, which
18 constitutes year-end data; and

19 ii. A public utility established pursuant to KRS 96.740 that is
20 not a federally regulated municipal utility shall submit after
21 the close of each fiscal year a report that includes the same
22 information, in the same format as is required for federally
23 regulated municipal utilities under subpart i. of this
24 subdivision.

25 (b) The provisions of KRS 65A.040 shall apply when a special purpose
26 governmental entity fails to submit the information required by this section in
27 a timely manner, or submits information that does not comply with the

1 requirements and standards established by this section and the DLG. To
2 facilitate the enforcement of these provisions, the DLG shall establish and
3 maintain an online list of due dates for the filing of reports, audit
4 certifications, and information for each special purpose governmental entity.

5 (c) The provisions of this subsection shall be in addition to, and shall not supplant
6 or replace any reporting or filing requirements established by other provisions
7 of the Kentucky Revised Statutes.

8 (3) (a) The DLG shall, by administrative regulation adopted pursuant to KRS Chapter
9 13A, develop standard forms, protocols, timeframes, and due dates for the
10 submission of information by special purpose governmental entities. All
11 information shall be submitted electronically; however, the DLG may allow
12 submission by alternative means, with the understanding that the DLG shall
13 be responsible for converting the information to a format that will make it
14 accessible through the registry.

15 (b) In an effort to reduce duplicative submissions to different governmental
16 entities and agencies, during the development of the forms, protocols,
17 timeframes, and due dates, the DLG shall consult with other governmental
18 entities and agencies that may use the information submitted by special
19 purpose governmental entities, and may include the information those
20 agencies and entities need to the extent possible.

21 (c) As an alternative to completing and submitting any standard form developed
22 by the DLG for the reporting of financial information, federally regulated
23 municipal utilities and public utilities established pursuant to KRS 96.740 that
24 are not federally regulated municipal utilities may elect to satisfy the reporting
25 requirements established by subsection (2)(a)2. of this section for the public
26 power components of their operations by reporting the financial information
27 related to their electric system accounts in accordance with the Federal Energy

1 Regulatory Commission's Uniform System of Accounts.

2 (4) (a) Beginning October 1, 2014, all information submitted by special purpose
3 governmental entities under this section shall be publicly available through the
4 registry. The registry shall be updated at least monthly, but may be updated
5 more frequently at the discretion of the DLG. The registry shall include a
6 notation indicating the date of the most recent update.

7 (b) The registry shall be in a searchable format and shall, at a minimum, allow a
8 search by county, by special purpose governmental entity name, and by type of
9 entity.

10 (c) To the extent possible, the registry shall be linked to or accessed through the
11 Web site established pursuant to KRS 42.032 to provide public access to
12 expenditure records of the executive branch of state government.

13 (5) (a) To offset the costs incurred by the DLG in maintaining and administering the
14 registry, the costs incurred in providing education for the governing bodies
15 and employees of special purpose governmental entities as required by KRS
16 65A.060, and the costs incurred by the DLG and the Auditor of Public
17 Accounts in responding to and acting upon noncompliant special purpose
18 governmental entities under KRS 65A.040, excluding costs associated with
19 conducting audits or special examinations, each special purpose governmental
20 entity shall pay a registration fee to the DLG on an annual basis at the time of
21 registration under this section.

22 (b) The initial annual fee shall be as follows:

23 1. For special purpose governmental entities with annual revenue from all
24 sources of less than one hundred thousand dollars (\$100,000), twenty-
25 five dollars (\$25);

26 2. For special purpose governmental entities with annual revenues from all
27 sources of at least one hundred thousand dollars (\$100,000) but less than

1 five hundred thousand dollars (\$500,000), two hundred fifty dollars
2 (\$250); and

3 3. For special purpose governmental entities with annual revenues of five
4 hundred thousand dollars (\$500,000) or greater, five hundred dollars
5 (\$500).

6 (c) If the costs of administering and maintaining the registry, providing education,
7 and enforcing compliance change over time, the fee and tiered structure
8 established by paragraph (b) of this subsection may be adjusted one (1) time
9 by the DLG through the promulgation of an administrative regulation under
10 KRS Chapter 13A. The rate, if adjusted, shall be set at a level no greater than
11 a level that is expected to generate sufficient revenue to offset the actual cost
12 of maintaining and administering the registry, providing education for the
13 governing bodies and employees of special purpose governmental entities, and
14 enforcing compliance.

15 (d) The portion of the registration fee attributable to expenses incurred by the
16 Auditor of Public Accounts for duties and services other than conducting
17 audits or special examinations shall be collected by the DLG and transferred
18 to the Auditor of Public Accounts on a quarterly basis. Prior to the transfer of
19 funds, the Auditor of Public Accounts shall submit an invoice detailing the
20 actual costs incurred, which shall be the amount transferred; however, the
21 amount transferred to the Auditor of Public Accounts under the initial fee
22 established by paragraph (b) of this section shall not exceed the annual
23 amount agreed to between the DLG and the Auditor of Public Accounts.

24 (e) 1. In determining the annual fee due from a special purpose governmental
25 entity, the DLG may exclude revenues received by the special purpose
26 governmental entity if:

27 a. The revenues constitute nonrecurring, nonoperating grants for the

- 1 purpose of capital asset acquisition, capital construction, disaster
2 recovery efforts, or other one (1) time purposes as determined by
3 the DLG; and
- 4 b. The special purpose governmental entity requests, in writing to the
5 DLG and for each fiscal year it receives the revenue in question,
6 that the revenues in question not be included in determining its
7 annual revenues.
- 8 2. In determining the annual fee due from a special purpose governmental
9 entity that is a public use airport operating under KRS 183.132 to
10 183.160, the DLG may exclude revenues received by that public use
11 airport if the revenues constitute nonoperating or recurring grants for the
12 purpose of capital asset acquisition, capital construction, disaster
13 recovery efforts, or other one (1) time purposes as determined by the
14 DLG.
- 15 3. Any receipts excluded under this paragraph shall still be reported as
16 required under subsection (2)(a)2. of this section.
- 17 (6) ~~{By October 1, 2014, and }~~On or before ~~{each }~~October 1 ***of each year***~~{thereafter}~~,
18 the DLG shall file an annual report with the Legislative Research Commission
19 detailing the compliance of special purpose governmental entities with the
20 provisions of ***this chapter***~~[KRS 65A.010 to 65A.090]~~. The Legislative Research
21 Commission shall refer the report to the Interim Joint Committee on Local
22 Government for review.
- 23 ➔Section 13. KRS 65A.030 is amended to read as follows:
- 24 (1) For fiscal periods beginning on or after July 1, 2014, requirements relating to audits
25 and financial statements of special purpose governmental entities are as follows:
- 26 (a) Every special purpose governmental entity with the higher of annual receipts
27 from all sources or annual expenditures of less than one hundred thousand

1 dollars (\$100,000) shall:

- 2 1. Annually prepare a financial statement; and
- 3 2. Once every four (4) years, contract for the application of an attestation
- 4 engagement as determined by the DLG, as provided in subsection (2) of
- 5 this section;

6 (b) Every special purpose governmental entity with the higher of annual receipts

7 from all sources or annual expenditures equal to or greater than one hundred

8 thousand dollars (\$100,000) but less than five hundred thousand dollars

9 (\$500,000) shall:

- 10 1. Annually prepare a financial statement; and
- 11 2. Once every four (4) years, contract for the provision of an independent
- 12 audit as provided in subsection (2) of this section; and

13 (c) Every special purpose governmental entity with the higher of annual receipts

14 from all sources or annual expenditures equal to or greater than five hundred

15 thousand dollars (\$500,000) shall:

- 16 1. Annually prepare a financial statement; and
- 17 2. Be audited annually as provided in subsection (2) of this section.

18 (2) (a) To provide for the performance of an audit or attestation engagement as

19 provided in subsection (1)(a) to (c) of this section, the governing body of a

20 special purpose governmental entity shall employ an independent certified

21 public accountant or contract with the Auditor of Public Accounts to conduct

22 the audit or attestation engagement unless the provisions of subsection (3) of

23 this section apply.

24 (b) The audit or attestation engagement shall be completed no later than twelve

25 (12) months following the close of the fiscal year subject to the audit or the

26 attestation engagement.

27 (c) 1. The special purpose governmental entity shall submit for publication on

- 1 the registry the audit or attestation engagement, in the form and format
2 required by the DLG.
- 3 2. A federally regulated municipal utility may comply with the
4 requirements of this section for the public power component of its
5 operations by submitting an audit that conforms to the requirements
6 imposed by the federal agency with which it maintains a wholesale
7 power contract.
- 8 3. A public utility established pursuant to KRS 96.740 that is not a
9 federally regulated municipal utility may comply with the requirements
10 of this section for the public power component of its operations by
11 submitting a copy of its annual audit performed under KRS 96.840.
- 12 (d) 1. The audit or attestation engagement shall conform to:
- 13 a. Generally accepted governmental auditing or attestation standards,
14 which means those standards for audits or attestations of
15 governmental organizations, programs, activities, and functions
16 issued by the Comptroller General of the United States;
- 17 b. Generally accepted auditing or attestation standards, which means
18 those standards for all audits or attestations promulgated by the
19 American Institute of Certified Public Accountants; and
- 20 c. Additional procedures and reporting requirements as may be
21 required by the Auditor of Public Accounts.
- 22 2. Rather than meeting the standards established by subparagraph 1. of this
23 paragraph, the audit submitted by a federally regulated municipal utility
24 or a public utility established pursuant to KRS 96.740 that is not a
25 federally regulated municipal utility with regard to the public power
26 component of the utility's operations shall conform to KRS 96.840 and
27 the financial standards of the Federal Energy Regulatory Commission's

1 Uniform System of Accounts.

2 (e) Upon request, the Auditor of Public Accounts may review the final report and
3 all related work papers and documents of the independent certified public
4 accountant relating to the audit or attestation engagement.

5 (f) If a special purpose governmental entity is required by another provision of
6 law to audit its funds more frequently or more stringently than is required by
7 this section, the special purpose governmental entity shall comply with the
8 provisions of that law, and shall comply with the requirements of paragraph
9 (c) of this subsection.

10 (g) Notwithstanding any provision of the Kentucky Revised Statutes to the
11 contrary, a unit of government furnishing funds directly to a special purpose
12 governmental entity may require additional audits at the expense of the unit of
13 government furnishing the funds.

14 (h) All audit reports, attestation engagement reports, and financial statements of
15 special purpose governmental entities shall be public records.

16 (3) (a) Any board, commission, or agency established by statute with regulatory
17 authority or oversight responsibilities for a category of special purpose
18 governmental entities may apply to the Auditor of Public Accounts to be
19 approved to provide an alternative financial review of the special purpose
20 governmental entities it regulates or oversees that are required by subsection
21 (1)(a) of this section to submit an attestation engagement. The application
22 shall be in the form and format determined by the Auditor of Public Accounts.

23 (b) The Auditor of Public Accounts shall review the application and if the auditor
24 determines that the board, commission, or agency has the resources and
25 capacity to conduct an acceptable alternative financial review, the auditor
26 shall notify the DLG that the board, commission, or agency is approved to
27 provide an alternative financial review of the special purpose governmental

1 entities it regulates or oversees that are required by subsection (1)(a) of this
2 section to submit an attestation engagement.

3 (c) The Auditor of Public Accounts shall advise the DLG and the board,
4 commission, or agency regarding modifications to the proposed alternative
5 financial review procedures necessary to obtain the Auditor of Public
6 Accounts' approval.

7 (d) Any board, commission, or agency approved to provide alternative financial
8 reviews shall reapply to the Auditor of Public Accounts for approval to
9 continue to provide alternative financial reviews at least every four (4) years.
10 The Auditor of Public Accounts may require more frequent approvals.

11 (e) The Auditor of Public Accounts or the DLG may withdraw any approval
12 granted under this subsection if the board, commission, or agency fails to
13 conduct alternative financial reviews using the procedures and including the
14 terms and components agreed to with the DLG.

15 (f) Any board, commission, or agency approved to provide alternative financial
16 reviews shall notify the Auditor of Public Accounts and the DLG if an
17 irregularity is found in the alternative financial review.

18 (g) Any special purpose governmental entity subject to regulation or oversight by
19 a board, commission, or agency that obtains approval to provide an alternative
20 financial review under this subsection shall have the option of having an
21 alternative financial review performed by the board, commission, or agency,
22 or may contract for the application of an attestation engagement as provided in
23 subsection (1)(a) of this section.

24 (4) The DLG shall determine which procedures conducted under attestation standards
25 will apply to special purpose governmental entities meeting the conditions
26 established by subsection (1)(a) of this section. The DLG may determine that
27 additional procedures be conducted under attestation standards for specific

1 categories of special purpose governmental entities or for specific special purpose
2 governmental entities, as needed, to obtain the oversight and information deemed
3 necessary by the DLG.

4 (5) Based on the information submitted by special purpose governmental entities under
5 KRS Chapter 65A~~[65A.020 and 65A.090]~~, the DLG shall determine when each
6 special purpose governmental entity was last audited, and shall notify the special
7 purpose governmental entity of when each audit or attestation engagement is due
8 under the new standards and requirements of this section.

9 (6) (a) In determining the requirements relating to audits and financial statements of
10 special purpose governmental entities under subsection (1) of this section, the
11 DLG may exclude annual receipts received by the special purpose
12 governmental entity if:

- 13 1. The receipts constitute nonrecurring, nonoperating grants for the purpose
14 of capital asset acquisition, capital construction, disaster recovery
15 efforts, or other one (1) time purposes as determined by the DLG; and
- 16 2. The special purpose governmental entity requests, in writing to the DLG
17 and for each fiscal year it receives the revenue in question, that the
18 revenues in question not be included in determining its annual revenues.

19 (b) In determining the requirements relating to audits and financial statements
20 under subsection (1) of this section of special purpose governmental entities
21 that are public use airports operating under KRS 183.132 to 183.160, the DLG
22 may exclude annual receipts received by those public use airports if the
23 receipts constitute nonoperating or recurring grants for the purpose of capital
24 asset acquisition, capital construction, disaster recovery efforts, or other one
25 (1) time purposes as determined by the DLG.

26 (c) Any receipts excluded under paragraph (a) or (b) of this subsection shall still
27 be reported as required under KRS 65A.020(2)(a)2.

1 (7) The DLG may promulgate administrative regulations pursuant to KRS Chapter 13A
2 to implement the provisions of this section.

3 ➔Section 14. KRS 65A.040 is amended to read as follows:

4 (1) The provisions of this section shall apply when any special purpose governmental
5 entity fails to submit information or submits noncompliant information under KRS
6 65A.020.

7 (2) If a special purpose governmental entity fails to submit information in a timely
8 manner or submits noncompliant information, the DLG shall, within thirty (30) days
9 after the due date of the information, notify the special purpose governmental entity
10 and the establishing entity in writing that:

11 (a) Either:

- 12 1. The required information was not submitted in a timely manner; or
- 13 2. The information submitted was noncompliant and the reason for
14 noncompliance;

15 (b) The special purpose governmental entity shall have thirty (30) days from the
16 date of the notice to submit the information; and

17 (c) Failure to submit compliant information:

18 1. Will result in:

- 19 a. Any funds due the entity and in the possession of any agency,
20 entity, or branch of state government being withheld by the state
21 government entity until the report or information is submitted; and
- 22 b. Publication of a notice of noncompliance in a newspaper having
23 general circulation in the area where the special purpose
24 governmental entity operates; and

25 2. May result in the Auditor of Public Accounts or the auditor's designee
26 performing an audit or special examination of the special purpose
27 governmental entity at the expense of the entity.

- 1 (3) Upon the failure of a special purpose governmental entity to submit information in
2 response to the notice sent under subsection (2) of this section, the DLG shall,
3 within fifteen (15) days after the passage of the thirty (30) day period:
- 4 (a) Notify in writing the Auditor of Public Accounts, the establishing entity, and
5 any entity having oversight or responsibility of the special purpose
6 governmental entity at the state level. The notice shall include at a minimum
7 the name, mailing address, and primary contact name for the special purpose
8 governmental entity, as well as details about the information that is past due;
- 9 (b) Notify the Finance and Administration Cabinet that the special purpose
10 governmental entity has failed to comply with the reporting requirements of
11 this chapter [~~KRS 65A.010 to 65A.090~~], and that any funds in the possession
12 of any agency, entity, or branch of state government shall be withheld until
13 further notice; and
- 14 (c) 1. Cause to be published in the newspaper having general circulation in the
15 area where the special purpose governmental entity operates a notice of
16 noncompliance. The notice shall meet the requirements of KRS Chapter
17 424 and shall include:
- 18 a. Identification of the special purpose governmental entity;
- 19 b. A statement that the special purpose governmental entity failed to
20 comply with the reporting requirements established by KRS
21 65A.020;
- 22 c. The names of the board members of the special purpose
23 governmental entity;
- 24 d. The name and contact information of the individual provided as
25 the contact for the special purpose governmental entity; and
- 26 e. Any other information the DLG may require.
- 27 2. The cost of publication of the notice shall be borne by the special

1 purpose governmental entity. If the notice includes more than one (1)
2 special purpose governmental entity, the cost shall be divided equally
3 among the entities included in the notice.

4 (4) Upon receipt of notification under subsection (3)(b) of this section, the secretary of
5 the Finance and Administration Cabinet shall, within ten (10) days after receipt of
6 the notice, notify all state agencies, entities, and branches of state government to
7 withhold any funds due the noncompliant special purpose governmental entity.

8 (5) (a) The Auditor of Public Accounts shall, within thirty (30) days after the receipt
9 of information from the DLG under subsection (3)(a) of this subsection, notify
10 in writing the special purpose governmental entity that the entity may be
11 subject to an audit or special examination at the expense of the special
12 purpose governmental entity.

13 (b) The Auditor of Public Accounts may initiate an audit or special examination
14 of any special purpose governmental entity any time after sending the notice
15 required by paragraph (a) of this subsection. Any audit or special examination
16 initiated pursuant to this subsection shall be at the expense of the special
17 purpose governmental entity.

18 (c) Once commenced, an audit or special examination may be completed
19 regardless of whether the special purpose governmental entity subsequently
20 submits the required information.

21 (d) The audit or special examination shall be prepared and submitted as required
22 by KRS 65A.020 and 65A.030.

23 (6) Upon receipt of all required information from a noncompliant special purpose
24 governmental entity, the DLG shall notify in writing the Auditor of Public
25 Accounts, the establishing entity, and the Finance and Administration Cabinet, and
26 the secretary of the Finance and Administration Cabinet shall notify all state
27 agencies, entities, and branches of state government that funds withheld may once

1 again be distributed to the special purpose governmental entity.

2 (7) Any resident or property owner of the service area of a special purpose
3 governmental entity may bring an action in the Circuit Court to enforce the
4 provisions of KRS 65A.020. The Circuit Court, in its discretion, may allow the
5 prevailing party, other than the special purpose governmental entity, a reasonable
6 attorney's fee and court costs, to be paid from the special purpose governmental
7 entity's treasury.

8 ➔Section 15. KRS 68.601 is amended to read as follows:

9 The board of trustees shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
10 ~~65A.090]~~.

11 ➔Section 16. KRS 74.070 is amended to read as follows:

12 (1) The commission shall be a body corporate for all purposes, and may make contracts
13 for the water district with municipalities and other persons.

14 (2) All corporate powers of the water district shall be exercised by, or under the
15 authority of, its commission. The business and affairs of the water district shall be
16 managed under the direction and oversight of its commission.

17 (3) The commission may prosecute and defend suits, hire the chief executive officer
18 and do all acts necessary to carry on the work of the water district.

19 (4) The commission may adopt bylaws not inconsistent with the provisions of this
20 chapter.

21 (5) The commission shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
22 ~~65A.090]~~.

23 ➔Section 17. KRS 75A.060 is amended to read as follows:

24 (1) The board shall oversee the provision of emergency services to residents within the
25 service area of the district and may:

26 (a) Purchase vehicles and all other necessary equipment and employ trained
27 personnel who meet all federal and state requirements;

- 1 (b) Adopt rules and regulations necessary to effectively and efficiently provide
2 emergency services for the district;
- 3 (c) Employ a chief;
- 4 (d) Employ persons to administer the daily operations of the emergency services
5 district;
- 6 (e) Compensate employees of the district at a rate determined by the board;
- 7 (f) Apply for and receive available funds from the state and federal governments
8 for the purpose of maintaining or improving the emergency services of the
9 district; and
- 10 (g) Acquire by bequest, gift, grant, or purchase any real or personal property
11 necessary to provide emergency services.
- 12 (2) The establishment, maintenance, and operation of a consolidated emergency
13 services district shall include but not be limited to the following activities:
- 14 (a) Acquisition and maintenance of adequate fire protection and, where
15 applicable, emergency medical response facilities or rescue facilities;
- 16 (b) Acquisition and maintenance of adequate firefighting and, where applicable,
17 medical response equipment or rescue equipment;
- 18 (c) Recruitment, training and supervision of firefighters and, where applicable,
19 any emergency medical service or rescue personnel;
- 20 (d) Control and extinguishment of fires;
- 21 (e) Prevention of fires;
- 22 (f) Conducting fire safety activities;
- 23 (g) Payment of compensation to firefighters and where applicable, to emergency
24 medical service and rescue personnel, and providing the necessary support and
25 supervisory personnel;
- 26 (h) Payment for reasonable benefits or a nominal fee to volunteer firefighters
27 when benefits and fees do not constitute wages or salaries under KRS Chapter

1 337 and are not taxable as income to the volunteer firefighters under Kentucky
2 or federal income tax laws; and

3 (i) Use of consolidated emergency services district equipment for activities which
4 are for a public purpose and which do not materially diminish the value of the
5 equipment.

6 (3) The board shall comply with KRS Chapter 65A~~[65A.010 to 65A.090]~~.

7 ➔Section 18. KRS 76.007 is amended to read as follows:

8 The board of the district shall comply with the provisions of KRS Chapter 65A~~[65A.010~~
9 ~~to 65A.090]~~ for both the district and any subdistrict established pursuant to KRS 76.241
10 to 76.273.

11 ➔Section 19. KRS 76.234 is amended to read as follows:

12 The board shall comply with the provisions of KRS Chapter 65A~~[65A.010 to 65A.090]~~.

13 ➔Section 20. KRS 76.2775 is amended to read as follows:

14 The board shall comply with the provisions of KRS Chapter 65A~~[65A.010 to 65A.090]~~.

15 ➔Section 21. KRS 76.326 is amended to read as follows:

16 The board shall comply with the provisions of KRS Chapter 65A~~[65A.010 to 65A.090]~~.

17 ➔Section 22. KRS 77.135 is amended to read as follows:

18 (1) It shall be the duty of the secretary-treasurer of an air pollution control board
19 formed pursuant to KRS 77.070, during or before the month of May of each year, to
20 prepare and certify to the consolidated local government or fiscal court of the
21 county and to the legislative body of the city, for their joint consideration, a
22 preliminary budget showing the total funds which, in the judgment of the air
23 pollution control board, will be needed for the various departments of the district,
24 together with a statement showing the estimated balances, if any, which will be
25 available on July 1 for expenditure during the next fiscal year following the
26 certification of said statement, and also indicating, as nearly as may be possible,
27 what additional funds or assets (other than appropriations) will be or will become

1 available for expenditure during that year. The board shall also furnish to the
2 consolidated local government or the fiscal court and the city legislative body any
3 other information or data available to it which the consolidated local government,
4 the fiscal court, or the city legislative body may request.

5 (2) Prior to the first day of each fiscal year, every air pollution control board shall
6 prepare, for its own use and guidance, a financial budget setting forth the total
7 amounts of funds available from all sources for expenditures during the said fiscal
8 year, and also setting forth in detail the estimated expenditures of the board and the
9 district during said fiscal year.

10 (3) A contingent fund for unanticipated expenditures may be established in order to
11 provide for such contingent and unanticipated needs as may arise during the
12 district's said fiscal year.

13 (4) All air pollution control boards shall comply with the provisions of KRS Chapter
14 65A[~~65A.010 to 65A.090~~].

15 ➔Section 23. KRS 80.263 is amended to read as follows:

16 The board of each authority shall comply with the provisions of KRS Chapter
17 65A[~~65A.010 to 65A.090~~].

18 ➔Section 24. KRS 80.322 is amended to read as follows:

19 The board of each authority shall comply with the provisions of KRS Chapter
20 65A[~~65A.010 to 65A.090~~].

21 ➔Section 25. KRS 91.760 is amended to read as follows:

22 (1) The management district shall constitute a body corporate with the power to sue and
23 be sued, and to contract, and shall be controlled by a board of directors.

24 (2) The number of members of the board of directors, their terms and qualifications,
25 shall be established by the ordinance creating the district. All members of the board
26 shall be property owners, representatives of property owners, or tenants within the
27 district, except for specified ex officio members designated in the local ordinance.

1 At least two-thirds (2/3) of the total number of board members, including ex officio
2 members, must be property owners or the representatives of property owners within
3 the district. The board members shall be appointed by the executive authority of the
4 city, consolidated local government, or urban-county, with the approval of the
5 legislative body. A board member may be removed by the executive authority for
6 violation of the rules, regulations, or operating procedures adopted by the board of
7 directors if the removal is recommended by a majority of the members of the board
8 of directors.

9 (3) The powers of the board of directors shall include all powers set forth in KRS
10 91.750 to 91.762 and the ordinance establishing the management district. The board
11 of directors may employ or contract with persons to assist it in its responsibilities.

12 (4) (a) The board of directors shall manage the fiscal affairs of the management
13 district and shall adopt rules and regulations governing the investment and
14 disbursement of funds.

15 (b) The board of directors may borrow money on a short-term or long-term basis
16 as required. The total aggregate amount of long-term and short-term debt
17 which may be carried by a management district shall not exceed five hundred
18 thousand dollars (\$500,000).

19 (c) The board of directors may hold funds in the name of the management district
20 or may designate the city, consolidated local government, or urban-county as
21 the fiscal agent for the management district.

22 (d) Money derived from the assessments imposed pursuant to KRS 91.750 to
23 91.762 shall be used only for economic improvements and the cost of
24 administration of the management district and shall be used for no other
25 purposes.

26 (e) As soon as practicable after the close of the fiscal year, the board of directors
27 shall cause an audit to be performed of all funds of the management district by

1 a certified public accountant.

2 (f) The board shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
3 ~~65A.090]~~.

4 (5) In addition to receiving funds from assessments, the board of directors shall be
5 authorized to receive grants, donations, and gifts.

6 ➔Section 26. KRS 91A.360 is amended to read as follows:

7 (1) The commission established pursuant to KRS 91A.350(2) shall be composed of
8 seven (7) members to be appointed, in accordance with the method used to establish
9 the commission. Members of a commission established by joint action of the local
10 governing bodies of a county and a city or cities located therein shall be appointed,
11 jointly, by the chief executive officers of the local governing bodies that established
12 the commission. Members of a commission established by separate action of the
13 local governing body of a county or a city located therein shall be appointed
14 separately by the chief executive officer of the local governing body that established
15 the commission. The chief executive officer of a city shall mean the mayor and the
16 chief executive officer of a county shall mean the county judge/executive.
17 Appointments to a commission shall be made by the appropriate chief executive
18 officer or officers in the following manner:

19 (a) Two (2) commissioners shall be appointed from a list of three (3) or more
20 names submitted by the local city hotel and motel association and one (1)
21 commissioner shall be appointed from a list of three (3) or more names
22 submitted by the local county hotel and motel association, provided that if
23 only one (1) local hotel and motel association exists which covers both the
24 city and county, then three (3) commissioners shall be appointed from a list of
25 six (6) or more names submitted by it. If no formal local city or county hotel
26 and motel association is in existence upon the establishment of a commission
27 or upon the expiration of the term of a commissioner appointed pursuant to

1 this subsection, then up to three (3) commissioners shall be appointed by the
2 appropriate chief executive officer or officers from persons residing within the
3 jurisdiction of the commission and representing local hotels or motels. A local
4 city or county hotel and motel association shall not be required to be affiliated
5 with the Kentucky Hotel and Motel Association to be recognized as the
6 official local city or county hotel and motel association.

7 (b) One (1) commissioner shall be appointed from a list of three (3) or more
8 names submitted by the local restaurant association or associations. If no
9 formal local restaurant association or associations exist upon the
10 establishment of a commission or upon the expiration of the term of a
11 commissioner appointed pursuant to this subsection, then one (1)
12 commissioner shall be appointed by the appropriate chief executive officer or
13 officers from persons residing within the jurisdiction of the commission and
14 representing a local restaurant. A local restaurant association or associations
15 shall not be required to be affiliated with the Kentucky Restaurant Association
16 to be recognized as the official local restaurant association or associations.

17 (c) One (1) commissioner shall be appointed from a list of three (3) or more
18 names submitted by the chamber or chambers of commerce existing within
19 those governmental units, which by joint or separate action have established
20 the commission. If the commission is established by joint action of a county
21 and a city or cities, then each chamber of commerce shall submit a list of three
22 (3) names, and the chief executive officers of the participating governmental
23 units shall jointly appoint one (1) commission member from the aggregate list.
24 If no local chamber of commerce is in existence upon the establishment of a
25 commission or upon the expiration of the term of a commissioner appointed
26 pursuant to this subsection, then one (1) commissioner shall be appointed by
27 the appropriate chief executive officer or officers from persons residing within

1 the jurisdiction of the commission and representing local businesses.

2 (d) Two (2) commissioners shall be appointed in the following manner:

3 1. By the chief executive officer of the county or city, if the commission
4 has been established by separate action of a county or city; or

5 2. One (1) each by the chief executive officer of the county and by the chief
6 executive officer of the most populous city participating in the
7 establishment of the commission, if the commission has been
8 established by joint action of a county and a city or cities.

9 (2) A candidate submitted for appointment to the commission, pursuant to subsection
10 (1)(a) to (1)(c), shall be appointed by the appropriate chief executive officer or
11 officers within thirty (30) days of the receipt of the required list or lists. Vacancies
12 shall be filled in the same manner that original appointments are made.

13 (3) The commissioners shall be appointed for terms of three (3) years, provided, that in
14 making the initial appointments, the appropriate chief executive officer or officers
15 shall appoint two (2) commissioners for a term of three (3) years, two (2)
16 commissioners for a term of two (2) years and three (3) commissioners for a term of
17 one (1) year. There shall be no limitation on the number of terms to which a
18 commissioner is reappointed. Subsequent appointments shall be for three (3) year
19 terms.

20 (4) The commission shall elect from its membership a chairman and a treasurer, and
21 may employ personnel and make contracts necessary to carry out the purpose of
22 KRS 91A.350 to 91A.390. The contracts may include, but shall not be limited to,
23 the procurement of promotional services, advertising services, and other services
24 and materials relating to the promotion of tourist and convention business.
25 Contracts of the type enumerated shall be made only with persons, organizations,
26 and firms with experience and qualifications for providing promotional services and
27 materials, such as advertising firms, chambers of commerce, publishers, and

1 printers.

2 (5) The books of the commission and its account as established in KRS 91A.390(2)
3 shall be audited as provided in KRS 65A.030. The independent certified public
4 accountant or Auditor of Public Accounts shall make a report to the commission, to
5 the associations submitting lists of names from which commission members are
6 selected, to the appropriate chief executive officer or officers, to the State Auditor
7 of Public Accounts, and to the local governing body or bodies that established the
8 commission that was audited. A copy of the audit report shall be made available by
9 the commission to members of the public upon request and at no charge.

10 (6) A commissioner may be removed from office, by joint or separate action, of the
11 appropriate chief executive officer or officers of the local governing body or bodies
12 that established the commission, as provided by KRS 65.007.

13 (7) The commission shall comply with the provisions of KRS Chapter 65A ~~[65A.010 to~~
14 ~~65A.090]~~.

15 ➔Section 27. KRS 91A.370 is amended to read as follows:

16 (1) Except in a county containing a consolidated local government, the commission
17 established pursuant to KRS 91A.350(1) shall be composed of nine (9) members to
18 be appointed by the mayor of the largest city in the county, the county
19 judge/executive and the Governor of the Commonwealth.

20 (2) Except in a county containing a consolidated local government, the mayor of the
21 largest city in the county shall appoint three (3) commissioners in the following
22 manner:

23 (a) One (1) commissioner from a list submitted by the local city hotel and motel
24 association;

25 (b) One (1) commissioner from a list submitted by the chamber of commerce of
26 the largest city in the county; and

27 (c) One (1) commissioner from a list submitted by the local restaurant association

1 or associations.

2 (3) Except in a county containing a consolidated local government, the county
3 judge/executive shall, with the approval of the fiscal court, appoint three (3)
4 commissioners in the following manner:

5 (a) One (1) commissioner from a list submitted by the local county hotel and
6 motel association, provided that if only one (1) local hotel and motel
7 association exists which covers both the city and county, then the local hotel
8 and motel association shall submit a list to the county judge/executive;

9 (b) One (1) commissioner from a list submitted by the board of directors of the
10 largest incorporated Thoroughbred horse racing concern in the county, which
11 list shall contain only directors, officers, or employees of that corporation; and

12 (c) One (1) commissioner who is a resident of the county and who has an active
13 interest in the convention and tourist industry.

14 (4) Except in a county containing a consolidated local government, the Governor shall
15 appoint three (3) commissioners in the following manner:

16 (a) One (1) commissioner from a list submitted by the State Fair Board;

17 (b) One (1) commissioner from a list submitted by the local countywide air board;
18 and

19 (c) One (1) commissioner shall be appointed, in those counties not containing a
20 consolidated local government, who is a resident of the county. In those
21 counties containing a consolidated local government, one (1) commissioner
22 shall be appointed who is a resident of the area comprising the consolidated
23 local government.

24 (5) Vacancies shall be filled in the manner that original appointments are made.

25 (6) When a list as provided in subsections (2) and (3) of this section contains less than
26 three (3) names or when a selection from such list is not made, the appointing
27 authority shall request in writing the submission of a new list of names.

- 1 (7) Except in a county containing a consolidated local government, the commissioners
2 shall be appointed for a term of three (3) years, provided that in making the initial
3 appointments, the mayor, county judge/executive, and Governor of the
4 Commonwealth shall each appoint one (1) commissioner for a term of one (1) year,
5 one (1) commissioner for a term of two (2) years, and one (1) commissioner for a
6 term of three (3) years.
- 7 (8) Upon the establishment of a consolidated local government in a county where a city
8 of the first class and a county containing such city have had in effect a cooperative
9 compact pursuant to KRS 79.310 to 79.330, the commission shall have nine (9)
10 members. Six (6) members of the commission shall be appointed by the mayor of
11 the consolidated local government pursuant to the provisions of KRS 67C.139 for a
12 term of three (3) years. The Governor of the Commonwealth shall appoint three (3)
13 members of the commission for a term of three (3) years. Incumbent members upon
14 the establishment of the consolidated local government shall continue to serve as
15 members of the board for the time remaining of their current term of appointment.
- 16 (9) The commission shall elect from its membership a chairman and a treasurer, and
17 may employ such personnel and make such contracts as are necessary to effectively
18 carry out the purposes of KRS 91A.350 to 91A.390. Such contracts may include but
19 shall not be limited to the procurement of promotional services, advertising
20 services, and other services and materials relating to the promotion of tourist and
21 convention business; provided, contracts of the type enumerated shall be made only
22 with persons, organizations, and firms with experience and qualifications for
23 providing promotional services and materials such as advertising firms, chambers of
24 commerce, publishers, and printers.
- 25 (10) The books of the commission shall be audited by an independent auditor who shall
26 make a report to the commission, to the organizations submitting names from which
27 commission members are selected, and to the mayor of a city or a consolidated local

1 government, the county judge/executive in counties not containing a consolidated
2 local government, and the Governor of the Commonwealth.

3 (11) Commission members appointed by the Governor shall serve at the pleasure of the
4 Governor. Commission members appointed by the mayor of a city or a consolidated
5 local government or the county judge/executive may be removed as provided by
6 KRS 65.007.

7 (12) The commission shall comply with the provisions of KRS Chapter 65A ~~[65A.010 to~~
8 ~~65A.090]~~.

9 ➔Section 28. KRS 91A.372 is amended to read as follows:

10 (1) The commission established pursuant to KRS 91A.350(2) by an urban-county
11 government shall be composed of nine (9) members appointed by the mayor of the
12 urban-county government in the following manner:

13 (a) Three (3) commissioners from a list submitted by the local hotel and motel
14 association.

15 (b) One (1) commissioner from a list submitted by the local restaurant association
16 or associations.

17 (c) One (1) commissioner from a list submitted by the local chamber of
18 commerce.

19 (d) Four (4) commissioners who shall be residents of the urban-county.

20 (2) Vacancies shall be filled in the same manner that original appointments are made.

21 (3) The commissioners shall be appointed for terms of three (3) years, provided, that in
22 making the initial appointments, the chief elective official of the urban-county shall
23 appoint three (3) commissioners for a term of three (3) years, three (3)
24 commissioners for a term of two (2) years and three (3) commissioners for a term of
25 one (1) year.

26 (4) The commission shall elect from its membership a chairman and a treasurer, and
27 may employ such personnel and make such contracts as are necessary to effectively

1 carry out the purpose of KRS 91A.350 to 91A.390. Such contracts may include but
2 shall not be limited to the procurement of promotional services, advertising services
3 and other services and materials relating to the promotion of tourist and convention
4 business; provided, contracts of the type enumerated shall be made only with
5 persons, organizations, and firms with experience and qualifications for providing
6 promotional services and materials, such as event coordinators, advertising firms,
7 chambers of commerce, publishers and printers.

8 (5) The books of the commission shall be audited as provided in KRS 65A.030. The
9 independent certified public accountant or Auditor of Public Accounts shall make a
10 report to the commission, to the organizations submitting names from which
11 commission members are selected, and to the mayor of the urban-county
12 government.

13 (6) The commission shall comply with the provisions of KRS Chapter 65A [~~65A.010 to~~
14 ~~65A.090~~].

15 ➔Section 29. KRS 91A.380 is amended to read as follows:

16 (1) The commission established pursuant to KRS 91A.350(3) shall be composed of six
17 (6) members from each county to be appointed by the county judge/executive, with
18 the approval of the fiscal court in the following manner:

- 19 (a) Two (2) commissioners with an accounting, finance, or business background,
20 one (1) of whom is a member of the local chamber of commerce;
- 21 (b) One (1) commissioner selected from the public at large;
- 22 (c) One (1) commissioner from the General Assembly;
- 23 (d) One (1) commissioner representing local restaurants; and
- 24 (e) One (1) commissioner representing local hotels and motels.

25 (2) Vacancies shall be filled in the same manner that original appointments are made.

26 (3) The commissioners shall be appointed for terms of three (3) years, provided that in
27 making the initial appointments, the county judge/executive shall appoint two (2)

1 commissioners for a term of three (3) years, two (2) commissioners for a term of
2 two (2) years, and two (2) commissioners for a term of one (1) year.

3 (4) The commission shall elect from its membership a chairman and a treasurer, and
4 may employ such personnel and make such contracts as are necessary to effectively
5 carry out the purpose of KRS 91A.350 to 91A.390. Such contracts may include but
6 shall not be limited to the procurement of promotional services, advertising services
7 and other services and materials relating to the promotion of tourist and convention
8 business.

9 (5) The books of the commission and its account as established in KRS 91A.390(2)
10 shall be audited as provided in KRS 65A.030. The independent certified public
11 accountant or Auditor of Public Accounts shall make a report to the commission, to
12 the organizations submitting names from which commission members are selected,
13 and to the county judge/executive of each county. A copy of the audit report shall be
14 made available by the commission to members of the public upon request and at no
15 charge.

16 (6) A commissioner may be removed from office as provided by KRS 65.007.

17 (7) The commission shall comply with the provisions of KRS Chapter 65A ~~[65A.010 to~~
18 ~~65A.090]~~.

19 ➔Section 30. KRS 91A.575 is amended to read as follows:

20 (1) The management district shall constitute a body corporate with the power to sue and
21 be sued, and to contract, and shall be controlled by the board.

22 (2) The number of members of the board, their terms and qualifications, shall be
23 established by the ordinance creating the district. No fewer than a majority of the
24 board shall be property owners within the district. The board members shall be
25 appointed by the mayor of the city, with the approval of the legislative body.

26 (3) The powers of the board shall include all powers set forth in KRS 91A.550 to
27 91A.580 and the ordinance establishing the management district. The board may

1 employ or contract with persons to assist it in its responsibilities.

- 2 (4) (a) The board shall manage the fiscal affairs of the management district and shall
3 adopt regulations governing the investment and disbursement of funds.
- 4 (b) The board may borrow money on a short-term basis as required.
- 5 (c) The board may hold funds in the name of the management district or may
6 designate the city as the fiscal agent for the management district.
- 7 (d) Money derived from the assessments imposed pursuant to KRS 91A.550 to
8 91A.580 shall be used only for economic improvements and the cost of
9 administration of the management district and shall be used for no other
10 purposes.
- 11 (e) As soon as practicable after the close of the fiscal year, the board shall cause
12 an audit to be performed of all funds of the management district by a certified
13 public accountant.
- 14 (f) The board shall comply with the provisions of KRS Chapter 65A [~~65A.010 to~~
15 ~~65A.090~~].

16 (5) In addition to receiving funds from assessments, the board shall be authorized to
17 receive grants, donations, and gifts.

18 ➔Section 31. KRS 96A.190 is amended to read as follows:

- 19 (1) Each authority shall employ a certified public accountant, or firm thereof, to make
20 an annual audit of the authority's financial accounts and affairs, and to make a report
21 thereof, including comments of the auditor regarding whether or not the authority is
22 in compliance with statutory requirements and with lawful covenants and
23 commitments made in its contract or bond proceedings. A copy of each audit report
24 shall be filed and kept open for public inspection in the office of the secretary-
25 treasurer of the authority, and a copy shall be provided to the clerk, secretary or
26 other appropriate office of record of each public body which may have participated
27 in the creation and organization of the authority, or in the subsequent expansion

1 thereof.

2 (2) Each authority shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
3 ~~65A.090]~~.

4 ➔Section 32. KRS 97.095 is amended to read as follows:

5 (1) For the purpose of acquiring, building, operating, and maintaining parks and green
6 space, two (2) or more counties may form a regional park authority.

7 (2) (a) The regional park authority may be established by a vote of the fiscal courts of
8 the participating counties or by a vote of the majority of the voters in each
9 participating county voting in an election. The issue shall be placed upon the
10 ballot if supported by a petition signed by a number of people from the
11 participating counties equal to one percent (1%) of the voters in the last
12 regular election.

13 (b) A county may join an existing regional park authority by a vote of the fiscal
14 court of each participating county and of the fiscal court of the joining county,
15 or by a vote of the majority of voters from each participating county and the
16 joining county voting in an election. The issue shall be placed upon the ballot
17 if supported by a petition signed by a number of people from the participating
18 and joining counties equal to one per cent (1%) of the voters from each
19 participating county and one percent (1%) of the voters from the joining
20 county, voting in the last regular election.

21 (3) A regional park authority is authorized to:

22 (a) Levy taxes and issue bonds;

23 (b) Accept donations, land, and equipment;

24 (c) Reject unusable or unmanageable land donations;

25 (d) Hire employees and contract for services; and

26 (e) Enter into agreements with public and private entities under the provisions of
27 the Interlocal Cooperation Act, KRS 65.210 to 65.300, and contracts

1 authorizing the use of private facilities for public recreation.

2 (4) A regional park authority may levy taxes not exceeding five cents (\$0.05) on each
3 one hundred dollars (\$100) of all taxable property within the regional park
4 authority's boundaries. The tax shall not be levied until a public referendum has
5 been conducted in accordance with the provisions of KRS 83A.120 and has been
6 adopted by the majority of the voters voting in an election in each county involved.

7 (5) A regional park authority shall be governed by a board made up of three (3) citizens
8 from each participating county. Board members shall be appointed by the fiscal
9 court from a list of candidates provided by the cities within the county and by the
10 county planning commission if there is one in that county.

11 (6) A regional park authority shall comply with the provisions of KRS Chapter
12 65A[~~65A.010 to 65A.090~~].

13 ➔Section 33. KRS 97.120 is amended to read as follows:

14 (1) In cities of the first class and in cities with populations equal to or greater than
15 twenty thousand (20,000) based upon the most recent federal decennial census, the
16 city recreational committee shall consist of not less than three (3) nor more than
17 seven (7) members, the exact number to be at the discretion of the city legislative
18 body. In cities with populations of less than twenty thousand (20,000) based upon
19 the most recent federal decennial census, the city recreational committee shall
20 consist of three (3) members.

21 (a) In cities of any class the city recreational committee shall be appointed by the
22 mayor, with the approval of a majority of the members of the legislative body
23 of the city, for terms of four (4) years, except that the members first appointed
24 shall be so appointed that the terms of the members will expire in different
25 years.

26 (b) The members shall serve without compensation.

27 (c) The members shall be legal voters of the city.

1 (d) If any member during the term of his or her office becomes a candidate for, or
2 is elected or appointed to any public office, he or she shall automatically
3 vacate his membership on the commission and another person shall be
4 appointed in his or her place; but this provision shall not prevent a member of
5 the commission from serving as a member of any other appointive
6 commission of the city, county, state or federal government.

7 (2) Any member of the commission may be removed by the vote of three-fourths (3/4)
8 of the elected members of the city legislative body. Vacancies shall be filled in the
9 same manner as in the original appointment. The city may require each
10 commissioner to execute a bond in the penal sum of one thousand dollars (\$1,000).
11 If the commissioners are required to execute bonds, the bonds shall be approved by
12 the legislative body of the city, and the cost thereof may either be paid by the city or
13 by the commission out of its revenue.

14 (3) The commission shall provide rules and regulations for the management of the
15 recreational project or projects, and out of the revenue derived from the project or
16 projects it shall pay all operating expenses, provide for necessary repairs and
17 additions, provide a sufficient reserve fund to insure the buildings and
18 improvements against fire and tornado, provide a fund for payment of any
19 incidental or emergency expenses that may arise, and set up a fund to provide for
20 the payment of any debts created in connection with the establishment and
21 maintenance of the project or projects.

22 (4) The commission may levy and collect fees for the use of or admission to the project
23 or projects and expend or invest the income from the fees for the purposes set forth
24 in this section.

25 (5) The commission shall comply with the provisions of KRS Chapter 65A ~~[65A.010 to~~
26 ~~65A.090]~~.

27 ➔Section 34. KRS 97.600 is amended to read as follows:

1 (1) The park board shall keep a set of books showing the receipts and expenditures of
2 the board. The books shall at all times be subject to examination by the mayor or
3 any committee of the legislative body authorized to make such examination, either
4 by themselves or by a certified public accountant. The board shall each January
5 transmit to the mayor and legislative body a full and detailed report and statement of
6 the acts of the board for the preceding year, with a complete and itemized account
7 of all receipts and disbursements of money and an itemized estimate of the money
8 needed for park and playground purposes.

9 (2) The board shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
10 ~~65A.090]~~.

11 ➔Section 35. KRS 97.720 is amended to read as follows:

12 (1) The fiscal year of the commission shall be the same as that of the city. The
13 commission shall, each May, prepare and certify to the mayor, to be by him
14 transmitted to the legislative body, a statement showing the total funds that, in the
15 judgment of the commission, will be needed for maintaining the memorial for the
16 ensuing fiscal year; setting forth in detail the sums needed for the different classes
17 of expenditure; setting forth the estimated balance that will be on hand on the first
18 of July following the certification of the statement and available for expenditure
19 during the ensuing fiscal year for maintenance purposes; and indicating, as nearly as
20 possible, what additional assets other than those derived from the city appropriation
21 will become available for maintenance purposes for the ensuing fiscal year.

22 (2) The legislative body, in making the appropriation or levy of the tax for maintenance
23 purposes, shall take into consideration the amount of funds held or derived by the
24 commission from donations for maintenance purposes. The commission may set
25 aside and retain from year to year, out of the maintenance funds derived by gift or
26 appropriation, a reasonable fund to be known as an "improvement and replacement
27 fund," to cover needed improvements, replacements and equipment for, and

1 depreciation of, the memorial. The funds shall be placed at interest in a bank of the
2 city, with the mayor's approval, or invested in United States government interest-
3 bearing bonds, or bonds of the city or any of its instrumentalities. The amount set
4 aside each year for such purposes shall be made with the approval of the mayor, and
5 shall be held and used as occasion requires as a further memorial building and
6 improvement fund to improve and further equip the memorial, and for replacement
7 purposes if the memorial or any portion of it is destroyed by casualty or decay. The
8 cost of ordinary repairs shall be paid for out of maintenance funds.

9 (3) The commission shall comply with the provisions of KRS Chapter 65A ~~[65A.010 to~~
10 ~~65A.090]~~.

11 ➔Section 36. KRS 104.610 is amended to read as follows:

12 (1) The board of directors shall, upon taking oath, elect one (1) of their members as
13 president of the board, and shall select some suitable person as secretary, who need
14 not be a member of the board. The secretary shall serve as treasurer of the district,
15 or the board may select a treasurer. The selection of the secretary and treasurer shall
16 be evidenced on the minutes of the board, with their compensation. He or they shall
17 serve at the pleasure of the board.

18 (2) The board shall adopt a seal, and shall keep in a well-bound book a record of all
19 proceedings, minutes of meetings, certificates, contracts, bonds given by employees,
20 and all corporate acts, which shall be open to the inspection of any owner of
21 property in the district as well as all other interested persons.

22 (3) The board of directors shall be the governing body of the flood control district, and
23 shall exercise all the powers and manage and control all of the affairs and property
24 of the district.

25 (4) No compensation shall be paid to directors, but each director shall be reimbursed
26 for expenses incurred in attending meetings or for expenses incurred in other
27 activities authorized by the board of directors as necessary for carrying out the

- 1 purposes of the flood control district.
- 2 (5) The board of directors may adopt all necessary rules and regulations for the proper
3 management and conduct of the business of the board and of the corporation, and
4 for carrying into effect the other objects for which the district was formed. The
5 board of directors may also make and enforce rules and regulations pertaining to the
6 use by persons of land or properties connected with or a part of the flood control
7 works. All such rules and regulations shall become effective on the date when a
8 notice of their adoption is published pursuant to KRS Chapter 424; such notice shall
9 not contain the rules and regulations in full but shall only summarize their contents
10 and shall state where any interested person may examine the full texts of such rules
11 and regulations.
- 12 (6) The board of directors may recover by civil action from any person or public
13 corporation violating such rules and regulations a sum not less than one hundred
14 dollars (\$100) nor more than one thousand dollars (\$1,000), together with costs.
15 The board may enforce by mandamus or otherwise all necessary and authorized
16 rules and regulations made by it, and may take summary action to remove any
17 improper construction or to terminate any unauthorized practices in connection with
18 flood control works. Any person or public corporation willfully failing to comply
19 with rules and regulations of the board shall be liable for damages caused by such
20 failure and for the cost of renewing or replacing any part of the flood control works
21 damaged or destroyed.
- 22 (7) The board of directors shall have an annual audit made by a certified public
23 accountant, copies of which shall be filed with the Secretary of State and with the
24 county judge/executive of the county or counties in which the flood control district
25 is located.
- 26 (8) The board of directors shall comply with the provisions of KRS Chapter
27 65A~~[65A.010 to 65A.090]~~.

1 ➔Section 37. KRS 107.380 is amended to read as follows:

2 (1) The board shall annually file a written report concerning its operations with the
3 county judge/executive.

4 (2) The board shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
5 ~~65A.090]~~.

6 ➔Section 38. KRS 108.015 is amended to read as follows:

7 The board of directors shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
8 ~~65A.090]~~.

9 ➔Section 39. KRS 108.115 is amended to read as follows:

10 The board of each district shall comply with the provisions of KRS Chapter 65A, except
11 for KRS 65A.110~~[65A.010 to 65A.090]~~.

12 ➔Section 40. KRS 109.015 is amended to read as follows:

13 Any board or authority shall comply with the provisions of KRS Chapter 65A~~[65A.010~~
14 ~~to 65A.090]~~.

15 ➔Section 41. KRS 147.635 is amended to read as follows:

16 (1) An area planning commission created under the provisions of KRS 147.610 to
17 147.705 shall, not later than two (2) months prior to the first day of its fiscal year,
18 submit a proposed budget detailing anticipated revenues and expenditures, and a
19 proposed tax rate, to the area council for its approval on or before the first day of
20 each such fiscal year.

21 (2) The area council shall contract with an independent, reputable certified public
22 accountant to perform an audit of the records, books, and accounts of the area
23 planning commission for each fiscal year.

24 (3) The area planning commission and area council shall comply with the provisions of
25 KRS Chapter 65A~~[65A.010 to 65A.090]~~.

26 ➔Section 42. KRS 147A.021 is amended to read as follows:

27 (1) The Department for Local Government shall have the following powers and duties:

- 1 (a) To require any reports from local governments that will enable it adequately to
2 provide the technical and advisory assistance authorized by this section;
- 3 (b) To encourage, conduct, or participate in training courses in procedures and
4 practices for the benefit of local officials, and in connection therewith, to
5 cooperate with associations of public officials, business and professional
6 organizations, university faculties, or other specialists;
- 7 (c) To request assistance and information, which shall be provided by all
8 departments, divisions, boards, bureaus, commissions, and other agencies of
9 state government to enable the Department for Local Government to carry out
10 its duties under this section;
- 11 (d) At its discretion, to compile and publish annually a report on local
12 government; and
- 13 (e) To administer the provisions of KRS Chapter 65A [~~65A.010 to 65A.090~~].
- 14 (2) The Department for Local Government shall coordinate for the Governor the state's
15 responsibility for, and shall be responsible for liaison with the appropriate state and
16 federal agencies with respect to, the following programs:
- 17 (a) Demonstration cities and metropolitan development act as amended with the
18 exception of Title I of the Housing and Community Development Act of 1974
19 as amended through 1981;
- 20 (b) Farmers Home Administration;
- 21 (c) Veterans Administration Act as amended, as it pertains to housing.
- 22 (3) The Department for Local Government shall provide technical assistance and
23 information to units of local government, including but not limited to:
- 24 (a) Personnel administration;
- 25 (b) Ordinances and codes;
- 26 (c) Community development;
- 27 (d) Appalachian Regional Development Program;

- 1 (e) Economic Development Administration Program;
- 2 (f) Intergovernmental Personnel Act Program;
- 3 (g) Land and Water Conservation Fund Program;
- 4 (h) Area Development Fund Program;
- 5 (i) Joint Funding Administration Program;
- 6 (j) State clearinghouse for A-95 review;
- 7 (k) The memorandums of agreement with the area development districts to
- 8 provide management assistance to local governments; and
- 9 (l) The urban development office.
- 10 (4) The Department for Local Government shall exercise all of the functions of the state
- 11 local finance officer provided in KRS Chapters 66, 68, and 131 relating to the
- 12 control of funds of counties, cities, and other units of local government.
- 13 (5) Upon request of the Administrative Office of the Courts, the Department for Local
- 14 Government shall evaluate the financial condition of any local unit of government
- 15 selected to participate in a court facilities construction or renovation project under
- 16 KRS 26A.160 and shall certify to the Administrative Office of the Courts the local
- 17 unit of government's ability to participate in the project.
- 18 ➔Section 43. KRS 147A.090 is amended to read as follows:
- 19 Each district board of directors shall have the power, duty, and authority to:
- 20 (1) Establish such functional advisory committees as may be necessary and advisable.
- 21 These functional advisory committees shall be organized to meet such guidelines as
- 22 may be required for federal or state assistance;
- 23 (2) Conduct the necessary research and studies and coordinate and cooperate with all
- 24 appropriate groups and agencies in order to develop, and adopt and revise, when
- 25 necessary, a district development plan or series of plans, including, but not limited
- 26 to, the following districtwide plan elements: goals and objectives; water and sewer;
- 27 land-use; and open space and recreation. Such plans shall serve as a general guide

1 for public and private actions and decisions to assure the development of public and
2 private property in the most appropriate relationships;

3 (3) Prepare annually a report of its activities to the cities and counties within the
4 district, the legislature, and the Governor. The board shall make copies of the report
5 available to members of the public within the district;

6 (4) Comply with the provisions of KRS Chapter 65A~~[65A.010 to 65A.090]~~; and

7 (5) Cooperate with the Kentucky Mountain Regional Recreation Authority established
8 in KRS 148.0222 for the purpose of establishing, maintaining, and promoting
9 recreational trails to increase economic development, tourism, and outdoor
10 recreation for Kentucky's residents and visitors, not only in eastern Kentucky but
11 throughout the Commonwealth.

12 ➔Section 44. KRS 154.50-350 is amended to read as follows:

13 Any authority shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
14 ~~65A.090]~~.

15 ➔Section 45. KRS 164.655 is amended to read as follows:

16 The extension board of each extension district shall have the following powers and
17 duties:

18 (1) To serve as an agency of the Commonwealth and to manage and transact all of the
19 business and affairs of its district and have authority to acquire property necessary
20 for the conduct of the business of the district for the purposes of KRS 164.605 to
21 164.675;

22 (2) To enter into an annual memorandum of agreement with the extension service and
23 the extension district. This memorandum of agreement shall set forth the policy
24 pertaining to (a) appointment of personnel to serve in the district, (b) financing of
25 extension work in the district, and (c) responsibilities of the cooperating parties in
26 planning and executing the program;

27 (3) To, and shall as soon as possible following the first meeting in which the officers

- 1 are elected and annually thereafter, file in the office of the county clerk a certificate
2 signed by its chairman and secretary, certifying the names, addresses and terms of
3 office of each member and the names and addresses of the officers of the extension
4 board with the signatures of the officers affixed thereto, and said certificate shall be
5 conclusive as to the organization of the extension district, its extension board and as
6 to its members and its officers;
- 7 (4) With the advice of the extension council, to make and adopt such rules and
8 regulations not inconsistent with the law as it may deem necessary for its own
9 government in the transaction of the business of the extension district;
- 10 (5) To cooperate with the extension service and the extension council in conducting an
11 extension program in agriculture, home economics, youth work and related subjects
12 in the extension district. Said program shall be planned and executed upon the
13 advice, recommendations and assistance of the extension council with the board to
14 make final decisions;
- 15 (6) To cooperate with other extension districts in the employment of personnel, conduct
16 of programs and sponsorship of activities for the mutual benefit of each;
- 17 (7) To cooperate with all extension organizations, farm organizations, state and federal
18 agencies, civic clubs and any other organizations who may be interested in and
19 willing to cooperate in conducting the extension programs in the extension district;
- 20 (8) To prepare annually not later than April 15 of each year in cooperation with the
21 director of extension an extension district budget for the ensuing year. This budget
22 shall be prepared with consideration being given to the advice and
23 recommendations of the extension council, must be consistent with financing
24 policies of the extension service and shall reflect the agricultural, home economics,
25 youth and related subject matter needs of people in the extension district;
- 26 (9) To deposit all district extension education funds in a bank or banks approved by it
27 in the name of the extension district. These receipts shall constitute a fund known as

- 1 the district cooperative extension education fund which shall be disbursed by the
2 treasurer of the extension board in accordance with the annual budget and the
3 annual memorandum of agreement between the board and the extension service;
- 4 (10) To, from time to time when necessary and on approval of the fiscal court, borrow
5 such funds as may be required to meet the financial obligations of the extension
6 district; provided, however, that the extension board cannot in any fiscal year incur
7 indebtedness in an amount which would be in excess of the anticipated revenue of
8 said district for the fiscal year. The amount of the anticipated revenue shall be
9 certified to said board by the fiscal court of the county in which the district is
10 located;
- 11 (11) To expand the district cooperative extension education fund for salaries and travel
12 expense of extension personnel, rental, office supplies, equipment, communications,
13 office facilities, services and property acquisition and in payment of such other
14 items as may be necessary to carry out the extension district program;
- 15 (12) To carry over unexpended district cooperative extension education funds into the
16 next fiscal year so that funds will be available to carry on the program; provided,
17 however, that such anticipated carry-over funds shall be taken into consideration in
18 the formulation of the extension district budget for the ensuing year;
- 19 (13) To comply with the requirements of KRS ***Chapter 65A***~~[65A.010 to 65A.090]~~;
- 20 (14) To be remunerated from the district cooperative extension education fund for actual
21 expenses incurred in the performance of services for the extension district;
22 provided, however, that payments for expenses must be approved by the extension
23 board;
- 24 (15) To accept contributions from fiscal courts and boards of education for use in
25 conducting extension work in the extension district as provided for under KRS
26 247.080;
- 27 (16) To accept private funds for use in conducting extension work in the extension

1 district; provided, however, that the acceptance of all such contributions must be
2 approved by the director of extension; and

3 (17) To collect reasonable fees for specific services which require special equipment or
4 personnel such as soil testing services, seed testing services or other services in
5 support of the educational program of the extension district.

6 ➔Section 46. KRS 173.005 is amended to read as follows:

7 Any board of trustees formed and operating under KRS 173.010 to 173.410 shall comply
8 with the provisions of KRS **Chapter 65A**~~[65A.010 to 65A.090]~~.

9 ➔Section 47. KRS 173.570 is amended to read as follows:

10 (1) Within sixty (60) days after the close of each fiscal year the board shall make a
11 written report to the Department for Libraries and Archives. A copy of this report
12 shall be filed with the county clerk of each county within the district. The report
13 shall contain:

14 (a) A statement of the property acquired by devise, bequest, purchase, gift or
15 otherwise during the fiscal year;

16 (b) A statement of the character of library service furnished to the district during
17 the fiscal year; and

18 (c) Any other statistics or information requested by the Department for Libraries
19 and Archives.

20 (2) The board shall comply with the provisions of KRS **Chapter 65A**~~[65A.010 to
21 65A.090]~~.

22 ➔Section 48. KRS 173.770 is amended to read as follows:

23 (1) Within sixty (60) days after the close of each fiscal year, the board shall make a
24 written report to the Department for Libraries and Archives. A copy of this report
25 shall be filed with the county clerk of each county within the district. The report
26 shall contain:

27 (a) A statement of the property acquired by devise, bequests, purchase, gift, or

1 otherwise during the fiscal year;

2 (b) A statement of the character of library service furnished to the district during
3 the fiscal year; and

4 (c) Any other statistics or information requested by the Department for Libraries
5 and Archives.

6 (2) The board shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
7 ~~65A.090]~~.

8 ➔Section 49. KRS 183.1335 is amended to read as follows:

9 The board shall comply with the provisions of KRS Chapter 65A, except for KRS
10 65A.110~~[65A.010 to 65A.090]~~.

11 ➔Section 50. KRS 184.080 is amended to read as follows:

12 (1) The board of directors, which is hereby declared to be the governing body of the
13 road district, shall keep a record of its proceedings, shall adopt and have a seal, and
14 shall exercise all powers and manage and control all the affairs and property of the
15 district.

16 (2) The board of directors shall elect one (1) of its members chairman, one (1) secretary
17 and one (1) treasurer.

18 (3) The board may employ an attorney and an engineer, who shall serve in such
19 capacities during the pleasure of the board and for such reasonable compensation as
20 may be fixed by the board and approved by order of the county judge/executive.

21 (4) Each member of the board may receive a salary of not in excess of two hundred
22 dollars (\$200) per annum for his services, which salary shall be fixed at the first
23 meeting of said board, and approved of by order of the county judge/executive, and
24 thereafter may be decreased as the duties of the members decrease.

25 (5) The board may adopt such rules and regulations as are necessary for its proper
26 functioning.

27 (6) The chairman, secretary and treasurer of the district shall perform such duties as are

1 usually performed by such officers.

2 (7) The county judge/executive, by method similar to that for approving settlements of
3 fiduciaries, shall approve the accounts and acts of all directors upon death,
4 resignation or at expiration of their term of office, which county judge/executive
5 approval shall relieve the surety upon the bond of such director, the cost of which
6 shall be a charge against the district.

7 (8) The district board shall comply with the provisions of KRS Chapter 65A~~[65A.010~~
8 ~~to 65A.090]~~.

9 (9) When the affairs of the district have been completed, the directors and officers shall
10 by verified petition ask the county judge/executive for a dissolution of the district,
11 which petition shall include an accounting of all moneys received and disbursed by
12 the district and shall be referred to the county judge/executive and when approved
13 by the county judge/executive shall release said officers, directors and their sureties,
14 the cost of which shall be a charge against the district.

15 ➔Section 51. KRS 210.400 is amended to read as follows:

16 Subject to the provisions of this section and the policies and regulations of the secretary
17 of the Cabinet for Health and Family Services, each community board for mental health
18 or individuals with an intellectual disability shall:

19 (1) Review and evaluate services for mental health or individuals with an intellectual
20 disability provided pursuant to KRS 210.370 to 210.460, and report thereon to the
21 secretary of the Cabinet for Health and Family Services, the administrator of the
22 program, and, when indicated, the public, together with recommendations for
23 additional services and facilities;

24 (2) Recruit and promote local financial support for the program from private sources
25 such as community chests, business, industrial and private foundations, voluntary
26 agencies, and other lawful sources, and promote public support for municipal and
27 county appropriations;

- 1 (3) Promote, arrange, and implement working agreements with other social service
2 agencies, both public and private, and with other educational and judicial agencies;
- 3 (4) Adopt and implement policies to stimulate effective community relations;
- 4 (5) Be responsible for the development and approval of an annual plan and budget;
- 5 (6) Act as the administrative authority of the community program for mental health or
6 individuals with an intellectual disability;
- 7 (7) Oversee and be responsible for the management of the community program for
8 mental health or individuals with an intellectual disability in accordance with the
9 plan and budget adopted by the board and the policies and regulations issued under
10 KRS 210.370 to 210.480 by the secretary of the Cabinet for Health and Family
11 Services;
- 12 (8) Comply with the provisions of KRS Chapter 65A~~[65A.010 to 65A.090]~~; and
- 13 (9) Deliver the training recommended by the Department for Behavioral Health,
14 Developmental and Intellectual Disabilities for local jailers and other officers of the
15 court who may come in contact with persons deemed mentally ill and who are
16 incarcerated or in detention.

17 ➔Section 52. KRS 212.500 is amended to read as follows:

- 18 (1) The board shall annually select a strong, safe, and conservative trust company,
19 doing business in the city in which said board exists, as custodian of the funds and
20 securities of the board received from donations and investments for specific
21 purposes, as set out above, and may authorize said trust company to make the actual
22 investment and reinvestment of said funds, but the proposed sale or purchase of
23 land and securities must first be submitted to and approved of by the board. The
24 board shall exact from such trust company a bond in double the amount of any
25 money or property received under KRS 212.350 to 212.620, that comes into said
26 trust company's hands, and may take the capital stock of the trust company as
27 security or require an additional surety bond or other form of security, in such

1 amount as it shall deem necessary as security for the funds and property in the
2 custody of the trust company.

3 (2) All expenditures of said funds shall be made only by order of the board or by the
4 proper officers designated by said board.

5 (3) The board shall cause an annual audit to be made of the receipts, expenditures and
6 investments of said fund by a certified public accountant who shall be approved by
7 the mayor and county judge/executive of the city and county where such board is
8 located.

9 (4) The board shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
10 ~~65A.090]~~.

11 ➔Section 53. KRS 212.639 is amended to read as follows:

12 (1) To provide sufficient funds for carrying out the provisions of KRS 212.626 to
13 212.639, the department shall be entitled to the same state aid as is provided for
14 county and district health departments under KRS 212.120, upon notice of the
15 establishment of the department being given to the Cabinet for Health and Family
16 Services as provided in KRS 212.120, the legislative intent being hereby declared to
17 be that funding from the Cabinet for Health and Family Services be continued at
18 least at the same level and proportion after July 1, 1977, as before its
19 implementation and that modification or alteration of the annual allotment not be
20 made unless for causes enumerated under the provisions of KRS 212.120.

21 (2) If the sums derived from the appropriations, together with funds otherwise available
22 from any other source to the board during any fiscal year, for its necessary
23 expenditures in the maintenance and operation of the board, exceed its need for
24 such expenditures during such fiscal year, any such unexpended funds at the end of
25 the fiscal year shall be carried forward by the board to be used in paying for its
26 operating costs and expenses for its ensuing year.

27 (3) The fiscal year of the board shall begin on July 1 of each year and shall end on June

1 30 of the following year.

2 (4) In a timely fashion governed by the requirements of the various funding sources
3 such as the Cabinet for Health and Family Services, urban-county government, and
4 any and all other sources, the commissioner shall prepare for board approval a
5 budget setting forth the total amounts of funds available from all sources for
6 expenditures during the board's fiscal year, and setting forth the estimated
7 expenditures of the board for the fiscal year.

8 (5) The board shall install and maintain a system of accounting and shall file an annual
9 report of its fiscal and other operations to the Cabinet for Health and Family
10 Services and to the legislative body of the urban-county government after the close
11 of the board's fiscal year. The annual report shall be accompanied by such
12 information, tables, and data as may be necessary to present a reasonably detailed
13 report of the board's condition and activities during the preceding year.

14 (6) The board shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
15 ~~65A.090]~~.

16 ➔Section 54. KRS 212.722 is amended to read as follows:

17 The board of a public health taxing district shall comply with the provisions of KRS
18 Chapter 65A~~[65A.010 to 65A.090]~~.

19 ➔Section 55. KRS 212.794 is amended to read as follows:

20 (1) The cost of creating, establishing, and maintaining the independent district health
21 department shall be paid by the participating local boards of health in proportion to
22 the taxable property of each county as determined by respective county assessments
23 and in accordance with revenues generated pursuant to authority under KRS
24 212.720 and 212.725.

25 (2) The independent district health department shall be entitled to the same state aid as
26 provided for county and district health departments under KRS 212.120, upon
27 notification of the establishment of the department being given to the cabinet, as

1 provided in KRS 212.120. Funding from the cabinet shall be continued at least at
2 the same level and proportion for similar public health activities the district after
3 enactment of KRS 212.780 to 212.794 as before. Modification of annual allotments
4 shall not be made unless in accordance with causes enumerated under the provisions
5 of KRS 212.120.

6 (3) An independent district board of health may establish schedules of fees and charges
7 for any services rendered by the department and may recover the fees and charges
8 for services from any person who receives services.

9 (4) A board may make reasonable classifications in fee schedules based upon the
10 financial ability of the person to pay and may vary charges in accordance with
11 income classifications but no fee charged shall exceed the approximate cost of
12 rendering such service.

13 (5) The district director of health shall prepare a budget for the board's approval and set
14 forth the total funds available from all sources for actual and estimated expenditure
15 during the fiscal year. Fiscal years shall begin on July 1 of each year and shall end
16 on June 30 of the following year.

17 (6) A board shall install and maintain a system of accounting and records and shall file
18 an annual report and other documents required by the fiscal courts, to the cabinet
19 and to the local boards of health within one hundred twenty (120) days of the close
20 of the board's fiscal year.

21 (7) A board shall comply with the provisions of KRS Chapter 65A~~[65A.010 to~~
22 ~~65A.090]~~.

23 ➔Section 56. KRS 216.343 is amended to read as follows:

24 (1) Every district established under KRS 216.310 to 216.360 shall at all reasonable
25 times keep open for the inspection of the Auditor of Public Accounts all of its
26 records and books of accounts and shall have an outside independent audit by a
27 certified public accountant annually.

- 1 (2) Any board formed and operating under KRS 216.310 to 216.360 shall comply with
2 the provisions of KRS Chapter 65A~~[65A.010 to 65A.090]~~.
- 3 ➔Section 57. KRS 220.544 is amended to read as follows:
- 4 (1) By January 1, 2012, each district board of directors of a district shall provide public
5 access to records relating to expenditures of the district through display of the
6 records on a Web site.
- 7 (2) The Web site shall be in a searchable format and shall provide financial information
8 about expenditures not exempt under the provisions of state or federal law,
9 including:
- 10 (a) The payee name;
- 11 (b) The category or type of expenditure;
- 12 (c) A description of the reason for the expenditure, if available;
- 13 (d) The expenditure amount;
- 14 (e) An electronic link to documents relating to the expenditure, if the documents
15 are available electronically;
- 16 (f) The budget adopted by the district and subsequent amendments to that budget;
- 17 (g) The completed annual audit; and
- 18 (h) Any other information deemed relevant by the district.
- 19 (3) Information on the Web site shall be updated at least on a monthly basis and shall
20 be maintained on the Web site for at least three (3) years.
- 21 (4) The provisions of this section shall not apply to sanitation districts with fewer than
22 ten thousand (10,000) customer accounts.
- 23 (5) (a) The district shall register with the Department for Local Government as
24 required by KRS 65A.090.
- 25 (b) For fiscal periods beginning on and after July 1, 2014, the provisions of KRS
26 Chapter 65A~~[65A.010 to 65A.090]~~ shall apply to districts. District board
27 members shall work with the Department for Local Government to provide

1 the information required by this section through the registry established by
2 KRS 65A.020.

3 ➔Section 58. KRS 262.097 is amended to read as follows:

4 (1) The supervisors of the respective soil conservation districts shall submit to the
5 commission such statements, estimates, budgets, and other information at such time
6 and in such manner as the commission requires.

7 (2) The supervisors of the soil conservation districts shall comply with the provisions
8 of KRS ***Chapter 65A***[65A.010 to 65A.090].

9 ➔Section 59. KRS 262.763 is amended to read as follows:

10 (1) ~~{(a) For fiscal periods ending prior to July 1, 2014, an audit of the accounts of each~~
11 ~~watershed conservancy district shall take place once every four (4) years~~
12 ~~unless the district receives or expends seven hundred fifty thousand dollars~~
13 ~~(\$750,000) or more in any year, in which case the district shall provide for the~~
14 ~~performance of an annual audit. The audit shall be conducted in accordance~~
15 ~~with audit standards and requirements stipulated in KRS 65.065(5). The board~~
16 ~~of directors of each watershed conservancy district shall select to make the~~
17 ~~audit certified public accountants who have no personal interest in the~~
18 ~~financial affairs of the board of directors or in any of its officers or employees.~~

19 (b)—]For fiscal periods beginning on and after July 1, 2015, the provisions of KRS
20 65A.030 shall apply to the audit of accounts of each watershed conservancy
21 district.

22 (2) Immediately upon completion of each audit, the accountant shall prepare a report of
23 his findings and recommendations. This report shall be to the board of directors and
24 in such number of copies as specified by the board of directors. The actual expense
25 of any audit authorized under this section shall be borne by the watershed
26 conservancy district.

27 (3) The board of directors shall comply with the provisions of KRS ***Chapter***

1 ~~65A~~[~~65A.010 to 65A.090~~].

2 ➔Section 60. KRS 266.120 is amended to read as follows:

- 3 (1) The board of levee commissioners shall superintend the construction, care and
4 protection of the levee, and see that convenient crossings of the levee are made at
5 the intersection of all public roads and at such private crossings as the
6 commissioners may establish.
- 7 (2) At any time the commissioners deem the levee in danger of being damaged, after
8 being built, by wind or high water, they shall, after giving six (6) hours' notice to all
9 persons between the ages of eighteen (18) and fifty (50) residing within the territory
10 protected by the levee, require them to assemble at a point designated by the
11 commissioners, and aid in the repair and protection of the levee, for which they
12 shall be paid by the commissioners at the rate of one dollar and fifty cents (\$1.50)
13 per day.
- 14 (3) No person liable to work under this section shall fail to do so after being notified.
- 15 (4) All boards shall comply with the provisions of KRS Chapter 65A[~~65A.010 to~~
16 ~~65A.090~~].

17 ➔Section 61. KRS 267.015 is amended to read as follows:

18 All boards established under this chapter shall comply with the provisions of KRS
19 Chapter 65A[~~65A.010 to 65A.090~~].

20 ➔Section 62. KRS 268.015 is amended to read as follows:

21 All boards established under this chapter shall comply with the provisions of KRS
22 Chapter 65A[~~65A.010 to 65A.090~~].

23 ➔Section 63. KRS 269.005 is amended to read as follows:

24 Any board established under this chapter shall comply with the provisions of KRS
25 Chapter 65A[~~65A.010 to 65A.090~~].

26 ➔Section 64. KRS 273.441 is amended to read as follows:

- 27 (1) Each community action agency shall:

- 1 (a) Plan systematically for an effective community action program, develop
2 information as to the problems and causes of poverty in the community;
3 determine how much and how effectively assistance is being provided to deal
4 with those problems and causes; and establish priorities among projects,
5 activities, and areas as needed for the best and most efficient use of resources;
- 6 (b) Provide planning or technical assistance to agencies; and generally, in
7 cooperation with community agencies and officials, undertake actions to
8 improve existing efforts to reduce poverty, such as improving day-to-day
9 communications, closing service gaps, focusing resources on the most needy,
10 and providing additional opportunities to low-income individuals for regular
11 employment or participation in the programs or activities for which those
12 community agencies and officials are responsible;
- 13 (c) Initiate and sponsor projects responsive to needs of the poor which are not
14 otherwise being met, with particular emphasis on providing central or
15 common services that can be drawn upon by a variety of related programs,
16 developing new approaches or new types of services that can be incorporated
17 into other programs, and filling gaps pending the expansion or modification of
18 those programs;
- 19 (d) Establish effective procedures by which the poor and area residents concerned
20 will be enabled to influence the character of programs affecting their interests,
21 provide for their regular participation in the implementation of those
22 programs, and provide technical and other support needed to enable the poor
23 and neighborhood groups to secure on their own behalf available assistance
24 from public and private sources;
- 25 (e) Join with and encourage business, labor and other private groups and
26 organizations to undertake, together with public officials and agencies,
27 activities in support of the community action program which will result in the

1 additional use of private resources and capabilities, with a view to developing
2 new employment opportunities, stimulating investment that will have a
3 measurable impact on reducing poverty among residents of areas of
4 concentrated poverty, and providing methods by which residents of those
5 areas can work with private groups, firms, and institutions in seeking solutions
6 to problems of common concern.

7 (2) If a community action agency places responsibility for the character, funding,
8 extent, administration of, or budgeting for programs of the agency with another
9 agency or organization, public or private, it shall do so by contract. No contract
10 shall be made with an agency or organization which does not have a board which is
11 broadly representative of the citizens of the geographic area served by the agency or
12 organization.

13 (3) Each community action agency shall comply with the provisions of KRS Chapter
14 65A[~~65A.010 to 65A.090~~].