

1 AN ACT relating to the acquisition of conservation equipment.

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

3 ➔Section 1. KRS 262.330 is amended to read as follows:

4 (1) The board may make available ***or lease***, on such terms as it prescribes, to
5 landowners and occupiers within the district, agricultural and engineering
6 machinery and equipment, ***including heavy or specialized equipment acquired***
7 ***pursuant to Section 2 of this Act***, fertilizer, seeds, seedlings and such other material
8 or equipment as will assist the landowners and occupiers to carry on operations
9 upon their lands for the conservation of soil resources and for the prevention and
10 control of soil erosion.

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

17 ➔Section 2. KRS 262.610 is amended to read as follows:

18 (1) ***(a)*** The Soil and Water Conservation Commission as referred to in KRS Chapter
19 146, subject to the supervision of the commissioner ***of the Department for***
20 ***Natural Resources***~~[for natural resources]~~, to the restrictions provided in
21 ***Section 1 of this Act and*** KRS 262.610 to 262.660, and to the requirements of
22 KRS Chapters 42 and 45A, is hereby authorized to acquire and to make
23 available, or to assist in acquiring or making available to soil and water
24 conservation districts, heavy or specialized equipment or infrastructure which
25 an individual district cannot itself economically obtain.

26 ***(b) A district may submit a request to the commission for the acquisition of***
27 ***heavy or specialized equipment jointly with a person residing within the***

1 *district to whom the district has agreed to lease the equipment in the event*
 2 *that it is acquired or made available. The district and the person shall*
 3 *submit all information with their joint request for heavy or specialized*
 4 *equipment as may be required by the commission in the administrative*
 5 *regulations promulgated under Section 3 of this Act. Any application made*
 6 *by a district, or two (2) or more districts acting jointly pursuant to KRS*
 7 *262.650, to the commission to acquire or make available infrastructure, or*
 8 *to assist in doing so, shall not be made jointly with any person.*

9 (2) When the commission acquires or makes available to any district the equipment or
 10 infrastructure above referred to, it shall require said district to fully amortize, in the
 11 form of rentals or payments, to the Division of Conservation, as referred to in KRS
 12 Chapter 146, any amount so expended by the commission for such assistance. The
 13 amount and method of amortization for each piece of heavy equipment or
 14 infrastructure shall be determined by the commission, subject to approval of the
 15 commissioner of *the Department for Natural Resources*~~[natural resources]~~. The
 16 amount and method of amortization for each piece of heavy or specialized
 17 equipment shall be determined on the basis of *the lease or* a rental *fee* to be charged
 18 by the district to the *lessee or other* user of equipment sufficient to:

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

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

27 ➔Section 3. KRS 262.660 is amended to read as follows:

- 1 (1) The commission, with the approval of the commissioner of the Department for
2 Natural Resources~~[for natural resources]~~, is hereby authorized to promulgate such
3 other rules and regulations or methods of accounting as may be necessary or
4 expedient to give effect to the purposes expressed in KRS 262.610 to 262.650.
- 5 (2) On or before January 1, 2023, the commission, with the approval of the
6 commissioner of the Department for Natural Resources, shall promulgate
7 administrative regulations pursuant to KRS Chapter 13A that shall at a
8 minimum set forth:
- 9 (a) The form and manner in which a person and a district may jointly request
10 the acquisition of heavy or specialized equipment pursuant to subsection
11 (1)(b) of Section 2 of this Act, including but not limited to any financial or
12 other disclosures the commission may require;
- 13 (b) The terms, conditions, and repayment of loans for heavy or specialized
14 equipment that the commission makes available to districts for lease to
15 persons within those districts; and
- 16 (c) The terms and conditions for lease agreements between districts and
17 persons for the use of acquired heavy or specialized equipment, including
18 but not limited to permissible uses of the equipment, care and maintenance
19 of the equipment, liability assumptions for property damage or bodily injury
20 caused by the equipment, insurance requirements, availability of the
21 equipment for use by others in the district, and the keeping of public records
22 regarding the use of the equipment. Notwithstanding any provision of this
23 chapter or KRS Chapters 42 or 45A to the contrary, lease agreements shall
24 allow a lessee to use acquired heavy or specialized equipment outside of his
25 or her district with prior approval of the board for the leasing district.