

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
8 material or equipment as will assist the landowners and occupiers to carry on
9 operations upon their lands for the conservation of soil resources and for the
10 prevention and control of soil erosion. ***Any heavy or specialized equipment***
11 ***acquired pursuant to Section 2 of this Act that the board makes available, rents,***
12 ***or leases may be used on the lessee's or renter's land or on the lands of others for***
13 ***the purposes of conserving soil resources, the prevention and control of soil***
14 ***erosion, and the conservation and protection of water resources related to those***
15 ***purposes.***

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

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

23 (1) ***(a) Heavy or specialized equipment purchased or made available in accordance***
24 ***with Section 1 of this Act and KRS 262.610 to 262.660 shall be used for the***
25 ***purposes of conserving soil resources, the prevention and control of soil***
26 ***erosion, and the conservation and protection of water resources related to***
27 ***those purposes. The heavy or specialized equipment described in this***

1 paragraph may be used on the renter's or lessee's land or on the lands of
 2 others, pursuant to the usage proportions established in the administrative
 3 regulations promulgated under subsection (2)(d) of Section 5 of this Act.

4 (b) The Soil and Water Conservation Commission as referred to in KRS Chapter
 5 146, subject to the supervision of the commissioner of the Department for
 6 Natural Resources, to the restrictions provided in KRS 262.330 and KRS
 7 262.610 to 262.660, and to the requirements of KRS Chapters 42 and 45A, is
 8 hereby authorized to acquire and to make available, or to assist in acquiring or
 9 making available to persons and soil and water conservation districts, heavy
 10 or specialized equipment or infrastructure which ~~they~~[an individual district]
 11 cannot ~~itself~~ economically obtain.

12 (c) A district may submit a request to the commission for the acquisition of
 13 heavy or specialized equipment jointly with a person residing within the
 14 district to whom the district has agreed to lease the equipment in the event
 15 that it is acquired or made available. The district and the person shall
 16 submit all information with their joint request for heavy or specialized
 17 equipment as may be required by the commission in the administrative
 18 regulations promulgated under Section 5 of this Act.

19 (d) The commission shall not approve an application made jointly by a person
 20 and any district to acquire infrastructure or to have infrastructure made
 21 available to them.

22 (2) When the commission acquires or makes available heavy or specialized[to any
 23 ~~district the~~] equipment to any district, or district applying jointly with a person, or
 24 infrastructure ~~above referred~~ to any district, it shall require said district to fully
 25 amortize, in the form of rentals or payments, to the Division of Conservation, as
 26 referred to in KRS Chapter 146, any amount so expended by the commission for
 27 such assistance. The amount and method of amortization for each piece of heavy or

1 **specialized** equipment or infrastructure shall be determined by the commission,
2 subject to approval of the commissioner of the Department for Natural Resources.
3 The amount and method of amortization for each piece of heavy or specialized
4 equipment shall be determined on the basis of the lease or a rental fee to be charged
5 by the district to the lessee or other user of equipment sufficient to:

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

12 (3) In giving effect to all of the foregoing, the commission shall estimate the amount of
13 time such **heavy or specialized** equipment would ordinarily be idle.

14 ➔Section 3. KRS 262.620 is amended to read as follows:

15 The Division of Conservation shall retain title to each piece of heavy or specialized
16 equipment or any infrastructure purchased and made available to any soil and water
17 conservation district **pursuant to Section 2 of this Act** until such time as the soil and
18 water conservation districts fully amortize the commission's investment in the equipment
19 or the infrastructure. If the soil and water conservation district purchases infrastructure
20 with use of funds made available by the Division of Conservation for that purpose, then
21 the Division of Conservation shall be listed on the deed to the property jointly with the
22 district. After the commission's investment in the **heavy or specialized** equipment or
23 infrastructure has been fully amortized, it is authorized and empowered to transfer the
24 title thereto to the district. If the district has purchased infrastructure with funds made
25 available by the Division of Conservation, the district shall consult with the division prior
26 to the dispossession of the property.

27 ➔Section 4. KRS 262.630 is amended to read as follows:

- 1 (1) Each soil and water conservation district which receives, leases, rents, or uses the
2 heavy or specialized equipment referred to in KRS 262.610 shall maintain its public
3 records to show for each piece of equipment:
- 4 (a) The hours same has worked on each job in each district;
5 (b) The amounts collected from each job in each district;
6 (c) The expense of repairing, moving, manning and other usual costs of
7 operation; and
8 (d) The amount paid by each district for the purpose of amortizing the
9 commission's investment in the equipment.
- 10 (2) Each soil and water conservation district which leases or otherwise obtains a right
11 of use of the infrastructure with the support of the Division of Conservation
12 pursuant to KRS 262.610 shall maintain in public records a copy of the lease or
13 other contract which provides the district a right of use of the infrastructure; and
- 14 (a) In the case of a purchase, the amount paid by each district for the purpose of
15 amortizing the commission's investment in the infrastructure; or
16 (b) In the case of lease without right of purchase or some other contractual
17 arrangement or agreement, the payments made to the Division of
18 Conservation for the right of use of the infrastructure.
- 19 (3) Each of the soil and water conservation districts shall send a duplicate copy of the
20 records to the commission, who shall retain same in its files for public inspection.
- 21 (4) In addition thereto, the commission shall at all times maintain an account showing
22 each piece of heavy or specialized equipment, the title to which is vested in it, and
23 any infrastructure, the title of which may be vested solely in the commission or
24 jointly with the district, and the amount paid thereon by any soil and water
25 conservation district, and the amount remaining to be amortized.
- 26 ➔Section 5. KRS 262.660 is amended to read as follows:
- 27 (1) The commission, with the approval of the commissioner of the Department for

1 Natural Resources, is hereby authorized to promulgate such other rules and
2 regulations or methods of accounting as may be necessary or expedient to give
3 effect to the purposes expressed in KRS 262.610 to 262.650.

4 (2) On or before January 1, 2024, the commission, with the approval of the
5 commissioner of the Department for Natural Resources, shall promulgate
6 administrative regulations pursuant to KRS Chapter 13A that shall at a minimum
7 set forth:

8 (a) The form and manner in which a person and a district may jointly request
9 the acquisition of heavy or specialized equipment pursuant to subsection
10 (1)(c) of Section 2 of this Act, including but not limited to any financial or
11 other disclosures the commission may require;

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

15 (c) The terms and conditions for rental or lease agreements between districts
16 and persons for the use of acquired heavy or specialized equipment,
17 including but not limited to permissible uses of the equipment, care and
18 maintenance of the equipment, liability assumptions for property damage or
19 bodily injury caused by the equipment, insurance requirements, availability
20 of the equipment for use by others in the district, and the keeping of public
21 records regarding the use of the equipment. Notwithstanding any provision
22 of this chapter or KRS Chapters 42 or 45A to the contrary, lease agreements
23 shall allow lessees to use acquired heavy or specialized equipment outside of
24 their own lands, and with prior approval of the board for the leasing district,
25 on lands outside of their districts; and

26 (d) The proportion of time that lessees or renters shall use the acquired heavy
27 or specialized equipment on their own lands and the proportion of time that

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the heavy or specialized equipment shall be used on the lands of others.