

1 AN ACT relating to the State Treasury.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO  
4 READ AS FOLLOWS:

5 ***The Treasurer may promulgate administrative regulations in accordance with KRS***  
6 ***Chapter 13A to carry out the provisions of this chapter.***

7 ➔Section 2. KRS 41.450 is amended to read as follows:

- 8 (1) As used in KRS 41.450 to 41.465:
- 9 (a) "Board" means the board of directors of the commission; and
- 10 (b) "Commission" means the Kentucky Financial Empowerment Commission.
- 11 (2) The commission is created ***for the public good on behalf of the Commonwealth of***  
12 ***Kentucky*** and established as an independent de jure municipal corporation and  
13 political subdivision of the Commonwealth of Kentucky to perform essential  
14 governmental and public functions for the purposes set forth in KRS 41.450 to  
15 41.465.
- 16 (3) The commission shall be governed by a board consisting of eleven (11) members as  
17 follows:
- 18 (a) The State Treasurer or the Treasurer's designee;
- 19 (b) The commissioner of the Kentucky Department of Education or his or her  
20 designee;
- 21 (c) The commissioner of the Department of Financial Institutions or his or her  
22 designee;
- 23 (d) A representative from the Federal Reserve Bank of St. Louis ***and a***  
24 ***representative from the Federal Reserve Bank of Cleveland to serve***  
25 ***alternating terms***~~[- Louisville Branch];~~
- 26 (e) A representative from the Kentucky Credit Union League;
- 27 (f) A representative from the Kentucky Bankers Association; and

- 1 (g) Five (5) members appointed by the State Treasurer.
- 2 (4) (a) Members of the board not representing state agencies shall be appointed for a  
3 term of three (3) years.
- 4 (b) Members of the board not representing state agencies shall serve no more than  
5 two (2) consecutive three (3) year terms.
- 6 (c) Members of the board shall serve until their successors are appointed or until  
7 they are removed for cause.
- 8 (5) For initial appointments of the five (5) members appointed by the State Treasurer to  
9 the board, two (2) members shall be appointed for a term of four (4) years each, and  
10 three (3) members shall be appointed for terms of three (3) years each.
- 11 (6) If a vacancy of one (1) of the five (5) members appointed to the board by the State  
12 Treasurer occurs, the State Treasurer shall appoint a replacement who shall hold  
13 office during the remainder of the term vacated.
- 14 (7) (a) The State Treasurer may remove any of the five (5) members appointed by the  
15 State Treasurer in case of incompetency, neglect of duties, gross immorality,  
16 or malfeasance in office, and may upon removal declare the position vacant  
17 and appoint a person to fill the vacancy as provided in other cases of vacancy.
- 18 (b) 1. If a board member is removed under paragraph (a) of this subsection, he  
19 or she may appeal that action.
- 20 2. Upon appeal, an administrative hearing shall be conducted in  
21 accordance with KRS Chapter 13B.