

1 AN ACT relating to municipal financial practices.

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

3 ➔Section 1. KRS 91A.040 is amended to read as follows:

4 (1) Except as provided in subsections (2) and (3)~~[(to (4))]~~ of this section, each city shall,  
5 after the close of each fiscal year, cause each fund of the city to be audited by the  
6 Auditor of Public Accounts or a certified public accountant. The audit shall be  
7 completed by March 1 immediately following the fiscal year being audited. The  
8 city shall forward an electronic copy of the audit report to the Department for Local  
9 Government for information purposes by no later than April 1 immediately  
10 following the fiscal year being audited.

11 (2) In lieu of the annual audit requirements in subsection (1) of this section, a city with  
12 a population equal to or less than three~~one~~ thousand (3,000)~~[(1,000)]~~ based upon  
13 the most recent federal decennial census may elect to have an audit performed  
14 every other fiscal year in the following manner:

15 (a) After the close of each odd-numbered fiscal year, the city shall for that odd-  
16 numbered year cause each fund of the city to be audited by the Auditor of  
17 Public Accounts or a certified public accountant. The audits shall be  
18 completed by March 1 immediately following the fiscal year to be audited.  
19 The city shall forward an electronic copy of the audit report to the Department  
20 for Local Government for information purposes by no later than April 1  
21 immediately following the fiscal year being audited; and

22 (b) After the close of each even-numbered fiscal year, the city shall not be  
23 required to complete an annual audit but shall forward an electronic copy of  
24 its financial statement prepared in accordance with KRS 424.220 to the  
25 Department for Local Government by no later than October 1 immediately  
26 following the close of the even-numbered fiscal year.

27 ~~[(3) In lieu of the annual audit requirements in subsection (1) of this section, a city with~~

1 a population of more than one thousand (1,000) but less than two thousand (2,000)  
2 based upon the most recent federal decennial census may elect to have an audit  
3 performed every other fiscal year to cover the two (2) fiscal years occurring since  
4 the prior audit in the following manner:

5 (a) ~~After the close of each odd-numbered fiscal year, the city shall cause each~~  
6 ~~fund of the city to be audited by the Auditor of Public Accounts or a certified~~  
7 ~~public accountant. The audit shall include both fiscal years since the prior~~  
8 ~~audit and shall be completed by March 1 immediately following the fiscal~~  
9 ~~years to be audited. The city shall forward an electronic copy of the audit~~  
10 ~~report to the Department for Local Government for information purposes by~~  
11 ~~no later than April 1 immediately following the fiscal years being audited; and~~

12 (b) ~~After the close of each even-numbered fiscal year, the city shall not be~~  
13 ~~required to complete an annual audit but shall forward an electronic copy of~~  
14 ~~its financial statement prepared in accordance with KRS 424.220 to the~~  
15 ~~Department for Local Government by no later than October 1 immediately~~  
16 ~~following the close of the even-numbered fiscal year.]~~

17 ~~(3)~~~~(4)~~ Any city, which for any fiscal year receives and expends, from all sources and  
18 for all purposes, less than five~~one~~ hundred ~~{fifty}~~thousand dollars  
19 ~~(\$500,000)~~~~(\$150,000)~~, and which has no long-term debt, whether general  
20 obligation or revenue debt, shall not be required to audit each fund of the city for  
21 that particular fiscal year. In addition, each city exempted in accordance with this  
22 subsection shall:

23 (a) Annually prepare a financial statement in accordance with KRS 424.220 and  
24 shall, not later than October 1 following the conclusion of the fiscal year,  
25 forward one (1) electronic copy to the Department for Local Government for  
26 information purposes; and

27 (b) If exempted under this subsection for more than four (4) consecutive fiscal

1 years after July 1, 2022, have prepared an attestation engagement covering the  
2 fourth fiscal year in which the city qualified for an exemption under this  
3 subsection. An attestation engagement completed pursuant to this subsection  
4 shall be:

- 5 1. Prepared by an independent certified public accountant or by the  
6 Auditor of Public Accounts pursuant to a contract with the city using  
7 generally accepted attestation standards as promulgated by the American  
8 Institute of Certified Public Accountants and any additional procedures  
9 established by the Department for Local Government through  
10 administrative regulation;
- 11 2. Completed by no later than March 1 immediately following the  
12 conclusion of the fiscal year in which in the attestation engagement is  
13 required;
- 14 3. Submitted to the Department for Local Government as one (1) electronic  
15 copy no later than April 1 after its completion;
- 16 4. Advertised to the public within thirty (30) days of its completion by  
17 causing the publication of a legal display advertisement of not less than  
18 six (6) column inches in a newspaper qualified under KRS 424.120  
19 stating that the attestation has been prepared and copies have been  
20 provided to each local newspaper of general circulation, each news  
21 service, and each local radio and television station which has on file  
22 with the city a written request to receive copies of financial statements  
23 under KRS 424.220. Any city advertising under this subparagraph shall  
24 be exempt from publishing its financial statement under KRS  
25 424.220(6)(b) for any year in which it is required to have an attestation  
26 engagement completed; and
- 27 5. Provided to the Auditor of Public Accounts upon request for review of

1 the final report and all related work papers and documents regarding the  
2 attestation engagement.

3 ~~(4)~~~~(5)~~ If a city is required by another provision of law to audit its funds more  
4 frequently or more stringently than is required by this section, the city shall also  
5 comply with the provisions of that law.

6 ~~(5)~~~~(6)~~ The Department for Local Government shall, upon request, make available  
7 electronic copies of the audit reports and financial statements received by it under  
8 subsections (1) to ~~(3)~~~~(4)~~ of this section to the Legislative Research Commission to  
9 be used for the purposes of KRS 6.955 to 6.975 or to the Auditor of Public  
10 Accounts.

11 ~~(6)~~~~(7)~~ Each city required by this section to conduct an annual or biennial audit shall  
12 enter into a written contract with **an auditor, who shall be a certified public**  
13 **accountant or the Auditor of Public Accounts**~~[the selected auditor]~~. The contract  
14 shall set forth all terms and conditions of the agreement which shall include but not  
15 be limited to requirements that:

16 (a) The auditor be employed to examine the basic financial statements, which  
17 shall include the government-wide and fund financial statements;

18 (b) The auditor shall include in the annual or biennial city audit report an  
19 examination of local government economic assistance funds granted to the  
20 city under KRS 42.450 to 42.495. The auditor shall include a certification  
21 with the annual or biennial audit report that the funds were expended for the  
22 purpose intended;

23 (c) All audit information be prepared in accordance with generally accepted  
24 governmental auditing standards which include tests of the accounting records  
25 and auditing procedures considered necessary in the circumstances. Where the  
26 audit is to cover the use of state or federal funds, appropriate state or federal  
27 guidelines shall be utilized;

- 1 (d) The auditor shall prepare a typewritten or printed report embodying:
- 2 1. The basic financial statements and accompanying supplemental and
- 3 required supplemental information;
- 4 2. The auditor's opinion on the basic financial statements or reasons why
- 5 an opinion cannot be expressed; and
- 6 3. Findings required to be reported as a result of the audit;
- 7 (e) The completed audit and all accompanying documentation shall be presented
- 8 to the city legislative body at a regular or special meeting; and
- 9 (f) Any contract with a certified public accountant for an audit shall require the
- 10 accountant to forward a copy of the audit report and management letters to the
- 11 Auditor of Public Accounts upon request of the city or the Auditor of Public
- 12 Accounts, and the Auditor of Public Accounts shall have the right to review
- 13 the certified public accountant's work papers upon request.
- 14 ~~(7)~~<sup>(8)</sup> A copy of an audit report which meets the requirements of this section shall
- 15 be considered satisfactory and final in meeting any official request to a city for
- 16 financial data, except for statutory or judicial requirements, or requirements of the
- 17 Legislative Research Commission necessary to carry out the purposes of KRS 6.955
- 18 to 6.975.
- 19 ~~(8)~~<sup>(9)</sup> Each city shall, within thirty (30) days after the presentation of an audit to the
- 20 city legislative body, publish an advertisement in accordance with KRS Chapter
- 21 424 containing:
- 22 (a) The auditor's opinion letter;
- 23 (b) The "Budgetary Comparison Schedules-Major Funds," which shall include
- 24 the general fund and all major funds;
- 25 (c) A statement that a copy of the complete audit report, including financial
- 26 statements and supplemental information, is on file at city hall and is available
- 27 for public inspection during normal business hours;

- 1 (d) A statement that any citizen may obtain from city hall a copy of the complete  
2 audit report, including financial statements and supplemental information, for  
3 his or her personal use;
- 4 (e) A statement which notifies citizens requesting a personal copy of the city  
5 audit report that they will be charged for duplication costs at a rate that shall  
6 not exceed twenty-five cents (\$0.25) per page; and
- 7 (f) A statement that copies of the financial statement prepared in accordance with  
8 KRS 424.220, when a financial statement is required by KRS 424.220, are  
9 available to the public at no cost at the business address of the officer  
10 responsible for preparation of the statement.
- 11 ~~(9)~~<sup>(10)</sup> Any resident of the city or owner of real property within the city may bring an  
12 action in the Circuit Court to enforce the provisions of this section. Any person who  
13 violates any provision of this section shall be fined not less than fifty dollars (\$50)  
14 nor more than five hundred dollars (\$500). In addition, any officer who fails to  
15 comply with any of the provisions of this section shall, for each failure, be subject  
16 to a forfeiture of not less than fifty dollars (\$50) nor more than five hundred dollars  
17 (\$500), in the discretion of the court, which may be recovered only once in a civil  
18 action brought by any resident of the city or owner of real property within the city.  
19 The costs of all proceedings, including a reasonable fee for the attorney of the  
20 resident or property owner bringing the action, shall be assessed against the  
21 unsuccessful party.
- 22 ~~(10)~~<sup>(11)</sup> In the event of extenuating circumstances that prevent a city from completing  
23 and submitting a required audit or financial statement in compliance with the  
24 applicable deadlines in subsections (1) to ~~(3)~~<sup>(4)</sup> of this section, the city may  
25 submit a written request for an extension of time to the Department for Local  
26 Government on a form prescribed by the Department for Local Government. The  
27 Department for Local Government shall approve the request if ~~it is submitted on or~~

1 before the applicable deadline and], in the judgment of the Department for Local  
2 Government, the request is warranted by extenuating circumstances beyond the  
3 control of the city or other factors that justify the city's noncompliance with the  
4 required deadlines. The Department for Local Government may consider any  
5 evidence it deems appropriate, including but not limited to proof of the city's  
6 progress towards compliance. Extensions granted under this subsection shall not  
7 exceed eighteen (18)~~nine (9)~~ months from the original due date of the audit or  
8 financial statement. If the Department for Local Government approves an extension  
9 for a city and the city fails to complete and submit the required audit or financial  
10 statement in compliance with that extended deadline, then the provisions of  
11 subsection (11)~~(12)~~ of this section shall apply.

12 (11)~~(12)~~ If a city fails to complete an audit or financial statement and submit it to the  
13 Department for Local Government as required in subsections (1) to (3)~~(4)~~ and  
14 (10)~~(11)~~ of this section, the Department for Local Government shall notify the  
15 Finance and Administration Cabinet that the city has failed to comply with the audit  
16 requirements of this section, and that any funds in the possession of any agency,  
17 entity, or branch of state government shall be withheld from the city until further  
18 notice. The Department for Local Government shall immediately notify the Finance  
19 and Administration Cabinet when the city complies with the requirements of  
20 subsections (1) to (3)~~(4)~~ and (10)~~(11)~~ of this section for all prior fiscal years it  
21 has failed to comply with the audit requirements of this section, and the Finance  
22 and Administration Cabinet shall direct the reinstatement of payments to the city,  
23 including any funds that were withheld due to the noncompliance. This subsection  
24 shall not be interpreted or construed to permit the state to withhold any  
25 nondiscretionary payments to a city that are due the city for the provision of  
26 services by the city to the state or any of its agencies, including for the use of city  
27 utilities.

1 ~~(12)~~<sup>(13)</sup> Within a reasonable time after the completion of a special audit or  
2 examination conducted pursuant to KRS 43.050, the Auditor shall bill the city for  
3 the actual expense of the audit or examination conducted. The actual expense shall  
4 include the hours of work performed on the audit or examination as well as  
5 reasonable associated costs, including but not limited to travel costs. The bill  
6 submitted to the city shall include a statement of the hourly rate, total hours, and  
7 total costs for the entire audit or examination.

8 ➔Section 2. KRS 65.003 is amended to read as follows:

9 (1) (a) The governing body of each city, county, urban-county, consolidated local  
10 government, and charter county, shall adopt, by ordinance, a code of ethics  
11 which shall apply to all elected officials of the city, county, urban-county,  
12 consolidated local government, or charter county, and to appointed officials  
13 and employees of the city, county, urban-county, consolidated local  
14 government, or charter county government, or agencies created jointly, as  
15 specified in the code of ethics. The elected officials of a city, county, or  
16 consolidated local government to which a code of ethics shall apply include  
17 the mayor, county judge/executive, members of the governing body, county  
18 clerk, county attorney, sheriff, jailer, coroner, surveyor, and constable but do  
19 not include members of any school board. Agencies created jointly may  
20 include planning or administrative commissions or boards. Candidates for the  
21 local government elective offices specified in this subsection shall comply  
22 with the annual financial disclosure statement filing requirements contained in  
23 the code of ethics.

24 (b) The boards, officers, and employees of special purpose governmental entities  
25 shall be subject to a code of ethics as provided in KRS 65A.070. As used in  
26 this section, special purpose governmental entity has the same meaning as in  
27 KRS 65A.010.



1 (2) Any city, county, or consolidated local government may enter into a memorandum  
2 of agreement or an interlocal agreement with one (1) or more other cities, counties,  
3 or consolidated local governments for joint adoption of a code of ethics which shall  
4 apply to all elected officials of the cities, counties, or consolidated local  
5 governments, and to appointed officials and employees as specified by each of the  
6 cities, counties, or consolidated local governments which enters into the agreement.  
7 Interlocal agreements shall be executed pursuant to the Interlocal Cooperation Act  
8 in KRS 65.210 to 65.300. The interlocal agreement or memorandum of agreement  
9 may provide for but shall not be limited to:

- 10 (a) The provision of administrative services relating to the implementation of a  
11 code of ethics;
- 12 (b) The creation of a regional ethics board which serves independently to provide  
13 advice to member governments and their officials and provides for the  
14 enforcement of locally adopted codes of ethics; and
- 15 (c) Contracting by a memorandum of agreement with an area development  
16 district for the provision of administrative services relating to the  
17 implementation of a code of ethics.

18 Candidates for the city, county, or consolidated local government elective offices  
19 specified in this subsection shall comply with the annual financial disclosure  
20 statement filing requirements contained in the code of ethics.

21 (3) Each code of ethics adopted as provided by subsection (1) or (2) of this section, or  
22 amended as provided by subsection (4) of this section, shall include but not be  
23 limited to provisions which set forth:

- 24 (a) Standards of conduct for elected and appointed officials and employees;
- 25 (b) Requirements for creation of financial disclosure statements, which shall be  
26 filed annually by all candidates for the city, county, or consolidated local  
27 government elective offices specified in subsection (1) of this section, elected

- 1 officials of each city, county, or consolidated local government, and other  
2 officials or employees of the city, county, or consolidated local government,  
3 as specified in the code of ethics, and which shall be filed with the person or  
4 group responsible for enforcement of the code of ethics;
- 5 (c) A policy on the employment of members of the families of officials or  
6 employees of the city, county, or consolidated local government, as specified  
7 in the code of ethics; and
- 8 (d) The designation of a person or group who shall be responsible for  
9 enforcement of the code of ethics, including maintenance of financial  
10 disclosure statements, all of which shall be available for public inspection,  
11 receipt of complaints alleging possible violations of the code of ethics,  
12 issuance of opinions in response to inquiries relating to the code of ethics,  
13 investigation of possible violations of the code of ethics, and imposition of  
14 penalties provided in the code of ethics.
- 15 (4) The code of ethics ordinance adopted by a city, county, or consolidated local  
16 government may be amended but shall not be repealed.
- 17 (5) (a) Within twenty-one (21) days of the adoption of the code of ethics required by  
18 this section, each city, county, or consolidated local government shall deliver  
19 a copy of the ordinance by which the code was adopted and proof of  
20 publication in accordance with KRS Chapter 424 to the Department for Local  
21 Government. The Department for Local Government shall maintain the  
22 ordinances as public records and shall maintain a list of city, county, or  
23 consolidated local governments which have adopted a code of ethics and a list  
24 of those which have not adopted a code of ethics.
- 25 (b) Within twenty-one (21) days of the amendment of a code of ethics required by  
26 this section, each city, county, or consolidated local government shall:
- 27 1. Deliver a copy of the ordinance by which the code was amended and

- 1 proof of publication in accordance with KRS Chapter 424 to the  
2 Department for Local Government, which shall maintain the amendment  
3 with the ordinance by which the code was adopted; and
- 4 2. Deliver a copy of the ordinance by which the code was amended to the  
5 governing body of each special purpose governmental entity that  
6 follows that establishing entity's code of ethics pursuant to KRS  
7 65A.070.
- 8 (c) For ordinances adopting or amending a code of ethics under this section, cities  
9 of the first class and consolidated local governments shall comply with the  
10 publication requirements of KRS 83A.060(9), notwithstanding the exception  
11 contained in that statute.
- 12 (6) If a city, county, or consolidated local government fails to comply with the  
13 requirements of this section, the Department for Local Government shall notify all  
14 state agencies, including area development districts, which deliver services or  
15 payments of money from the Commonwealth to the city, county, or consolidated  
16 local government. Those agencies shall suspend delivery of all services or payments  
17 to the city, county, or consolidated local government which fails to comply with the  
18 requirements of this section. The Department for Local Government shall  
19 immediately notify those same agencies when the city, county, or consolidated local  
20 government is in compliance with the requirements of this section, and those  
21 agencies shall reinstate the delivery of services or payments to the city, county, or  
22 consolidated local government. **This subsection shall not be interpreted or**  
23 **construed to permit the state to withhold any nondiscretionary payments that are**  
24 **due to the city, county, or consolidated local government for the provision of**  
25 **services by the city, county, or consolidated local government to the state or any**  
26 **of its agencies, including for the use of utility services.**
- 27 (7) Notwithstanding KRS 67C.103(14)(e), a simple majority of the legislative council

1 of a consolidated local government may delegate its authority to issue  
2 administrative subpoenas for the attendance and testimony of witnesses and the  
3 production of documents relevant to possible violations of the code of ethics to the  
4 person or a majority of the group responsible for enforcement of a code of ethics.  
5 Subpoenas shall be served in the same manner as subpoenas for witnesses in civil  
6 cases. Compliance with the subpoenas shall be enforceable by the Circuit Court.  
7 Any failure to obey an order of the court may be punished by the court as contempt  
8 thereof.

9 ➔Section 3. KRS 65.920 is amended to read as follows:

- 10 (1) Any local government that fails to submit annually a uniform financial information  
11 report to the Department for Local Government shall be ineligible to receive county  
12 or municipal road aid moneys in accordance with KRS 177.360 or 177.366. Any  
13 local government receiving road aid moneys in accordance with KRS 177.365 to  
14 177.369 or KRS 177.320 and 177.360 that fails to comply with the provisions of  
15 KRS 65.900 to 65.925 shall immediately have all road aid payments suspended  
16 until the local government submits the uniform financial information report to the  
17 Department for Local Government.
- 18 (2) If a local government receives payments of money from the Commonwealth and  
19 fails to comply with the provisions of KRS 65.900 to 65.925 or KRS 92.280(1), the  
20 state local finance officer may notify those agencies making payments to the local  
21 government of noncompliance, and those agencies shall immediately suspend  
22 delivery of all payments to the local government except those payments made  
23 pursuant to KRS Chapter 154 or KRS 42.4588, until the state local finance officer  
24 determines that the local government has complied with the requirements of KRS  
25 65.900 to 65.925 or KRS 92.280(1). **This subsection shall not be interpreted or**  
26 **construed to permit the state to withhold any nondiscretionary payments to a city**  
27 **that are due the city for the provision of services by the city to the state or any of**

1 *its agencies, including for the use of city utilities.*

2 ➔Section 4. KRS 154.40-060 is amended to read as follows:

3 (1) All revenues derived by the corporation from the use of Eastern Kentucky  
4 Exposition Center, all contributions to the center from other sources, and any  
5 revenues derived by the corporation from any other source shall be used solely for  
6 the expenses of the center, including payment on debt; the cost of management and  
7 operation of its facilities; the creation of an adequate reserve for repair,  
8 replacement, debt service, and capital improvements; the procurement of insurance;  
9 and promotional activities.

10 (2) *Unless an election is made pursuant to the provisions of subsection (3) of this*  
11 *section,* the Auditor of Public Accounts shall conduct an annual audit of all funds of  
12 the corporation and its affiliated entities, if any, and report annually to the Governor  
13 and the Legislative Research Commission.

14 (3) (a) *In lieu of having the Auditor of Public Accounts perform the annual audit*  
15 *under subsection (2) of this section:*

16 *1. A city government that appoints members to the board of the*  
17 *corporation may make an irrevocable election upon written notice to*  
18 *the Auditor of Public Accounts that it shall include the corporation*  
19 *within the city's annual audit conducted under the provisions of*  
20 *Section 1 of this Act. A city making an election pursuant to this*  
21 *subparagraph shall be reimbursed by the corporation for the direct*  
22 *costs it incurs as a result of the inclusion of the corporation within its*  
23 *annual audit; or*

24 *2. Upon written notification to the Auditor of Public Accounts, a city*  
25 *government meeting the requirements of subparagraph 1. of this*  
26 *paragraph and the board may jointly elect to have its annual audit*  
27 *performed by an independent auditor. Any audit performed by an*

1                   *independent auditor for the corporation shall be generally conducted*  
2                   *and conform the requirements of subsection (6) of Section 1 of this*  
3                   *Act.*

4                   *(b) If an audit is performed under this subsection, the audit shall be forwarded*  
5                   *to the Auditor of Public Accounts.*

6                   ➔Section 5. KRS 42.460 is amended to read as follows:

7                   Except as provided in KRS 91A.040~~(6)~~~~(7)~~(b), any assistance granted under KRS 42.450  
8                   to 42.495 shall include an agreement that an independent annual audit shall be conducted  
9                   and that the audit report shall include a certification that the funds were expended for the  
10                  purpose intended. A copy of the audit and certification of compliance shall be forwarded  
11                  to the Department for Local Government, in the case of assistance granted from the local  
12                  government economic assistance fund or the local government economic development  
13                  fund as allocated in KRS 42.4592(1)(a) and (b), or to the Cabinet for Economic  
14                  Development and the Kentucky Economic Development Finance Authority, in the case of  
15                  assistance granted from the local government economic development fund, within  
16                  eighteen (18) months after the end of the fiscal year.

17                  ➔Section 6. KRS 424.220 is amended to read as follows:

18                  (1) Excepting officers who are exempted under subsection (8) of this section, every  
19                  public officer of any city, county, or district less than a county, or of any board,  
20                  commission, or other authority of a city, county, or district whose duty it is to  
21                  collect, receive, have the custody, control, or disbursement of any funds collected  
22                  from the public in any form shall, at the expiration of each fiscal year, prepare an  
23                  itemized, sworn statement of the funds collected, received, held, or disbursed by  
24                  him or her during the fiscal year just closed, unless he or she has complied with  
25                  KRS 424.230.

26                  (2) The statement shall show:

27                  (a) The total amount of funds collected and received during the fiscal year from

- 1           each individual source; and
- 2           (b) The total amount of funds disbursed during the fiscal year to each individual
- 3           payee. The list shall include only aggregate amounts to vendors exceeding one
- 4           thousand dollars (\$1,000).
- 5           (3) Only the totals of amounts paid to each individual as salary or commission and
- 6           public utility bills shall be shown. The amount of salaries paid to all nonelected
- 7           county employees shall be shown as lump-sum expenditures by category, including
- 8           but not limited to road department, jails, solid waste, public safety, and
- 9           administrative personnel.
- 10          (4) The financial reporting and publishing requirements for a school district are
- 11          provided in KRS 160.463.
- 12          (5) The officer shall procure and include in or attach to the financial statement, as a part
- 13          thereof, a certificate from the cashier or other proper officer of the banks in which
- 14          the funds are or have been deposited during the past year, showing the balance, if
- 15          any, of funds to the credit of the officer making the statement.
- 16          (6) To provide notice to the public that the city's financial statement has been
- 17          completed as required by this section:
- 18               (a) The appropriate officer of a city that has performed an audit under KRS
- 19               91A.040 for the fiscal year or years, including the appropriate officer of any
- 20               municipally owned electric, gas, or water system, shall publish the audit
- 21               report in accordance with KRS 91A.040~~(9)~~(8); and
- 22               (b) The appropriate officer of a city that has not conducted an annual audit for the
- 23               fiscal year under one (1) of the exceptions provided in KRS 91A.040(2) ~~or~~(3)
- 24               ~~(3) or (4)~~ shall publish a legal display advertisement of not less than six (6)
- 25               column inches in a newspaper qualified under KRS 424.120 that the statement
- 26               required by subsection (1) of this section has been prepared and that copies
- 27               have been provided to each local newspaper of general circulation, each news

1 service, and each local radio and television station which has on file with the  
2 city a written request to be provided a statement. The advertisement shall be  
3 published within ninety (90) days after the close of the fiscal year.

4 (7) To provide notice to the public that the county's financial statement has been  
5 completed as required by this section, the appropriate officer of a county shall  
6 publish the county's audit, prepared in accordance with KRS 43.070 or 64.810, in  
7 the same manner that city audits are published in accordance with KRS  
8 91A.040~~(8)~~~~(9)~~.

9 (8) The provisions of this section shall not apply to officers of:

10 (a) A city of the first class;

11 (b) A county containing a city of the first class;

12 (c) A consolidated local government;

13 (d) An urban-county government;

14 (e) A city with a population equal to or greater than twenty thousand (20,000)  
15 based upon the most recent federal decennial census;

16 (f) A public agency or joint public agency of a:

17 1. City of the first class;

18 2. Consolidated local government; or

19 3. County containing a city of the first class; or

20 (g) A school district of a:

21 1. City of the first class;

22 2. Consolidated local government; or

23 3. County containing a city of the first class.