

1 AN ACT relating to the fiscal reporting of local entities.

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

3 ➔Section 1. KRS 65A.030 is amended to read as follows:

4 (1) For fiscal periods beginning on or after July 1, 2014, requirements relating to audits
5 and financial statements of special purpose governmental entities are as follows:

6 (a) Every special purpose governmental entity with the higher of annual receipts
7 from all sources or annual expenditures of less than **five hundred thousand**
8 **dollars (\$500,000)**~~one hundred thousand dollars (\$100,000)~~ shall:

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

13 (b) 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)**~~one hundred thousand dollars (\$100,000)~~ but
16 less than **one million dollars (\$1,000,000)**~~five hundred thousand dollars~~
17 ~~(\$500,000)~~ shall:

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

21 (c) **1.** Every special purpose governmental entity with the higher of annual
22 receipts from all sources or annual expenditures equal to or greater than
23 **one million dollars (\$1,000,000)**~~five hundred thousand dollars~~
24 ~~(\$500,000)~~ shall, **unless qualified for the reporting schedule under**
25 **subparagraph 2. of this paragraph:**

26 **a.**~~[1.]~~ Annually prepare a financial statement; and

27 **b.**~~[2.]~~ Be audited annually as provided in subsection (2) of this section.

1 2. a. If a special purpose government entity reporting under this
2 paragraph conducts two (2) consecutive audits that include no
3 opinions other than unqualified opinions, the special purpose
4 governmental entity may choose to comply with the fiscal
5 reporting schedule in paragraph (b) of this subsection. If the
6 special purpose governmental entity subsequently conducts an
7 audit and receives an opinion other than an unqualified opinion
8 from the audit preparer, the special purpose governmental entity
9 shall comply with the provisions of subparagraph 1.a. and b. of
10 this paragraph until the special purpose governmental entity
11 again conducts two (2) consecutive audits with no opinions other
12 than unqualified opinions.

13 b. A special purpose governmental entity subject to this paragraph
14 shall inform the DLG if it has chosen to comply with the fiscal
15 reporting schedule as set out in paragraph (b) of this subsection.
16 The department shall note on the department's website, and in
17 any reports required under this chapter, the special purpose
18 governmental entities subject to this paragraph and operating
19 under the fiscal reporting schedule as set out in paragraph (b) of
20 this subsection.

21 (2) (a) To provide for the performance of an audit or attestation engagement as
22 provided in subsection (1)(a) to (c) of this section, the governing body of a
23 special purpose governmental entity shall employ an independent certified
24 public accountant or contract with the Auditor of Public Accounts to conduct
25 the audit or attestation engagement unless the provisions of subsection (3) of
26 this section apply.

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

1 (12) months following the close of the fiscal year subject to the audit or the
2 attestation engagement.

3 (c) 1. The special purpose governmental entity shall submit for publication on
4 the registry the audit or attestation engagement, in the form and format
5 required by the DLG.

6 2. A federally regulated municipal utility may comply with the
7 requirements of this section for the public power component of its
8 operations by submitting an audit that conforms to the requirements
9 imposed by the federal agency with which it maintains a wholesale
10 power contract.

11 3. A public utility established pursuant to KRS 96.740 that is not a
12 federally regulated municipal utility may comply with the requirements
13 of this section for the public power component of its operations by
14 submitting a copy of its annual audit performed under KRS 96.840.

15 (d) 1. The audit or attestation engagement shall conform to:

16 a. Generally accepted governmental auditing or attestation standards,
17 which means those standards for audits or attestations of
18 governmental organizations, programs, activities, and functions
19 issued by the Comptroller General of the United States;

20 b. Generally accepted auditing or attestation standards, which means
21 those standards for all audits or attestations promulgated by the
22 American Institute of Certified Public Accountants; and

23 c. Additional procedures and reporting requirements as may be
24 required by the Auditor of Public Accounts.

25 2. Rather than meeting the standards established by subparagraph 1. of this
26 paragraph, the audit submitted by a federally regulated municipal utility
27 or a public utility established pursuant to KRS 96.740 that is not a

1 federally regulated municipal utility with regard to the public power
2 component of the utility's operations shall conform to KRS 96.840 and
3 the financial standards of the Federal Energy Regulatory Commission's
4 Uniform System of Accounts.

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

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

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

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

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

26 (b) The Auditor of Public Accounts shall review the application and if the auditor
27 determines that the board, commission, or agency has the resources and

- 1 capacity to conduct an acceptable alternative financial review, the auditor
2 shall notify the DLG that the board, commission, or agency is approved to
3 provide an alternative financial review of the special purpose governmental
4 entities it regulates or oversees that are required by subsection (1)(a) of this
5 section to submit an attestation engagement.
- 6 (c) The Auditor of Public Accounts shall advise the DLG and the board,
7 commission, or agency regarding modifications to the proposed alternative
8 financial review procedures necessary to obtain the Auditor of Public
9 Accounts' approval.
- 10 (d) Any board, commission, or agency approved to provide alternative financial
11 reviews shall reapply to the Auditor of Public Accounts for approval to
12 continue to provide alternative financial reviews at least every four (4) years.
13 The Auditor of Public Accounts may require more frequent approvals.
- 14 (e) The Auditor of Public Accounts or the DLG may withdraw any approval
15 granted under this subsection if the board, commission, or agency fails to
16 conduct alternative financial reviews using the procedures and including the
17 terms and components agreed to with the DLG.
- 18 (f) Any board, commission, or agency approved to provide alternative financial
19 reviews shall notify the Auditor of Public Accounts and the DLG if an
20 irregularity is found in the alternative financial review.
- 21 (g) Any special purpose governmental entity subject to regulation or oversight by
22 a board, commission, or agency that obtains approval to provide an alternative
23 financial review under this subsection shall have the option of having an
24 alternative financial review performed by the board, commission, or agency,
25 or may contract for the application of an attestation engagement as provided
26 in subsection (1)(a) of this section.
- 27 (4) The DLG shall determine which procedures conducted under attestation standards

1 will apply to special purpose governmental entities meeting the conditions
2 established by subsection (1)(a) of this section. The DLG may determine that
3 additional procedures be conducted under attestation standards for specific
4 categories of special purpose governmental entities or for specific special purpose
5 governmental entities, as needed, to obtain the oversight and information deemed
6 necessary by the DLG.

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

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

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

23 (b) In determining the requirements relating to audits and financial statements
24 under subsection (1) of this section of special purpose governmental entities
25 that are public use airports operating under KRS 183.132 to 183.160, the DLG
26 may exclude annual receipts received by those public use airports if the
27 receipts constitute nonoperating or recurring grants for the purpose of capital

1 asset acquisition, capital construction, disaster recovery efforts, or other one
2 (1) time purposes as determined by the DLG.

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

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

7 ➔Section 2. KRS 147.635 is amended to read as follows:

8 (1) An area planning commission created under the provisions of KRS 147.610 to
9 147.705 shall, not later than two (2) months prior to the first day of its fiscal year,
10 submit a proposed budget detailing anticipated revenues and expenditures, and a
11 proposed tax rate, to the area council for its approval on or before the first day of
12 each such fiscal year.

13 (2) The area council shall contract with an independent, reputable certified public
14 accountant to perform an audit of the records, books, and accounts of the area
15 planning commission in compliance with Section 1 of this Act~~for each fiscal~~
16 ~~year~~.

17 (3) The area planning commission and area council shall comply with the provisions of
18 KRS 65A.010 to 65A.090.

19 ➔Section 3. KRS 220.280 is amended to read as follows:

20 (1) The powers of the board of directors shall be limited to the construction,
21 maintenance, and operation of such works as are necessary to carry out the purposes
22 of the district in improvement of sanitation, as set forth in KRS 220.030. The board
23 shall not permit house and users' connections at the cost of the district, and every
24 connection shall be made under the supervision of the district. No house or users'
25 connection shall be made unless and until the house or user is provided with an
26 adequate water supply.

27 (2) In order to effect the proper collection and disposal of sewage and other liquid

1 wastes produced within the district, to promote the public health, comfort,
2 convenience and welfare, and to accomplish all other purposes of the district, the
3 board may clean out, straighten, alter, deepen, or otherwise improve any stream,
4 watercourse, or body of water receiving sewage or other liquid wastes and located
5 in or out of the district; fill up any abandoned or altered stream, watercourse, or
6 body of water located in or out of the district; construct and maintain laterals, trunk
7 sewers, intercepting sewers, siphons, pumping stations, treatment and disposal
8 works, and improvements deemed necessary to accomplish the purposes of the
9 district and construct, preserve, operate, or maintain such works in or out of the
10 district; construct connections to the works of the district for the delivery thereto of
11 sewage and other liquid wastes; incorporate with the works of the district or
12 otherwise utilize any public sewers, drains, or other sewerage improvements either
13 without modifications or with repairs, modifications, or changes deemed necessary;
14 construct any and all of the works and improvements across or through any public
15 or private property in or out of the district; hold, encumber, control, acquire by
16 donation, purchase, or condemnation, and construct, own, lease, use and sell, any
17 real or personal property, or any easement necessary for rights-of-way or locations
18 for the works and improvements of the district, or for any necessary purpose, or for
19 obtaining or storing material to be used in constructing and maintaining the works
20 and improvements.

- 21 (3) KRS 220.010 to 220.540 shall not limit or interfere with the right of public
22 corporations to install, maintain, and operate sewerage systems as otherwise
23 permitted by law, but the board of directors shall have full power and authority in
24 the construction and maintenance of improvements for the purposes of the district
25 to serve the area included within the district, and the board of directors may require
26 the use of the improvements of the district by persons and public corporations
27 included within the district and for which the improvements were installed.

(4) The board of directors shall have an ~~annual~~ audit made by a certified public accountant **in compliance with Section 1 of this Act**, copies of which shall be filed with the Secretary of State and with the county judge/executive of the county or counties in which the sanitation district is located.

➔Section 4. KRS 43.070 is amended to read as follows:

(1) (a) To determine whether any unauthorized, illegal, irregular, or unsafe handling or expenditure of revenue or other improper practice of financial administration has occurred and to assure that all proper items have been duly charged, taxed, and reported, the Auditor shall audit annually:

1. The funds contained in each county's budget;~~and~~
2. The books, accounts, and papers of all county clerks and sheriffs, **which includes receipts paid to county clerks from the collection of:**

a. Motor vehicle and motorboat registration fees, motor vehicle and motorboat licenses, and other receipts due the clerk pertaining to motor vehicles and motorboats as provided in KRS Chapters 186, 186A, and 235;

b. The motor vehicle usage tax as provided in KRS 138.460; and

c. The ad valorem tax on motor vehicles and motorboats as provided in KRS 134.800;

County clerks shall transmit a copy of the portion of the audit relating to the receipts set out in subparagraph 2.a. to c. of this paragraph to the Department of Revenue and the Kentucky Transportation Cabinet.

(b) The Auditor shall not conduct an audit pursuant to this subsection if the fiscal court or the elected official notifies the Auditor that a certified public accountant has been employed to audit the books, accounts, and papers of the county or the fee office, in accordance with KRS 64.810.

(c) 1. If any county clerk or sheriff meets the criteria established in this

1 subsection and any additional criteria established in administrative
2 regulations promulgated by the Auditor, that county clerk's or sheriff's
3 audit required by this section may, in the discretion of the Auditor, be
4 conducted by an agreed-upon procedures engagement performed by the
5 Auditor. If, in the discretion of the Auditor, an agreed-upon procedures
6 engagement in progress will not provide sufficient oversight of the
7 county clerk's or sheriff's office, the Auditor may at any time convert the
8 engagement to an audit performed under paragraph (a)2. of this
9 subsection. A county clerk or sheriff shall not be eligible for the agreed-
10 upon procedures engagement as allowed in this paragraph for the first
11 audit period after election if the county clerk or sheriff is serving in
12 office for the first time, or is assuming the office after experiencing a
13 break in sequential service in that position.

14 2. The Auditor and the county clerk or sheriff shall establish specific
15 procedures for any agreed-upon procedures engagement. If the Auditor
16 and the county clerk or sheriff cannot agree to the specific procedures
17 for an agreed-upon procedures engagement, the audit of the county
18 clerk's or sheriff's office shall be conducted under paragraph (a)2. of this
19 subsection for that year subject to the audit.

20 3. At a minimum, the county clerk or sheriff shall meet the following
21 criteria in order to be eligible to have the county clerk's or sheriff's
22 annual audit in any particular year conducted using agreed-upon
23 procedures:

24 a. The county clerk or sheriff applies to the Auditor to have an
25 agreed-upon procedures engagement for the year subject to the
26 audit on a form provided by the Auditor and by the application
27 deadline established by the Auditor;

- 1 b. The county clerk's or sheriff's office did not have any reported
- 2 audit comment or finding in its most recent audit report;
- 3 c. The county clerk or sheriff and the Auditor agree to specific
- 4 procedures for the agreed-upon procedures engagement; and
- 5 d. Any additional criteria that may be determined by the Auditor.
- 6 4. The publication requirements related to an agreed-upon procedures
- 7 engagement shall be the same as those required for audits of the county
- 8 clerks and sheriffs performed under paragraph (a)2. of this subsection,
- 9 except that the Auditor may provide a summary of the agreed-upon
- 10 procedures engagement report, and publication of the summary shall
- 11 satisfy the statutory requirements to publish the audit report, opinion
- 12 letter, and transmittal letter.
- 13 5. The billing and expense provisions of subsection (3) of this section shall
- 14 apply to any agreed-upon procedures engagement performed under this
- 15 section.
- 16 6. The Auditor may promulgate administrative regulations that set forth
- 17 additional criteria to qualify for agreed-upon procedures engagements,
- 18 the application procedures, and the standards, procedures, guidelines,
- 19 and reporting requirements for agreed-upon procedures engagements
- 20 under this section.
- 21 7. In exercising discretion regarding whether a county clerk or sheriff who
- 22 otherwise meets the minimum requirements may have an agreed-upon
- 23 procedures engagement in lieu of an audit for any particular year subject
- 24 to an engagement, and in exercising discretion regarding the proposed
- 25 procedures for the agreed-upon procedures engagement for any
- 26 particular year subject to an audit, the Auditor may consider factors
- 27 including but not limited to past audit comments or agreed-upon

1 procedures engagement findings, assessment of risks, complaints,
2 financial statements, the number of consecutive agreed-upon procedures
3 engagements performed of the county clerk or sheriff, and other factors
4 relevant to oversight of the county clerk's or sheriff's office.

5 (2) The Auditor may audit:

6 (a) The books, accounts and papers of all county judges/executive, county
7 attorneys, coroners and constables; and

8 (b) The books, accounts, papers, and performance of all special purpose
9 governmental entities as defined in KRS 65A.010. The expense of any audit
10 or examination performed pursuant to this paragraph shall be borne by the
11 entity audited or examined.

12 (3) (a) The county shall bear one-half (1/2) of the actual expense of the audit
13 conducted pursuant to subsection (1)(a)1. of this section and shall bear the
14 total actual expense of the audit conducted pursuant to subsections (1)(a)2.
15 and (2)(a) of this section. No county shall be required to bear the expense for
16 more than one (1) audit of the same fund or office annually pursuant to
17 subsection (1)(a)1. or 2. of this section, except as provided in KRS 64.810(4).

18 (b) The Kentucky Transportation Cabinet shall bear the cost of the portion of
19 the audit of receipts from motor vehicles and motorboats required in
20 subsection (1)(a)2. of this section, regardless of whether the Auditor
21 prepared the audit required under this section or the county made other
22 arrangements for the audit under subsection (1)(b) of this section and KRS
23 64.810.

24 (4) Within a reasonable time after the completion and distribution of the audit reports
25 authorized by subsection (1) of this section, the Auditor of Public Accounts shall
26 bill the county for the expenses incurred pursuant to subsection (3) of this section.
27 A copy of this bill shall be forwarded to the secretary of the Finance and

1 Administration Cabinet. Should the fiscal court within sixty (60) days following
2 receipt of said bill determine the charge to be excessive or otherwise improper it
3 shall submit its objection to the secretary of the Finance and Administration Cabinet
4 and to the State Treasurer for resolution of the controversy in accordance with
5 subsection (5) of this section. If the amount billed has not been paid within sixty
6 (60) days from date of billing, and no objection has been filed, the Auditor shall
7 notify the secretary of the Finance and Administration Cabinet and the secretary of
8 revenue who shall cause said amount to be deducted from the next payment or
9 return of moneys provided by KRS 47.110 by the state to the county or counties.
10 Deductions shall continue until the total amount due the Auditor's office has been
11 paid. All moneys received pursuant to this section shall be credited to the trust and
12 agency account of the Auditor of Public Accounts. When an objection to the bill
13 has been filed with the secretary of the Finance and Administration Cabinet and the
14 State Treasurer in accordance with subsection (5) of this section the amount found
15 to be equitable and just shall become payable immediately upon the entry of the
16 final decision.

17 (5) Any controversy over the amount of the bill for the actual expenses incurred shall
18 be submitted by the fiscal court to the secretary of the Finance and Administration
19 Cabinet and the State Treasurer for a decision as to the proper amount. In the event
20 that these two (2) arbitrators fail to agree, then the controversy shall be submitted to
21 the Attorney General, whose decision shall be final.

22 ➔Section 5. KRS 186.240 is amended to read as follows:

23 (1) It shall be the duty of the cabinet to carry out the provisions of KRS 186.005 to
24 186.260, and:

25 (a) Provide to the clerk in each county access to all forms provided for in KRS
26 186.005 to 186.260;

27 (b) Keep a numerical record of all registration numbers issued in the state and

- 1 also keep a record of motor or vehicle identification numbers required by
2 KRS 186.160;
- 3 (c) Furnish to each clerk, originally each year upon estimate, and thereafter upon
4 requisition at all times, a sufficient supply of standard, noncommercial plates
5 and the supplies necessary to provide evidence of registration for all classes of
6 vehicles required to be registered; and
- 7 (d) Prescribe a standard plate of practical form and size for police identification
8 purposes that shall contain:
- 9 1. The registration identifier;
- 10 2. An indication that Kentucky is the issuing jurisdiction;
- 11 3. At the discretion of the cabinet, any combination of the following
12 phrases:
- 13 a. "Bluegrass State"; or
- 14 b. "United We Stand, Divided We Fall";
- 15 4. For standard plates for noncommercial vehicles:
- 16 a. The county in which the plate is issued; and
- 17 b. At the discretion of the person to whom the vehicle is registered,
18 the phrase "In God We Trust"; and
- 19 5. For plates for commercial vehicles, the year the license expires and
20 words or information the Department of Vehicle Regulation may
21 prescribe by administrative regulation, pursuant to KRS Chapter 13A.
- 22 (2) Except as provided in KRS 186A.127, license plates issued pursuant to this chapter
23 shall conform to the provisions of subsection (1)(c) and (d) of this section. The
24 Transportation Cabinet shall provide for the issuance of reflectorized plates for all
25 motor vehicles, and shall collect a fee, in addition to the fee set out in KRS Chapter
26 186 and KRS 281.631, of fifty cents (\$0.50). The fifty cents (\$0.50) fee to
27 reflectorize license plates shall be used by the cabinet as provided in subsection (3)

1 of this section.

2 (3) The reflectorized license plate program fund is established in the state road fund
3 and appropriated on a continual basis to the cabinet to administer the moneys as
4 provided in this subsection. The fifty cents (\$0.50) fee collected by the cabinet to
5 reflectorize license plates shall be deposited into the program fund and used to issue
6 reflectorized license plates. If at the end of a fiscal year, money remains in the
7 program fund, it shall be retained in the fund and shall not revert to the state road
8 fund. The interest and income earned on money in the program fund shall also be
9 retained in the program fund to carry out the provisions of this subsection. The
10 Transportation Cabinet shall issue reflectorized license plates under the provisions
11 of this subsection on a schedule to be determined at the discretion of the cabinet.

12 (4) Except as directed under subsection (3) of this section, the Transportation Cabinet
13 shall receive all moneys forwarded by the clerk in each county and turn it over to
14 the State Treasurer for the benefit of the state road fund.

15 (5) The Transportation Cabinet shall require an accounting by the clerk in each county
16 for any moneys received by him or her under the provisions of this chapter, after the
17 deduction of his or her fees under this chapter, and for all receipts, forms, plates,
18 and insignia consigned to him or her. The Auditor of Public Accounts, pursuant to
19 **Section 4 of this Act**~~[KRS 43.071]~~, **or a certified public accountant acting on**
20 **behalf of the county pursuant to subsection (1)(b) of Section 4 of this Act**, shall
21 annually audit each county clerk concerning his or her responsibilities for the
22 collection of various fees and taxes associated with motor vehicles. The secretary of
23 the Transportation Cabinet, with the advice, consultation, and approval of the
24 Auditor, shall develop and implement an inventory and accounting system which
25 shall insure that the audits mandated in **Section 4 of this Act**~~[KRS 43.071]~~ are
26 performed in accordance with generally accepted auditing standards. The
27 Transportation Cabinet shall pay for the **portion of the audit mandated by**

1 subsection (1)(a)2. of Section 4 of this Act~~[audits mandated by KRS 43.071]~~.

2 (6) When applied for under KRS 186.060 or 186.061, motor or vehicle numbers
3 assigned shall be distinctive to show that they were designated by the cabinet.

4 ➔ Section 6. KRS 64.830 is amended to read as follows:

5 (1) An outgoing county official, as soon as his or her successor has been qualified and
6 inducted into office and his or her official bond approved, shall immediately vacate
7 his or her office, deliver to his or her successor all books, papers, records, and
8 other property held by virtue of his or her office, and make a complete settlement
9 of his or her accounts as county official, except as otherwise provided in this
10 section.

11 (2) (a) Each outgoing county official shall make a final settlement with the fiscal
12 court of his or her county within sixty (60) days~~[by March 15]~~ immediately
13 following the expiration of his or her term of office, or the date a vacancy is
14 otherwise created, for all money received by him or her as county official and
15 to obtain his or her quietus, and immediately thereafter he or she shall deliver
16 these records to the incumbent county official.

17 (b) If an official's vacancy does not coincide with the end of the calendar year
18 or end of the official's term, the outgoing county official shall remit any
19 remaining funds to the fiscal court as excess fees as determined by the final
20 settlement pursuant to subsection (2)(a) of this section. The fiscal court
21 shall, as soon as practicable, provide an amount equal to the excess fees
22 remitted by the outgoing official to the outgoing county official's successor
23 for official use.

24 (3) The outgoing county official and his or her bondsmen or sureties shall be relieved
25 in securing his or her quietus and in the final settlement of his or her accounts of
26 all responsibility for collecting and accounting for the amounts covered by the
27 receipt and the incoming county official shall be charged with full responsibility for

1 collecting and accounting for these amounts as otherwise provided by law for the
2 collection and accounting of taxes.

3 (4) The outgoing county official shall be allowed and paid by the fiscal court the
4 reasonable expenses actually incurred in preparing the receipt required under this
5 section. Reasonable expenses actually incurred may include his or her office
6 expenses and salary, and salaries of deputies and employees paid in accordance
7 with the schedule of the previous year or the amount paid an auditor necessary in
8 determining and verifying the final settlement to the fiscal court.

9 ➔Section 7. The following KRS section is repealed:

10 43.071 Annual audit of county clerk's motor vehicle and motorboat tax receipts.

11 ➔Section 8. Sections 1, 2, and 3 of this Act take effect July 1, 2027.