

1 AN ACT relating to consolidated local governments.

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

3 ➔Section 1. KRS 65.003 is amended to read as follows:

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

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

23 (2) Any city, county, or consolidated local government may enter into a memorandum  
24 of agreement or an interlocal agreement with one (1) or more other cities, counties,  
25 or consolidated local governments for joint adoption of a code of ethics which shall  
26 apply to all elected officials of the cities, counties, or consolidated local  
27 governments, and to appointed officials and employees as specified by each of the

1 cities, counties, or consolidated local governments which enters into the agreement.  
2 Interlocal agreements shall be executed pursuant to the Interlocal Cooperation Act  
3 in KRS 65.210 to 65.300. The interlocal agreement or memorandum of agreement  
4 may provide for but shall not be limited to:

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

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

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

- 19 (a) Standards of conduct for elected and appointed officials and employees;
- 20 (b) Requirements for creation of financial disclosure statements, which shall be  
21 filed annually by all candidates for the city, county, or consolidated local  
22 government elective offices specified in subsection (1) of this section, elected  
23 officials of each city, county, or consolidated local government, and other  
24 officials or employees of the city, county, or consolidated local government,  
25 as specified in the code of ethics, and which shall be filed with the person or  
26 group responsible for enforcement of the code of ethics;
- 27 (c) A policy on the employment of members of the families of officials or

1 employees of the city, county, or consolidated local government, as specified  
2 in the code of ethics; and

3 (d) The designation of a person or group who shall be responsible for  
4 enforcement of the code of ethics, including maintenance of financial  
5 disclosure statements, all of which shall be available for public inspection,  
6 receipt of complaints alleging possible violations of the code of ethics,  
7 issuance of opinions in response to inquiries relating to the code of ethics,  
8 investigation of possible violations of the code of ethics, and imposition of  
9 penalties provided in the code of ethics.

10 (4) The code of ethics ordinance adopted by a city, county, or consolidated local  
11 government may be amended but shall not be repealed.

12 (5) (a) Within twenty-one (21) days of the adoption of the code of ethics required by  
13 this section, each city, county, or consolidated local government shall deliver  
14 a copy of the ordinance by which the code was adopted and proof of  
15 publication in accordance with KRS Chapter 424 to the Department for Local  
16 Government. The Department for Local Government shall maintain the  
17 ordinances as public records and shall maintain a list of city, county, or  
18 consolidated local governments which have adopted a code of ethics and a list  
19 of those which have not adopted a code of ethics.

20 (b) Within twenty-one (21) days of the amendment of a code of ethics required by  
21 this section, each city, county, or consolidated local government shall:

22 1. Deliver a copy of the ordinance by which the code was amended and  
23 proof of publication in accordance with KRS Chapter 424 to the  
24 Department for Local Government, which shall maintain the amendment  
25 with the ordinance by which the code was adopted; and

26 2. Deliver a copy of the ordinance by which the code was amended to the  
27 governing body of each special purpose governmental entity that

1 follows that establishing entity's code of ethics pursuant to KRS  
2 65A.070.

3 (c) For ordinances adopting or amending a code of ethics under this section, cities  
4 of the first class and consolidated local governments shall comply with the  
5 publication requirements of KRS 83A.060(9), notwithstanding the exception  
6 contained in that statute.

7 (6) If a city, county, or consolidated local government fails to comply with the  
8 requirements of this section, the Department for Local Government shall notify all  
9 state agencies, including area development districts, which deliver services or  
10 payments of money from the Commonwealth to the city, county, or consolidated  
11 local government. Those agencies shall suspend delivery of all services or payments  
12 to the city, county, or consolidated local government which fails to comply with the  
13 requirements of this section. The Department for Local Government shall  
14 immediately notify those same agencies when the city, county, or consolidated local  
15 government is in compliance with the requirements of this section, and those  
16 agencies shall reinstate the delivery of services or payments to the city, county, or  
17 consolidated local government. This subsection shall not be interpreted or construed  
18 to permit the state to withhold any nondiscretionary payments that are due to the  
19 city, county, or consolidated local government for the provision of services by the  
20 city, county, or consolidated local government to the state or any of its agencies,  
21 including for the use of utility services.

22 (7) Notwithstanding KRS 67C.103(14)(e), a simple majority of the legislative council  
23 of a consolidated local government may delegate its authority to issue  
24 administrative subpoenas for the attendance and testimony of witnesses and the  
25 production of documents relevant to possible violations of the code of ethics to the  
26 person or a majority of the group responsible for enforcement of a code of ethics.  
27 Subpoenas shall be served in the same manner as subpoenas for witnesses in civil

1 cases. Compliance with the subpoenas shall be enforceable by the Circuit Court.  
2 Any failure to obey an order of the court may be punished by the court as contempt  
3 thereof.

4 (8) (a) In a consolidated local government, the group responsible for the  
5 enforcement of the code of ethics shall consist of seven (7) members chosen  
6 as follows:

7 1. Three (3) members appointed by the mayor of the consolidated local  
8 government; and

9 2. Four (4) members appointed by the legislative council of the  
10 consolidated local government with two (2) being appointed by each of  
11 the largest two (2) political caucuses of the legislative council.

12 (b) No more than three (3) members of the group responsible for the  
13 enforcement of the code of ethics shall be members of the same political  
14 party. A member of the ethics commission shall have been a member of the  
15 political party he or she is registered with for the purposes of balance set out  
16 in this section for at least four (4) years immediately prior to selection. The  
17 terms of the members shall be for four (4) years.

18 (c) If the group responsible for the enforcement of the code of ethics wishes to  
19 procure the services of an attorney, it shall either use attorneys employed by  
20 the county attorney's office of the county in which the consolidated local  
21 government is contained, or it shall engage the county attorney to procure  
22 attorneys not employed by the county attorney's office. The county attorney  
23 shall follow the provisions of KRS 424.260, or 45A.380 if the local model  
24 procurement code is in effect for the consolidated local government.

25 ➔Section 2. KRS 67C.103 is amended to read as follows:

26 (1) The legislative authority of a consolidated local government, except as otherwise  
27 specified in KRS 67C.101 to 67C.137, shall be vested in a consolidated local

1 government council. The members of the council shall be nominated and elected by  
2 district. There shall be only one (1) council member elected from each council  
3 district.

4 (2) There shall be twenty-six (26) council districts. The initial boundaries, population,  
5 and numerical designation of the council districts shall be as specified by KRS  
6 67C.135. The population of the council districts shall be as nearly equal as is  
7 reasonably possible. Any changes made to alter the boundaries of council districts  
8 shall be based on the population of the county as determined by the most recent  
9 United States Census or official census estimates as provided by the United States  
10 Bureau of the Census.

11 (3) (a) Following the official publication of each decennial census by the United  
12 States Bureau of the Census for the area embraced by a consolidated local  
13 government, the council shall adopt an ordinance, if necessary, to redistrict  
14 the council districts. A redistricting ordinance shall ensure that the districts in  
15 the redistricting plan:

16 1. Not vary from the ideal population by more or less than two and one-  
17 half percent (2.5%);

18 2. Contain no divided precincts throughout the entirety of the county  
19 unless the division of a precinct is required to conform to  
20 subparagraph 1. of this paragraph and any applicable law regarding  
21 population requirements;

22 3. Not be drawn in a manner as to contain two (2) or more actively  
23 serving council persons in the same district, except at the request of an  
24 affected incumbent;

25 4. Not be drawn in a manner so that the new district excludes the  
26 residence of an actively serving council person;†

27 ~~— Provide for the distribution of population among the council districts as~~

1           ~~nearly equal as is reasonably possible.~~

2           ~~5. Are~~ Every council district shall be compact and contiguous; and

3           ~~6. shall~~ Respect existing neighborhood, community, and city boundaries  
4           whenever possible.

5           **(b) The consolidated local government council shall establish a committee to**  
6           **create a redistricting plan. The committee shall consist of six (6) members.**  
7           **Of the six (6) members, three (3) shall be selected from the leadership of**  
8           **each of the two (2) largest political caucuses comprising the consolidated**  
9           **local government council membership. The chairs of each of the two (2)**  
10           **largest political caucuses comprising the consolidated local government**  
11           **council membership shall serve as the co-chairs of the redistricting plan**  
12           **committee. The committee shall engage the services of a demographer or**  
13           **other person with relevant experience who shall assist with creating the**  
14           **redistricting plan and advising the committee in matters relevant to**  
15           **redistricting. The person so engaged shall not be a voting member of the**  
16           **committee. The county clerk's office shall appoint a nonvoting**  
17           **representative to attend meetings of the committee so that the office and the**  
18           **county board of elections may remain informed of the committee's work.**

19           **(c) The committee shall recommend a redistricting plan to the consolidated**  
20           **local government council. For a redistricting plan to be adopted, it shall be**  
21           **approved by a majority vote of the entire consolidated local government**  
22           **council. If the committee fails to recommend a redistricting plan, then the**  
23           **redistricting shall be executed by the consolidated local government council.**  
24           **The consolidated local government council may, by ordinance, set any rules**  
25           **and timelines relative to redistricting procedures by the committee and by**  
26           **the consolidated local government to meet timelines and other requirements**  
27           **set by applicable law.**

- 1 (4) The consolidated local government council members shall serve for a term of four  
2 (4) years beginning on the first Monday in January following their election, except  
3 that the initial election of council members shall be in a manner as to provide for  
4 staggered terms for council members. At the initial election of the members of a  
5 consolidated local government council, those representing even-numbered districts  
6 shall be elected for a two (2) year term. Those representing odd-numbered districts  
7 shall be elected for a four (4) year term. Thereafter, all council members shall be  
8 elected for four (4) year terms.
- 9 (5) The members of a consolidated local government council shall be nominated and  
10 elected from the district in which they reside in nonpartisan elections. After the  
11 initial terms of office of the first elected council members, council members shall  
12 be elected in the same election years as other local government officials as  
13 regulated by the regular election laws of the Commonwealth and as provided in  
14 subsection (4) of this section.
- 15 (6) No person shall be eligible to serve as a member of a consolidated local government  
16 council unless he or she is at least eighteen (18) years old, a qualified voter, and a  
17 resident within the territory of the consolidated local government and the district  
18 that he or she seeks to represent for at least one (1) year immediately prior to the  
19 person's election. A council member shall continue to reside within the district from  
20 which he or she was elected throughout the term of office.
- 21 (7) The presiding officer of a consolidated local government council shall be a  
22 president who shall be chosen annually by a majority vote of the entire council from  
23 among its members at the first meeting of the council in January. The council  
24 president has the right to introduce any resolution or recommend any ordinance and  
25 shall be entitled to vote on all matters.
- 26 (8) The consolidated local government council shall upon notice meet within seven (7)  
27 days after its members have taken office, and shall thereafter hold at least one (1)



1 regular meeting per month. No newspaper notice shall be required for regular or  
2 special meetings of the consolidated local government council. However, notice of  
3 all meetings of the council and all meetings of committees of the council shall be  
4 held pursuant to KRS 61.805 to 61.850.

5 (9) A majority of the members of the consolidated local government council shall  
6 constitute a quorum, but a smaller number may adjourn from day to day. The  
7 consolidated local government council may enforce the attendance of members by  
8 rules or ordinances with appropriate fines. The mayor or two-thirds (2/3) of the  
9 entire membership of the council may call a special meeting at any time. Meetings  
10 shall be held in such places in the county as are provided by ordinance, and the  
11 place of meetings shall not be changed except by an ordinance for which two-thirds  
12 (2/3) of the members of the consolidated local government council have voted.

13 (10) The council shall determine its own rules and order of business, and keep and  
14 provide a public record of its proceedings. The council shall provide for the  
15 publication of all ordinances in a composite code of ordinances. *The council's rules*  
16 *shall not prohibit the filing of legislation that comports with the form*  
17 *requirements of KRS 83A.060(1), (2), and (3).*

18 (11) Council ordinances that prescribe penalties for their violation shall be enforced  
19 through the entire area of the consolidated local government unless:

20 (a) Otherwise provided by statute; or

21 (b) The legislative body of any city within the consolidated local government area  
22 has adopted an ordinance pertaining to the same subject matter that is the  
23 same as or more stringent than the standards set forth in the consolidated local  
24 government's ordinance.

25 (12) (a) In the case of a vacancy on the consolidated local government council by  
26 reason of death, resignation, or removal, a nonpartisan election shall be held  
27 to fill the unexpired term, unless paragraph (c) of this subsection applies. The

1 county clerk shall be responsible for administering the election. The election  
2 shall proceed as follows:

- 3 1. The presiding officer of the council shall declare the position vacant and  
4 issue a writ of election within twenty-four (24) hours of the occurrence  
5 of the vacancy;
- 6 2. The writ shall be signed by the presiding officer, shall designate the day  
7 for holding the election, and shall be delivered to the sheriff;
- 8 3. Candidates for the unexpired term shall file petitions of nomination with  
9 the county clerk not later than ten (10) days following the declaration of  
10 vacancy. The election shall be held sixty (60) days after the declaration  
11 of vacancy on the next Tuesday which is not a federal holiday under 5  
12 U.S.C. sec. 6103(a), unless paragraph (b) of this subsection applies. The  
13 petition for nomination shall contain the signatures of two (2) registered  
14 voters of the council district and shall meet the requirements of KRS  
15 118.315(2); and
- 16 4. The successful candidate elected to fill an unexpired term in the office  
17 of consolidated local government council member shall take office  
18 immediately upon certification of the election results and administration  
19 of the oath of office.

20 (b) If the unexpired term will not end on the first Monday in January following  
21 the next regular election, and if less than three (3) months intervene before  
22 that regular election, the unexpired term shall be filled on the date set for the  
23 regular election. Candidates for full terms shall be grouped together, and  
24 candidates for unexpired terms shall be grouped together, under appropriate  
25 headings, so that the voter may easily distinguish the candidates for full terms  
26 from the candidates for unexpired terms.

27 (c) If the unexpired term will end on the first Monday in January following the

1 next regular election, and if less than three (3) months intervene before that  
2 regular election, the presiding officer of the council shall appoint a qualified  
3 person to fill the vacancy and serve the remainder of the term.

4 (d) The order of the names on the ballot for the candidates shall be determined by  
5 lot at a public drawing to be held in the office of the county clerk at 4 p.m.,  
6 standard time, ten (10) days following the declaration of vacancy.

7 (13) All legislative powers of a consolidated local government are vested in the  
8 consolidated local government council. The term "legislative power" is to be  
9 construed broadly and shall include the power to:

10 (a) Enact ordinances, orders, and resolutions, and override a veto of the mayor by  
11 a two-thirds (2/3) majority of the membership of the legislative council;

12 (b) Review the budgets of and appropriate money to the consolidated local  
13 government;

14 (c) Adopt a budget ordinance;

15 (d) Levy taxes, subject to the limitations of the Constitution and the laws of the  
16 Commonwealth of Kentucky;

17 (e) Establish standing and temporary committees; and

18 (f) Make independent audits and investigations concerning the affairs of the  
19 consolidated local government and any board or commission that:

20 1. Is composed of members who are appointed by the mayor and approved  
21 by the legislative council; or

22 2. Has a budget that is equal to or greater than one million dollars  
23 (\$1,000,000.00), except that this subparagraph shall not apply to any fee  
24 officer elected within the consolidated local government.

25 (14) **The consolidated local government council, or either of its two (2) major political**  
26 **caucuses, may hire or retain legal counsel for advice and consultation or to**  
27 **prepare or review legislation. The legal counsel may provide an opinion on the**

legality or constitutionality of any legislative action, but that opinion shall only be  
an advisory opinion.

(15) (a) The consolidated local government council shall establish a Government Oversight and Audit Committee. This committee shall be:

1. Composed of members from each of the two (2) largest political caucuses in the legislative council;
2. Appointed by the chairs of their respective caucuses; and
3. Composed on the basis of the proportion of each of the two (2) caucuses' total membership as compared to the total membership of the legislative council. Any fractional proportions shall be rounded in the favor of the smallest caucus' membership on the committee.

(b) The committee shall have the power to:

1. Compel testimony and the submission of work papers or documents;
2. Issue subpoenas to compel any officer, appointee, or former officer or appointee to a board or commission described in subsection (13)(f) of this section or any department or division of the consolidated local government to appear before the committee and to compel the submission to the committee of any work papers or documents pertinent to an independent audit or investigation. Any subpoenas issued or testimony compelled shall be subject to any relevant statutes concerning privacy. Testimony subject to KRS 61.810 shall only be taken in executive session. The right to privacy or the requirement that testimony be taken in executive session may be waived by the person or entity being subpoenaed or compelled to testify;
3. Petition the appropriate Circuit Court to compel obedience by proceedings for contempt as in the case of disobedience of a subpoena issued from the Circuit Court or a refusal to testify therein, if any officer

1 or appointee fails or refuses to testify or furnish the work papers or  
2 documents subpoenaed;

3 4. Administer oaths to witnesses appearing before the committee when the  
4 committee deems the administration of an oath necessary and advisable  
5 as provided by law. This decision to administer oaths shall be taken by a  
6 majority vote of the committee of the legislative council; and

7 5. Recommend the removal of any appointee to a board or commission  
8 described in subsection (13)(f) of this section.

9 (c) The legislative council of the consolidated local government shall adopt by  
10 resolution any process or procedures deemed necessary for the administration  
11 of subpoenas and oaths.

12 (d) The legislative council of the consolidated local government may only act to  
13 remove an appointee to a board or commission described in subsection (13)(f)  
14 of this section upon the recommendation of the Government Oversight and  
15 Audit Committee.

16 (e) The Government Oversight and Audit Committee shall have the power to  
17 issue subpoenas or administer oaths. Except as provided in KRS 65.003(7),  
18 the legislative council of the consolidated local government shall not delegate  
19 those powers to any other entity or entities not a part of the legislative council  
20 of the consolidated local government.

21 ~~(16)~~~~(15)~~ **Any regulation, rule, or other similar action issued:**

22 **(a) By a board that is operating under KRS Chapter 109 or 212; and**

23 **(b) That applies to individuals residing or businesses operating within the**  
24 **jurisdiction of the consolidated local government as it relates to the conduct**  
25 **of the individuals or businesses;**

26 **may be reviewed and overridden by an adopted resolution of the consolidated**  
27 **local government council within forty-five (45) days of the issuance of the**

1        regulation, rule, or similar action.

2        (17) The consolidated local government council shall be known as the legislative council  
3        of ...../..... County Metro Government, which shall be a  
4        combination of the names of the largest city in existence in the county on the date  
5        of the adoption of the consolidated local government and the county.

6        ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO  
7        READ AS FOLLOWS:

8        (1) There shall be an office of internal audit within the consolidated local  
9        government that shall be separate from any other agency or department of the  
10       consolidated local government. The office shall report directly to the consolidated  
11       local government council. The office shall have a sufficient budget to conduct the  
12       activities and fulfill the responsibilities set out by this section and by any  
13       ordinances passed by the consolidated local government council.

14       (2) The office of internal audit shall be authorized to conduct financial and  
15       performance audits and reviews of all departments, offices, boards, and activities  
16       of the consolidated local government and have any other duties, powers, and  
17       authorities as set out by ordinance.

18       (3) The office of internal audit shall be headed by a chief audit executive, who shall  
19       serve a term of four (4) years and shall be appointed in a manner determined by  
20       the consolidated local government council by ordinance. A candidate for chief  
21       audit executive shall receive the approval of the majority of the membership of  
22       the body charged with making personnel employment decisions for the  
23       consolidated local government council and that is responsible for appointing the  
24       chief audit executive. The chief audit executive shall be at least twenty-one (21)  
25       years old and shall have any additional qualifications as determined by ordinance  
26       of the consolidated local government council.

27       (4) The chief audit executive may serve consecutive terms.

1 (5) Vacancies of the chief audit executive shall be handled in the same manner as  
2 appointments.

3 (6) A chief audit executive may be removed in a process determined by ordinance by  
4 the legislative council of the consolidated local government for neglect,  
5 incapacity, misfeasance, or malfeasance on the part of chief audit executive.

6 ➔Section 4. KRS 67C.115 is amended to read as follows:

7 (1) Upon the successful passage of the question to consolidate a city of the first class  
8 and its county, all ordinances and resolutions of the previously existing city of the  
9 first class and all ordinances and resolutions of the county shall become effective  
10 ordinances and resolutions of the consolidated local government until repealed,  
11 modified, or amended in accordance with the following order of precedence:

12 (a) If a city ordinance conflicts with a county ordinance, the county ordinance  
13 shall prevail and shall become effective countywide; and

14 (b) If a city ordinance addresses a subject matter not addressed by a county  
15 ordinance, the city ordinance shall become effective countywide; and

16 (c) If a county ordinance addresses a subject matter not addressed by a city  
17 ordinance, the county ordinance shall become effective countywide.

18 Notwithstanding paragraph (a) of this subsection and in the event a uniform land  
19 development code has not been jointly adopted by the city and county prior to the  
20 effective date of a consolidated local government, the historic preservation and  
21 landmarks ordinances, and the zoning regulations of the city adopted pursuant to  
22 KRS Chapter 100, shall prevail and become effective countywide.

23 (2) Ordinances and resolutions of either the city of the first class or its county in  
24 existence on the effective date of a local government consolidation which conflict  
25 with other provisions of this chapter shall be void. Except as provided in KRS  
26 67C.123(3), any ordinance, resolution, or order in effect in a city of the first class or  
27 its county on the date a consolidated local government takes effect shall expire five

1 (5) years from that date unless amended or reenacted by the consolidated local  
2 government.

3 (3) All ordinances of the city and county creating agencies and boards and interlocal  
4 agreements shall survive and be deemed reenacted by the council. All members  
5 may serve the balance of the terms to which they were appointed and until their  
6 successors are appointed and duly qualified according to law.

7 (4) For purposes of this section, a conflict shall be deemed to exist between ordinances  
8 or resolutions, or the provisions of this chapter, where any rights, remedies,  
9 entitlements, or the enforcement thereof cannot reasonably be reconciled.

10 (5) (a) The county attorney shall serve as the legal advisor and representative to the  
11 consolidated local government, except for those duties pertaining to fiscal  
12 court and as provided in subsection (14) of Section 2 of this Act.

13 (b) The county attorney shall retain and exercise all other duties, powers, and  
14 rights delegated to that office by law, excluding the power to approve  
15 legislation prior to its consideration by the legislative body of the consolidated  
16 local government. The county attorney may provide an opinion on the ~~form,~~  
17 ~~legality,~~ or constitutionality of any legislative action, but that opinion shall  
18 only be an advisory opinion. This subsection does not prevent the  
19 consolidated local government council from retaining its own legal counsel  
20 for advice and consultation should ~~if they~~ choose to do so.

21 (6) Wherever the words "county judge" or "county judge/executive" appear in any  
22 resolution or ordinance in existence in a city of the first class or in a county  
23 containing a city of the first class as of the effective date of the establishment of a  
24 consolidated local government, they shall be deemed to mean the mayor of the  
25 consolidated local government.

26 ➔Section 5. KRS 69.210 is amended to read as follows:

27 (1) Except as provided in Section 4 of this Act, the county attorney shall attend the



1       fiscal court or consolidated local government and conduct all business touching the  
2       rights or interests of the county or consolidated local government, and when so  
3       directed by the fiscal court or consolidated local government, he or she shall  
4       institute, defend, and conduct all civil actions in which the county or consolidated  
5       local government is interested before any of the courts of the Commonwealth.

6       (2) (a) The county attorney shall attend to the prosecution in the juvenile session of  
7       the District Court of all proceedings held pursuant to petitions filed under  
8       KRS Chapter 610 and over which the juvenile session of the District Court  
9       has jurisdiction pursuant to KRS Chapter 610.

10       (b) Notwithstanding paragraph (a) of this subsection, the attorneys for the Cabinet  
11       for Health and Family Services may attend to the prosecution of any case  
12       under KRS Chapter 620 upon written consent of the county attorney and  
13       judge of the District Court or family division of the Circuit Court.

14       (3) The county attorney shall give legal advice to the fiscal court or consolidated local  
15       government and the several county or consolidated local government officers in all  
16       matters concerning any county or consolidated local government business within  
17       their jurisdiction, except as provided in Section 4 of this Act. He or she shall  
18       oppose all unjust or illegally presented claims.

19       (4) A county attorney serving in a county, consolidated local government, or urban-  
20       county which is part of a judicial circuit described by KRS 69.010(2), in addition to  
21       the duties in subsections (1) and (2) of this section, shall have the following duties:

22       (a) He or she shall attend all civil cases and proceedings in his or her county in  
23       which the Commonwealth is interested; and

24       (b) He or she shall advise the collector of money due the Commonwealth in the  
25       county or consolidated local government in regard to motions against  
26       delinquent collecting officers for failing to return executions, and shall  
27       prosecute the motions. In no case shall the county attorney take a fee or act as

1           counsel in any case in opposition to the interest of the county or consolidated  
2           local government.

3           ➔Section 6. KRS 67C.111 is amended to read as follows:

4       (1) All cities other than those of the first class located within the territory of the  
5       consolidated local government, upon the successful passage of the question to  
6       consolidate a city of the first class and its county, shall remain incorporated unless  
7       dissolved in accordance with KRS 81.094 and shall continue to exercise all powers  
8       and perform the functions permitted by the Constitution and general laws of the  
9       Commonwealth of Kentucky applicable to the cities of the class to which they have  
10      been assigned.

11     (2) (a) After July 15, 2024, with the approval of the consolidated local government's  
12           legislative council, qualified voters within the consolidated local government  
13           may establish new cities within the consolidated local government pursuant to  
14           KRS 81.050 and 81.060. The proposed city must have a population of three  
15           thousand (3,000)~~[six thousand (6,000)]~~ or greater. This territory shall not be  
16           within any urban services boundary of the consolidated local government nor  
17           shall it include any territory currently incorporated within any existing city.  
18           The approval of the desire to establish a new city shall be in the form of a  
19           resolution by the consolidated local government's legislative council. If the  
20           legislative council does not act upon the request within sixty (60) days of the  
21           receipt of the desire to incorporate a new city, that shall serve as notice of  
22           approval by the legislative council of the incorporation of the new city.

23     (b) If the petition to form a city is signed by a number of registered and qualified  
24           voters residing in the area proposed to be incorporated which is equal to at  
25           least sixty-six percent (66%)~~[seventy-five percent (75%)]~~ of the total number  
26           of votes cast in the area in the last preceding presidential election, the  
27           consolidated local government's legislative council shall approve the proposed

1 incorporation.

2 (c) If the petition to form a city is signed by a number of registered and qualified  
3 voters residing in the area proposed to be incorporated which is less than  
4 sixty-six percent (66%)~~[seventy-five percent (75%)]~~ of the total number of  
5 votes cast in the area in the last preceding presidential election, the  
6 consolidated local government's legislative council may approve the proposed  
7 incorporation.

8 (d) An action of the consolidated local government's legislative council approving  
9 an incorporation passed by the consolidated local government legislative  
10 council shall not be subject to veto by the mayor of the consolidated local  
11 government.

12 (3) (a) Any proposed annexation by a city in that county shall first receive the  
13 approval of the legislative council of the consolidated local government prior  
14 to the city proceeding under the provisions of KRS Chapter 81A. The city  
15 shall request the approval of the consolidated legislative council by ordinance.  
16 For requests filed after July 15, 2024:

17 1. If the ordinance is accompanied by a petition in favor of the proposed  
18 annexation signed by a number of registered and qualified voters  
19 residing in the area proposed to be annexed which is equal to at least  
20 seventy-five percent (75%) of the total number of votes cast in the area  
21 in the last preceding presidential election, the consolidated local  
22 government shall approve the proposed annexation; or

23 2. If the ordinance is accompanied by written consent of the owners of  
24 record of the area to be annexed when that area is vacant or is otherwise  
25 unimproved land and where no persons reside, the consolidated  
26 government legislative council shall approve the proposed annexation.

27 A city shall not annex vacant or otherwise unimproved land where no

1 persons reside as set out by this subparagraph more than once every four  
2 (4) calendar years.

3 (b) The consolidated legislative council's decision shall be made by ordinance  
4 and within sixty (60) days of the receipt of the request by the affected city. If  
5 an ordinance has not been enacted by the consolidated legislative council  
6 within sixty (60) days, the request for a city to proceed with an annexation  
7 proposal shall be deemed to be approved by the consolidated legislative  
8 council. An ordinance approving annexation passed by the consolidated local  
9 government legislative council shall not be subject to veto by the mayor of the  
10 consolidated local government.

11 (c) 1. A city in a county containing a consolidated local government shall not  
12 annex commercial real estate primarily for the purpose of obtaining  
13 occupational license taxes, net profits, or gross receipts taxes unless  
14 each owner of record of property within the area to be annexed gives  
15 prior consent in writing to the annexation.

16 2. a. As used in this paragraph, "commercial real estate" means any  
17 parcel of real estate that is:

18 i. Lawfully used primarily for sales, retail, wholesale, office,  
19 research, institutional, warehouse, manufacturing, or  
20 industrial purposes;

21 ii. Lawfully used primarily for multifamily residential purposes  
22 involving five (5) or more dwelling units; or

23 iii. Zoned as a business or commercial use by a planning unit  
24 under the provisions of KRS Chapter 100.

25 b. "Commercial real estate" does not include single-family residential  
26 units such as condominiums, townhouses, manufactured homes, or  
27 homes or lots in a subdivision when sold, or residential units

1 otherwise conveyed on a unit-by-unit basis, even if those units are  
2 part of a larger building or parcel of real estate containing more  
3 than four (4) residential units.

4 (4) The adoption of a consolidated local government in a county containing a city of  
5 the first class shall not prevent the merger or dissolution of any existing cities as  
6 provided by law or the merger of any remaining cities with the newly consolidated  
7 local government.

8 (5) A petition circulated for the incorporation of a city or for the annexation of  
9 territory shall conform to KRS 65.012(1). Petitioners shall have one (1) year from  
10 the date of the first signature to circulate the petition. Any completed petition  
11 shall be submitted first to the county clerk, who then, upon finding the signatures  
12 in order, shall transmit the petition to the consolidated local government's  
13 council for the purposes set out in this section.

14 ➔Section 7. KRS 67C.147 is amended to read as follows:

15 (1) In order to maintain the tax structure, tax rates, or level of services in the area of the  
16 consolidated local government formerly comprising the city of the first class, the  
17 legislative council of a consolidated local government may provide in the manner  
18 described in this chapter for taxes and services within the area comprising the  
19 former city of the first class which are different from the taxes and services which  
20 are applicable in the remainder of the county. These differences may include  
21 differences in tax rates upon the class of property which includes the surface of the  
22 land, differences in ad valorem tax rates upon personal property, and differences in  
23 tax rates upon insurance premiums.

24 (2) (a) Any difference in the ad valorem tax rate on the class of property which  
25 includes the surface of the land in the portion of the county formerly  
26 comprising the city of the first class and in the portion of the county other  
27 than that formerly comprising the city of the first class may be imposed

1 directly by the consolidated local government council.

2 (b) For purposes of this section, the consolidated local government council may  
3 by ordinance adopt the following two (2) distinct subclassifications of real  
4 property for purposes of taxation within the portion of the county formerly  
5 comprising the city of the first class:

6 1. "Land," which means the surface of the earth and its natural  
7 resources, exclusive of any human-made structures, cultivated  
8 agricultural products, or artificial improvement or alteration to the  
9 land; and

10 2. "Improvements," which means any human-made addition to or  
11 modification of land that enhances its value, including but not limited  
12 to:

13 a. Any building, structure, fence, or pavement constructed upon the  
14 land;

15 b. Any cultivated agricultural products grown upon the land; and

16 c. Any artificial land backfill, grading, or site preparation aimed at  
17 modifying the natural topography.

18 (c) The council may levy a separate ad valorem tax rate on land and a separate  
19 ad valorem tax rate on improvements within the portion of the county  
20 formerly comprising the city of the first class. The rate levied on  
21 improvements may be lower than the rate levied on land. The rate levied on  
22 improvements shall be sufficient to constitute a bona fide tax levy.

23 (d) Notwithstanding KRS 132.010, for any tax year in which separate rates are  
24 levied under this subsection, the compensating tax rate shall be calculated  
25 as the specific combination of rates on land and improvements so that when  
26 applied to the current year's assessment, produces an aggregate revenue  
27 equal to the revenue produced in the preceding year.

1 (e) Notwithstanding KRS 132.010 and 132.017, the portion of a tax rate that is  
2 subject to recall in relation to producing revenue exceeding four percent  
3 (4%) over that produced by the compensating tax rate shall be determined  
4 based on the aggregate revenue produced by the combination of the rate  
5 levied on land and the rate levied on improvements.

6 (f) Notwithstanding KRS 132.810, the homestead exemption shall be applied  
7 first against the assessed value of improvements, and any remaining  
8 balance of the exemption shall then be applied against the assessed value of  
9 land.

10 (3) Any change in these ad valorem tax rates shall comply with KRS 68.245, 132.010,  
11 132.017, and 132.027 and shall be used for services as provided by KRS 82.085.

12 ~~(4)~~<sup>(3)</sup> If the consolidated local government council determines to provide for tax  
13 rates applicable to health insurance premiums and personal property which are  
14 different in the area formerly comprising the city of the first class than the rates  
15 applicable in the remainder of the county, it shall do so in the following manner.  
16 The consolidated local government council shall by ordinance create a tax district to  
17 be known as the "urban service tax district" bounded by the former boundaries of  
18 the former city of the first class. The ordinance shall designate the number of  
19 members of the board of this tax district and the manner in which they shall be  
20 appointed. The ordinance shall provide that the board of the tax district shall receive  
21 the income derived from the differential tax rate applicable in the area formerly  
22 comprising the city of the first class with respect to personal property, health  
23 insurance premiums, or both, and shall contract with the consolidated local  
24 government to pay all sums collected to the consolidated local government, in  
25 return for the provision of services performed by the consolidated local government  
26 within the area formerly comprising the city of the first class which services are in  
27 addition to services performed by the consolidated local government in the

1 remainder of the county. The consolidated local government shall provide at least  
2 an annual reporting to the urban service tax district board and the legislative body  
3 of the consolidated local government containing but not limited to detailed  
4 operating and capital expenditures of each service performed by the consolidated  
5 local government.

6 ~~(5)~~~~(4)~~ After the initial formation of an urban service tax district in a consolidated  
7 local government, the boundaries of the district may be modified in the following  
8 manner. The proposal to alter the boundaries of the urban service tax district within  
9 a consolidated local government may be initiated by:

- 10 (a) A resolution enacted by the consolidated local government describing the  
11 boundaries of the area to be added to or deleted from the tax district and duly  
12 passed and signed by the mayor not less than one hundred twenty (120) days  
13 before the next regularly scheduled election day within the county; or
- 14 (b) A petition signed by a number of qualified voters living within precincts  
15 within the area to be added to or deleted from the tax district equal to ten  
16 percent (10%) of the votes cast within each precinct in the last general  
17 election for President of the United States and delivered to the clerk of the  
18 legislative council more than one hundred twenty (120) days next preceding  
19 the next regularly scheduled election day within the county.

20 The boundaries so described in either case shall not cross precinct lines. The  
21 question of whether the area bounded as described should be added to or deleted  
22 from, as the case may be, the urban service tax district shall then be placed upon the  
23 ballot in the precincts in the area to be added or deleted at the next regular election  
24 and the question stated on the ballot shall be so phrased that a "Yes" vote shall be  
25 cast in favor of making the proposed change and a "No" vote shall be cast to oppose  
26 the proposed change. If a majority of those voting in those precincts support the  
27 change, then the change in the boundaries of the urban service tax district shall be



1 implemented.

2 ~~(6)~~~~(5)~~ (a) No later than July 1, 2025, the consolidated local government shall  
3 reimburse a fire district operating under KRS Chapter 75 for expenses related  
4 to each emergency medical response made by the fire district operating under  
5 KRS Chapter 75 into the area of the urban service tax district. A fire district  
6 so responding shall receive from the consolidated local government three  
7 hundred dollars (\$300) for transporting a person and one hundred fifty dollars  
8 (\$150) for arriving at person's location when no person is transported.

9 (b) The payment established in paragraph (a) of this subsection shall be in  
10 addition to any insurance moneys the fire district may be eligible to receive  
11 resulting from the response.

12 (c) The payment established in paragraph (a) of this subsection shall be adjusted  
13 on July 1 of each year by the percentage increase in the nonseasonally  
14 adjusted annual average Consumer Price Index for All Urban Consumers  
15 (CPI-U), U.S. City Average, All Items, between the two (2) most recent  
16 calendar years available, as published by the United States Bureau of Labor  
17 Statistics.

18 (d) The consolidated local government shall not charge a fire district operating  
19 under KRS Chapter 75 for any expenses or services that the consolidated local  
20 government was not charging the fire district prior to January 1, 2024.

21 ~~(7)~~~~(6)~~ Except for services provided within the central business district as defined by  
22 the consolidated local government via ordinance as of April 1, 2024:

23 (a) From July 1, 2025, to June 30, 2028, the differential tax received by the urban  
24 service tax district shall fund no less than eighty-five percent (85%) of all  
25 costs related to the services provided, including capital expenditures related to  
26 the services, within the urban service tax district by the consolidated local  
27 government as set out in this section that are in addition to the services

1 performed by the consolidated local government in the remainder of the  
2 county;

3 (b) From July 1, 2028, to June 30, 2031, the differential tax received by the urban  
4 service tax district shall fund no less than ninety percent (90%) of all costs  
5 related to the services provided, including capital expenditures related to the  
6 services, within the urban service tax district by the consolidated local  
7 government as set out in this section that are in addition to the services  
8 performed by the consolidated local government in the remainder of the  
9 county;

10 (c) From July 1, 2031, to June 30, 2034, the differential tax received by the urban  
11 service tax district shall fund no less than ninety-five percent (95%) of all  
12 costs related to the services provided, including capital expenditures related to  
13 the services, within the urban service tax district by the consolidated local  
14 government as set out in this section that are in addition to the services  
15 performed by the consolidated local government in the remainder of the  
16 county; and

17 (d) After June 30, 2034, the differential tax received by the urban service tax  
18 district shall fund no less than one hundred percent (100%) of all costs related  
19 to the services provided, including capital expenditures related to the services,  
20 within the urban service tax district by the consolidated local government as  
21 set out in this section that are in addition to the services performed by the  
22 consolidated local government in the remainder of the county.

23 ➔Section 8. The terms of the ethics commission members currently serving in a  
24 consolidated local government shall end on December 31, 2026. In making new  
25 appointments as set forth in subsection (8) of Section 1 of this Act, the mayor shall  
26 appoint one member for a four year term, and two members for a two year term, and the  
27 two largest political caucuses shall each appoint one member for a four year term and one

- 1 member for a two year term.
- 2 ➔Section 9. Any chief audit executive serving prior to the effective date of this
- 3 Act shall be allowed to complete his or her term of appointment and shall be eligible for
- 4 reappointment to that position.