

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~~

nearly equal as is reasonably possible.]

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

6. ~~[shall]~~Respect existing neighborhood, community, and city boundaries whenever possible.

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

(c) The committee shall recommend a redistricting plan to the consolidated local government council. For a redistricting plan to be adopted, it shall be approved by a majority vote of the entire consolidated local government council. If the committee fails to recommend a redistricting plan, then the redistricting shall be executed by the consolidated local government council. The consolidated local government council may, by ordinance, set any rules and timelines relative to redistricting procedures by the committee and by the consolidated local government to meet timelines and other requirements 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:

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

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

(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:

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

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

3 (15) (a) The consolidated local government council shall establish a Government
4 Oversight and Audit Committee. This committee shall be:
5 1. Composed of members from each of the two (2) largest political
6 caucuses in the legislative council;
7 2. Appointed by the chairs of their respective caucuses; and
8 3. Composed on the basis of the proportion of each of the two (2) caucuses'
9 total membership as compared to the total membership of the legislative
10 council. Any fractional proportions shall be rounded in the favor of the
11 smallest caucus' membership on the committee.

12 (b) The committee shall have the power to:
13 1. Compel testimony and the submission of work papers or documents;
14 2. Issue subpoenas to compel any officer, appointee, or former officer or
15 appointee to a board or commission described in subsection (13)(f) of
16 this section or any department or division of the consolidated local
17 government to appear before the committee and to compel the
18 submission to the committee of any work papers or documents pertinent
19 to an independent audit or investigation. Any subpoenas issued or
20 testimony compelled shall be subject to any relevant statutes concerning
21 privacy. Testimony subject to KRS 61.810 shall only be taken in
22 executive session. The right to privacy or the requirement that testimony
23 be taken in executive session may be waived by the person or entity
24 being subpoenaed or compelled to testify;
25 3. Petition the appropriate Circuit Court to compel obedience by
26 proceedings for contempt as in the case of disobedience of a subpoena
27 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

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

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

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

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

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

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

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

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

(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

otherwise conveyed on a unit-by-unit basis, even if those units are part of a larger building or parcel of real estate containing more 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.

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

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

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

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

(c) The council may levy a separate ad valorem tax rate on land and a separate ad valorem tax rate on improvements within the portion of the county formerly comprising the city of the first class. The rate levied on improvements may be lower than the rate levied on land. The rate levied on 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){(3)} 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 government,
24 in return for the provision of services performed by the consolidated local government
25 within the area formerly comprising the city of the first class which services are in
26 addition to services performed by the consolidated local government in the
27

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

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.