

1 AN ACT relating to school district finances.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) Each local board of education, with the assistance of the district superintendent*
6 *and district finance officer, shall establish a budget for each fiscal year as*
7 *follows:*

8 *(a) On or before January 31, the superintendent shall submit to the local board*
9 *for review at a public meeting a draft budget that provides line item*
10 *estimated revenues and proposed expenditures for the subsequent fiscal*
11 *year;*

12 *(b) On or before May 31:*

13 *1. And at least two (2) weeks prior to the public meeting required by*
14 *subparagraph 2. of this paragraph, the superintendent shall submit to*
15 *the local board a complete proposed tentative budget for the local*
16 *board's consideration; and*

17 *2. At a public meeting of the local board:*

18 *a. The local board shall review the proposed tentative budget; and*

19 *b. After any discussion or amendment, the local board shall adopt a*
20 *tentative budget for the subsequent fiscal year; and*

21 *(c) On or before September 30:*

22 *1. And at least two (2) weeks prior to the meeting required by*
23 *subparagraph 2. of this paragraph, the superintendent shall:*

24 *a. Submit to the local board a complete proposed working budget*
25 *for the local board's consideration;*

26 *b. Submit to the local board a report explaining:*

27 *i. The projected revenues from the various taxes levied by the*

- 1 district;
- 2 ii. The appropriations that the district expects to receive from
- 3 state and federal sources;
- 4 iii. The projected expenditures for personnel, transportation,
- 5 maintenance, and materials for the operation of the
- 6 district;
- 7 iv. Any one (1) time major expenses expected for the year,
- 8 including those for special projects or programs;
- 9 v. The projected revenues and expenditures associated with
- 10 restricted funds, including facilities funds;
- 11 vi. The costs associated with debts incurred by the district; and
- 12 vii. How the minimum reserve required in subsection (2) of this
- 13 section shall be maintained; and
- 14 c. Deliver the items in subdivisions a. and b. of this subparagraph
- 15 in a digital format to local board members. However, if a local
- 16 board member requests the items also be delivered in physical
- 17 format, the superintendent shall provide those within one (1)
- 18 business day of the request in the format requested;
- 19 2. At a public meeting of the local board:
- 20 a. The superintendent shall present to the local board:
- 21 i. The proposed working budget; and
- 22 ii. The report required in subparagraph 1.b. of this
- 23 paragraph;
- 24 b. The local board shall review the proposed working budget; and
- 25 c. After any discussion or amendment, the local board shall adopt a
- 26 working budget for the fiscal year; and
- 27 3. The local board shall submit to the Kentucky Board of Education the

1 *adopted working budget for final approval.*

2 *(2) A superintendent shall not propose and a local board of education shall not adopt*
 3 *a draft, tentative, or working budget that does not include a minimum reserve of*
 4 *at least two percent (2%) of the total budget.*

5 ➔Section 2. KRS 156.200 is amended to read as follows:

6 *(1) The commissioner of education or designee*~~[chief state school officer]~~ shall:

7 *(a)* Receive and examine all reports required by law or by the Kentucky Board of
 8 Education;~~[and, in person or through his assistants, shall]~~

9 *(b)* Examine and advise on the expenditures, business methods, and accounts of
 10 *all*~~:[all]~~

11 *1.* Boards of education;~~and[all]~~

12 *2.* Institutions placed under the management and control of the Department
 13 of Education as established in KRS 156.010;~~and[. He shall]~~

14 *(c)* See that all:

15 *1.* Financial *accounts* and educational *records*~~[accounts]~~ are accurately
 16 and neatly kept;~~and[that all]~~

17 *2.* Reports are made according to the forms adopted by the Kentucky
 18 Board of Education.

19 *(2) (a) If the commissioner of education has reason to suspect that there has been*
 20 *waste, fraud, fiscal mismanagement, or inaccurate financial accounts or*
 21 *educational records at a school district, the commissioner of education or*
 22 *designee shall examine the expenditures, business methods, accounts,*
 23 *financial accounts and educational records of the local board of education*
 24 *to enforce state law.*

25 *(b) The commissioner of education may consider the following in determining*
 26 *to act under paragraph (a) of this subsection:*

27 *1. An independent auditor or the Auditor of Public Accounts issues an*

- 1 audit or examination report that includes:
- 2 a. A finding of a material weakness in internal control;
- 3 b. A significant deficiency that remains unresolved from a prior
- 4 audit;
- 5 c. A qualified or adverse audit opinion; or
- 6 d. Repeated findings related to fiscal noncompliance within two (2)
- 7 consecutive audit cycles;
- 8 2. A local board of education approves:
- 9 a. A tentative budget or working budget with a general fund reserve
- 10 of less than two percent (2%); or
- 11 b. An audited annual financial report reflecting a general fund
- 12 reserve of less than two percent (2%);
- 13 3. A documented failure to follow the local board's duly adopted fiscal or
- 14 financial policies, as identified through audit findings or financial
- 15 review by the Kentucky Department of Education; and
- 16 4. A determination by the department, following a review of relevant
- 17 financial records, that fiscal practices present a material risk
- 18 requiring intervention or corrective action.
- 19 (c) Upon a determination by the commissioner of education of waste, fraud,
- 20 fiscal mismanagement, or inaccurate financial accounts or educational
- 21 records, the commissioner may require any of the following as determined
- 22 necessary to correct the issue:
- 23 1. Targeted financial or budgeting training for the district's finance
- 24 officer, superintendent, or local board members; and
- 25 2. The submission of additional financial reports, corrective action
- 26 plans, or other documentation that are directly related to the issue.
- 27 (d) The commissioner of education shall report any findings to the Kentucky

1 *Board of Education along with any actions taken under paragraph (c) of*
 2 *this subsection.*

3 *(e) Any determination made or action taken under paragraph (c) of this*
 4 *subsection may be appealed to the Kentucky Board of Education, which*
 5 *shall consider the appeal within thirty (30) days of its being filed.*

6 ➔Section 3. KRS 157.440 is amended to read as follows:

7 (1) (a) Notwithstanding any statutory provisions to the contrary, effective for school
 8 years beginning after July 1, 1990, the board of education of each school
 9 district may levy an equivalent tax rate as defined in ~~subsection (9)(a) of~~
 10 KRS 160.470(8)(a) which will produce up to fifteen percent (15%) of those
 11 revenues guaranteed by the program to support education excellence in
 12 Kentucky. The levy for the 1990-91 school year shall be made no later than
 13 October 1, 1989, and no later than October 1, 1990, for the 1991-92 school
 14 year, and by October 1 of each odd-numbered year thereafter. Effective with
 15 the 1990-91 school year, revenue generated by this levy shall be equalized at
 16 one hundred fifty percent (150%) of the statewide average per pupil
 17 assessment.

18 (b) To participate in the Facilities Support Program of Kentucky, the board of
 19 education of each school district shall commit at least an equivalent tax rate of
 20 five cents (\$0.05) to debt service, new facilities, or major renovations of
 21 existing school facilities, or the purchase of land if approved by the
 22 commissioner of education as provided in KRS 157.420(4)(b). The five cents
 23 (\$0.05) shall be in addition to the thirty cents (\$0.30) required by KRS
 24 160.470(8)(9) and any levy pursuant to paragraph (a) of this subsection. The
 25 levy shall be made no later than October 1 of each odd-numbered year.
 26 Eligibility for equalization funds for the biennium shall be based on the
 27 district funds committed to debt service on that date. The five cents (\$0.05)

1 shall be equalized at one hundred fifty percent (150%) of the statewide
2 average per pupil assessment. The equalization funds shall be committed to
3 debt service to the greatest extent possible, but any excess equalization funds
4 not needed for debt service shall be deposited to a restricted building fund
5 account. The funds may be escrowed for future debt service or used to address
6 categorical priorities listed in the approved facilities plan pursuant to KRS
7 157.420.

8 (c) The board of education of each school district may contribute the levy
9 equivalent tax rate of five cents (\$0.05) and equalization funds for energy
10 conservation measures under guaranteed energy savings contracts pursuant to
11 KRS 45A.345, 45A.352, and 45A.353. Use of these funds, as provided under
12 KRS 45A.353, 56.774, and 58.600 shall be based on the following guidelines:

- 13 1. Energy conservation measures shall include facility alteration;
- 14 2. Energy conservation measures shall be identified in the district's
15 approved facility plan pursuant to KRS 157.420;
- 16 3. The current facility systems are consuming excess maintenance and
17 operating costs;
- 18 4. The savings generated by the energy conservation measures are
19 guaranteed;
- 20 5. The levy equivalent tax rate of five cents (\$0.05) and equalization funds
21 contributed to the energy conservation measures shall be defined as
22 capital cost avoidance as provided in KRS 45A.345(2) and shall be
23 subject to the restrictions on usage as specified in KRS 45A.352(9); and
- 24 6. The equipment that is replaced has exceeded its useful life as
25 determined by a life cycle cost analysis.

26 (d) The rate levied by a district board of education under the provisions of this
27 subsection shall not be subject to the public hearing provisions of KRS

1 160.470~~(6)~~~~(7)~~ or to the recall provisions of KRS 160.470~~(7)~~~~(8)~~.

2 (e) A school district which is at or above the equivalent tax rates permitted under
3 the provisions of the Kentucky Education Reform Act of 1990, 1990 Ky. Acts
4 ch. 476, shall not be required to levy an equivalent tax rate which is lower
5 than the rate levied during the 1989-90 school year.

6 (2) (a) A district may exceed the maximum provided by subsection (1) of KRS
7 160.470 provided that, upon request of the board of education of the district,
8 the county board of elections shall submit to the qualified voters of the
9 district, in the manner of submitting and voting as prescribed in paragraph (b)
10 of this subsection, the question whether a rate which would produce revenues
11 in excess of the maximum provided by subsection (1) of KRS 160.470 shall
12 be levied. The rate that may be levied under this section may produce revenue
13 up to no more than thirty percent (30%) of the revenue guaranteed by the
14 program to support education excellence in Kentucky plus the revenue
15 produced by the tax authorized by this section. Revenue produced by this levy
16 shall not be equalized with state funds. If a majority of those voting on the
17 question favor the increased rate, the tax levying authority shall, when the
18 next tax rate for the district is fixed, levy a rate not to exceed the rate
19 authorized by the voters.

20 (b) The election shall be held not less than fifteen (15) or more than thirty (30)
21 days from the time the request of the board is filed with the county clerk, and
22 reasonable notice of the election shall be given. The election shall be
23 conducted and carried out in the school district in all respects as required by
24 the general election laws and shall be held by the same officers as required by
25 the general election laws. The expense of the election shall be borne by the
26 school district.

27 (3) For the 1966 tax year and for all subsequent years for levies which were approved

1 prior to December 8, 1965, no district board of education shall levy a tax at a rate
2 under the provisions of this section which exceeds the compensating tax rate as
3 defined in KRS 132.010, except as provided in subsection (4) of this section and
4 except that a rate which has been approved by the voters under this section but
5 which was not levied by the district board of education in 1965 may be levied after
6 it has been reduced to the compensating tax rate as defined in KRS 132.010, and
7 except that in any school district where the rate levied in 1965 was less than the
8 maximum rate which had been approved by the voters, the compensating tax rate
9 shall be computed and may be levied as though the maximum approved rate had
10 been levied in 1965 and the amount of revenue which would have been produced
11 from such maximum levy had been derived therefrom.

12 (4) Notwithstanding the limitations contained in subsection (3) of this section, no tax
13 rate shall be set lower than that necessary to provide such funds as are required to
14 meet principal and interest payments on outstanding bonded indebtedness and
15 payments of rentals in connection with any outstanding school revenue bonds
16 issued under the provisions of KRS Chapter 162.

17 (5) The chief state school officer shall certify the compensating tax rate to the levying
18 authorities.

19 ➔Section 4. KRS 160.390 is amended to read as follows:

20 (1) The superintendent shall devote himself exclusively to his duties. He shall exercise
21 general supervision of the schools of his district, examine their condition and
22 progress, and keep himself informed of the progress in other districts. He shall
23 prepare or have prepared all budgets, salary schedules, and reports required of his
24 board by statute or the Kentucky Board of Education. He shall advise himself of
25 the need of extension of the school system of the district, shall receive and examine
26 reports from teachers and other school officers, and shall make reports from time to
27 time as required by the rules of his board or as directed by the board. He shall be

1 responsible to the board for the general condition of the schools. He shall be
2 responsible for all personnel actions including hiring, assignments, transfer,
3 dismissal, suspension, reinstatement, promotion, and demotion and reporting the
4 actions to the local board.

5 (2) All personnel actions by the superintendent as described in subsection (1) **of this**
6 **section** shall be recorded in the minutes of the local board of education at the next
7 meeting after the action is taken and shall not be effective prior to receipt of written
8 notice of the personnel action by the affected employee from the superintendent.

9 ➔Section 5. KRS 160.460 is amended to read as follows:

10 (1) All school taxes shall be levied by the board of education of each school district.
11 The tax-levying authority shall levy an ad valorem tax within the limits prescribed
12 in KRS 160.470, which will obtain for the school district the amount of money
13 needed as shown in the district's **working**~~[general school]~~ budget submitted under
14 **Section 1 of this Act**~~[the provisions of KRS 160.470].~~

15 (2) The tax-levying authority shall make an annual school levy not later than July 1.
16 The school levy shall not be made until the **working**~~[general school]~~ budget has
17 been received and approved by the Kentucky Board of Education. The failure of the
18 authority to make the levy by the date prescribed shall not invalidate any levy made
19 thereafter.

20 (3) All school taxes shall be levied on all property subject to local taxation in the
21 jurisdiction of the tax-levying authority. If the school levy is to be made upon the
22 city assessment, which is hereby authorized for independent school districts
23 embraced by designated cities, the clerk of the city shall furnish to the school
24 district or districts which the city embraces, the assessed valuation of property
25 subject to local taxation in the school district, as determined by its tax assessor. If
26 the school levy is to be made upon the county assessment the county clerk shall
27 furnish to the proper school district or districts the assessed valuation of property

1 subject to local taxation in the district or districts, as certified by the Kentucky
 2 Department of Revenue. No later than July 1, 1994, all real property located in the
 3 state and subject to local taxation shall be assessed at one hundred percent (100%)
 4 of fair cash value.

5 (4) As used in this section, "designated city" means a city classified as a city of the
 6 first, second, third, or fourth class as of January 1, 2014, under the city
 7 classification system in effect prior to January 1, 2015. The Department of
 8 Education shall, on or before January 1, 2015, create an official registry listing the
 9 cities that qualify as a "designated city" under this section and shall publish that
 10 registry on its website~~[Web site]~~.

11 ➔Section 6. KRS 160.470 is amended to read as follows:

12 (1) (a) Notwithstanding any statutory provisions to the contrary, no district board of
 13 education shall levy a general tax rate which will produce more revenue,
 14 exclusive of revenue from net assessment growth as defined in KRS 132.010,
 15 than would be produced by application of the general tax rate that could have
 16 been levied in the preceding year to the preceding year's assessment, except as
 17 provided in subsections (8) and (9)~~[(9) and (10)]~~ of this section and KRS
 18 157.440.

19 (b) If an election is held as provided for in KRS 132.017 and the question should
 20 fail, such failure shall not reduce the "...general tax rate that could have been
 21 levied in the preceding year..." referred to in subsection (1)(a) of this section,
 22 for purposes of computing the general tax rate for succeeding years.

23 In the event of a merger of school districts, the limitations contained in this section
 24 shall be based upon the combined revenue of the merging districts, as computed
 25 under the provisions of this section.

26 (2) No district board of education shall levy a general tax rate within the limits imposed
 27 in subsection (1) of this section which respectively exceeds the compensating tax

1 rate defined in KRS 132.010, except as provided in subsections (8) and (9)~~[(9) and~~
2 ~~(10)]~~ of this section, KRS 157.440, and KRS 157.621, until the district board of
3 education has complied with the provisions of subsection (6)~~[(7)]~~ of this section.

4 (3) Upon receipt of property assessments from the Department of Revenue, the
5 commissioner of education shall certify the following to each district board of
6 education:

7 (a) The general tax rate that a district board of education could levy under the
8 provisions of subsection (1) of this section, and the amount of revenue
9 expected to be produced;

10 (b) The compensating tax rate as defined in KRS 132.010 for a district's general
11 tax rate the amount of revenue expected to be produced;

12 (c) The general tax rate which will produce, respectively, no more revenue from
13 real property, exclusive of revenue from new property, than four percent (4%)
14 over the amount of revenue produced by the compensating tax rate defined in
15 KRS 132.010, and the amount of revenue expected to be produced.

16 (4) Upon completion of action on property assessment data, the Department of
17 Revenue shall submit certified property assessment data as required in KRS
18 133.125 to the chief state school officer.

19 (5) Within thirty (30) days after the district board of education has received its
20 assessment data, the rates levied shall be forwarded to the Kentucky Board of
21 Education for its approval or disapproval. The failure of the district board of
22 education to furnish the rates within the time prescribed shall not invalidate any
23 levy made thereafter.

24 (6) ~~[(a) Each district board of education shall, on or before January 31 of each~~
25 ~~calendar year, formally and publicly examine detailed line item estimated~~
26 ~~revenues and proposed expenditures for the subsequent fiscal year. On or~~
27 ~~before May 30 of each calendar year, each district board of education shall~~

1 ~~adopt a tentative working budget which shall include a minimum reserve of~~
2 ~~two percent (2%) of the total budget.~~

3 ~~(b) Each district board of education shall submit to the Kentucky Board of~~
4 ~~Education no later than September 30, a close estimate or working budget~~
5 ~~which shall conform to the administrative regulations prescribed by the~~
6 ~~Kentucky Board of Education.~~

7 ~~(7)~~ (a) Except as provided in subsections **(8) and (9)**~~[(9) and (10)]~~ of this section and
8 KRS 157.440, a district board of education proposing to levy a general tax
9 rate within the limits of subsection (1) of this section which exceed the
10 compensating tax rate defined in KRS 132.010 shall hold a public hearing to
11 hear comments from the public regarding the proposed tax rate. The hearing
12 shall be held in the principal office of the taxing district or, in the event the
13 taxing district has no office, or the office is not suitable for such a hearing, the
14 hearing shall be held in a suitable facility as near as possible to the geographic
15 center of the district.

16 (b) The district board of education shall advertise the hearing by causing the
17 following to be published at least twice for two (2) consecutive weeks, in the
18 newspaper of largest circulation in the county, a display type advertisement of
19 not less than twelve (12) column inches:

- 20 1. The general tax rate levied in the preceding year, and the revenue
21 produced by that rate;
- 22 2. The general tax rate for the current year, and the revenue expected to be
23 produced by that rate;
- 24 3. The compensating general tax rate, and the revenue expected from it;
- 25 4. The revenue expected from new property and personal property;
- 26 5. The general areas to which revenue in excess of the revenue produced in
27 the preceding year is to be allocated;

- 1 6. A time and place for the public hearing which shall be held not less than
2 seven (7) days nor more than ten (10) days after the day that the second
3 advertisement is published;
- 4 7. The purpose of the hearing; and
- 5 8. A statement to the effect that the General Assembly has required
6 publication of the advertisement and the information contained herein.
- 7 (c) In lieu of the two (2) published notices, a single notice containing the required
8 information may be sent by first-class mail to each person owning real
9 property, addressed to the property owner at his residence or principal place
10 of business as shown on the current year property tax roll.
- 11 (d) The hearing shall be open to the public. All persons desiring to be heard shall
12 be given an opportunity to present oral testimony. The district board of
13 education may set reasonable time limits for testimony.
- 14 ~~(7)~~~~(8)~~ (a) That portion of a general tax rate, except as provided in subsections (8)
15 and (9)~~(9) and (10)~~ of this section, KRS 157.440, and KRS 157.621, levied
16 by an action of a district board of education which will produce, respectively,
17 revenue from real property, exclusive of revenue from new property, more
18 than four percent (4%) over the amount of revenue produced by the
19 compensating tax rate defined in KRS 132.010, shall be subject to a recall
20 vote or reconsideration by the district board of education as provided for in
21 KRS 132.017, and shall be advertised as provided for in paragraph (b) of this
22 subsection.
- 23 (b) The district board of education shall, within seven (7) days following adoption
24 of an ordinance, order, resolution, or motion to levy a general tax rate, except
25 as provided in subsections (8) and (9)~~(9) and (10)~~ of this section and KRS
26 157.440, which will produce revenue from real property, exclusive of revenue
27 from new property as defined in KRS 132.010, more than four percent (4%)

1 over the amount of revenue produced by the compensating tax rate defined in
 2 KRS 132.010, cause the following to be published, in the newspaper of largest
 3 circulation in the county, a display type advertisement of not less than twelve
 4 (12) column inches:

- 5 1. The fact that the district board of education has adopted such a rate;
- 6 2. The fact that the part of the rate which will produce revenue from real
 7 property, exclusive of new property as defined in KRS 132.010, in
 8 excess of four percent (4%) over the amount of revenue produced by the
 9 compensating tax rate defined in KRS 132.010 is subject to recall; and
- 10 3. The name, address, and telephone number of the county clerk of the
 11 county or urban-county in which the school district is located, with a
 12 notation to the effect that that official can provide the necessary
 13 information about the petition required to initiate recall of the tax rate.

14 ~~(8)~~⁽⁹⁾ (a) Notwithstanding any statutory provisions to the contrary, effective for
 15 school years beginning after June 30, 1990, the board of education of each
 16 school district shall levy a minimum equivalent tax rate of thirty cents (\$0.30)
 17 for general school purposes. Equivalent tax rate is defined as the rate which
 18 results when the income collected during the prior year from all taxes levied
 19 by the district for school purposes is divided by the total assessed value of
 20 property plus the assessment for motor vehicles certified by the Department of
 21 Revenue. School districts collecting school taxes authorized by KRS 160.593
 22 to 160.597, 160.601 to 160.633, or 160.635 to 160.648 for less than twelve
 23 (12) months during a school year shall have included in income collected
 24 under this section the pro rata tax collection for twelve (12) months.

25 (b) Failure of a board to comply with paragraph (a) of this subsection may
 26 constitute a forfeiture of office by its members pursuant to KRS 415.050 and
 27 415.060.

1 ~~(9)~~~~(10)~~ A district board of education may levy a general tax rate that will produce
2 revenue from real property, exclusive of revenue from new property, that is four
3 percent (4%) over the amount of the revenue produced by the compensating tax rate
4 as defined in KRS 132.010.

5 ➔Section 7. KRS 160.473 is amended to read as follows:

6 (1) In the event that a general tax rate applicable to real property levied by a district
7 board of education will produce a percentage increase in revenue from personal
8 property less than the percentage increase in revenue from real property, the district
9 board of education may levy a general tax rate applicable to personal property
10 which will produce the same percentage increase in revenue from personal property
11 as the percentage increase in revenue from real property; however, in no event shall
12 the general tax rate levied by the district board of education applicable to personal
13 property exceed the prior year general tax rate applicable to personal property
14 levied by the respective district board of education.

15 (2) The general tax rate applicable to personal property levied by a district board of
16 education under the provisions of subsection (1) of this section shall not be subject
17 to the public hearing provisions of KRS 160.470~~(6)~~~~(7)~~ and to the recall provisions
18 of KRS 160.470~~(7)~~~~(8)~~.

19 ➔Section 8. KRS 160.530 is amended to read as follows:

20 The money collected by taxation under the provisions of KRS 160.460 to 160.520 and
21 other school money shall be expended by the board of education in accordance with the
22 working~~recommendations contained in the~~ budget submitted to and approved by the
23 Kentucky Board of Education.

24 ➔Section 9. KRS 160.550 is amended to read as follows:

25 (1) No superintendent shall recommend and no board member shall knowingly vote for
26 an expenditure in excess of the income and revenue of any year, as shown by the
27 working budget adopted by the board and approved by the Kentucky Board of

1 Education, except for a purpose for which bonds have been voted or in case of an
2 emergency declared by the Kentucky Board of Education.

3 (2) Any school district having authorized an expenditure in violation of subsection (1)
4 of this section may be so certified at any time by the Kentucky Board of Education.
5 A district so certified shall thereafter, any contrary statutory provisions
6 notwithstanding, make no expenditure of money, give no authorization involving
7 the expenditure of money, and make no employment, purchase, or contract, unless
8 the chief state school officer has approved in writing, as fiscally sound and
9 necessary, the expenditure, authorization, employment, purchase, or contract. Any
10 expenditure, authorization, employment, purchase, or contract made in violation of
11 this subsection shall be void.

12 (3) Any school district subject to the provisions of subsection (2) of this section shall so
13 remain until such time as the Kentucky Board of Education has approved, in
14 conformity with Section 1 of this Act~~[KRS 160.470]~~, a working budget for the
15 district for a succeeding fiscal year.

16 (4) In addition to the penalties set forth in KRS 160.990, any person who knowingly
17 expends or authorizes the expenditure of school district funds or who knowingly
18 authorizes or executes any employment, purchase, or contract, in violation of this
19 section, shall be jointly and severably liable in person and upon any official bond he
20 has given to such district to the extent of any payments on the void claim. For
21 purposes of this section, "knowingly" shall mean a person acts with respect to
22 conduct or to a circumstance described by a statute defining an offense when he is
23 aware that his conduct is of that nature or that the circumstance exists.

24 ➔Section 10. KRS 424.250 is amended to read as follows:

25 At the same time that copies of the budget of a school district are filed with the
26 clerk of the tax levying authority for the district, as provided in Section 1 of this
27 Act~~[KRS 160.470]~~, the board of education of the district shall cause the budget to be

- 1 advertised for the district by publishing a copy of the budget in a newspaper and on the
- 2 district's website.