

1 AN ACT relating to administrative regulations.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 13A IS CREATED TO
4 READ AS FOLLOWS:

5 **(1) As used in this section:**

6 **(a) "Approval" means a permit, license, certification, registration, or any other**
7 **form of authorization that a regulated party is required to obtain from an**
8 **administrative body prior to engaging in a particular activity;**

9 **(b) "High-impact approval" means any approval that:**

10 **1. Has an average processing duration of ten (10) or more days and for**
11 **which more than one hundred (100) applications are received**
12 **annually;**

13 **2. Has an average processing time exceeding thirty (30) days; or**

14 **3. Is reasonably expected to generate investment in the Commonwealth**
15 **exceeding one million dollars (\$1,000,000); and**

16 **(c) "Procedural stage" means a distinct step in the approval process at which**
17 **an application is transferred or reviewed.**

18 **(2) The Legislative Research Commission, in coordination with the Commonwealth**
19 **Office of Technology, shall develop, implement, and maintain a publicly**
20 **accessible online permit transparency portal to track permits, licenses,**
21 **certifications, registrations, and other forms of approval required by**
22 **administrative bodies in administrative regulations.**

23 **(3) The permit transparency portal shall include:**

24 **(a) A searchable database of all approval types offered by administrative bodies,**
25 **including:**

26 **1. A description of each approval;**

27 **2. The legal basis for each approval;**

- 1 3. Application requirements and forms;
- 2 4. Associated fees;
- 3 5. Expected processing timelines; and
- 4 6. Contact information for responsible units or personnel at each
- 5 procedural stage of the approval process;

6 **(b) The ability for applicants to:**

- 7 1. Submit applications and supporting documentation electronically;
- 8 2. Track the status of their applications through each procedural stage;
- 9 3. Receive automated notifications of approaching or missed deadlines;
- 10 and
- 11 4. Pay fees electronically; and

12 **(c) Performance metrics, including:**

- 13 1. Historical data on administrative body performance;
- 14 2. Average processing times;
- 15 3. Compliance with established timelines; and
- 16 4. A publicly available dashboard displaying aggregated data on
- 17 approval processing by administrative bodies.

18 **(4) (a) Within twelve (12) months after the effective date of this Act, the permit**

19 transparency portal shall be launched in a pilot phase that includes at least

20 three (3) administrative bodies with high-impact approvals.

21 **(b) Within twenty-four (24) months after the effective date of this Act, the portal**

22 shall be fully implemented for all administrative bodies.

23 **(5) Each administrative body shall:**

- 24 **(a) Conduct a comprehensive permit audit within one hundred eighty (180)**
- 25 days after the effective date of this Act, identifying:
- 26 1. All approvals it issues;
- 27 2. Average processing times;

- 1 3. Opportunities for consolidation or elimination; and
- 2 4. Process improvement recommendations;
- 3 (b) Cooperate with implementation of the portal;
- 4 (c) Within ten (10) business days of receiving an application, notify the
- 5 applicant whether the application is complete or incomplete, specifying any
- 6 deficiencies; and
- 7 (d) Accept electronic submissions of applications where practicable.
- 8 (6) The Legislative Research Commission shall prepare and submit to the General
- 9 Assembly by February 1 of each year an annual permit efficiency report that
- 10 includes:
- 11 (a) Statistics on approvals processed, approved, and denied;
- 12 (b) Average processing times by approval type;
- 13 (c) Compliance with established timelines;
- 14 (d) Analysis of delays and recommendations for improvement; and
- 15 (e) Year-over-year trends in processing efficiency.
- 16 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 13A IS CREATED TO
- 17 READ AS FOLLOWS:
- 18 (1) As used in this section:
- 19 (a) "Discretionary requirement" means a regulatory requirement that is not
- 20 mandated by federal law, federal regulation, or Kentucky statute, but is
- 21 issued at the administrative body's discretion;
- 22 (b) "Regulatory requirement" means any action required to be taken, condition
- 23 required to be met, or information required to be provided pursuant to an
- 24 administrative regulation in order to:
- 25 1. Access government services;
- 26 2. Obtain an approval as defined in Section 1 of this Act;
- 27 3. Operate or conduct business in the Commonwealth; or

- 1 4. Otherwise comply with the administrative regulation; and
- 2 (c) "Regulatory restriction" means any use of the terms "shall," "shall not,"
- 3 "prohibited," "required," or other mandatory or prohibitory language
- 4 within an administrative regulation that imposes an obligation or constraint
- 5 upon a regulated party.
- 6 (2) (a) Within one hundred eighty (180) days after the effective date of this Act,
- 7 each administrative body shall submit to the Legislative Research
- 8 Commission a regulatory inventory report that includes:
- 9 1. A count of all regulatory requirements contained in the administrative
- 10 body's administrative regulations;
- 11 2. A count of all regulatory restrictions contained in the administrative
- 12 body's administrative regulations;
- 13 3. Identification of which requirements are discretionary requirements
- 14 and which are mandated by federal or state law;
- 15 4. The methodology used to conduct the count; and
- 16 5. A certification by the head of the administrative body that the
- 17 inventory is accurate.
- 18 (b) The Legislative Research Commission shall:
- 19 1. Compile the inventories submitted under paragraph (a) of this
- 20 subsection into a comprehensive statewide regulatory baseline;
- 21 2. Publish the statewide regulatory baseline on a publicly accessible
- 22 website within thirty (30) days of receiving all administrative body
- 23 submissions;
- 24 3. Establish uniform counting methodologies and definitions to ensure
- 25 consistency across administrative bodies; and
- 26 4. Update the baseline inventory annually to track changes in the total
- 27 number of regulatory requirements and restrictions.

1 (3) (a) Beginning February 1 of the year following establishment of the baseline,
2 and annually thereafter, each administrative body shall submit to the
3 Legislative Research Commission an updated count of its regulatory
4 requirements and restrictions.

5 (b) The Legislative Research Commission shall include in its annual report to
6 the General Assembly under Section 1 of this Act:

7 1. The statewide total of regulatory requirements and restrictions;

8 2. Year-over-year changes in regulatory requirements and restrictions,
9 sorted by administrative body;

10 3. Net additions and reductions since the baseline was established; and

11 4. Identification of administrative bodies with the largest increases or
12 decreases in regulatory requirements.

13 (4) The requirements of this section shall be in addition to and not in lieu of any
14 other inventory or reporting requirements established by this chapter.

15 ➔Section 3. KRS 13A.010 is amended to read as follows:

16 As used in this chapter, unless the context otherwise requires:

17 (1) "Administrative body" means each state board, bureau, cabinet, commission,
18 department, authority, officer, or other entity, except the General Assembly and the
19 Court of Justice, authorized by law to promulgate administrative regulations;

20 (2) "Administrative regulation" means each statement of general applicability
21 promulgated by an administrative body that implements, interprets, or prescribes
22 law or policy, or describes the organization, procedure, or practice requirements of
23 any administrative body. The term includes an existing administrative regulation, a
24 new administrative regulation, an emergency administrative regulation, an
25 administrative regulation in contemplation of a statute, and the amendment or
26 repeal of an existing administrative regulation, but does not include:

27 (a) Statements concerning only the internal management of an administrative

- 1 body and not affecting private rights or procedures available to the public;
- 2 (b) Declaratory rulings;
- 3 (c) Intradepartmental memoranda not in conflict with KRS 13A.130;
- 4 (d) Statements relating to acquisition of property for highway purposes and
- 5 statements relating to the construction or maintenance of highways; or
- 6 (e) Rules, regulations, and policies of the governing boards of institutions that
- 7 make up the postsecondary education system defined in KRS 164.001
- 8 pertaining to students attending or applicants to the institutions, to faculty and
- 9 staff of the respective institutions, or to the control and maintenance of land
- 10 and buildings occupied by the respective institutions;
- 11 (3) "Adopted" means that an administrative regulation has become effective in
- 12 accordance with the provisions of this chapter;
- 13 (4) "Authorizing signature" means the signature of the head of the administrative body
- 14 authorized by statute to promulgate administrative regulations;
- 15 (5) "Commission" means the Legislative Research Commission;
- 16 (6) "Effective" means an administrative regulation that has completed the legislative
- 17 committee review established by KRS 13A.290, 13A.330, and 13A.331;
- 18 (7) "Federal mandate" means any federal constitutional, legislative, or executive law or
- 19 order that requires or permits any administrative body to engage in regulatory
- 20 activities that impose compliance standards, reporting requirements, recordkeeping,
- 21 or similar responsibilities upon entities in the Commonwealth;
- 22 (8) "Federal mandate comparison" means a written statement containing the
- 23 information required by KRS 13A.245;
- 24 (9) "Filed" or "promulgated" means that an administrative regulation, or other
- 25 document required to be filed by this chapter, has been submitted to the
- 26 Commission in accordance with this chapter;
- 27 (10) "Full review" means that a filed administrative regulation is on an agenda for:

- 1 (a) The subcommittee as the last step required by this chapter prior to assignment
2 in accordance with KRS 13A.290(6);
- 3 (b) A legislative committee as the last step required by this chapter for an
4 ordinary administrative regulation before becoming effective upon
5 adjournment in accordance with KRS 13A.331(1) and (2); or
- 6 (c) A legislative committee as an emergency administrative regulation being
7 reviewed after assignment in accordance with KRS 13A.290(6) and (7);
- 8 (11) "Last effective date" means the latter of:
- 9 (a) The most recent date an ordinary administrative regulation became effective,
10 without including the date a technical amendment was made pursuant to KRS
11 13A.040(10), 13A.2255(2), or 13A.312; or
- 12 (b) The date a certification letter was filed with the regulations compiler for that
13 administrative regulation pursuant to KRS 13A.3104(4), if the letter stated
14 that the administrative regulation shall remain in effect without amendment;
- 15 (12) "Legislative committee" means an interim joint committee, a House or Senate
16 standing committee, a statutory committee, or a subcommittee of the Legislative
17 Research Commission;
- 18 (13) "Local government" means and includes a city, county, urban-county, charter
19 county, consolidated local government, special district, or a quasi-governmental
20 body authorized by the Kentucky Revised Statutes or a local ordinance;
- 21 (14) "Major economic impact" means the combined implementation and compliance
22 costs of an administrative regulation are at least five hundred thousand dollars
23 (\$500,000) over any two (2) year period;
- 24 (15) "Proposed administrative regulation" means an administrative regulation that:
- 25 (a) Has been filed by an administrative body; and
- 26 (b) Has not become effective or been withdrawn;
- 27 (16) "Regulatory impact analysis" means a written statement containing the provisions

1 required by KRS 13A.240;

2 (17) "Signature" means the application of letters or numbers that signify the intent to
3 sign, are uniquely linked to the signer, and are:

4 (a) Produced by manual or handwritten means;

5 (b) An image of the manual or handwritten signature produced under paragraph
6 (a) of this subsection; or

7 (c) Produced by using a digital signature scheme or electronic confirmation
8 method that allows for verification of authenticity;

9 (18) "Small business" means a business entity, including its affiliates, that:

10 (a) Is independently owned and operated; and

11 (b) 1. Employs fewer than one hundred fifty (150) full-time employees or their
12 equivalent; or

13 2. Has gross annual sales of less than six million dollars (\$6,000,000);

14 (19) "Statement of consideration" means the document required by KRS 13A.280 in
15 which the administrative body summarizes the comments received, its responses to
16 those comments, and the action taken, if any, as a result of those comments and
17 responses;

18 (20) "Subcommittee" means the Administrative Regulation Review Subcommittee of the
19 Legislative Research Commission;

20 (21) "Tiering" means the tailoring of regulatory requirements to fit the particular
21 circumstances surrounding regulated entities;~~and~~

22 (22) **"Transparent economic impact analysis" means a detailed analysis conducted by**
23 **the Legislative Research Commission that:**

24 **(a) Evaluates both fiscal costs and economic impacts of proposed and existing**
25 **administrative regulations;**

26 **(b) Uses publicly disclosed methodologies and data sources;**

27 **(c) Allows for independent verification of conclusions;**

- 1 (d) Includes comparison with the administrative body's submitted analysis; and
2 (e) Is published on a publicly accessible website with all supporting data and
3 calculations; and

4 **(23)** "Written comments" means comments submitted to the administrative body's
5 contact person identified pursuant to KRS 13A.220(6)(d) via hand delivery, United
6 States mail, email, or facsimile and may include but is not limited to comments
7 submitted internally from within the promulgating administrative body or from
8 another administrative body.

9 ➔Section 4. KRS 13A.020 (Effective until January 1, 2027) is amended to read as
10 follows:

- 11 (1) There is hereby created a permanent subcommittee of the Legislative Research
12 Commission to be known as the Administrative Regulation Review Subcommittee.
13 The subcommittee shall be composed of eight (8) members appointed as follows:
14 three (3) members of the Senate appointed by the President; one (1) member of the
15 minority party in the Senate appointed by the Minority Floor Leader in the Senate;
16 three (3) members of the House of Representatives appointed by the Speaker of the
17 House of Representatives; and one (1) member of the minority party in the House
18 of Representatives appointed by the Minority Floor Leader in the House of
19 Representatives. The members of the subcommittee shall serve for terms of two (2)
20 years, and the members appointed from each chamber shall elect one (1) member
21 from their chamber to serve as co-chair. Any vacancy that may occur in the
22 membership of the subcommittee shall be filled by the same appointing authority
23 who made the original appointment.
- 24 (2) On an alternating basis, each co-chair shall have the first option to set the monthly
25 meeting date. A monthly meeting may be rescheduled by agreement of both co-
26 chairs. The co-chairs shall have joint responsibilities for subcommittee meeting
27 agendas and presiding at subcommittee meetings. The members of the

1 subcommittee shall be compensated for attending meetings, as provided in KRS
2 7.090(3).

3 (3) Any professional, clerical, or other employees required by the subcommittee shall
4 be provided in accordance with the provisions of KRS 7.090(4) and (5).

5 (4) A majority of the entire membership of the Administrative Regulation Review
6 Subcommittee shall constitute a quorum, and all actions of the subcommittee shall
7 be by vote of a majority of its entire membership.

8 **(5) The subcommittee's primary functions shall be advisory and analytical, focused**
9 **on:**

10 **(a) Conducting transparent economic impact analyses of proposed and existing**
11 **administrative regulations;**

12 **(b) Identifying administrative regulations for potential review by the General**
13 **Assembly;**

14 **(c) Recommending regulatory improvements to enhance efficiency and reduce**
15 **unnecessary burdens; and**

16 **(d) Reporting findings and recommendations to the General Assembly for**
17 **legislative action.**

18 ➔Section 5. KRS 13A.020 (Effective January 1, 2027) is amended to read as
19 follows:

20 (1) (a) There is hereby created a permanent subcommittee of the Legislative
21 Research Commission to be known as the Administrative Regulation Review
22 Subcommittee.

23 (b) The subcommittee shall be composed of eight (8) members appointed in
24 January of each odd-numbered year as follows: three (3) members of the
25 Senate appointed by the President; one (1) member of the minority party in
26 the Senate appointed by the Minority Floor Leader in the Senate; three (3)
27 members of the House of Representatives appointed by the Speaker of the

1 House of Representatives; and one (1) member of the minority party in the
2 House of Representatives appointed by the Minority Floor Leader in the
3 House of Representatives. The members of the subcommittee shall serve for
4 terms of two (2) years, and the President of the Senate and Speaker of the
5 House of Representatives shall each appoint one (1) member of the
6 subcommittee from their chamber to serve as co-chair.

7 (c) Any vacancy that may occur in the membership of the subcommittee shall be
8 filled within thirty (30) days of the occurrence, in the same manner as the
9 original appointment, and for the balance of the vacated member's term.

10 (2) On an alternating basis, each co-chair shall have the first option to set the monthly
11 meeting date. A monthly meeting may be rescheduled by agreement of both co-
12 chairs. The co-chairs shall have joint responsibilities for subcommittee meeting
13 agendas and presiding at subcommittee meetings. The members of the
14 subcommittee shall be compensated for attending meetings, as provided in KRS
15 7.090(3).

16 (3) Any professional, clerical, or other employees required by the subcommittee shall
17 be provided in accordance with the provisions of KRS 7.090(4) and (5).

18 (4) A majority of the entire membership of the Administrative Regulation Review
19 Subcommittee shall constitute a quorum, and all actions of the subcommittee shall
20 be by vote of a majority of its entire membership.

21 **(5) The subcommittee's primary functions shall be advisory and analytical, focused**
22 **on:**

23 **(a) Conducting transparent economic impact analyses of proposed and existing**
24 **administrative regulations;**

25 **(b) Identifying administrative regulations for potential review by the General**
26 **Assembly;**

27 **(c) Recommending regulatory improvements to enhance efficiency and reduce**

1 unnecessary burdens; and

2 (d) Reporting findings and recommendations to the General Assembly for
3 legislative action.

4 ➔Section 6. KRS 13A.030 is amended to read as follows:

5 (1) The Administrative Regulation Review Subcommittee shall:

6 (a) Conduct a continuous study as to whether additional legislation or changes in
7 legislation are needed based on various factors, including but not limited to
8 review of new, emergency, and existing administrative regulations, the lack of
9 administrative regulations, and the needs of administrative bodies;

10 (b) Except as provided by KRS 158.6471 and 158.6472, review and comment
11 upon effective administrative regulations pursuant to subsections (2), (3), and
12 (4) of this section or administrative regulations filed with the Commission;

13 (c) Make recommendations for changes in statutes, new statutes, repeal of
14 statutes affecting administrative regulations or the ability of administrative
15 bodies to promulgate them;~~[-and]~~

16 (d) Conduct such other studies relating to administrative regulations as may be
17 assigned by the Commission;and

18 (e) Prepare and submit a report to the President of the Senate and the Speaker
19 of the House of Representatives, who shall assign the report to appropriate
20 legislative committees for review, on the first day of each regular session.

21 The report shall identify:

22 1. All administrative regulations with a major economic impact that
23 warrant legislative review;

24 2. Administrative regulations where the subcommittee's economic impact
25 analysis differs significantly from the administrative body's analysis;

26 3. Recommendations for regulatory streamlining and consolidation; and

27 4. Priority administrative regulations for potential legislative action.

- 1 (2) The subcommittee may make a determination:
- 2 (a) That an effective administrative regulation or an administrative regulation
- 3 filed with the Commission is deficient because it:
- 4 1. Is wrongfully promulgated;
- 5 2. Appears to be in conflict with an existing statute;
- 6 3. Appears to have no statutory authority for its promulgation;
- 7 4. Appears to impose stricter or more burdensome state requirements than
- 8 required by the federal mandate, without reasonable justification;
- 9 5. Fails to use tiering when tiering is applicable;
- 10 6. Is in excess of the administrative body's authority;
- 11 7. Appears to impose an unreasonable burden on government or small
- 12 business, or both;
- 13 8. Is filed as an emergency administrative regulation without adequate
- 14 justification of the emergency nature of the situation as described in
- 15 KRS 13A.190(1);
- 16 9. Has not been noticed in conformance with the requirements of KRS
- 17 13A.270(3);
- 18 10. Does not provide an adequate cost analysis pursuant to KRS 13A.250;
- 19 11. Violates KRS 13A.105;
- 20 12. Was the subject of the subcommittee's instruction to an administrative
- 21 body to appear under subsection (4) of this section and the
- 22 administrative body failed to:
- 23 a. Appear;
- 24 b. Make a good-faith effort to answer subcommittee questions; or
- 25 c. Provide any information or data required by the subcommittee; or
- 26 13. Appears to be deficient in any other manner;
- 27 (b) That an administrative regulation is needed to implement an existing statute;

1 or

2 (c) That an administrative regulation should be amended or repealed.

3 (3) The subcommittee may conduct an informational review of an effective
4 administrative regulation or an administrative regulation filed with the Commission
5 if requested by a member of the subcommittee.

6 (4) (a) The subcommittee may require any administrative body to appear before it to
7 answer questions or submit data and information as required by the
8 subcommittee in the performance of its duties under this chapter, and no
9 administrative body shall fail to:

- 10 1. Appear before the subcommittee;
- 11 2. Make a good-faith effort to answer subcommittee questions;
- 12 3. Provide any information or data required by the subcommittee; or
- 13 4. Perform any combination of subparagraphs 1., 2., and 3. of this
14 paragraph required by the subcommittee.

15 (b) Either co-chair of the subcommittee may require action by an administrative
16 body under paragraph (a) of this subsection on behalf of the subcommittee.

17 (5) At least five (5) calendar days before an informational review of an ordinary
18 administrative regulation, the subcommittee shall notify the affected administrative
19 body.

20 **(6) Any determination or finding made under subsection (2) of this section shall be**
21 **advisory in nature and shall be included in the subcommittee's report to the**
22 **General Assembly for consideration and potential legislative action. The**
23 **subcommittee's findings shall not prevent an administrative regulation from**
24 **becoming effective, but shall inform the General Assembly's oversight and**
25 **potential future legislative action.**

26 ➔SECTION 7. KRS 13A.105 IS REPEALED AND REENACTED TO READ
27 AS FOLLOWS:

1 (1) Except as provided in subsection (2) of this section, any administrative regulation
2 that will have a major economic impact as defined in Section 3 of this Act shall
3 not take effect before the General Assembly enacts a law ratifying the
4 administrative regulation.

5 (2) (a) If the General Assembly is not in session and the Governor believes an
6 ordinary administrative regulation must go into effect before the next
7 session, the Governor may call an extraordinary session for the purpose of
8 voting to approve or disapprove the proposed administrative regulation.

9 (b) If the Governor calls an extraordinary session as authorized by paragraph
10 (a) of this subsection, the General Assembly shall work in good faith to
11 promptly schedule the necessary votes.

12 (3) Notwithstanding subsection (1) of this section, an emergency administrative
13 regulation as described in KRS 13A.190 that will have a major economic impact
14 may take effect before the General Assembly enacts a law ratifying the
15 administrative regulation if the Governor publishes a statement with the
16 administrative regulation explaining why:

17 (a) 1. An emergency exists that requires the administrative regulation to take
18 effect immediately; or

19 2. A federal requirement or federal funding requires the administrative
20 regulation to take effect immediately;

21 (b) The General Assembly cannot be called back into an extraordinary session
22 to consider and vote on the administrative regulation; and

23 (c) The administrative regulation:

24 1. Otherwise complies with emergency powers statutes and limitations;
25 or

26 2. Is required by federal law or for federal funding.

27 ➔Section 8. KRS 13A.250 is amended to read as follows:

- 1 (1) An administrative body that promulgates an administrative regulation shall consider
2 the cost that the administrative regulation may cause state or local government and
3 regulated entities to incur.
- 4 (2) (a) A two (2) part cost analysis shall be completed for each administrative
5 regulation.
- 6 (b) The first part of the cost analysis shall include the projected cost or cost
7 savings to the Commonwealth of Kentucky and each of its affected agencies,
8 and the projected cost or cost savings to affected local governments, including
9 cities, counties, fire departments, and school districts.
- 10 (c) The second part of the cost analysis shall include the projected cost or cost
11 savings to the regulated entities affected by the administrative regulation.
- 12 (d) Agencies or entities affected by the administrative regulation may submit
13 comments in accordance with KRS 13A.270(1) to the promulgating
14 administrative body or to a legislative committee reviewing the administrative
15 regulation.
- 16 (3) Each administrative body that promulgates an administrative regulation shall
17 prepare and submit with the administrative regulation a fiscal note. The fiscal note
18 shall state:
- 19 (a) The number of the administrative regulation;
- 20 (b) The name, email address, and telephone number of the contact person of the
21 administrative body identified pursuant to KRS 13A.220(6)(d), and, if
22 applicable, the name, email address, and telephone number of an alternate
23 person to be contacted with specific questions about the fiscal note;
- 24 (c) Each unit, part, or division of state or local government the administrative
25 regulation will affect;
- 26 (d) Whether the administrative regulation was expressly authorized by an act of
27 the General Assembly, and if so, identification of the act;

- 1 (e) In detail, the aspect or service of state or local government to which the
2 administrative regulation relates, including identification of the applicable
3 state or federal statute or regulation that mandates the aspect or service or
4 authorizes the action taken by the administrative regulation;
- 5 (f) The estimated effect of the administrative regulation on the expenditures and
6 revenues of a state or local government agency or regulated entity for the first
7 full year the administrative regulation will be in effect and any subsequent
8 year the administrative regulation will be in effect. The administrative body
9 shall provide a narrative to explain the fiscal impact of the administrative
10 regulation and the methodology and resources it used to determine the fiscal
11 impact; and
- 12 (g) 1. The conclusion of the promulgating administrative body as to whether
13 the administrative regulation will have a major economic impact on state
14 and local government and regulated entities for the first full year the
15 administrative regulation will be in effect and for subsequent years if
16 different; and
- 17 2. An explanation of the methodology and resources used by the
18 administrative body to reach this conclusion.
- 19 (4) If an administrative body files an amendment to an administrative regulation
20 pursuant to KRS 13A.320(3) for a legislative committee meeting, the administrative
21 body shall:
- 22 (a) Consider the cost of the amendment as established in subsection (2) of this
23 section; and
- 24 (b) Prepare and submit a fiscal note as established in subsection (3) of this
25 section.
- 26 (5) Any administrative body may request the advice and assistance of the Commission
27 in the preparation of the fiscal note.

1 **(6) The Commission shall review all fiscal notes submitted by all administrative**
2 **bodies, and may require any administrative body to submit background data upon**
3 **which the information required by subsection (3) of this section is based, and an**
4 **explanation of how the data was gathered.**

5 ➔Section 9. KRS 13A.290 is amended to read as follows:

6 (1) (a) Except as provided by KRS 158.6471 and 158.6472, the Administrative
7 Regulation Review Subcommittee shall meet monthly to review
8 administrative regulations prior to close of business on the fifteenth day of the
9 calendar month.

10 (b) The agenda shall:

- 11 1. Include each administrative regulation that completed the public
12 comment process;
- 13 2. Include each administrative regulation for which a statement of
14 consideration was received on or before 12 noon, eastern time, on the
15 fifteenth day of the prior calendar month;
- 16 3. Include each effective administrative regulation or administrative
17 regulation filed with the Commission that the subcommittee has decided
18 to review pursuant to KRS 13A.030(3);
- 19 4. Include each administrative regulation required to be on the agenda
20 pursuant to KRS 13A.030(4);
- 21 5. Include each administrative regulation that was deferred from the prior
22 month's meeting of the subcommittee; and
- 23 6. Not include an administrative regulation that is deferred, withdrawn,
24 expired, or automatically taken off the agenda under the provisions of
25 this chapter, unless it is being reviewed pursuant to KRS 13A.030(3) or
26 (4).

27 (c) Review of an administrative regulation shall include the entire administrative

1 regulation and all attachments filed with the administrative regulation. The
2 review of amendments to existing administrative regulations shall not be
3 limited to only the changes proposed by the promulgating administrative
4 body.

5 (2) The meetings shall be open to the public.

6 (3) Public notice of the time, date, and place of the Administrative Regulation Review
7 Subcommittee meeting shall be given in the Administrative Register.

8 (4) (a) A representative of the administrative body for an administrative regulation
9 on the agenda shall be present to explain the administrative regulation and to
10 answer questions thereon.

11 (b) If a representative of an administrative body with authority to amend, defer,
12 and answer questions about a filed ordinary or emergency administrative
13 regulation that is on the agenda for full review fails to appear before the
14 subcommittee, the subcommittee may:

- 15 1. Defer the administrative regulation to the next regularly scheduled
16 meeting of the subcommittee; and
- 17 2. Make a determination pursuant to KRS 13A.030(2), (3), and (4) or
18 13A.190(3).

19 (c) If a representative of an administrative body with authority to defer and
20 answer questions about an administrative regulation that was placed on the
21 agenda for informational review pursuant to KRS 13A.030(3) or (4) fails to
22 appear before the subcommittee, the subcommittee may:

- 23 1. Defer the informational review of the administrative regulation to the
24 next regularly scheduled meeting of the subcommittee; and
- 25 2. Make a determination pursuant to KRS 13A.030(2), (3), and (4) or
26 13A.190(3).

27 (5) Following the meeting and before the next regularly scheduled meeting of the

1 Commission, the Administrative Regulation Review Subcommittee shall forward to
2 the Commission its findings, recommendations, or other comments it deems
3 appropriate in writing. The Administrative Regulation Review Subcommittee's
4 findings shall be published in the Administrative Register.

5 (6) (a) After review by the Administrative Regulation Review Subcommittee, the
6 Commission shall, on the first Wednesday of the following month, or if the
7 first Wednesday is a legal holiday, the next workday of the month:

8 1. Assign a filed administrative regulation to a legislative committee with
9 subject matter jurisdiction if the administrative regulation was on the
10 agenda for full review pursuant to subsection (1)(b)1., 2., or 5. of this
11 section; and

12 2. Not assign a filed administrative regulation to a legislative committee
13 with subject matter jurisdiction if the administrative regulation was
14 solely on the agenda for informational review pursuant to KRS
15 13A.030(3) or (4).

16 (b) Upon notification of the assignment by the Commission, the legislative
17 committee to which the administrative regulation is assigned shall notify the
18 regulations compiler:

19 1. Of the date, time, and place of the meeting at which it will consider the
20 administrative regulation; or

21 2. That it will not meet to consider the administrative regulation.

22 (7) (a) Within ninety (90) days of the assignment, the legislative committee may hold
23 a public meeting during which the administrative regulation shall be
24 reviewed.

25 (b) If the ninetieth day of the assignment falls on a Saturday, Sunday, or holiday,
26 the deadline for review shall be the workday following the Saturday, Sunday,
27 or holiday.

- 1 (c) 1. If the administrative regulation is assigned to an interim joint committee
2 and a session of the General Assembly begins during the review period,
3 the assignment shall transfer to the Senate and House standing
4 committees with subject matter jurisdiction.
- 5 2. If the administrative regulation is assigned to Senate and House standing
6 committees and a session of the General Assembly adjourns sine die
7 during the review period, the assignment shall transfer to the interim
8 joint committee with subject matter jurisdiction.
- 9 3. An administrative regulation may be transferred more than one (1) time
10 under this paragraph. A transfer shall not extend the review period
11 established by this subsection.
- 12 (d) Notice of the time, date, and place of the meeting shall be placed in the
13 legislative calendar.
- 14 (8) Except as provided in subsection (9) of this section, a legislative committee shall be
15 empowered to make the same determinations and to exercise the same authority as
16 the Administrative Regulation Review Subcommittee, including all powers and
17 restrictions relating to informational reviews conducted under KRS 13A.030(3) or
18 (4).
- 19 (9) (a) This subsection shall apply to ordinary and emergency administrative
20 regulations filed with the Commission and reviewed pursuant to subsection
21 (7) of this section.
- 22 (b) A majority of the entire membership of the legislative committee shall
23 constitute a quorum for purposes of reviewing administrative regulations.
- 24 (c) In order to amend an administrative regulation pursuant to KRS 13A.320,
25 defer an administrative regulation pursuant to KRS 13A.300, or find an
26 administrative regulation deficient pursuant to KRS 13A.030(2), (3), or (4) or
27 13A.190(3), the motion to amend, defer, or find deficient shall be approved by

1 a majority of the entire membership of the legislative committee.
2 Additionally, during a session of the General Assembly, standing committees
3 of the Senate and House of Representatives shall agree in order to amend an
4 administrative regulation, defer an administrative regulation, or find an
5 administrative regulation deficient by:

- 6 1. Meeting separately; or
- 7 2. Meeting jointly. If the standing committees meet jointly, it shall require
8 a majority vote of Senate members voting and a majority of House
9 members voting, as well as the majority vote of the entire membership
10 of the standing committees meeting jointly, in order to take action on the
11 administrative regulation.

12 (10) (a) The quorum requirements of subsection (9)(b) of this section shall apply to an
13 effective or filed administrative regulation that is under informational review
14 by a legislative committee pursuant to subsection (8) of this section and KRS
15 13A.030(3) or (4).

16 (b) A motion to defer the informational review of an administrative regulation or
17 find the administrative regulation deficient shall be approved by:

- 18 1. A majority of the entire membership of the Administrative Regulation
19 Review Subcommittee; or
- 20 2. A legislative committee in accordance with subsection (9)(c) of this
21 section.

22 (11) (a) Upon adjournment of the meeting at which a legislative committee has
23 considered an administrative regulation pursuant to subsection (7) or (10) of
24 this section, the legislative committee shall inform the regulations compiler of
25 its findings, recommendations, or other action taken on the administrative
26 regulation.

27 (b) Following the meeting and before the next regularly scheduled meeting of the

Commission, the legislative committee shall forward to the Commission its findings, recommendations, or other comments it deems appropriate in writing. The legislative committee's findings shall be published in the Administrative Register.

(c) Upon adjournment of the meeting at which a legislative committee has considered an administrative regulation pursuant to subsection (7) or (10) of this section that will have a major economic impact pursuant to Section 7 of this Act, the legislative committee shall submit the administrative regulation to the President of the Senate and Speaker of the House of Representatives in accordance with Section 6 of this Act.

➔Section 10. KRS 13A.331 is amended to read as follows:

Except for administrative regulations that require the approval of the General Assembly pursuant to Section 7 of this Act, a filed ordinary administrative regulation

that has not been deferred or found deficient and has been referred by the Commission to a legislative committee shall be considered as adopted and shall become effective:

(1) Upon adjournment of a meeting of a legislative committee other than the subcommittee if:

(a) The administrative regulation was on the meeting agenda; and

(b) A quorum was present;

(2) Upon adjournment of a meeting of a House or Senate standing committee if:

(a) The administrative regulation was on its meeting agenda;

(b) A quorum was present; and

(c) The administrative regulation has previously been on a meeting agenda of the other standing committee when a quorum was present; or

(3) At the expiration of the review period established in KRS 13A.290(7), if within the review period a legislative committee has failed to meet or failed to place a filed administrative regulation on a meeting agenda.

1 ➔ Section 11. KRS 171.450 is amended to read as follows:

- 2 (1) The department shall establish:
- 3 (a) Procedures for the compilation and submission to the department of lists and
- 4 schedules of public records proposed for disposal;
- 5 (b) Procedures for the disposal or destruction of public records authorized for
- 6 disposal or destruction, including appropriate procedures to protect against
- 7 unauthorized access to or use of personal information as defined by KRS
- 8 61.931;
- 9 (c) Standards and procedures for recording, managing, and preserving public
- 10 records and for the reproduction of public records by photographic or
- 11 microphotographic process;~~and~~
- 12 (d) Procedures for:
- 13 1. Collection and distribution by the central depository of all reports and
- 14 publications~~[, except the Kentucky Revised Statutes editions,]~~ issued by
- 15 any department, board, commission, officer or other agency of the
- 16 Commonwealth for general public distribution after July 1, 1958; and
- 17 2. Establishing and maintaining within the central depository a
- 18 comprehensive inventory of all administrative regulations easily and
- 19 transparently available for public consumption, including information
- 20 on the statutory authority, purpose, economic impact, and review
- 21 history of each administrative regulation; and
- 22 (e) Standards and procedures to ensure that the central depository established
- 23 under paragraph (d) of this subsection is maintained in a machine-readable
- 24 format that enables systematic analysis, automated text processing, and
- 25 electronic search and retrieval of records contained in the central
- 26 depository.
- 27 (2) The department shall enforce the provisions of KRS 171.410 to 171.740 by

1 appropriate rules and regulations.

2 (3) The department shall make copies of such rules and regulations available to all
3 officials affected by KRS 171.410 to 171.740 subject to the provisions of KRS
4 Chapter 13A.

5 (4) Such rules and regulations when approved by the department shall be binding on all
6 state and local agencies, subject to the provisions of KRS Chapter 13A. The
7 department shall perform any acts deemed necessary, legal and proper to carry out
8 the duties and responsibilities imposed upon it pursuant to the authority granted
9 herein.

10 **(5) The department may contract with vendors providing advanced computing**
11 **services, including but not limited to software applications capable of automated**
12 **pattern recognition, text analysis, data processing, and artificial intelligence**
13 **systems, to assist in the compilation, maintenance, and analysis of records**
14 **contained in the central depository. Any contract authorized by this subsection**
15 **shall include provisions ensuring:**

16 **(a) Data security and protection consistent with state and federal requirements;**

17 **(b) State ownership and control of all data and records;**

18 **(c) Compliance with all applicable open records requirements; and**

19 **(d) Human review and approval of any outputs generated by advanced**
20 **computing services before these outputs are used to modify, dispose of, or**
21 **otherwise affect the status of public records.**

22 ➔Section 12. KRS 13A.040 is amended to read as follows:

23 The director of the Legislative Research Commission shall appoint an administrative
24 regulations compiler who shall:

25 (1) Receive administrative regulations, and other documents required to be filed by the
26 provisions of this chapter, tendered for filing;

27 (2) Stamp administrative regulations tendered for filing with the time and date of

- 1 receipt;
- 2 (3) Provide administrative and support services to the subcommittee;
- 3 (4) Maintain a file of administrative regulations and other documents required to be
- 4 filed by this chapter, for public inspection, with suitable indexes;
- 5 (5) Maintain a file of ineffective administrative regulations;
- 6 (6) Maintain a file of material incorporated by reference, including superseded or
- 7 ineffective material incorporated by reference;
- 8 (7) Prepare the Kentucky Administrative Regulations Service;
- 9 (8) Upon request, certify copies of administrative regulations and other documents that
- 10 have been filed with the regulations compiler;
- 11 (9) Correct errors that do not change the substance of an administrative regulation,
- 12 including but not limited to typographical errors, errors in format, and grammatical
- 13 errors;
- 14 (10) (a) Change the following items in an administrative regulation in response to a
- 15 specific written request for a technical amendment submitted by the
- 16 administrative body if the regulations compiler determines that the requested
- 17 changes do not affect the scope or substance of the administrative regulation
- 18 and the changes are provided in accordance with KRS 13A.312(3):
- 19 1. The administrative body's identifying information, including address,
- 20 phone number, fax number, website address, and email address;
- 21 2. Typographical errors, errors in format, and grammatical errors;
- 22 3. Citations to statutes or other administrative regulations if a format
- 23 change within that statute or administrative regulation has changed the
- 24 numbering or lettering of parts; or
- 25 4. Other changes in accordance with KRS 13A.312; and
- 26 (b) Notify the administrative body within thirty (30) business days of receipt of a
- 27 technical amendment letter the status of the request, including:

- 1 1. Any requested changes that are accepted as technical amendments; and
- 2 2. Any requested changes that are not accepted as technical amendments;
- 3 (11) Refuse to accept for filing administrative regulations, and other documents required
- 4 to be filed by this chapter, that do not conform to the drafting, formatting, or filing
- 5 requirements established by the provisions of KRS~~[-13A.105,]~~ 13A.190(5) to (11),
- 6 13A.220, 13A.222(1), (2), and (3), 13A.230, 13A.280, 13A.312, and 13A.320, and
- 7 notify the administrative body in writing of the reasons for refusing to accept an
- 8 administrative regulation for filing;
- 9 (12) Maintain a list of all administrative regulation numbers and the corresponding last
- 10 effective date, based on the information included in the history line of each
- 11 administrative regulation; and
- 12 (13) Perform other duties required by the Commission or by a legislative committee.
- 13 ➔Section 13. KRS 13A.100 is amended to read as follows:
- 14 Subject to limitations in applicable statutes,~~[including KRS 13A.105,]~~ any administrative
- 15 body that is empowered to promulgate administrative regulations shall, by administrative
- 16 regulation, prescribe, consistent with applicable statutes:
- 17 (1) Each statement of general applicability, policy, procedure, memorandum, or other
- 18 form of action that implements; interprets; prescribes law or policy; describes the
- 19 organization, procedure, or practice requirements of any administrative body; or
- 20 affects private rights or procedures available to the public;
- 21 (2) The process for application for license, benefits available or other matters for which
- 22 an application would be appropriate unless such process is prescribed by a statute;
- 23 (3) Fees, except for those exempted in paragraphs (a) to (j) of this subsection, to be
- 24 charged by the administrative body if such fees are authorized by law and are not
- 25 set by statute:
- 26 (a) State park room rates;
- 27 (b) Prices for food in restaurants at state facilities;

- 1 (c) Prices for goods at gift shops at state facilities;
- 2 (d) Prices for groceries and other items sold at state facilities;
- 3 (e) Prices charged for state publications;
- 4 (f) Prices charged for rides and amusement activities at state facilities;
- 5 (g) Admission fees to athletic and entertainment events at state facilities;
- 6 (h) Charges for swimming, skiing, horseback riding, and similar recreational
- 7 activities at state facilities;
- 8 (i) Charges for boat and equipment rentals for recreational purposes at state
- 9 facilities; and
- 10 (j) Admission fees charged for seminars and educational courses by state
- 11 administrative bodies;
- 12 (4) The procedures to be utilized by the administrative body in the conduct of hearings
- 13 by or for the administrative body unless such procedures are prescribed by a statute;
- 14 and
- 15 (5) The disciplinary procedures within the jurisdiction of the administrative body
- 16 unless such procedures are prescribed by statute.
- 17 ➔Section 14. KRS 13A.315 is amended to read as follows:
- 18 (1) An administrative regulation shall expire and shall not be reviewed by a legislative
- 19 committee if:
- 20 (a) It has not been reviewed or approved by the official or administrative body
- 21 with authority to review or approve~~], or it does not have a certification~~
- 22 ~~required by KRS 13A.105(3)]~~;
- 23 (b) The statement of consideration and, if applicable, the amended after
- 24 comments version are not filed on or before a deadline specified by this
- 25 chapter;
- 26 (c) The administrative body:
- 27 1. Has failed to comply with the provisions of this chapter governing the

- 1 filing of administrative regulations, the public hearing and public
2 comment period, or the statement of consideration; or
3 2. Has failed to comply with KRS 13A.105; or
4 (d) The administrative regulation is deferred pursuant to KRS 13A.300(2) more
5 than twelve (12) times.
6 (2) (a) An administrative regulation that has been found deficient by a legislative
7 committee shall be withdrawn immediately if, pursuant to KRS 13A.330, the
8 Governor has determined that it shall be withdrawn.
9 (b) The Governor shall notify the regulations compiler in writing that he or she
10 has determined that the administrative regulation found deficient shall be
11 withdrawn.
12 (c) The written withdrawal of an administrative regulation governed by the
13 provisions of this subsection shall be made in a letter to the regulations
14 compiler in the following format: "Pursuant to KRS 13A.330, I have
15 determined that (administrative regulation number and title) shall be
16 (withdrawn, or withdrawn and amended to conform to the finding of
17 deficiency, as applicable). The administrative regulation, (administrative
18 regulation number and title), is hereby withdrawn."
19 (d) An administrative regulation governed by the provisions of this subsection
20 shall be considered withdrawn upon receipt by the regulations compiler of the
21 written withdrawal.