

AN ACT relating to reorganization.

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

1 Section 1. KRS 147A.002 is amended to read as follows:

2 (1) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
3 shall be headed by a commissioner, and shall *consist of the:*

4 *(a) Office of Financial Management and Administration, which shall be*  
5 *headed by an executive director appointed by the commissioner and shall be*  
6 *responsible for duties including but not limited to local government*  
7 *financial assistance; county budget approval; performance of various*  
8 *recordkeeping requirements for the Commonwealth's cities, counties, and*  
9 *special districts; provision of administrative support for the state local debt*  
10 *officer and the state local finance officer; administration of the county*  
11 *officials training incentive program set forth in Section 38 of this Act; and*  
12 *provision of financial analysis and guidance related to the internal*  
13 *budgetary processes of the Governor's Office for Local Development;*

14 *(b) Office of Federal Grants, which shall be headed by an executive director*  
15 *appointed by the commissioner and shall be responsible for the*  
16 *administration of all federal grant programs;*

17 *(c) Office of State Grants, which shall be headed by an executive director*  
18 *appointed by the commissioner and shall be responsible for the*  
19 *administration of all state grant programs, including the Renaissance on*  
20 *Main program, the area development fund, the body armor program set*  
21 *forth in Section 10 of this Act, the cemetery fund program, single county*  
22 *coal severance grants, and any state grant programs or individually funded*  
23 *projects awarded by statute or budget;*

24 *(d) Office of Legal Services, which shall be headed by an executive director*  
25 *appointed by the commissioner and shall be responsible for legal services*

1 within the Governor's Office for Local Development and for its  
 2 constituencies around the Commonwealth; and

3 (e) Office of Field Services, which shall be headed by an executive director  
 4 appointed by the commissioner and shall be responsible for duties including  
 5 but not limited to staffing regional offices to assist local governments~~be~~  
 6 ~~divided for administrative purposes into the Division of Community~~  
 7 ~~Development and such other divisions as the commissioner, with the approval~~  
 8 ~~of the Governor, determines. The Division of Community Development shall~~  
 9 ~~be responsible for the administration of Title I of the Housing and Community~~  
 10 ~~Development Act of 1974 as amended through 1981, which includes the~~  
 11 ~~community block grant program and the 107 technical assistance program].~~

12 (2) The commissioner, with the approval of the Governor, shall appoint necessary  
 13 deputies, assistants, attorneys, and other employees and shall fix their compensation  
 14 and authorize payment of their expenses according to law.

15 Section 2. KRS 147A.003 is amended to read as follows:

16 The Kentucky Infrastructure Authority~~[following administrative bodies]~~ shall be  
 17 attached to the Governor's Office for Local Development~~[Department for Local~~  
 18 ~~Government]~~ for administrative purposes. Office space required by the authority shall  
 19 be provided by the Governor's Office for Local Development~~[:~~

20 ~~(1) Local Government Advisory Commission;~~

21 ~~(2) Appalachian Development Council; and~~

22 ~~(3) The State Federal Council for Balanced Economic Growth].~~

23 Section 3. KRS 147A.200 is amended to read as follows:

24 (1) The Department for Local Government is authorized and directed to apply for and  
 25 receive federal funds to be placed in a state account called the gas system  
 26 restoration and development project account, and to provide staff to administer said  
 27 funds. The funds in this account may be used in any gas system restoration or

1 development project approved by the Gas System Restoration and Development  
2 Project Account Review Board.

3 (2) A Gas System Restoration and Development Project Account Review Board is  
4 established, and shall consist of eight (8)~~seven (7)~~ members appointed by the  
5 Governor. The board shall be chaired by the commissioner of the Department for  
6 Local Government, and shall include representatives of the Public Service  
7 Commission, State Fire Marshal's Office, Department for Local Government,  
8 Kentucky Infrastructure Authority, banking and finance industry, commercial or  
9 industrial consumers, Kentucky Gas Association, and low income or minority  
10 group consumers. Members shall be reimbursed for necessary expenses in attending  
11 meetings.

12 (3) The review board shall meet as necessary, and shall establish rules for conducting  
13 its business. The review board shall consider applications for loans from the  
14 account, and approve or disapprove loan applications. No loan shall be considered  
15 unless the applicant has complied with all construction and securities requirements  
16 of the Public Service Commission. In reviewing loan applications, the review board  
17 may request the testimony of the county judge/executive of an affected county, and  
18 any other witnesses deemed appropriate.

19 Section 4. KRS 11.400 is amended to read as follows:

20 (1) In addition to the duties prescribed for the office by the Constitution of the  
21 Commonwealth of Kentucky, the duties of the Lieutenant Governor shall be as  
22 follows:

23 (a) To serve as vice chairman of the State Property and Buildings Commission as  
24 prescribed by KRS 56.450;

25 (b) To serve as vice chairman of the Kentucky Turnpike Authority as prescribed  
26 in KRS 175.430;

27 (c) To serve as a member of the Kentucky Council on Agriculture in accordance

1 with KRS 247.417;

2 (d) To appoint one (1) member of the Public Officials' Compensation  
3 Commission as provided in KRS 64.742;

4 (e) To serve as a member of the Board of the Kentucky Housing Corporation in  
5 accordance with KRS 198A.030; and

6 (f) ~~To serve as a member of the Appalachian Development Council as provided  
7 in KRS 154.33-020; and~~

8 (g) To serve as a member of Kentucky delegations on the following interstate  
9 compact commissions or boards:

10 1. The Southern Growth Policies Board as prescribed by KRS 147.585;

11 2. The Breaks Interstate Park Commission as provided in KRS 148.225;

12 3. The Falls of the Ohio Interstate Park Commission pursuant to KRS  
13 148.242;

14 4. The Tennessee-Tombigbee Waterway Development Authority pursuant  
15 to KRS 182.305;

16 5. The Interstate Water Sanitation Control Commissions as prescribed by  
17 KRS 224.18-710; and

18 6. The Kentucky Mining Advisory Council for the Interstate Mining  
19 Compact as provided by KRS 350.310.

20 (2) Nothing in this section shall prohibit the Governor and Lieutenant Governor from  
21 agreeing upon additional duties within the executive branch of the state government  
22 to be performed by the Lieutenant Governor.

23 Section 5. KRS 11.515 is amended to read as follows:

24 (1) There is hereby established a Geographic Information Advisory Council to advise  
25 the executive director of the Commonwealth Office of Technology on issues  
26 relating to geographic information and geographic information systems.

27 (2) The council shall establish and adopt policies and procedures that assist state and

1 local jurisdictions in developing, deploying, and leveraging geographic information  
2 resources and geographic information systems technology for the purpose of  
3 improving public administration.

4 (3) The council shall closely coordinate with users of geographic information systems  
5 to establish policies and procedures that insure the maximum use of geographic  
6 information by minimizing the redundancy of geographic information and  
7 geographic information resources.

8 (4) The Geographic Information Advisory Council shall consist of twenty-four (24)  
9 members and one (1) legislative liaison. The members shall be knowledgeable in  
10 the use and application of geographic information systems technology and shall  
11 have sufficient authority within their organizations to influence the implementation  
12 of council recommendations.

13 (a) The council shall consist of:

- 14 1. The secretary of the Transportation Cabinet or his designee;
- 15 2. The secretary of the Cabinet for Health and Family Services or his or  
16 her designee;
- 17 3. The director of the Kentucky Geological Survey or his designee;
- 18 4. The secretary of the Finance and Administration Cabinet or his  
19 designee;
- 20 5. The executive director of the Commonwealth Office of Technology or  
21 her or his designee;
- 22 6. The secretary of the Economic Development Cabinet or his designee;
- 23 7. The commissioner of the Governor's Office for Local  
24 Development~~[Department for Local Government]~~ or his designee;
- 25 8. The secretary of the Justice Cabinet or his designee;
- 26 9. One (1) member appointed by the Governor from a list of three (3)  
27 persons submitted by the president of the Council on Postsecondary

- 1 Education;
- 2 10. The adjutant general of the Department of Military Affairs or his
- 3 designee;
- 4 11. The commissioner of the Department of Education or his designee;
- 5 12. The secretary of the Environmental and Public Protection Cabinet or his
- 6 designee;
- 7 13. The Commissioner of the Department of Agriculture or his designee;
- 8 14. The secretary of the Commerce Cabinet or his designee;
- 9 15. Two (2) members appointed by the Governor from a list of six (6)
- 10 persons submitted by the president of the Kentucky League of Cities;
- 11 16. Two (2) members appointed by the Governor from a list of six (6)
- 12 persons submitted by the president of the Kentucky Association of
- 13 Counties;
- 14 17. One (1) member appointed by the Governor from a list of three (3)
- 15 persons submitted by the president of the Kentucky Chapter of the
- 16 American Planning Association;
- 17 18. One (1) member appointed by the Governor from a list of three (3)
- 18 persons submitted by the president of the Kentucky Chamber of
- 19 Commerce;
- 20 19. One (1) member appointed by the Governor from a list of three (3)
- 21 persons submitted by the president of the Kentucky Association of Land
- 22 Surveyors;
- 23 20. One (1) member appointed by the Governor from a list of three (3)
- 24 persons submitted by the president of the Kentucky Society of
- 25 Professional Engineers;
- 26 21. One (1) member appointed by the Governor from a list of three (3)
- 27 persons submitted by the chairman of the Kentucky Board of Registered

1 Geologists; and

2 22. One (1) member appointed by the Governor from a list of three (3)  
3 persons submitted by the president of the Council of Area Development  
4 Districts.

5 (b) The council shall have one (1) nonvoting legislative liaison, to be appointed  
6 by the Legislative Research Commission.

7 (5) The chair shall be appointed by the Governor. The council may have committees  
8 and subcommittees as determined by the council or an executive committee, if an  
9 executive committee exists.

10 (6) A member of the council shall not:

11 (a) Be an officer, employee, or paid consultant of a business entity that has, or of  
12 a trade association for business entities that have, a substantial interest in the  
13 geographic information industry and is doing business in the Commonwealth;

14 (b) Own, control, or have, directly or indirectly, more than ten percent (10%)  
15 interest in a business entity that has a substantial interest in the geographic  
16 information industry;

17 (c) Be in any manner connected with any contract or bid for furnishing any  
18 governmental body of the Commonwealth with geographic information  
19 systems, the computers on which they are automated, or a service related to  
20 geographic information systems;

21 (d) Be a person required to register as a lobbyist because of activities for  
22 compensation on behalf of a business entity that has, or on behalf of a trade  
23 association of business entities that have, substantial interest in the geographic  
24 information industry;

25 (e) Accept or receive money or another thing of value from an individual, firm, or  
26 corporation to whom a contract may be awarded, directly or indirectly, by  
27 rebate, gift, or otherwise; or

1 (f) Be liable to civil action or any action performed in good faith in the  
2 performance of duties as a council member.

3 (7) Those council members specified in subsection (4)(a) of this section who serve by  
4 virtue of an office shall serve on the council while they hold that office.

5 (8) Appointed members of the council shall serve for a term of four (4) years.  
6 Vacancies in the membership of the council shall be filled in the same manner as  
7 the original appointments. If a nominating organization changes its name, its  
8 successor organization having the same responsibilities and purposes shall be the  
9 nominating organization.

10 (9) The council shall have no funds of its own, and council members shall not receive  
11 compensation of any kind from the council.

12 (10) A majority of the members shall constitute a quorum for the transaction of business.  
13 Members' designees shall have voting privileges at council meetings.

14 Section 6. KRS 12.020 is amended to read as follows:

15 Departments, program cabinets and their departments, and the respective major  
16 administrative bodies that they include are enumerated in this section. It is not intended  
17 that this enumeration of administrative bodies be all-inclusive. Every authority, board,  
18 bureau, interstate compact, commission, committee, conference, council, office, or any  
19 other form of organization shall be included in or attached to the department or program  
20 cabinet in which they are included or to which they are attached by statute or statutorily  
21 authorized executive order; except in the case of the Personnel Board and where the  
22 attached department or administrative body is headed by a constitutionally elected  
23 officer, the attachment shall be solely for the purpose of dissemination of information and  
24 coordination of activities and shall not include any authority over the functions,  
25 personnel, funds, equipment, facilities, or records of the department or administrative  
26 body.

27 I. Cabinet for General Government - Departments headed by elected officers:

- 1        1.    The Governor.
  - 2        2.    Lieutenant Governor.
  - 3        3.    Department of State.
    - 4            (a)   Secretary of State.
    - 5            (b)   Board of Elections.
    - 6            (c)   Registry of Election Finance.
  - 7        4.    Department of Law.
    - 8            (a)   Attorney General.
  - 9        5.    Department of the Treasury.
    - 10           (a)   Treasurer.
  - 11       6.    Department of Agriculture.
    - 12           (a)   Commissioner of Agriculture.
    - 13           (b)   Kentucky Council on Agriculture.
  - 14       7.    Auditor of Public Accounts.
- 15    II.   Program cabinets headed by appointed officers:
- 16       1.    Justice Cabinet:
    - 17           (a)   Department of State Police.
    - 18           (b)   Department of Criminal Justice Training.
    - 19           (c)   Department of Corrections.
    - 20           (d)   Department of Juvenile Justice.
    - 21           (e)   Office of the Secretary.
    - 22           (f)   Offices of the Deputy Secretaries.
    - 23           (g)   Office of General Counsel.
    - 24           (h)   Division of Kentucky State Medical Examiners Office.
    - 25           (i)   Parole Board.
    - 26           (j)   Kentucky State Corrections Commission.
    - 27           (k)   Commission on Correction and Community Service.

- 1           2.    Education Cabinet:
  - 2           (a)   Office of the Secretary.
  - 3           (b)   Office of Legal Services.
    - 4           1.    Client Assistance Program.
  - 5           (c)   Office of Communication.
  - 6           (d)   Office of Legislative and Intergovernmental Affairs.
  - 7           (e)   Office of Budget and Administration.
    - 8           1.    Division of Human Resources.
    - 9           2.    Division of Administrative Services.
    - 10          3.    Division of Technology Services.
  - 11          (f)   Board of Directors for the Center for School Safety.
  - 12          (g)   Council on Postsecondary Education.
    - 13          1.    Foundation for Adult Education.
  - 14          (h)   Department of Education.
    - 15          1.    Kentucky Board of Education.
  - 16          (i)   Department for Libraries and Archives.
  - 17          (j)   Department of Workforce Investment.
    - 18          1.    Office for the Blind.
    - 19          2.    Office of Vocational Rehabilitation.
    - 20          3.    Office of Career and Technical Education.
    - 21          4.    Office of Employment and Training.
  - 22          (k)   Foundation for Workforce Development.
  - 23          (l)   Kentucky Office for the Blind State Rehabilitation Council.
  - 24          (m)   Kentucky Technical Education Personnel Board.
  - 25          (n)   Kentucky Workforce Investment Board.
  - 26          (o)   Statewide Council for Vocational Rehabilitation.
  - 27          (p)   Statewide Independent Living Council.

- 1 (q) Unemployment Insurance Commission.
- 2 (r) Education Professional Standards Board.
- 3 1. Division of Educator Preparation.
- 4 2. Division of Certification.
- 5 3. Division of Professional Learning and Assessment.
- 6 4. Division of Legal Services.
- 7 (s) Kentucky Commission on the Deaf and Hard of Hearing.
- 8 (t) Kentucky Educational Television.
- 9 (u) Kentucky Environmental Education Council.
- 10 3. Environmental and Public Protection Cabinet:
- 11 (a) Office of the Secretary.
- 12 1. Office of Legislative and Intergovernmental Affairs.
- 13 2. Office of Communications and Public Outreach.
- 14 3. Office of Regulatory Affairs.
- 15 4. Office of Legal Services.
- 16 5. Office of Administrative and Information Services.
- 17 6. Office of Administrative Hearings.
- 18 7. Office of Inspector General.
- 19 8. Mine Safety Review Commission.
- 20 9. Workers' Compensation Board.
- 21 10. Kentucky State Nature Preserves Commission.
- 22 11. Kentucky Environmental Quality Commission.
- 23 12. Kentucky Occupational Safety and Health Review Commission.
- 24 (b) Department for Environmental Protection.
- 25 1. Office of the Commissioner.
- 26 2. Division of Air Quality.
- 27 3. Division of Water.

- 1                   4.    Division of Environmental Services.
- 2                   5.    Division of Waste Management.
- 3                   6.    Division of Enforcement.
- 4                   7.    Division of Compliance Assistance.
- 5           (c)    Department for Natural Resources.
- 6                   1.    Office of the Commissioner.
- 7                   2.    Office of Technical and Administrative Support.
- 8                   3.    Division of Mine Permits.
- 9                   4.    Division of Mine Reclamation and Enforcement.
- 10                  5.    Division of Abandoned Mine Lands.
- 11                  6.    Division of Oil and Gas Conservation.
- 12                  7.    Office of Mine Safety and Licensing.
- 13                  8.    Division of Forestry.
- 14                  9.    Division of Conservation.
- 15           (d)    Department of Public Protection.
- 16                  1.    Office of the Commissioner.
- 17                  2.    Division of Administrative Services.
- 18                  3.    Crime Victims Compensation Board.
- 19                  4.    Board of Claims.
- 20                  5.    Board of Tax Appeals.
- 21                  6.    Kentucky Boxing and Wrestling Authority.
- 22                  7.    Kentucky Horse Racing Authority.
- 23                  8.    Kentucky Public Service Commission.
- 24                  9.    Office of Alcoholic Beverage Control.
- 25                  10.   Office of Charitable Gaming.
- 26                  11.   Office of Financial Institutions.
- 27                  12.   Office of Housing, Buildings and Construction.

- 1                   13. Office of Insurance.
- 2                   (e) Department of Labor.
- 3                   1. Office of the Commissioner.
- 4                   2. Office of Occupational Safety and Health.
- 5                   3. Office of Labor Management Relations and Mediation.
- 6                   4. Office of Workplace Standards.
- 7                   5. Office of Workers' Claims.
- 8                   6. Workers' Compensation Funding Commission.
- 9                   7. Kentucky Labor Management Advisory Council.
- 10                  8. Occupational Safety and Health Standards Board.
- 11                  9. Prevailing Wage Review Board.
- 12                  10. Kentucky Employees Insurance Association.
- 13                  11. Apprenticeship and Training Council.
- 14                  12. State Labor Relations Board.
- 15                  13. Workers' Compensation Advisory Council.
- 16                  14. Workers' Compensation Nominating Commission.
- 17                  15. Employers' Mutual Insurance Authority.
- 18                  16. Division of Administrative Services.
- 19                  4. Transportation Cabinet:
- 20                  (a) Department of Highways.
- 21                    1. Office of Program Planning and Management.
- 22                    2. Office of Project Development.
- 23                    3. Office of Construction and Operations.
- 24                    4. Office of Intermodal Programs.
- 25                    5. Highway District Offices One through Twelve.
- 26                  (b) Department of Vehicle Regulation.
- 27                  (c) Department of Administrative Services.

- 1 (d) Department of Aviation.
- 2 (e) Department of Intergovernmental Programs.
- 3 1. Office of Transportation Enhancement Programs.
- 4 2. Office of Rural and Secondary Roads.
- 5 (f) Office of the Secretary.
- 6 1. Office of Legislative and Intergovernmental Affairs.
- 7 2. Office of Public Affairs.
- 8 3. Office of Transportation Delivery.
- 9 4. Office for Business and Occupational Development.
- 10 5. Office of Budget and Fiscal Management.
- 11 6. Office of Legal Services.
- 12 7. Office of Inspector General.
- 13 8. Office of the Transportation Operations Center.
- 14 9. Office of Personnel Management.
- 15 5. Cabinet for Economic Development:
- 16 (a) Office of Administration and Support.
- 17 (b) Department for New Business Development.
- 18 (c) Department of Financial Incentives.
- 19 (d) Department for Existing Business Development.
- 20 (e) Tobacco Research Board.
- 21 (f) Kentucky Economic Development Finance Authority.
- 22 (g) Office of Research and Information Technology.
- 23 (h) Department of Commercialization and Innovation.
- 24 (i) Office of Legal Services.
- 25 (j) Commission on Small Business Advocacy.
- 26 6. Cabinet for Health and Family Services:
- 27 (a) Department for Public Health.

- 1 (b) Department for Medicaid Services.
- 2 (c) Department for Mental Health and Mental Retardation Services.
- 3 (d) Kentucky Commission for Children with Special Health Care Needs.
- 4 (e) Office of Health Policy.
- 5 (f) Office of the Secretary.
- 6 (g) Office of Legal Services.
- 7 (h) Office of Inspector General.
- 8 (i) Office of Legislative and Public Affairs.
- 9 (j) Department for Community Based Services.
- 10 (k) Department for Disability Determination Services.
- 11 (l) Office of the Ombudsman.
- 12 (m) Department for Human Support Services.
- 13 (n) Kentucky Commission on Community Volunteerism and Service.
- 14 (o) Office of Fiscal Services.
- 15 (p) Office of Human Resource Management.
- 16 (q) Office of Technology.
- 17 (r) Office of Contract Oversight.
- 18 (s) Governor's Office of Wellness and Physical Activity.
- 19 7. Finance and Administration Cabinet:
- 20 (a) Office of General Counsel.
- 21 (b) Office of the Controller.
- 22 (c) Office of Administrative Services.
- 23 (d) Office of Public Information.
- 24 (e) Department for Facilities and Support Services.
- 25 (f) Department of Revenue.
- 26 (g) Commonwealth Office of Technology.
- 27 (h) State Property and Buildings Commission.

- 1 (i) Kentucky Savings Bond Authority.
- 2 (j) Office of Equal Employment Opportunity and Contract Compliance.
- 3 ~~(k) County Officials Compensation Board.~~
- 4 ~~(l) Kentucky Employees Retirement Systems.~~
- 5 ~~(m) Commonwealth Credit Union.~~
- 6 ~~(n) State Investment Commission.~~
- 7 ~~(o) Kentucky Housing Corporation.~~
- 8 ~~(p) Kentucky Local Correctional Facilities Construction Authority.~~
- 9 ~~(q) Kentucky Turnpike Authority.~~
- 10 ~~(r) Historic Properties Advisory Commission.~~
- 11 ~~(s) Kentucky Tobacco Settlement Trust Corporation.~~
- 12 ~~(t) State Board for Proprietary Education.~~
- 13 ~~(u) Kentucky Higher Education Assistance Authority.~~
- 14 ~~(v) Kentucky River Authority.~~
- 15 ~~(w) Kentucky Teachers' Retirement System Board of Trustees.~~
- 16 8. Commerce Cabinet:
- 17 (a) Department of Tourism.
- 18 (1) Division of Tourism Services.
- 19 (2) Division of Marketing and Advertising.
- 20 (3) Division of Parks Marketing.
- 21 (b) Kentucky Department of Parks.
- 22 (1) Division of Information Technology.
- 23 (2) Division of Personnel and Payroll.
- 24 (3) Division of Financial Operations.
- 25 (4) Division of Facilities Management.
- 26 (5) Division of Project Administration.
- 27 (6) Division of Customer Services.

- 1 (7) Division of Recreation.
- 2 (8) Division of Golf Courses.
- 3 (9) Division of Food Services.
- 4 (10) Division of Rangers.
- 5 (11) Division of Eastern Parks.
- 6 (12) Division of Southern Parks.
- 7 (13) Division of Western Parks.
- 8 (c) Department of Fish and Wildlife Resources.
- 9 (1) Division of Law Enforcement.
- 10 (2) Division of Administrative Services.
- 11 (3) Division of Engineering.
- 12 (4) Division of Fisheries.
- 13 (5) Division of Information and Education.
- 14 (6) Division of Wildlife.
- 15 (7) Division of Public Affairs.
- 16 (d) Kentucky Horse Park.
- 17 (1) Division of Support Services.
- 18 (2) Division of Buildings and Grounds.
- 19 (3) Division of Operational Services.
- 20 (e) Kentucky State Fair Board.
- 21 (1) Division of Expositions and Admission.
- 22 (2) Division of Kentucky Fair and Exposition Center Operations.
- 23 (3) Division of Commonwealth Convention Center.
- 24 (4) Division of Public Relations and Media.
- 25 (5) Division of Administrative Services.
- 26 (6) Division of Personnel Management and Staff Development.
- 27 (7) Division of Sales.

- 1 (8) Division of Security and Traffic Control.
- 2 (f) Office of the Secretary.
- 3 (g) Office of Finance and Administration.
- 4 (h) Office of Legal Affairs.
- 5 (i) Office of Intergovernmental Affairs.
- 6 (j) Office of Human Resources.
- 7 (k) Office of Public Affairs and Constituent Services.
- 8 (l) Office of Information Technology.
- 9 (m) Office of the Kentucky Sports Authority.
- 10 (1) Kentucky Sports Authority Board.
- 11 (n) Office of Creative Services.
- 12 (o) Office of Capital Plaza Operations.
- 13 (p) Office of Energy Policy.
- 14 (1) Energy Policy Advisory Council.
- 15 (q) Office of Arts and Cultural Heritage.
- 16 (r) Kentucky African-American Heritage Commission.
- 17 (s) Kentucky Foundation for the Arts.
- 18 (t) Kentucky Humanities Council.
- 19 (u) Kentucky Heritage Council.
- 20 (v) Kentucky Arts Council.
- 21 (w) Kentucky Historical Society.
- 22 (1) Division of Museums.
- 23 (2) Division of Oral History and Educational Outreach.
- 24 (3) Division of Research and Publications.
- 25 (4) Division of Administration.
- 26 (x) Kentucky Center for the Arts.
- 27 (1) Division of Governor's School for the Arts.

- 1 (y) Kentucky Artisans Center at Berea.
- 2 (z) Martin Luther King Commission.
- 3 (aa) Northern Kentucky Convention Center.
- 4 (ab) Eastern Kentucky Exposition Center.
- 5 9. Personnel Cabinet:
- 6 (a) Office of the Secretary.
- 7 (b) Department for Personnel Administration.
- 8 (c) Office for Employee Relations.
- 9 (d) Kentucky Public Employees Deferred Compensation Authority.
- 10 (e) Office of Administrative Services.
- 11 (f) Office of Legal Services.
- 12 (g) Office of Government Training.
- 13 (h) Department for Employee Insurance.

14 III. Other departments headed by appointed officers:

- 15 1. Department of Military Affairs.
- 16 2. Governor's Office for Local Development~~Department for Local~~
- 17 ~~Government~~.
- 18 3. Kentucky Commission on Human Rights.
- 19 4. Kentucky Commission on Women.
- 20 5. Department of Veterans' Affairs.
- 21 6. Kentucky Commission on Military Affairs.
- 22 7. Office of Minority Empowerment.
- 23 8. Governor's Council on Wellness and Physical Activity.

24 Section 7. KRS 12.023 is amended to read as follows:

25 The following organizational units and administrative bodies shall be attached to the  
26 Office of the Governor:

- 27 (1) Department of Military Affairs;

- 1 (2) *Governor's Office for Local Development*~~[Department for Local Government]~~;
- 2 (3) Kentucky Commission on Human Rights;
- 3 (4) Kentucky Commission on Women;
- 4 (5) Kentucky Commission on Military Affairs;
- 5 (6) Governor's Scholars Program;
- 6 (7) Agricultural Development Board;
- 7 (8) Kentucky Agency for Substance Abuse Policy;
- 8 (9) Kentucky Agricultural Finance Corporation;
- 9 (10) Office of Minority Empowerment;
- 10 (11) Office of Homeland Security; and
- 11 (12) Governor's Council on Wellness and Physical Activity.

12 Section 8. KRS 15.755 is amended to read as follows:

- 13 (1) The compensation of each Commonwealth's attorney shall be paid out of the State  
14 Treasury.
- 15 (2) The compensation of the staff of each Commonwealth's attorney shall be paid out  
16 of the State Treasury.
- 17 (3) In each judicial circuit containing a city of the first or second class or an urban-  
18 county government, or a city of the third class and a population of sixty-eight  
19 thousand (68,000) or more, or which has a full-time Commonwealth's attorney, the  
20 Commonwealth's attorney shall not engage in the private practice of law. The  
21 population of a judicial circuit shall, for the purpose of this statute, be determined  
22 by the most recent federal decennial census enumeration. All other  
23 Commonwealth's attorneys shall not be prohibited from engaging in the private  
24 practice of law.
- 25 (4) Each Commonwealth's attorney who is prohibited from engaging in the private  
26 practice of law shall receive as compensation for his services the sum of twenty-six  
27 thousand dollars (\$26,000) per annum.

- 1 (5) Each Commonwealth's attorney who is not prohibited from engaging in the private  
2 practice of law shall receive as compensation for his services the sum of fourteen  
3 thousand three hundred dollars (\$14,300) per annum.
- 4 (6) Each full-time Commonwealth's attorney of the state shall be paid each month the  
5 sum of one thousand dollars (\$1,000) and each part-time Commonwealth's attorney  
6 shall be paid each month the sum of five hundred dollars (\$500), which sums are  
7 declared to be the equivalent of the minimum sums that each Commonwealth's  
8 attorney will expend each month in the performance of his official duties directed to  
9 be performed for the Commonwealth. The aforementioned sum shall be paid out of  
10 the State Treasury.
- 11 (7) In order to equate the compensation of Commonwealth's attorneys with the  
12 purchasing power of the dollar, the Governor's Office for Local  
13 Development~~Department for Local Government~~ shall compute by the second  
14 Friday in February of every year the annual increase or decrease in the consumer  
15 price index of the preceding year by using 1949 as the base year in accordance with  
16 Section 246 of the Constitution of Kentucky which provides that the above elected  
17 officials shall be paid at a rate no greater than twelve thousand dollars (\$12,000)  
18 per annum. The Governor's Office for Local Development~~Department for Local~~  
19 ~~Government~~ shall notify the appropriate governing bodies charged by law to fix  
20 the compensation of the above elected officials of the annual rate of compensation  
21 to which the elected officials are entitled in accordance with the increase or  
22 decrease in the consumer price index. Upon notification from the Governor's  
23 Office for Local Development~~Department for Local Government~~, the appropriate  
24 governing body may set the annual compensation of the above elected officials at a  
25 rate no greater than that stipulated by the Governor's Office for Local  
26 Development~~Department for Local Government~~.
- 27 Section 9. KRS 15.765 is amended to read as follows:

- 1 (1) Each county attorney shall receive, for prosecutorial duties, an annual salary to be  
2 paid out of the State Treasury which shall be the total compensation as county  
3 attorney which he received during the calendar year 1976, but which in no event  
4 shall be less than twenty thousand dollars (\$20,000). Except, however, the annual  
5 salary of each county attorney shall be equal to that of each Commonwealth's  
6 attorney who is not prohibited from the private practice of law as provided in KRS  
7 15.755(5), effective January 1, 1990.
- 8 (2) Each county attorney shall be paid each month the sum of five hundred dollars  
9 (\$500), which sum is declared to be the equivalent of the minimum sum that each  
10 county attorney will expend each month in the performance of his official duties  
11 directed to be performed for the Commonwealth. The aforementioned sum shall be  
12 paid out of the State Treasury.
- 13 (3) In order to equate the compensation of county attorneys with the purchasing power  
14 of the dollar, the Governor's Office for Local Development~~Department for Local~~  
15 ~~Government~~ shall compute by the second Friday in February of every year the  
16 annual increase or decrease in the consumer price index of the preceding year by  
17 using 1949 as the base year in accordance with Section 246 of the Constitution of  
18 Kentucky which provides that the above elected officials shall be paid at a rate no  
19 greater than twelve thousand dollars (\$12,000) per annum. The Governor's Office  
20 for Local Development~~Department for Local Government~~ shall notify the  
21 appropriate governing bodies charged by law to fix the compensation of the above  
22 elected officials of the annual rate of compensation to which the elected officials  
23 are entitled pursuant to the increase or decrease in the consumer price index. Upon  
24 notification from the Governor's Office for Local Development~~Department for~~  
25 ~~Local Government~~, the appropriate governing body may set the annual  
26 compensation of the above elected officials at a rate no greater than that stipulated  
27 by the Governor's Office for Local Development~~Department for Local~~

1 ~~Government}.~~

2 (4) The county attorney shall not be prohibited from engaging in the private practice of  
3 law.

4 Section 10. KRS 16.220 is amended to read as follows:

5 (1) Subject to the duty to return confiscated firearms to innocent owners pursuant to  
6 KRS 500.090, all firearms confiscated by the Kentucky State Police and not  
7 retained for official use pursuant to KRS 500.090 shall be sold at public auction to  
8 federally licensed firearms dealers holding a license appropriate for the type of  
9 firearm sold. The Kentucky State Police shall transfer firearms that are to be sold to  
10 the Department for Facilities and Support Services, Division of Surplus Properties,  
11 for sale. Proceeds of the sale shall be transferred to the account of the *Governor's*  
12 *Office for Local Development*~~Department for Local Government}~~ for use as  
13 provided in subsection (3) of this section. Prior to the sale of any firearm, the  
14 Kentucky State Police shall make an attempt to determine if the firearm to be sold  
15 has been stolen or otherwise unlawfully obtained from an innocent owner and  
16 return the firearm to its lawful innocent owner, unless that person is ineligible to  
17 purchase a firearm under federal law.

18 (2) The Kentucky State Police shall receive firearms and ammunition confiscated by or  
19 abandoned to every law enforcement agency in Kentucky. The Kentucky State  
20 Police shall dispose of the firearms received in the manner specified in subsection  
21 (1) of this section. However, firearms which are not retained for official use,  
22 returned to an innocent lawful owner, or transferred to another government agency  
23 or public museum shall be sold as provided in subsections (1) and (3) of this  
24 section.

25 (3) The proceeds of firearms sales shall be utilized by the *Governor's Office for Local*  
26 *Development*~~Department for Local Government}~~ to provide grants to city, county,  
27 charter county, and urban-county police departments, university safety and security

1 departments organized pursuant to KRS 164.950 and sheriff's departments for the  
2 purchase of body armor for sworn peace officers of those departments and service  
3 animals, as defined in KRS 525.010, of those departments or for the purchase of  
4 firearms or ammunition. Body armor purchased by the department receiving grant  
5 funds shall meet or exceed the standards issued by the National Institute of Justice  
6 for body armor. No police or sheriff's department shall apply for a grant to replace  
7 existing body armor unless that body armor has been in actual use for a period of  
8 five (5) years or longer.

- 9 (4) The Kentucky State Police may transfer a machine gun, short-barreled shotgun,  
10 short-barreled rifle, silencer, pistol with a shoulder stock, any other weapon, or  
11 destructive device as defined by the National Firearms Act which is subject to  
12 registration under the National Firearms Act, and is not properly registered in the  
13 national firearms transfer records for those types of weapons, to the Bureau of  
14 Alcohol, Tobacco, and Firearms of the United States Department of the Treasury,  
15 after a reasonable attempt has been made to transfer the firearm to an eligible state  
16 or local law enforcement agency or to an eligible museum and no eligible recipient  
17 will take the firearm or weapon. National Firearms Act firearms and weapons  
18 which are properly registered and not returned to an innocent lawful owner or  
19 retained for official use as provided in this section shall be sold to properly licensed  
20 dealers under subsection (3) of this section.

21 Section 11. KRS 26A.160 is amended to read as follows:

- 22 (1) The Chief Justice shall establish rules of procedure or guidelines on matters relating  
23 to the design, financing, and construction of court facilities. The rules or guidelines  
24 shall encompass:
- 25 (a) The duties and responsibilities of the Administrative Office of the Courts  
26 under this section;
  - 27 (b) Criteria for evaluating the feasibility or practicability of various contracting or

- 1 construction methods;
- 2 (c) A project management system for managing, monitoring, and reporting on  
3 projects through all phases from funding to completion, including change-  
4 order procedures;
- 5 (d) Assistance to counties in evaluating proposals for architectural, construction,  
6 or other professional services;
- 7 (e) Methods for financing energy savings projects, Americans with Disabilities  
8 Act projects, and other improvement projects;
- 9 (f) Kentucky standards for court facilities, including detailed requirements for  
10 space, construction, interior and exterior finishes, structural and mechanical  
11 systems, fixed and moveable furniture and equipment, and maximum unit cost  
12 for court facilities throughout the Commonwealth; and
- 13 (g) The maintenance and operation of court facilities after construction.
- 14 (2) The Administrative Office of the Courts shall oversee the design, financing, and  
15 construction of court facilities. The Administrative Office of the Courts shall:
- 16 (a) Assess the need for court facilities construction or renovation throughout the  
17 Commonwealth. The assessment shall consider the age, space adequacy,  
18 projected needs, structural soundness, mechanical and electrical systems,  
19 security needs, and interior and exterior quality of existing court facilities;
- 20 (b) Develop a project program for the construction or renovation of court  
21 facilities that the Administrative Office of the Courts determines to be most in  
22 need of construction or renovation, based on the needs assessment required  
23 under paragraph (a) of this subsection. The project program shall detail a  
24 complete and specifically defined court facilities project that conforms to the  
25 Kentucky standards for court facilities established under paragraph (f) of  
26 subsection (1) of this section, and shall include itemized space requirements,  
27 space relationships, design goals, scope limits, site considerations, cost

- 1 estimates, and a proposed project budget;
- 2 (c) Establish the financial condition of any county that contains a court facility  
3 for which a project program under paragraph (b) of this subsection has been  
4 developed to determine the county's ability to participate in the proposed  
5 project. The Administrative Office of the Courts may discharge this  
6 responsibility by obtaining certification of the county's financial condition  
7 from the *Governor's Office for Local Development*~~[Department for Local  
8 Government]~~, under KRS 147A.021(5);
- 9 (d) Develop a prioritized list, with cost estimates, based on land availability and  
10 the considerations required by this section, of proposed court facilities  
11 projects, and submit the list to the Chief Justice for approval and to the Court  
12 Facilities Standards Committee for informational purposes only. Upon  
13 approval by the Chief Justice, the Administrative Office of the Courts shall  
14 submit the prioritized list to the Capital Planning Advisory Board, by April 15  
15 of each odd-numbered year, in accordance with KRS 7A.120; and
- 16 (e) Develop and maintain uniform contracts to be used by local units of  
17 government when procuring architectural, construction, financial, or other  
18 services relating to court facilities projects authorized by the General  
19 Assembly.
- 20 (3) Before the Administrative Office of the Courts submits a budget request for court  
21 projects under KRS 48.050, each local unit of government that is expected to  
22 participate in financing a requested court project shall enter into a written  
23 memorandum of agreement with the Administrative Office of the Courts. Each  
24 county with a court project authorized by the 2000 General Assembly shall enter  
25 into a written memorandum of agreement with the Administrative Office of the  
26 Courts. The agreement shall be developed by the Administrative Office of the  
27 Courts, shall specify the rights, duties, and obligations of the local unit of

1 government and the Administrative Office of the Courts relating to the project, and  
2 shall be contingent upon the project's authorization by the General Assembly.

3 (4) No contract, and no modification to any contract, relating to the design, financing,  
4 or construction of court facilities projects authorized by the General Assembly shall  
5 be executed unless first reviewed and approved by the Administrative Office of the  
6 Courts.

7 (5) All court facilities projects, beginning with those authorized by the 2000 General  
8 Assembly, shall comply with the Kentucky standards for court facilities established  
9 under paragraph (f) of subsection (1) of this section. No other standards shall be  
10 used.

11 (6) This section shall not affect or apply to any contract executed prior to July 14,  
12 2000.

13 (7) All local units of government or any other entity providing space to the Court of  
14 Justice under KRS 26A.100 shall, consistent with the law, comply with the rules of  
15 procedure and guidelines established by the Chief Justice and administered by the  
16 Administrative Office of the Courts under this section.

17 Section 12. KRS 39G.020 is amended to read as follows:

18 (1) The Kentucky Office of Homeland Security shall identify and maintain a record of  
19 all federal homeland security funding, including grants, received in Kentucky. The  
20 record shall identify, at a minimum, the specific federal source, the amount, the  
21 specific recipient, the intended use of the funding, the actual use, and any unspent  
22 amount.

23 (2) (a) Not later than September 15 of each year, each department headed by an  
24 elected officer, as identified in KRS 12.020 I., each cabinet headed by an  
25 appointed officer, as identified in KRS 12.020 II., and each department  
26 headed by an appointed officer, as identified in KRS 12.020 III., shall submit  
27 to the Kentucky Office of Homeland Security a record of all federal homeland

- 1 security funding, including grants, received during the state fiscal year  
2 starting with the fiscal year ending June 30, 2005. The record shall identify, at  
3 a minimum, the specific federal source, the amount, the specific recipient, the  
4 intended use of the funding, the actual use, and any unspent amount.
- 5 (b) Not later than August 1 of each year, each city, county, urban-county, charter  
6 county, consolidated local government, and special taxing district shall submit  
7 to its area development district a record of all federal homeland security  
8 funding, including grants, received during the state fiscal year by the city,  
9 county, urban-county, charter county, consolidated local government, special  
10 taxing district, or a public agency thereof, starting with the fiscal year ending  
11 June 30, 2005. The record shall identify, at a minimum, the specific federal  
12 source, the amount, the specific recipient, the intended use of the funding, the  
13 actual use, and any unspent amount.
- 14 (c) Not later than August 15 of each year, each area development district shall  
15 group the records required under paragraph (b) of this subsection by county  
16 and submit them to the Governor's Office for Local  
17 Development~~Department for Local Government~~.
- 18 (d) Not later than September 20 of each year, the Governor's Office for Local  
19 Development~~Department for Local Government~~ shall submit the records  
20 received under paragraph (c) of this subsection to the Kentucky Office of  
21 Homeland Security.
- 22 (e) Any funds received for the purpose of homeland security shall be monitored  
23 by the Kentucky Office of Homeland Security and subject to audit and  
24 compliance inspections as directed by the executive director.
- 25 (3) The Kentucky Office of Homeland Security, area development districts, and the  
26 Governor's Office for Local Development~~Department for Local Government~~  
27 shall educate entities that report under this section about their responsibilities under

1 this section. If an entity is late in reporting under this section, the office, an area  
 2 development district, or the *Governor's Office for Local Development*~~Department~~  
 3 ~~for Local Government~~ shall remind that entity of its reporting requirements under  
 4 this section.

5 (4) The Kentucky Office of Homeland Security shall directly notify the chief executive  
 6 officer of each city, county, urban-county, charter county, and consolidated local  
 7 government concerning grants for homeland security projects as the grants become  
 8 available.

9 Section 13. KRS 42.016 is amended to read as follows:

10 The following corporate bodies and instrumentalities of the Commonwealth shall be  
 11 attached to the Office of the Secretary for administrative purposes and staff services:

- 12 (1) State Property and Buildings Commission;
- 13 (2) Kentucky Savings Bond Authority;
- 14 (3)~~County Officials Compensation Board;~~
- 15 (4) ~~Kentucky Turnpike Authority;~~
- 16 (4)~~(5)~~ State Investment Commission;
- 17 (5)~~(6)~~ Kentucky Housing Corporation;
- 18 (6)~~(7)~~ Kentucky Tobacco Settlement Trust Corporation; and
- 19 (7)~~(8)~~ Kentucky River Authority.

20 Section 14. KRS 42.200 is amended to read as follows:

- 21 (1) The "Water Project Interest Rate Buy Down Fund" is hereby created as a special  
 22 fund in the State Treasury. The fund may receive state appropriations, gifts, grants,  
 23 and federal funds and shall include earnings from investments of moneys in the  
 24 fund. Any fund balance at the close of the fiscal year shall not lapse but shall be  
 25 carried forward to the next fiscal year, and moneys in this fund shall be  
 26 continuously appropriated only for the purposes specified in this section.
- 27 (2) The fund shall be used to provide financial assistance to government agencies for

1 the construction of publicly-owned water supply projects located in rural areas of  
2 the Commonwealth. In order to qualify for the financial assistance, the  
3 governmental agency shall obtain a loan from a bank or combined bank and trust  
4 company organized under the laws of this Commonwealth and at an interest rate no  
5 greater than two (2) percentage points higher than the current prime rate. The  
6 financial assistance provided shall consist of an annual grant to the governmental  
7 agency to be made over the life of the loan obtained by the governmental agency  
8 for the construction of the publicly-owned water supply project. The amount of the  
9 annual grant shall be calculated over the life of the loan to provide to the  
10 governmental agency each year the portion of the interest on the loan calculated at a  
11 four percent (4%) interest rate. The governmental agency shall be responsible for  
12 the payment of the interest on the loan in excess of the four percent (4%) interest  
13 rate and for the payment of the principal on the loan.

14 (3) The Finance and Administration Cabinet shall administer the fund and may  
15 promulgate administrative regulations as necessary to implement the provisions of  
16 this section. The Governor's Office for Local Development~~Department for Local~~  
17 ~~Government~~ shall advise government agencies of the fund and how to apply for  
18 moneys from the fund.

19 (4) The provisions of this section shall be known and may be cited as the Kentucky  
20 Rural Water Act.

21 Section 15. KRS 42.350 is amended to read as follows:

22 (1) The area development fund in the State Treasury shall be administered by the  
23 Governor's Office for Local Development~~Department for Local Government~~.

24 The fund may receive state appropriations, gifts, grants, and federal funds and shall  
25 be disbursed by the State Treasurer upon the warrant of the commissioner of the  
26 Governor's Office for Local Development~~Department for Local Government~~.

27 Any unallotted or unencumbered balances in the fund shall be invested in United

1 States government securities maturing not later than one (1) year from the date of  
2 investment and the income from the investments shall be prorated for expenditure  
3 for capital projects in area development districts according to the formula provided  
4 in KRS 42.370.

5 (2) Money in the fund shall be used only for capital projects which contribute to  
6 community or industrial development in the Commonwealth, KRS 48.300 and  
7 48.500 notwithstanding. Capital projects eligible for financing out of the fund  
8 include and shall be limited to:

- 9 (a) The construction, reconstruction, renovation, and maintenance of buildings  
10 and other improvements to real estate;
- 11 (b) The acquisition of real property and interests in real property;
- 12 (c) The purchase of major items of equipment;
- 13 (d) Industrial site development projects, including land reclamation, clearing,  
14 grading, draining, landscaping, and the construction of walkways and fences;
- 15 (e) The extension and installation of water, gas, sewer, and electrical utilities  
16 lines to public facilities and industrial sites;
- 17 (f) The provision of solid waste management or disposal systems bringing  
18 counties into compliance with state or federal law. All expenses incurred in  
19 connection with or incidental to the construction or acquisition of a capital  
20 project under this section, including architectural, engineering, legal, and  
21 other expenses required for the projects may be paid out of the fund. Money  
22 in the fund may be used to retire a mortgage or other indebtedness  
23 encumbering an eligible capital project made within the preceding five (5)  
24 calendar years to secure the repayment of moneys loaned or advanced to  
25 finance the construction or acquisition of the project, and may be used in  
26 match or in combination with funds obtained from other sources for an  
27 eligible capital project. No money shall be expended out of the fund, directly

1 or indirectly, to pay or reimburse the cost of any feasibility study, master plan  
2 for any capital improvement development or redevelopment project, the  
3 purchase of consumable supplies or any administrative salary, or other  
4 operating or capital expense of any area development district, or for the  
5 acquisition, construction, reconstruction, renovation, or maintenance of any  
6 building or property of schools, state institutions of higher learning, or any  
7 road, street, bridge, or highway.

- 8 (3) The board of directors of each area development district shall determine from  
9 among the capital project proposals submitted by eligible beneficiary agencies, the  
10 capital projects to be proposed to be constructed or acquired out of the fund. The  
11 area development districts shall submit to the commissioner of the *Governor's*  
12 *Office for Local Development*~~[Department for Local Government]~~ the capital  
13 projects selected for construction or acquisition within the districts. Each project  
14 proposal shall include: a detailed description of the project; a statement of the  
15 public benefit to be derived from the project; if available, design plans and  
16 specifications for the project; an itemized estimate of the cost of the project; a  
17 statement of the sources and amounts of funds available from any other source for  
18 the construction or acquisition of the project; and other information relating to the  
19 proposed capital project as the *Governor's Office for Local*  
20 *Development*~~[Department for Local Government]~~ may require.

21 Section 16. KRS 42.355 is amended to read as follows:

- 22 (1) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
23 shall examine each capital project selected by the area development districts, and  
24 when it finds that a proposed project conforms to the requirements of KRS 42.350  
25 to 42.370; that the estimated costs of the project are reasonable; that the costs  
26 proposed to be paid from the fund are within the amount available; and that the  
27 proposed beneficiary agency will be reasonably able to finance the operation and

1 maintain the capital project during its estimated useful life, the commissioner of the  
2 *Governor's Office for Local Development*~~[Department for Local Government]~~  
3 shall approve it. If the *Governor's Office for Local Development*~~[Department for~~  
4 ~~Local Government]~~ determines that a capital project proposal does not conform to  
5 the requirements of KRS 42.350 to 42.370, that the estimated costs of the project  
6 are excessive or unreasonable in light of the public benefit to be derived from the  
7 project, or the unencumbered balance in the fund available for expenditure in the  
8 area development district is insufficient to pay the costs of the project, or the part  
9 thereof proposed to be paid out of the fund, or the beneficiary agency cannot  
10 reasonably finance the operation of or maintain the capital project during its  
11 estimated useful life, the project proposal shall be disapproved by the *Governor's*  
12 *Office for Local Development*~~[Department for Local Government]~~. The final  
13 decision to either approve or disapprove any project proposal shall be made no later  
14 than forty-five (45) days following official submittal of a complete proposal by the  
15 area development district, and the area development district shall be accordingly  
16 notified at that time.

17 (2) The commissioner of the *Governor's Office for Local Development*~~[Department~~  
18 ~~for Local Government]~~ may make direct grants in aid of money out of the fund to  
19 any beneficiary agency for the construction or acquisition of any approved capital  
20 project. When a direct grant in aid has been made to a beneficiary agency, all  
21 contracts awarded for the purchase of materials, supplies, equipment, or services,  
22 except professional and technical services, required for the construction or  
23 acquisition of the project shall be awarded to the lowest and best bidder in the  
24 discretion of the beneficiary agency after public advertisement as required by KRS  
25 Chapter 424 or other applicable law. All contracts awarded under this section for  
26 the construction, reconstruction, or renovation of a building or other improvement  
27 to real estate shall be deemed contracts for public works within the meaning of

1 KRS 341.317 and KRS Chapter 376 and other applicable statutes. All beneficiary  
2 agencies receiving a direct grant in aid under this subsection shall keep and  
3 maintain complete and accurate records of accounts of all expenditures of the grant  
4 moneys which shall be subject to audit by the Commonwealth for a period of five  
5 (5) years after completion of the capital project. Beneficiary agencies shall  
6 complete approved capital projects within a reasonable period of time as  
7 determined by the Governor's Office for Local Development~~Department for Local~~  
8 ~~Government~~. Upon completion of capital projects, beneficiary agencies shall  
9 submit project completion reports to the Governor's Office for Local  
10 Development~~Department for Local Government~~ as prescribed by the Governor's  
11 Office for Local Development~~Department for Local Government~~ and containing  
12 documents and information as may be necessary to determine compliance with  
13 KRS 42.350 to 42.360 and other applicable statutes and administrative regulations.  
14 Beneficiary agencies shall be liable to repay to the fund any granted funds for  
15 failure to submit full project completion reports within a reasonable period of time  
16 or for expenditure of granted funds in violation of statutes and regulations. No  
17 additional area development funds may be approved until compliance, except at the  
18 discretion of the commissioner of the Governor's Office for Local  
19 Development~~department~~. Any grant moneys not required after all of the costs of  
20 the capital project have been paid by the beneficiary agency shall be promptly  
21 returned to the Commonwealth for reallocation for expenditure for other capital  
22 projects in the area development district to which the funds had been originally  
23 allocated.

24 (3) No capital project shall be constructed under KRS 42.350 to 42.370 except upon  
25 land to which (a) the Commonwealth, a political subdivision of the Commonwealth,  
26 or the beneficiary agency of the capital project has a good and marketable title, free  
27 of encumbrances, or (b) the beneficiary agency of the project has the right to the

1       uninterrupted use, occupancy, and possession for a period longer than the estimated  
2       useful life of the capital project; provided nothing herein shall prohibit the  
3       construction or renovation of public buildings on land with an existing  
4       encumbrance to secure payment of funds obtained for the acquisition or  
5       improvement of said land. Each beneficiary agency shall execute and deliver to the  
6       Commonwealth its written assurances, which shall be binding on the agencies'  
7       successors and assigns, guaranteeing that during its estimated useful life, the capital  
8       project shall be operated and maintained for public purposes and pledging that no  
9       mortgage or other encumbrances shall be placed against any capital project wholly  
10      financed out of the fund, except industrial development projects, for the breach of  
11      which assurances the Commonwealth shall have right of entry to the capital project  
12      and the beneficiary agency, or its successors and assigns, shall forthwith convey the  
13      title to the capital project to the Commonwealth. Similar assurances shall be  
14      executed and delivered to the Commonwealth by the beneficiary agencies of capital  
15      projects financed in part out of the fund and in part from other sources, except that  
16      when additional funding is derived from the issuance and sale of revenue bonds or  
17      under other statutorily authorized financing methods, to secure the repayment of  
18      which funds a statutory mortgage lien is granted in favor of any person or group of  
19      persons, the capital project may be encumbered to the extent authorized or required  
20      by the law under which the financing method was undertaken; nor shall anything in  
21      this section prohibit the encumbrance of any real property located within an  
22      industrial park or constituting an industrial site, developed or improved as a capital  
23      project under KRS 42.350 and this section, by any person, firm, company,  
24      partnership, or corporation to which the property has been conveyed, to obtain  
25      financing for the construction upon the property of industrial and commercial  
26      buildings. The written assurances provided by beneficiary agencies under this  
27      section shall be lodged for recording and recorded in the office of the county clerk

1 of the county in which the proposed project shall be located.

2 Section 17. KRS 42.360 is amended to read as follows:

3 The commissioner of the *Governor's Office for Local Development*~~Department for~~  
4 ~~Local Government~~ shall promulgate rules and regulations governing submission and  
5 approval of proposed capital projects, the expenditure of moneys from the fund, and the  
6 designation of beneficiary agencies involved in capital projects as shall be appropriate to  
7 the implementation of KRS 42.350 and 42.355.

8 Section 18. KRS 42.455 is amended to read as follows:

- 9 (1) There is established within the *Governor's Office for Local*  
10 *Development*~~Department for Local Government~~ a Local Government Economic  
11 Assistance Program to consist of a system of grants to local governments to  
12 improve the environment for new industry and to improve the quality of life for the  
13 residents.
- 14 (2) Grants obtained under this program shall be used for priority expenditures. Thirty  
15 percent (30%) of all moneys in the fund shall be spent on the coal haul road system  
16 as described in subsection (7) of this section. The remaining seventy percent (70%)  
17 of the fund shall be spent on priority categories limited to the following, but in no  
18 event shall grants obtained under this program be used for expenses related to  
19 administration of government:
- 20 (a) Public safety, including law enforcement, fire protection, ambulance service,  
21 and other related services;
  - 22 (b) Environmental protection, including sewage disposal, sanitation, solid waste,  
23 and other related programs;
  - 24 (c) Public transportation, including mass transit systems, streets, and roads;
  - 25 (d) Health;
  - 26 (e) Recreation;
  - 27 (f) Libraries and educational facilities;

- 1 (g) Social services for the poor, the elderly, and individuals with disabilities;
- 2 (h) Industrial and economic development;
- 3 (i) Vocational education;
- 4 (j) Workforce training; and
- 5 (k) Secondary wood industry development.
- 6 (3) The use of entitlement funds for repayment of debt as related to long-term bond  
7 issues is permissible as long as the revenue from the bond issues is expended on  
8 priority categories.
- 9 (4) Grants obtained under this program may be used as local portion to secure federal  
10 programs as long as program expenditures are in the priority category area. Interest  
11 earned on funds received by local units of government shall be considered available  
12 for use by the local unit of government in the priority expenditure categories.
- 13 (5) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
14 shall be responsible for the promulgation of rules and regulations necessary to  
15 implement the grants programs authorized by this section.
- 16 (6) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
17 shall assure that a public hearing is held on the expenditure of funds received under  
18 KRS 42.450 to 42.495. Advertisement of the public hearing shall be published at  
19 least once but may be published two (2) or more times, provided that one (1)  
20 publication occurs not less than seven (7) days nor more than twenty-one (21) days  
21 before the scheduled date of the public hearing. The *Governor's Office for Local*  
22 *Development*~~[department]~~ shall submit an annual report to the Governor indicating  
23 how the grants were used and an evaluation of the program's effectiveness in  
24 improving the economy of the units of government receiving assistance.
- 25 (7) On or before August 15, 1980, and each year thereafter, the Transportation Cabinet  
26 shall publish and furnish to the *Governor's Office for Local*  
27 *Development*~~[Department for Local Government]~~ a directory, including supporting

1 maps and other documents, designating the official state coal road system in coal  
2 impact and coal producing counties which shall include all public highways, roads,  
3 and streets over which quantities of coal, sufficient to significantly affect the  
4 condition and state of repair of highways, roads, and streets, have been transported  
5 in the immediately preceding fiscal year. The cabinet shall further publish the total  
6 county mileage of the official state coal road system and the total ton/miles within  
7 each coal impact and coal producing county for said preceding fiscal year.

8 (8) Every person shipping or transporting coal, and every carrier for hire or common  
9 carrier hauling coal over the public highways, roads, and streets shall file with the  
10 Transportation Cabinet such information and at intervals as the cabinet~~department~~  
11 shall designate by regulation duly adopted for the purpose of identifying those  
12 highways, roads, and streets comprising the coal haul road system and the  
13 quantities of coal transported thereon, in order that the cabinet can accurately  
14 calculate total ton/miles within each coal impact and coal producing county.

15 (9) The Department of Revenue shall make available to the Transportation Cabinet coal  
16 severance and processing tax data for use in verifying and supplementing the  
17 information furnished under the provisions of subsection (8) of this section. The  
18 information shall be furnished in such a manner as to conceal the identity of  
19 individual taxpayers; if the data cannot be furnished without revealing the identity  
20 of individual taxpayers, it shall be withheld.

21 Section 19. KRS 42.4588 is amended to read as follows:

22 (1) (a) A Local Government Economic Development Program is established to  
23 consist of a system of grants to counties to attract new industry. Grants from  
24 funds provided for in KRS 42.4592(1)(a) and (b) shall be administered by the  
25 Governor's Office for Local Development~~Department for Local~~  
26 ~~Government~~. Grants from funds provided for in KRS 42.4592(1)(c) shall be  
27 administered by the Kentucky Economic Development Finance Authority.

- 1 (b) All references in this section to the commissioner of the *Governor's Office*  
2 *for Local Development*~~[Department for Local Government]~~ relate only to the  
3 grants or industrial development projects funded through KRS 42.4592(1)(a)  
4 and (b). All references in this section to the secretary of the Cabinet for  
5 Economic Development or the Kentucky Economic Development Finance  
6 Authority relate only to grants or industrial development projects funded  
7 through KRS 42.4592(1)(c).
- 8 (2) Grants obtained under this program shall be used for:
- 9 (a) Industrial development projects if an industrial firm has agreed with the local  
10 government, to the satisfaction of the Kentucky Economic Development  
11 Finance Authority or the *Governor's Office for Local*  
12 *Development*~~[Department for Local Government]~~, to develop, in conjunction  
13 with the industrial development project, manufacturing, processing,  
14 assembling, or other facilities approved by the secretary of the Cabinet for  
15 Economic Development or the commissioner of the *Governor's Office for*  
16 *Local Development*~~[Department for Local Government]~~;
- 17 (b) Industrial development projects if the secretary of the Cabinet for Economic  
18 Development or the commissioner of the *Governor's Office for Local*  
19 *Development*~~[Department for Local Government]~~ finds that the project is  
20 necessary for the creation of an environment for new industry in order to  
21 obtain an agreement from an industrial firm to develop manufacturing,  
22 processing, assembling, or other facilities approved by the secretary of the  
23 Cabinet for Economic Development or the commissioner of the *Governor's*  
24 *Office for Local Development*~~[Department for Local Government]~~; and
- 25 (c) Debt service for industrial development projects, as defined in subsection  
26 (2)(a) and (b) of this section, or for facilities approved by the secretary of the  
27 Cabinet for Economic Development or the commissioner of the *Governor's*

1           *Office for Local Development*~~[Department for Local Government]~~ under the  
2           provisions of subsection (3) of this section.

- 3       (3) The secretary of the Cabinet for Economic Development or the commissioner of the  
4       *Governor's Office for Local Development*~~[Department for Local Government]~~ may  
5       approve facilities, other than manufacturing, processing, or assembling facilities,  
6       for industrial development projects when the secretary or the commissioner finds  
7       that the facility will add value to a product. Value-added facilities shall include data  
8       processing, telecommunication, and distribution facilities, but shall not include  
9       retail facilities or coal mining, coal processing, or coal transportation facilities. The  
10      secretary or the commissioner may also approve privately owned facilities for  
11      transient lodging and recreation where the secretary *or commissioner* finds that the  
12      cost of the recreation component of the facility is equal to, or greater than, the cost  
13      of the lodging component of the facility. The criteria for approval of applications  
14      for grants provided for in subsection (10)(a), (b), and (c) of this section shall be  
15      paramount in the case of lodging and recreational facilities.
- 16      (4) Applications for grants from funds provided for in KRS 42.4592(1)(a) and (b) shall  
17      be made by the legislative bodies of one (1) or more counties with accounts in the  
18      local government economic development fund. Applications for grants from funds  
19      provided for in KRS 42.4592(1)(c) shall be made by the legislative bodies of two  
20      (2) or more counties with accounts in the local government economic development  
21      fund. No grant shall be awarded without application for a grant.
- 22      (5) A grant may be awarded for an industrial development project located in a county  
23      that does not have an account in the local government economic development fund,  
24      if the secretary of the Cabinet for Economic Development or the commissioner of  
25      the *Governor's Office for Local Development*~~[Department for Local Government]~~  
26      finds that the industrial development project may be reasonably expected to create  
27      jobs for residents of the local unit or units of government applying for the grant.

- 1 Application for the grant shall be made by the legislative bodies of one (1) or more  
2 counties with accounts in the local government economic development fund.
- 3 (6) An industrial development project may include legal, accounting, engineering, and  
4 marketing expenses for a regional industrial park, in addition to the activities set  
5 forth in subsection (11)(a) of this section.
- 6 (7) Grants awarded from funds provided for in KRS 42.4592(1)(a) and (b) shall not  
7 exceed the total balance of the accounts of the applicant counties at the time of the  
8 award of the grant.
- 9 (8) Grants awarded under the provisions of subsection (2)(c) of this section may be for  
10 a period not to exceed the current biennium of the Commonwealth, and shall be  
11 limited to an amount not to exceed the amount estimated to be allocated to the  
12 applicant county or counties for the current biennium under the provisions of KRS  
13 42.4592(1)(a) and (b).
- 14 (9) Approval of grant applications shall be by the secretary of the Cabinet for  
15 Economic Development or the commissioner of the *Governor's Office for Local*  
16 *Development*~~Department for Local Government~~. Award of grants from funds  
17 provided for in KRS 42.4592(1)(c) shall be by the Kentucky Economic  
18 Development Finance Authority. Award of grants from funds provided for in KRS  
19 42.4592(1)(a) and (b) shall be by the commissioner of the *Governor's Office for*  
20 *Local Development*~~Department for Local Government~~.
- 21 (10) Criteria for approval of applications and the award of grants to be considered, if  
22 applicable, shall include:
- 23 (a) The number of jobs to be created or preserved, directly or indirectly, by the  
24 industrial development project;
- 25 (b) Payrolls, and the taxes generated, both at the state and local levels, by the  
26 industrial development project and taxes generated by the employment  
27 created or preserved by the industrial development project;

- 1 (c) The size, nature, and cost of the industrial development project, including the  
2 prospect of the industrial development project providing long-term jobs in  
3 enterprises consistent with the changing economies of the affected local units  
4 of government;
- 5 (d) The needs, and degree of needs, of the local units of government which will  
6 be affected by the industrial development project;
- 7 (e) The needs of any industrial firm benefiting from the industrial development  
8 project;
- 9 (f) The amount and kind of assistance, if any, available to an industrial firm from  
10 other government agencies through tax exemption or abatement, financing  
11 assistance through industrial development bonds, and otherwise, with respect  
12 to the industrial development project;
- 13 (g) The amount of capital made available to the facility by lenders and by the  
14 industrial firm; and
- 15 (h) The economic feasibility of the facility.
- 16 (11) For purposes of this section:
- 17 (a) "Industrial development project" includes the acquisition of any real estate  
18 and the construction, acquisition, and installation thereon and with respect  
19 thereto of improvements and facilities necessary and useful for the  
20 improvement of the real estate for conveyance to or lease to industrial firms to  
21 be used for manufacturing, processing, or assembling purposes, including  
22 surveys; site tests and inspections; subsurface site work; excavation, removal  
23 of structures, roadways, cemeteries, and other surface obstructions; filling,  
24 grading, and provision of drainage; storm water retention; installation of  
25 utilities, such as water, sewer, sewage treatment, gas, electricity,  
26 communication, and other similar facilities; off-site construction of utility  
27 extensions to the boundaries of the real estate; construction and installation on

1 the real estate of the industrial firm of buildings, including buildings to be  
2 used for worker training and education; rail facilities; roads; sidewalks; curbs;  
3 other improvements to the real estate necessary to its manufacturing,  
4 processing, assembling, or other approved use by industrial entities;  
5 workforce training; and job development incentive grants;

6 (b) "Industrial firm" means any corporation, limited liability company, limited  
7 liability partnership, partnership, person, or other legal entity, whether  
8 domestic or foreign, which will itself or through its subsidiaries and affiliates  
9 construct and develop a manufacturing, processing, assembling, or other  
10 approved facility on the site of an industrial development project financed  
11 pursuant to this section;

12 (c) "Job development incentive grant" means an award to a county of funds from  
13 its account administered by the Governor's Office for Local  
14 Development~~[Department for Local Government]~~ pursuant to KRS  
15 42.4592(1)(a) and (b) for the use by the county to encourage job development  
16 for those industrial development projects located in that county which create  
17 at least twenty-five (25) new full-time jobs held by Kentucky residents who  
18 receive a minimum wage of at least one hundred thirty percent (130%) of the  
19 federal minimum wage. Each job development incentive grant shall be limited  
20 to five thousand dollars (\$5,000) for each job created which fulfills the  
21 requirements of this subsection. The industrial firm receiving the job  
22 development incentive grant shall pay its employees at the project site an  
23 average wage equal to or greater than one hundred fifty percent (150%) of the  
24 federal minimum wage and shall invest at least ten thousand dollars (\$10,000)  
25 per new job created. After a fiscal court has received authorization for the job  
26 development grant by the Governor's Office for Local  
27 Development~~[Department for Local Government]~~, the county, the industrial

1 firm, and the Governor's Office for Local Development~~[Department for~~  
2 ~~Local Government]~~ shall enter into an agreement committing the grant funds  
3 to be disbursed at such time as the industrial firm certifies the authenticity of  
4 the following information to be delivered to the county:

- 5 1. The industrial firm has made at least the minimum investment required;
- 6 2. At least twenty-five (25) new full-time Kentucky jobs have been created  
7 at the project site by the industrial firm;
- 8 3. No employee at the project site is paid a salary by the industrial firm  
9 which is less than one hundred thirty percent (130%) of the federal  
10 minimum wage;
- 11 4. The employees at the project site are paid an average wage by the  
12 industrial firm at least equal to one hundred fifty percent (150%) of the  
13 federal minimum wage;
- 14 5. Each employee hired for the project by the industrial firm shall have  
15 worked on a full-time basis at the minimum wages described in this  
16 section at least twelve (12) full consecutive months at the site prior to  
17 any grant funds disbursement; and
- 18 6. No job created by the industrial firm after twenty-four (24) months from  
19 the date of the first eligible hire at the project site shall be considered for  
20 the grant.

21 If the county is satisfied the information provided is accurate and qualifies the  
22 industrial firm for the job development incentive grant as described in the  
23 agreement, it shall forward the certified information to the Governor's Office  
24 for Local Development~~[Department for Local Government]~~ which shall  
25 make the job development grant disbursement upon sufficient evidence that  
26 all terms of the agreement have been met; and

27 (d) "Regional industrial park" means an industrial development project

1 authorized for a grant award by the Kentucky Economic Development  
2 Finance Authority for a minimum of three (3) counties eligible for grant funds  
3 provided for in KRS 42.4592(1)(c), which coalition may include a county as  
4 approved under subsection (5) of this section.

5 (12) Findings by the secretary of the Cabinet for Economic Development or the  
6 commissioner of the Governor's Office for Local Development~~Department for~~  
7 ~~Local Government~~, provided for in subsections (2)(b), (3), and (5) of this section,  
8 shall be made in writing to the affected counties, the Governor, and the Legislative  
9 Research Commission.

10 (13) By October 1 of each odd-numbered year, the secretary of the Cabinet for  
11 Economic Development and the commissioner of the Governor's Office for Local  
12 Development~~Department for Local Government~~ shall each provide, in writing, to  
13 the Governor and the Legislative Research Commission a listing of all applications  
14 for grants received pursuant to this section subsequent to the last report, indicating  
15 which applications were approved or disapproved, with the reason for disapproval  
16 when the decision was to disapprove, and a listing of all grants awarded, with the  
17 amount of the award, the recipient county, and the related industrial development  
18 project.

19 Section 20. KRS 42.4592 is amended to read as follows:

20 (1) Moneys remaining in the local government economic development fund following  
21 the transfer of moneys to the local government economic assistance fund provided  
22 for in KRS 42.4585 and following the transfer of moneys to the secondary wood  
23 products development fund provided for in KRS 42.4586 shall be allocated as  
24 follows:

25 (a) Thirty-three and one-third percent (33-1/3%) shall be allocated to each coal  
26 producing county on the basis of the ratio of total tax collected in the current  
27 and preceding four years on coal severed in each respective county to the total

1 tax collected statewide in the current and four (4) preceding years.

2 (b) Thirty-three and one-third percent (33-1/3%) shall be allocated quarterly to  
3 each coal producing county on the basis of the following factors, which shall  
4 be computed for the current and four (4) preceding years, and which shall be  
5 equally weighted:

- 6 1. Percentage of employment in mining in relation to total employment in  
7 the respective county;
- 8 2. Percentage of earnings from mining in relation to total earnings in the  
9 respective county; and
- 10 3. Surplus labor rate.

11 (c) Thirty-three and one-third percent (33-1/3%) shall be reserved for expenditure  
12 for industrial development projects benefiting two or more coal producing  
13 counties. For purposes of this paragraph, "coal producing county" shall mean  
14 a county which has produced coal in the current or any one of the four (4)  
15 preceding years.

16 (2) (a) For purposes of paragraph (b) of subsection (1) of this section, "percentage of  
17 employment in mining" and "percentage of earnings from mining" shall be the  
18 percentages published for the latest available five (5) year period by the  
19 Bureau of Economic Analysis in the United States Department of Commerce;  
20 "surplus labor rate" shall be the rate published for the latest available five (5)  
21 year period by the Office of Employment and Training in the Education  
22 Cabinet, as provided in paragraph (b) of this subsection.

23 (b) 1. Each year the Office of Employment and Training shall estimate surplus  
24 labor for each county and for the Commonwealth, and shall annually  
25 publish an estimate of the surplus labor rate for each county and the  
26 Commonwealth.

27 2. The estimate of surplus labor for each county and for the

1 Commonwealth shall be made using the best practical method available  
2 at the time the estimates are made. In determining the method to be  
3 adopted, the Office of Employment and Training may consult with  
4 knowledgeable individuals, including but not limited to the Office of the  
5 United States Bureau of Labor Statistics, state and national researchers,  
6 state and local officials, and staff of the Legislative Research  
7 Commission. The description of the method used to estimate surplus  
8 labor shall be reported in each annual publication provided for in  
9 subparagraph 1. of this paragraph.

10 3. For purposes of this section, "surplus labor" means the total number of  
11 residents who can be classified as unemployed or as discouraged  
12 workers, and "surplus labor rate" means the percentage of the potential  
13 civilian labor force which is surplus labor.

14 (3) The funds allocated under the provisions of paragraphs (a) and (b) of subsection (1)  
15 of this section shall retain their identity with respect to the county to which they are  
16 attributable, and a separate accounting of available moneys within the fund shall be  
17 maintained for the respective counties. Accounting for funds allocated under the  
18 provisions of this section shall be by the *Governor's Office for Local*  
19 *Development*~~[Department for Local Government]~~.

20 Section 21. KRS 42.4595 is amended to read as follows:

21 The *Governor's Office for Local Development*~~[Department for Local Government]~~ may  
22 promulgate administrative regulations to implement the provisions of KRS 42.4582,  
23 42.4585, 42.4592, and KRS 42.4588 as it relates to KRS 42.4592(1)(a) and (b). The  
24 Cabinet for Economic Development or the Kentucky Economic Development Finance  
25 Authority may promulgate administrative regulations to implement the provisions of  
26 KRS 42.4588 as it relates to KRS 42.4592(1)(c).

27 Section 22. KRS 42.460 is amended to read as follows:

1 Except as provided in KRS 91A.040(4)(b), any assistance granted under KRS 42.450 to  
2 42.495 shall include an agreement that an independent annual audit shall be conducted  
3 and that the audit report shall include a certification that the funds were expended for the  
4 purpose intended. A copy of the audit and certification of compliance shall be forwarded  
5 to the *Governor's Office for Local Development*~~[Department for Local Government]~~, in  
6 the case of assistance granted from the local government economic assistance fund or the  
7 local government economic development fund as allocated in KRS 42.4592(1)(a) and (b),  
8 or to the Cabinet for Economic Development and the Kentucky Economic Development  
9 Finance Authority, in the case of assistance granted from the local government economic  
10 development fund, within eighteen (18) months after the end of the fiscal year.

11 Section 23. KRS 42.472 is amended to read as follows:

12 Moneys from tar sands distributed to counties under KRS 42.470(2) shall be used for  
13 economic development purposes as approved by the *Governor's Office for Local*  
14 *Development*~~[Department for Local Government]~~.

15 Section 24. KRS 42.480 is amended to read as follows:

16 (1) On or before July 1, 1992, and each year thereafter, the commissioner of the  
17 *Governor's Office for Local Development*~~[Department for Local Government]~~  
18 shall provide the Cabinet for Economic Development, the Kentucky Economic  
19 Development Finance Authority, and the legislative body of each local government  
20 eligible for funds under the provisions of KRS 42.450 to 42.495, an estimate of the  
21 funds that will be allocated to the local government for fiscal year 1992-93, and  
22 each year thereafter.

23 (2) On or before the fifteenth of the first month of a quarter, the commissioner of the  
24 *Governor's Office for Local Development*~~[Department for Local Government]~~  
25 shall cause to be remitted to the legislative bodies of the local governments eligible  
26 for funds from the local government economic assistance fund, the funds allocated  
27 to the respective local governments for the prior quarter; except that the remittance

1 for the last quarter of a fiscal year shall be made after the close of the fiscal year  
2 accounting records, and shall be adjusted to provide the balance of the annual  
3 allocation due the local government.

4 Section 25. KRS 43.090 is amended to read as follows:

5 (1) Immediately upon completion of each audit and investigation, except those  
6 provided for in KRS 43.070, the Auditor shall prepare a report of his findings and  
7 recommendations. He shall furnish one (1) copy of the report to the head of the  
8 agency to which the report pertains, one (1) copy to the Governor, one (1) copy to  
9 the secretary of the Finance and Administration Cabinet, one (1) copy to the  
10 Legislative Research Commission and one (1) copy to the state librarian. The  
11 agency to which an Auditor's draft report pertains shall respond in writing to any  
12 adverse or critical audit findings and to any recommendations contained in the draft  
13 report within fifteen (15) days of receipt of the draft report. The Auditor shall  
14 distribute the agency's response to those entitled by this subsection to a copy of the  
15 audit report. Within sixty (60) days of the completion of the final audit report, the  
16 agency to which an Auditor's report pertains shall notify the Legislative Research  
17 Commission and the Auditor of the audit recommendations it has implemented and  
18 of the audit recommendations it has not implemented. The agency shall state the  
19 reasons for its failure to implement any recommendation made in the final audit  
20 report. The Auditor shall prepare and transmit to each member of the General  
21 Assembly, by December 15 immediately preceding the convening of each regular  
22 session of the General Assembly, a printed report of his activities, summarizing the  
23 findings and recommendations in his report on each audit or investigation made  
24 since the last preceding biennial report to the General Assembly listing, by state  
25 agency, the audit recommendations that have not been implemented and the  
26 reason(s) given by state agencies for nonimplementation, and presenting such other  
27 findings and recommendations as he sees fit to make. He shall file a copy of this

1 report with the Governor and five (5) copies with the state librarian. All audit  
2 reports shall be public documents to which taxpayers shall have access.

3 (2) The Auditor shall, within a reasonable time after the examination of each county as  
4 provided in KRS 43.070, make a written report to the Governor, the General  
5 Assembly, the Attorney General~~], the County Officials' Compensation Board]~~, the  
6 state librarian and to the fiscal court and county attorney of the county examined,  
7 calling attention in specific terms to any mismanagement, misconduct,  
8 misapplication or illegal appropriation or extravagant use of money received or  
9 disbursed by any officer of the county examined. In addition, said report shall be  
10 sent to a newspaper having general circulation in the county examined and the letter  
11 of transmittal accompanying the report shall be published in said newspaper in  
12 accordance with the provisions of KRS Chapter 424.

13 Section 26. KRS 44.020 is amended to read as follows:

14 (1) Within three (3) working days after the first and fifteenth of each month, the sheriff,  
15 or any other public official with a claim payable from the State Treasury for duties  
16 performed in any court of the Court of Justice, shall make out the claim and have it  
17 certified by the judge of the court as allowable for payment, and transmit the list to  
18 the Governor's Office for Local Development~~Department for Local Government]~~.  
19 The claim approved by the judge of the court shall serve as an order of allowance  
20 notwithstanding any statutory provision to the contrary. The Governor's Office for  
21 Local Development~~Department for Local Government]~~ shall keep a separate  
22 record of all claims allowed in each county, noting the number and amount of each  
23 warrant issued for the payment of the claims.

24 (2) The order of any court authorized by law to approve and allow fee-bills,  
25 settlements, credits, charges, and other claims against the State Treasury shall not  
26 be treated as a judgment, or made conclusive against the state, but shall only be  
27 regarded as prima facie evidence of the correctness and legality of the fee-bill,

1 settlement, credit, charge, or claim. The *Governor's Office for Local*  
2 *Development*~~[Department for Local Government]~~, if it believes the fee-bill,  
3 settlement, credit, charge, or claim to be fraudulent, erroneous, or illegal, may,  
4 upon the advice of the Attorney General, refuse to pay and may contest the claim in  
5 the Franklin Circuit Court, which shall have exclusive jurisdiction of all actions  
6 against the *Governor's Office for Local Development*~~[Department for Local~~  
7 ~~Government]~~ to compel the payment of claims against the State Treasury.

8 Section 27. KRS 45.031 is amended to read as follows:

- 9 (1) Any department, board, commission, agency, advisory council, interstate compact,  
10 corporate body, or instrumentality of the Commonwealth of Kentucky applying for  
11 federal funds, aids, loans, or grants shall file a summary notification of the intended  
12 application with the *Governor's Office for Local Development*~~[Department for~~  
13 ~~Local Government]~~ in accordance with the existing A-95 procedures.
- 14 (2) When as a condition to receiving federal funds, the Commonwealth of Kentucky is  
15 required to match the federal funds, a statement shall be filed with the notice of  
16 intent or summary of the application stating:
- 17 (a) The amount and source of state funds needed for matching purposes;
  - 18 (b) The length of time the matching funds shall be required;
  - 19 (c) The growth of the program;
  - 20 (d) How the program will be evaluated;
  - 21 (e) What action will be necessary should the federal funds be canceled, curtailed,  
22 or restricted; and
  - 23 (f) Any other financial and program management data required by the Finance  
24 and Administration Cabinet or by law.
- 25 (3) Any application for federal funds, aids, loans, or grants which will require state  
26 matching or replacement funds at the time of application or at any time in the  
27 future, must be approved by the secretary of the Finance and Administration

1 Cabinet, the Legislative Research Commission, and the Chief Justice for their  
2 respective branches of government or their designated agents prior to its filing with  
3 the appropriate federal agency. Any application for federal funds, aids, loans, or  
4 grants which will require state matching or replacement funds at the time of  
5 application or at any time in the future, when funds have not been appropriated for  
6 that express purpose, must be approved by the General Assembly, if in session.  
7 When the General Assembly is not in session, the application shall be reported to  
8 and reviewed by the Interim Joint Committee on Appropriations and Revenue, as  
9 provided by subsection (4) of KRS 48.500.

10 (4) When any federal funds, aids, loans, or grants are received by any department,  
11 board, commission or agency of the Commonwealth of Kentucky, a report of the  
12 amount of funds received shall be filed with the Finance and Administration  
13 Cabinet; and this report shall specify the amount of funds which would reimburse  
14 an agency for indirect costs as provided for under OMB Circular A-87.

15 (5) The secretary of the Finance and Administration Cabinet may refuse to issue his  
16 warrant for the disbursement of any state or federal funds from the State Treasury  
17 as the result of any application which is not approved as provided by this section, or  
18 in regard to which the statement or reports required by this section were not filed.

19 (6) The secretary of the Finance and Administration Cabinet shall be responsible for  
20 the orderly administration of this section and for issuing the appropriate guidelines  
21 and regulations from each source of fund used.

22 Section 28. KRS 45A.023 is amended to read as follows:

23 (1) Notwithstanding any other provision of law to the contrary, the **Governor's Office**  
24 **for Local Development**~~[Department for Local Government]~~, the Department of  
25 Military Affairs, and the Kentucky Office of Homeland Security may enter into  
26 multiyear contracts, memoranda of agreement, memoranda of understanding, grant  
27 agreements, or any other similar documents that exceed the biennium in which they

1 are made for projects that are funded solely through federal grant money.

2 (2) All documents entered into in accordance with subsection (1) of this section shall  
3 contain a provision stating that the contract funding may be discontinued by the  
4 General Assembly in a subsequent budget.

5 Section 29. KRS 45A.050 is amended to read as follows:

6 (1) Except as provided in KRS 45A.800 to 45A.835 and KRS Chapters 175, 176, 177,  
7 and 180, all rights, powers, duties, and authority relating to the procurement of  
8 supplies, services, and construction, and the management, control, warehousing,  
9 sale, and disposal of supplies, services, and construction now vested in or exercised  
10 by any state agency under the several statutes relating thereto, are hereby  
11 transferred to the secretary of the Finance and Administration Cabinet as provided  
12 in this code, subject to the provisions of subsection (2) of this section.

13 (2) Unless otherwise ordered by the secretary of the Finance and Administration  
14 Cabinet, the acquisition of the following shall not be required through the Finance  
15 and Administration Cabinet:

16 (a) Works of art for museum and public display;

17 (b) Published books, maps, periodicals, and technical pamphlets; and

18 (c) Services of visiting speakers, professors, and performing artists.

19 (3) The Finance and Administration Cabinet shall include in all state agency price  
20 contracts for the purchase of materials or supplies a provision that, as approved by  
21 the secretary of the Finance and Administration Cabinet, any political subdivision,  
22 including cities of all classes, counties, school districts, or special districts, may  
23 participate in these contracts to the same extent as the Commonwealth. Any  
24 political subdivision may purchase materials and supplies in accordance with a  
25 contract for supplies and materials entered into by the Finance and Administration  
26 Cabinet for the Commonwealth, including those contracts negotiated by the cabinet  
27 with vendors who maintain a General Services Administration price agreement as

1 provided in subsection (8) of KRS 45A.045. Political subdivisions of the  
2 Commonwealth must comply with other provisions of the Kentucky Revised  
3 Statutes which require purchase by competitive bidding, before participating in the  
4 contract, unless the state contract has been let by competitive bidding, or the  
5 contract was negotiated as provided in subsection (8) of KRS 45A.045.

6 (4) The Finance and Administration Cabinet shall inform the Governor's Office for  
7 Local Development~~[Department for Local Government]~~, which shall then inform  
8 the appropriate purchasing agent of each political subdivision interested in  
9 participating under this section, of all state agency contracts in effect between the  
10 Commonwealth and vendors.

11 (5) The secretary of the Finance and Administration Cabinet shall promulgate  
12 administrative regulations necessary for the implementation of this section and  
13 necessary to provide that the Commonwealth be reimbursed for any additional  
14 expenses incurred by the Commonwealth in allowing political subdivisions to  
15 participate in contracts with vendors.

16 (6) The Finance and Administration Cabinet shall comply with all provisions relating  
17 to the methods of purchasing in the Kentucky Revised Statutes. This section is not  
18 intended to repeal or otherwise affect any provision of the Kentucky Revised  
19 Statutes regarding purchasing methods of the Finance and Administration Cabinet.  
20 Section 30. KRS 45A.310 is amended to read as follows:

21 (1) All payments received by a supplying public purchasing unit from any other public  
22 purchasing unit or foreign purchasing activity shall be available or appropriated to  
23 the supplying public purchasing unit to defray the cost of the services provided.

24 (2) Where the public purchasing unit or foreign purchasing activity administering a  
25 cooperative purchase complies with the requirements of this code, any public  
26 purchasing unit participating in such a purchase shall be deemed to have complied  
27 with this code.

- 1 (3) Where the public purchasing unit or foreign purchasing activity administering a  
2 cooperative purchase does not follow this code, then the purchasing officer of a  
3 state public purchasing unit must determine, in writing, that he has examined the  
4 procurement system of the public purchasing unit or foreign purchasing activity  
5 administering the purchase, and has found that the proposed method of purchase  
6 substantially meets the requirements of this code.
- 7 (4) The *Governor's Office for Local Development*~~{Department for Local Government}~~  
8 shall collect information concerning the type, cost, quality, and quantity of  
9 commonly used supplies, services, or construction being procured or used by state  
10 public purchasing units. The *Governor's Office for Local*  
11 *Development*~~{Department for Local Government}~~ may also collect this information  
12 from local public purchasing units. The *Governor's Office for Local*  
13 *Development*~~{Department for Local Government}~~ may make available all such  
14 information to any public purchasing unit upon request.
- 15 (5) Nothing in KRS 45A.295 to 45A.320 shall be deemed to require a local public  
16 purchasing unit to comply with any other provision of KRS Chapter 45A.
- 17 Section 31. KRS 46.010 is amended to read as follows:
- 18 (1) The *Governor's Office for Local Development*~~{Department for Local Government}~~  
19 shall prescribe and keep in operation a uniform system of accounting and reporting  
20 on the receipt, use and handling of all public funds, other than taxes, due and  
21 payable to the state from county, district, and other local officers and agencies.
- 22 (2) The system so adopted shall require each county treasurer, and each county officer  
23 who receives or disburses state funds, to keep an accurate account of receipts and  
24 disbursements, showing a daily balance of receipts and disbursements.
- 25 (3) The system shall require all county officers handling state funds, other than taxes,  
26 to make an annual report to the *Governor's Office for Local*  
27 *Development*~~{Department for Local Government}~~, showing receipts and

1 disbursements, and to make other financial statements as the *Governor's Office for*  
2 *Local Development*~~[Department for Local Government]~~ requires.

- 3 (4) The *Governor's Office for Local Development*~~[Department for Local~~  
4 ~~Government]~~, subject to the approval of the Governor, may from time to time  
5 change the system, or any book, report, form, or record provided for by the system,  
6 whenever in its opinion a change is necessary in order to conform to existing  
7 conditions.

8 Section 32. KRS 46.020 is amended to read as follows:

9 The *Governor's Office for Local Development*~~[Department for Local Government]~~ shall  
10 prepare, and shall cause to be printed and paid for in the same manner as other books,  
11 blanks, and records for counties and county officers, all books, blanks, and records  
12 necessary for the system of uniform accounting established under KRS 46.010. The  
13 *Governor's Office for Local Development*~~[department]~~ shall deliver to each county,  
14 district, or other local officer charged with the duty of collecting, disbursing, or handling  
15 state funds the books, blanks, and records as are necessary for that officer. Each county,  
16 district, or other local officer receiving the books, blanks, or records shall use them in the  
17 performance of his duties with reference to the handling and disbursing of state funds.  
18 Any of these books, blanks, or records used by state officers or employees shall be  
19 printed and paid for in the same manner as other state printing.

20 Section 33. KRS 46.990 is amended to read as follows:

- 21 (1) Any county or district officer authorized by law to make collections of funds for the  
22 state who fails or refuses to pay over to the state the funds so collected at the time  
23 he is required by law to report the collections to any state department shall be  
24 required to pay a penalty of ten percent (10%) on all funds not so paid.
- 25 (2) Any officer who fails or neglects to perform any duty required of him by subsection  
26 (1) of KRS 46.030 shall be fined not less than fifty dollars (\$50) nor more than one  
27 hundred dollars (\$100) for each offense.

1 (3) Any officer who fails to use any book, blank or record required to be used under  
2 KRS 46.020, or who willfully refuses to make any report required by the  
3 *Governor's Office for Local Development*~~[Department for Local Government]~~  
4 under the provisions of KRS 46.010 or 46.020, shall be subject to indictment in the  
5 Franklin Circuit Court, and upon conviction shall be fined not less than twenty-five  
6 dollars (\$25) nor more than five hundred dollars (\$500) for each offense.

7 Section 34. KRS 48.810 is amended to read as follows:

8 Each program cabinet, the *Governor's Office for Local Development*~~[Department for~~  
9 ~~Local Government]~~, the Department of Military Affairs, and the Commonwealth Office  
10 of Technology shall develop and submit a four (4) year strategic plan to meet the broad  
11 goals outlined by the Governor, and shall submit an electronic copy of the full plan and  
12 an electronic copy of a brief summary of that plan to the state budget director, the  
13 secretary of the Executive Cabinet, and the Legislative Research Commission with each  
14 biennial budget request.

15 (1) Each strategic plan shall include, but not be limited to:

- 16 (a) A statement of the cabinet or administrative entity's value, vision, and  
17 mission;
- 18 (b) A statement of how the cabinet or administrative entity's strategic plan is  
19 aligned with the Governor's goals and linked to the budget request and the six  
20 (6) year capital plan of the cabinet or administrative entity;
- 21 (c) A brief summary of a situation analysis conducted by the program cabinet or  
22 administrative entity;
- 23 (d) Identification of measurable goals for the next four (4) years;
- 24 (e) Specification of objectives to meet the stated goals;
- 25 (f) Identification of performance indicators to be used to measure progress  
26 toward meeting goals and objectives; and
- 27 (g) A progress report providing data and information on the performance

1 indicators set forth in the program cabinet or administrative entity's most  
2 recent strategic plan.

3 (2) On or before September 1 of each even-numbered fiscal year, program cabinets and  
4 administrative entities which have submitted strategic plans in the previous fiscal  
5 year shall submit a progress report to the Office of the State Budget Director, or its  
6 designee, which provides data and information regarding the progress the program  
7 cabinet or entity has made toward meeting its goals as measured by performance  
8 indicators set forth in the cabinet's or entity's most recent strategic plan.

9 (3) The state budget director shall designate an entity to develop and implement a  
10 methodology for strategic planning and progress reporting for use by program  
11 cabinets and administrative entities submitting strategic plans and progress reports  
12 pursuant to this section. The entity designated by the state budget director shall  
13 develop and make available a training course in strategic planning that is  
14 appropriate for and targeted to state government managers, and shall make that  
15 training course available to state managers and their designees who have  
16 responsibility for the completion of a strategic plan as required by this section.

17 (4) The Commonwealth Office of Technology shall maintain uniform electronic  
18 strategic plan and progress report submission forms and a procedure that allows all  
19 plans and progress reports to be entered into an electronic database that is  
20 searchable by interested parties. The database shall be developed and maintained in  
21 a form that complies with all provisions of KRS 48.950, 48.955, and 48.960. The  
22 Commonwealth Office of Technology shall develop and maintain a program to  
23 provide public access to submitted plans and progress reports.

24 Section 35. KRS 64.050 is amended to read as follows:

25 (1) When the term of any county clerk in counties of seventy-five thousand (75,000)  
26 population or over expires, or he dies or resigns, or is removed from office, he or  
27 his personal representative, trustee or committee, as the case may be, shall at once

1 deliver to his successor in office all accounts, claims and fees due him in his official  
2 capacity. The successor shall have the fees, claims and accounts collected, or the  
3 *Governor's Office for Local Development*~~[Department for Local Government]~~  
4 may, in its discretion, when said accounts, fees and claims are so delivered to the  
5 successor, appoint a person to collect them. If a collector is appointed, the successor  
6 shall at once, or when demanded by the collector, deliver to him all accounts, fees  
7 and claims uncollected. The successor or collector, as the case may be, shall, every  
8 sixty (60) days after receiving the accounts, fees, and claims, report to the  
9 *Governor's Office for Local Development*~~[Department for Local Government]~~,  
10 under oath, the amount collected thereon, and at the same time pay to the  
11 *Governor's Office for Local Development*~~[Department for Local Government]~~ the  
12 amount so collected, and shall continue to so report for three (3) years, unless the  
13 accounts, fees and claims are sooner collected.

14 (2) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
15 shall, upon each payment, draw a warrant on the State Treasurer in favor of the  
16 person collecting, for an amount equal to twenty percent (20%) of the amount so  
17 paid in, which shall be the full compensation allowed for the collection.

18 (3) If the amount paid to any clerk during his term or incumbency was not sufficient to  
19 pay the salaries and office expenses of the clerk, the *Governor's Office for Local*  
20 *Development*~~[Department for Local Government]~~ shall, out of the money collected  
21 and paid in as provided in subsection (1) of this section, pay to the clerk, or to the  
22 person entitled to receive the same, an amount sufficient to supply the deficit due  
23 for salaries and expenses, not exceeding seventy-five percent (75%) of the amount  
24 of fees accrued during his official term and which have been collected and paid to  
25 the *Governor's Office for Local Development*~~[Department for Local Government]~~.

26 Section 36. KRS 64.480 is amended to read as follows:

27 (1) Effective, with respect to the offices of Governor on December 11, 1979, and

1 Lieutenant Governor on the fifth Tuesday following the regular November election  
2 in 1975, and with respect to the other offices named in this section on the first  
3 Monday in January, 1976, the compensation of the following named officers,  
4 payable monthly out of the State Treasury, shall be the sum per annum designated  
5 for the respective offices, as follows: Governor, forty-five thousand dollars  
6 (\$45,000) until December 11, 1981, then fifty thousand dollars (\$50,000) until  
7 December 13, 1983, and then sixty thousand dollars (\$60,000) until January 1,  
8 1985; Lieutenant Governor, twenty-seven thousand nine hundred dollars (\$27,900)  
9 per annum, plus any compensation received while acting in the place of the  
10 Governor; Attorney General, Commissioner of Agriculture, Secretary of State,  
11 State Treasurer, Auditor of Public Accounts, and clerk of the Supreme Court of  
12 Kentucky elected in November, 1975, as clerk of the Court of Appeals, twenty-  
13 seven thousand nine hundred dollars (\$27,900).

14 (2) In order to equate or adjust the compensation of the Lieutenant Governor, Attorney  
15 General, Commissioner of Agriculture, Secretary of State, State Treasurer, Auditor  
16 of Public Accounts, and clerk of the Supreme Court of Kentucky with the  
17 purchasing power of the 1949 dollar, the Governor's Office for Local  
18 Development~~Department for Local Government~~ of Kentucky shall compute by  
19 the second Friday in February of every year, beginning in 1977, the maximum  
20 permissible compensation of the officials mentioned in this subsection based  
21 precisely upon the consumer price index formula approved in *Matthews v. Allen*,  
22 *Kentucky*, 360 S.W.2d 139 (1962). Thus the maximum permissible compensation  
23 effective for the entire year of 1977 and subsequent years will be the actual  
24 compensation to be paid said officials. The year of adjustment will be the particular  
25 full calendar year involved.

26 (3) It is the intention of the Legislature that the constitutionally permissible adjustment  
27 of salaries of these officials be framed around equating current salaries with the

1 purchasing power of the dollar in 1949 when Section 246 of the Constitution of  
2 Kentucky was amended. Section 246 of the Constitution of Kentucky, as amended,  
3 established a monetary level of twelve thousand dollars (\$12,000) per annum for  
4 said officials. The formula merely effects an adjustment of the constitutional  
5 monetary level in terms of the current consumer price index.

- 6 (4) In order to adjust the compensation of the Governor to reflect changes in the  
7 purchasing power of the dollar, the *Governor's Office for Local*  
8 *Development*~~Department for Local Government~~ shall compute by the second  
9 Friday in February of every year, beginning in 1985, an adjusted salary of the  
10 Governor by multiplying sixty thousand dollars (\$60,000) by the increase in the  
11 consumer price index during the period from January 1, 1984, to the beginning of  
12 the then-current calendar year. The actual compensation paid to the Governor for  
13 the entire calendar year of 1985 and subsequent years shall be the adjusted salary.

14 Section 37. KRS 64.527 is amended to read as follows:

15 In order to equate the compensation of jailers who do not operate full service jails,  
16 constables in counties having an urban-county form of government, justices of the peace,  
17 county commissioners, and coroners with the purchasing power of the dollar, the  
18 *Governor's Office for Local Development*~~Department for Local Government~~ shall  
19 compute by the second Friday in February of every year the annual increase or decrease  
20 in the consumer price index of the preceding year by using 1949 as the base year in  
21 accordance with Section 246 of the Constitution of Kentucky which provides that the  
22 above elected officials shall be paid at a rate no greater than seven thousand two hundred  
23 dollars (\$7,200) per annum. The *Governor's Office for Local Development*~~Department~~  
24 ~~for Local Government~~ shall notify the appropriate governing bodies charged by law to  
25 fix the compensation of the above elected officials of the annual rate of compensation to  
26 which the elected officials are entitled in accordance with the increase or decrease in the  
27 consumer price index. Upon notification from the *Governor's Office for Local*

1 Development~~[Department for Local Government]~~, the appropriate governing body may  
2 set the annual compensation of the above elected officials at a rate no greater than that  
3 stipulated by the Governor's Office for Local Development~~[Department for Local  
4 Government]~~.

5 Section 38. KRS 64.5275 is amended to read as follows:

- 6 (1) The General Assembly of the Commonwealth of Kentucky hereby finds and  
7 determines that county judges/executive, county clerks, jailers who operate a full  
8 service jail, and sheriffs in all counties are officers whose duties or jurisdictions are  
9 coextensive with that of the Commonwealth within the meaning of Section 246 of  
10 the Constitution of Kentucky.
- 11 (2) Effective on the first Monday in January of 1999, the maximum salary of county  
12 judges/executive, county clerks, jailers who operate a full service jail, and sheriffs  
13 shall be fixed by the Governor's Office for Local Development~~[Department for  
14 Local Government]~~ according to a salary schedule in accordance with Section 246  
15 of the Kentucky Constitution. The salary schedule provides that these officials, as  
16 officers whose jurisdiction or duties are coextensive with the Commonwealth, shall  
17 be paid at a rate no greater than twelve thousand dollars (\$12,000) per annum as  
18 adjusted for any increase or decrease in the consumer price index and as described  
19 in subsection (4) of this section.
- 20 (3) The salary schedule for county judges/executive, county clerks, jailers who operate  
21 a full service jail, and sheriffs in all counties provides for nine (9) levels of salary  
22 based upon the population of the county in the year prior to the election of county  
23 officials as determined by the United States Department of Commerce, Bureau of  
24 the Census's annual estimates. To implement the salary schedule, the Governor's  
25 Office for Local Development~~[Department for Local Government]~~ shall, by  
26 November 1 of each year preceding the election of county officials, certify for each  
27 county the population group applicable to each county based on the most recent

1 estimates of the United States Department of Commerce, Bureau of the Census. For  
 2 the purposes of this section, the salary schedule for county judges/executive, county  
 3 clerks, jailers who operate a full service jail, and sheriffs shall remain as determined  
 4 by the *Governor's Office for Local Development*~~Department for Local~~  
 5 ~~Government~~ pursuant to this section, regardless of changes in the population  
 6 estimates or the actual census count that may occur during the term for which the  
 7 official has been elected or appointed. The salary schedule provides four (4) steps  
 8 for yearly increments within each population group. County officers named in this  
 9 section shall be paid according to the first step within their population group for the  
 10 first year or portion thereof they serve in office. Thereafter, each officer, on January  
 11 1 of each subsequent year, shall be advanced automatically to the next step in the  
 12 salary schedule until the maximum salary figure for the population group is  
 13 reached. Prior to assuming office on the first Monday in January, 1999, or  
 14 thereafter, any person assuming any of the offices for which the salary is  
 15 determined by this section must certify to the commissioner of the *Governor's*  
 16 *Office for Local Development*~~Department for Local Government~~ the total number  
 17 of years, not to exceed four (4) years, that the person has previously served in the  
 18 office. The *Governor's Office for Local Development*~~department~~ shall place the  
 19 officer in the proper step based upon a formula of one (1) incremental step per full  
 20 calendar year of service:

21 SALARY SCHEDULE

22 County Population by Group	23 Steps and Salary for Affected Officers			
24 Group I	Step 1	Step 2	Step 3	Step 4
25 0-4,999	\$ 6,600	\$ 6,800	\$ 7,000	\$ 7,200
26 Group II				
5,000-9,999	7,200	7,400	7,600	7,800
27 Group III				

1	10,000-19,999	7,800	8,000	8,200	8,400
2	Group IV				
3	20,000-29,999	8,100	8,400	8,700	9,000
4	Group V				
5	30,000-44,999	8,700	9,000	9,300	9,600
6	Group VI				
7	45,000-59,999	9,000	9,400	9,800	10,200
8	Group VII				
9	60,000-89,999	9,600	10,000	10,400	10,800
10	Group VIII				
11	90,000-499,999	9,900	10,400	10,900	11,400
12	Group IX				
13	500,000 and up	10,500	11,000	11,500	12,000

- 14 (4) Upon publication of the annual consumer price index by the United States  
15 Department of Commerce, the Governor's Office for Local  
16 Development~~Department for Local Government~~ shall fix the salary of the county  
17 judge/executive, county clerk, jailer who operates a full service jail, and sheriff at  
18 an annual rate of salary to which the county official is entitled pursuant to the  
19 increase in the Consumer Price Index and the salary schedule contained in this  
20 section. This salary determination shall be retroactive to the preceding January 1.
- 21 (5) Notwithstanding any provision contained in this section, no county official holding  
22 office on July 15, 1998, shall receive any reduction in salary or reduction in  
23 adjustment to salary otherwise allowable by the statutes in force on July 15, 1998.
- 24 (6) In addition to the step increases based on service in office, each officer shall be paid  
25 an annual incentive of one hundred dollars (\$100) per calendar year for each forty  
26 (40) hour training unit successfully completed, based on continuing service in that  
27 office and, except as provided in this subsection, completion of at least forty (40)

1 hours of approved training in each subsequent calendar year. If an officer fails,  
2 without good cause as determined by the commissioner of the **Governor's Office**  
3 **for Local Development**~~[Department for Local Government]~~, to obtain the minimum  
4 amount of approved training in any year, the officer shall lose all training incentives  
5 previously accumulated. Each training unit shall be approved and certified by the  
6 **Governor's Office for Local Development**~~[Department for Local Government]~~. No  
7 officer shall receive more than one (1) training unit per calendar year nor more than  
8 four (4) incentive payments per calendar year. Each officer shall be allowed to  
9 carry forward up to forty (40) hours of training credit into the following calendar  
10 year for the purpose of satisfying the minimum amount of training for that year.  
11 Each annual incentive payment shall be adjusted by the **Governor's Office for**  
12 **Local Development**~~[Department for Local Government]~~ on an annual basis for any  
13 increase or decrease in the consumer price index in the same manner as salaries are  
14 adjusted as described in subsection (4) of this section. The **Governor's Office for**  
15 **Local Development**~~[Department for Local Government]~~ shall promulgate  
16 administrative regulations in accordance with KRS Chapter 13A to establish  
17 guidelines for the approval and certification of training units.

18 (7) Except in counties that contain an urban-county form of government, justices of the  
19 peace who serve on fiscal courts, county commissioners, and jailers who operate  
20 life safety jails, jailers who are part of a transportation plan, or jailers who act as  
21 court bailiffs shall also be eligible for the training incentive payments in accordance  
22 with subsection (6) of this section.

23 (8) The provisions of this section shall not apply to a county judge/executive in a  
24 county which has established a consolidated local government pursuant to KRS  
25 Chapter 67C.

26 Section 39. KRS 64.990 is amended to read as follows:

27 (1) If any officer to whom KRS 64.050 applies, or his personal representative, trustee,

- 1 or committee, as the case may be, collects any fees, accounts, or demands due him  
2 in his official capacity after the expiration of his term, or after he has resigned or  
3 died or vacated the office, or fails to deliver to his successor all the fees, claims,  
4 and accounts due to him in his official capacity, he, or his personal representative,  
5 committee, or trustee, as the case may be, shall be guilty of a Class B misdemeanor.
- 6 (2) If any successor or collector mentioned in subsection (1) of KRS 64.050 fails to  
7 make any report or pay the money collected to the Governor's Office for Local  
8 Development~~Department for Local Government~~, as required by subsection (1) of  
9 KRS 64.050, he shall be guilty of a Class B misdemeanor. If he knowingly omits or  
10 fails to report a correct statement of all money received or collected, or knowingly  
11 makes or subscribes any false statement concerning the same, he shall be guilty of a  
12 Class D felony.
- 13 (3) If any deputy or personal representative issuing a fee bill in accordance with KRS  
14 64.420 knowingly makes a wrong charge, or in any respect issues an illegal fee bill,  
15 he shall be subject to the same penalties as an officer issuing such a fee bill.
- 16 (4) Every fee bill containing one (1) illegal charge, or which, in any respect, is not  
17 according to what is required by law, shall be void for the whole amount.
- 18 (5) Any officer who splits up and divides his services so as to make two (2) charges,  
19 when the law intends but one (1) charge or fee for the whole service, or who  
20 knowingly makes an illegal charge, or issues an illegal fee bill, or collects or  
21 attempts to collect his fees twice for the same services, or by any indirection  
22 collects or attempts to collect more for his services than is allowed by law, shall be  
23 guilty of a Class B misdemeanor and his conviction shall be prima facie evidence of  
24 his guilt in a proceeding to remove him from office.
- 25 (6) Any official who violates the provisions of KRS 64.820 to 64.850 shall be guilty of  
26 a Class B misdemeanor.
- 27 Section 40. KRS 65.003 is amended to read as follows:

- 1 (1) The governing body of each city, county, urban-county, consolidated local  
2 government, and charter county, shall adopt, by ordinance, a code of ethics which  
3 shall apply to all elected officials of the city, county, urban-county, consolidated  
4 local government, or charter county, and to appointed officials and employees of  
5 the city, county, urban-county, consolidated local government, or charter county  
6 government, or agencies created jointly, as specified in the code of ethics. The  
7 elected officials of a city, county, or consolidated local government to which a code  
8 of ethics shall apply include the mayor, county judge/executive, members of the  
9 governing body, county clerk, county attorney, sheriff, jailer, coroner, surveyor,  
10 and constable but do not include members of any school board. Agencies created  
11 jointly may include planning or administrative commissions or boards. Candidates  
12 for the local government elective offices specified in this subsection shall comply  
13 with the annual financial disclosure statement filing requirements contained in the  
14 code of ethics.
- 15 (2) Any city, county, or consolidated local government may enter into a memorandum  
16 of agreement or an interlocal agreement with one (1) or more other cities, counties,  
17 or consolidated local governments for joint adoption of a code of ethics which shall  
18 apply to all elected officials of the cities, counties, or consolidated local  
19 governments, and to appointed officials and employees as specified by each of the  
20 cities, counties, or consolidated local governments which enters into the agreement.  
21 Interlocal agreements shall be executed pursuant to the Interlocal Cooperation Act  
22 in KRS 65.210 to 65.300. The interlocal agreement or memorandum of agreement  
23 may provide for but shall not be limited to:
- 24 (a) The provision of administrative services relating to the implementation of a  
25 code of ethics;
- 26 (b) The creation of a regional ethics board which serves independently to provide  
27 advice to member governments and their officials and provides for the

- 1 enforcement of locally adopted codes of ethics; and
- 2 (c) Contracting by a memorandum of agreement with an area development
- 3 district for the provision of administrative services relating to the
- 4 implementation of a code of ethics.

5 Candidates for the city, county, or consolidated local government elective offices

6 specified in this subsection shall comply with the annual financial disclosure

7 statement filing requirements contained in the code of ethics.

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

- 11 (a) Standards of conduct for elected and appointed officials and employees;
- 12 (b) Requirements for creation of financial disclosure statements, which shall be
- 13 filed annually by all candidates for the city, county, or consolidated local
- 14 government elective offices specified in subsection (1) of this section, elected
- 15 officials of each city, county or consolidated local government, and other
- 16 officials or employees of the city, county, or consolidated local government,
- 17 as specified in the code of ethics, and which shall be filed with the person or
- 18 group responsible for enforcement of the code of ethics, provided that
- 19 nonpaid members of jointly created agencies may be exempted from filing
- 20 financial disclosure statements;
- 21 (c) A policy on the employment of members of the families of officials or
- 22 employees of the city, county, or consolidated local government, as specified
- 23 in the code of ethics;
- 24 (d) The designation of a person or group who shall be responsible for
- 25 enforcement of the code of ethics, including maintenance of financial
- 26 disclosure statements, all of which shall be available for public inspection,
- 27 receipt of complaints alleging possible violations of the code of ethics,

1 issuance of opinions in response to inquiries relating to the code of ethics,  
2 investigation of possible violations of the code of ethics, and imposition of  
3 penalties provided in the code of ethics.

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

6 (5) (a) Within twenty-one (21) days of the adoption of the code of ethics required by  
7 this section, each city, county, or consolidated local government shall deliver  
8 a copy of the ordinance by which the code was adopted and proof of  
9 publication in accordance with KRS Chapter 424 to the Governor's Office for  
10 Local Development~~Department for Local Government~~. The Governor's  
11 Office for Local Development~~department~~ shall maintain the ordinances as  
12 public records and shall maintain a list of city, county, or consolidated local  
13 governments which have adopted a code of ethics and a list of those which  
14 have not adopted a code of ethics.

15 (b) Within twenty-one (21) days of the amendment of a code of ethics required by  
16 this section, each city, county, or consolidated local government shall deliver  
17 a copy of the ordinance by which the code was amended and proof of  
18 publication in accordance with KRS Chapter 424 to the Governor's Office for  
19 Local Development~~Department for Local Government~~, which shall maintain  
20 the amendment with the ordinance by which the code was adopted.

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

25 (6) If a city, county, or consolidated local government fails to comply with the  
26 requirements of this section, the Governor's Office for Local  
27 Development~~Department for Local Government~~ shall notify all state agencies,

1 including area development districts, which deliver services or payments of money  
2 from the Commonwealth to the city, county, or consolidated local government.  
3 Those agencies shall suspend delivery of all services or payments to the city,  
4 county, or consolidated local government which fails to comply with the  
5 requirements of this section. The Governor's Office for Local  
6 Development~~Department for Local Government~~ shall immediately notify those  
7 same agencies when the city, county, or consolidated local government is in  
8 compliance with the requirements of this section, and those agencies shall reinstate  
9 the delivery of services or payments to the city, county, or consolidated local  
10 government.

11 Section 41. KRS 65.005 is amended to read as follows:

- 12 (1) (a) "Special district" means any agency, authority, or political subdivision of the  
13 state which exercises less than statewide jurisdiction and which is organized  
14 for the purpose of performing governmental or other prescribed functions  
15 within limited boundaries. It includes all political subdivisions of the state  
16 except a city, a county, or a school district.
- 17 (b) "Governing body" means the body possessing legislative authority in a city,  
18 county, or special district.
- 19 (2) No special district shall be legally created without sending notification of its  
20 existence in writing to the clerk of the county within the jurisdiction of which its  
21 principal office shall be located. This requirement for notification is in addition to  
22 all other provisions of existing law providing for the creation of special districts.  
23 The notification shall contain the names and addresses of the members of the  
24 governing body of the district, the name and address of its chief executive officer, a  
25 specific reference to the statute or statutes under which it was created, and a brief  
26 description of its service area and activities. The clerk shall record the original and  
27 forward a copy of the notification to the state local finance officer and the state

1 local debt officer, Governor's Office for Local Development~~Department for Local~~  
2 ~~Government~~. The clerk shall be paid a fee of two dollars (\$2) by the district for  
3 recording and mailing the notification.

4 (3) The governing body of any existing special district shall submit notification as  
5 required in subsection (2) of this section within thirty (30) days after June 16, 1966,  
6 and the governing body of a newly-created special district shall submit the required  
7 notification at or before its first meeting.

8 Section 42. KRS 65.065 is amended to read as follows:

9 (1) The governing body of each district shall annually prepare a budget and, as  
10 appropriate, shall classify budget units in the same fashion as county budgets are  
11 classified in accordance with KRS 68.240(2) to (5). The state local finance officer  
12 shall prepare standard budget forms for district use and shall furnish them to county  
13 clerks for distribution to district officers. No moneys shall be expended from any  
14 funds or any sources, except in accordance with the budget which has been filed  
15 with the fiscal court to be available for public inspection. No budget of a district  
16 shall become effective until filed with the fiscal court of the county in which the  
17 district is located for submission to the Governor's Office for Local  
18 Development~~Department for Local Government~~. For those districts with  
19 multicounty jurisdictions, the district shall file a copy with each of the fiscal courts  
20 within the jurisdiction of the district for their review. If the budget is not filed with  
21 the fiscal court at least thirty (30) days prior to the start of the district fiscal year,  
22 the fiscal court shall immediately notify the county attorney. The county attorney  
23 shall then notify the governing board of the special district of the noncompliance  
24 and then proceed with any steps necessary to prevent the expenditure of funds by  
25 the special district until the district is in compliance.

26 (2) The governing body of each district which for the year in question receives from all  
27 sources or expends for all purposes less than four hundred thousand dollars

1 (\$400,000) shall annually prepare a financial statement, except that once every four  
2 (4) years the district's governing body shall provide for the performance of an audit  
3 as provided in subsection (4) of this section.

4 (3) The governing body of each district which for the year in question receives from all  
5 sources or expends for all purposes four hundred thousand dollars (\$400,000) or  
6 more shall provide for the performance of an annual audit as provided in subsection  
7 (4) of this section.

8 (4) To provide for the performance of an audit, the governing body of a district shall  
9 employ an independent certified public accountant or contract with the Auditor of  
10 Public Accounts to perform an audit of the funds in the district budget. The audit  
11 shall conform to:

12 (a) Generally-accepted governmental auditing standards, which means those  
13 standards for audits of governmental organizations, programs, activities, and  
14 functions issued by the Comptroller General of the United States; and

15 (b) Additional procedures and reporting requirements as may be required by the  
16 Auditor of Public Accounts. A unit of government furnishing funds directly to  
17 a district may require additional audits at its own expense. Upon request, the  
18 State Auditor of Public Accounts may review the final report and all related  
19 work papers and documents of the independent certified public accountant  
20 relating to the audit. If a district is required by law to audit its funds more  
21 often than is required by this section, it shall perform those audits and may  
22 submit them in lieu of the requirements of this section, if the audits meet the  
23 requirements of this subsection.

24 (5) The provisions of subsection (2) of this section shall not apply to any district that is  
25 required by law to annually submit a financial report to an agency of state  
26 government. The districts shall annually submit a copy of their financial report to  
27 the county judge/executive and to the state local finance officer and once every four

1 (4) years provide for the performance of an audit as provided in subsection (4) of  
2 this section.

3 (6) Any resident of the district may bring an action in the Circuit Court to enforce the  
4 provisions of this section. The Circuit Court shall hear the action and, on a finding  
5 that the governing body of the district has violated the provisions of this section,  
6 shall order the district to comply with the provisions. The Circuit Court, in its  
7 discretion, may allow the prevailing party, other than the district, a reasonable  
8 attorney's fee and court costs, to be paid from the district's treasury.

9 Section 43. KRS 65.070 is amended to read as follows:

10 (1) Within sixty (60) days following the close of the fiscal year, the district shall:

11 (a) File with the county clerk of each county with territory in the district a  
12 certification showing any of the following information that has changed since  
13 the last filing by the district:

- 14 1. The name of the district;
- 15 2. A map or general description of its service area;
- 16 3. The statutory authority under which it was created; and
- 17 4. The names, addresses, and the date of expiration of the terms of office  
18 of the members of its governing body and chief executive officer;

19 (b) Submit for review a copy of the summary financial statement with the fiscal  
20 court of each county with territory in the district; and

21 (c) Publish, in lieu of the provisions of KRS 424.220, but in compliance with  
22 other applicable provisions of KRS Chapter 424, the names and addresses of  
23 the members of its governing body and chief executive officer, and either a  
24 summary financial statement, which includes the location of supporting  
25 documents, or the location of district financial records which may be  
26 examined by the public.

27 (2) The district shall submit for review a copy of the audit with the fiscal court of each

1 county with territory in the district. The submission shall be made within thirty (30)  
2 days of the district's receipt of the completed audit.

- 3 (3) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
4 shall prepare and furnish to county clerks standard reporting forms which districts  
5 may use to comply with the provisions of this section.
- 6 (4) Any resident of the district may bring an action in the Circuit Court to enforce the  
7 provisions of this section. The Circuit Court shall hear the action and, on a finding  
8 that the governing body of the district has violated the provisions of this section,  
9 shall order the district to comply with its provisions. The Circuit Court, in its  
10 discretion, may allow the prevailing party, other than the district, a reasonable  
11 attorney's fee and court costs, to be paid from the district's treasury.

12 Section 44. KRS 65.260 is amended to read as follows:

- 13 (1) No agreement made pursuant to KRS 65.210 to 65.300 shall relieve any public  
14 agency of any obligation or responsibility imposed upon it by law except that to the  
15 extent of actual and timely performance thereof by a joint board or other legal or  
16 administrative entity created by an agreement made pursuant to KRS 65.210 to  
17 65.300, that performance may be offered in satisfaction of the obligation or  
18 responsibility.
- 19 (2) Except as provided in subsections (3) and (4) of this section, every agreement made  
20 pursuant to KRS 65.210 to 65.300 shall, prior to and as a condition precedent to its  
21 entry into force, be submitted to the Attorney General who shall determine whether  
22 the agreement is in proper form and compatible with the laws of this state, except  
23 for interlocal agreements between cities, counties, charter counties, urban-county  
24 governments, and sheriffs upon approval of the fiscal court, which shall be  
25 submitted to the *Governor's Office for Local Development*~~[Department for Local  
26 Government]~~. The Attorney General or the *Governor's Office for Local  
27 Development*~~[Department for Local Government]~~ shall approve any agreement

1 submitted to them under this subsection unless they find that it does not meet the  
2 conditions set forth in KRS 65.210 to 65.300. If the agreement does not meet these  
3 conditions, the Attorney General or the Governor's Office for Local  
4 Development~~Department for Local Government~~ shall detail in writing, addressed  
5 to the governing bodies of the public agencies concerned, the specific respects in  
6 which the proposed agreement fails to meet the requirements of law. Failure to  
7 disapprove an agreement submitted hereunder within sixty (60) days of its  
8 submission shall constitute approval thereof.

9 (3) The submission of an interlocal cooperative agreement to the Attorney General or  
10 the Governor's Office for Local Development~~Department for Local Government~~  
11 as provided in subsection (2) of this section shall not be required for any  
12 cooperative agreement which involves only the construction, reconstruction, or  
13 maintenance of a municipal road or bridge, provided a written agreement is  
14 approved by each of the affected governing bodies.

15 (4) Interlocal cooperative agreements between school boards and counties shall be  
16 exempt from the provisions of subsection (2) of this section.

17 Section 45. KRS 65.320 is amended to read as follows:

18 There shall be created a Local Government Training Advisory Council in Kentucky, to  
19 be composed of the presidents or their designees of the Kentucky Association of  
20 Counties, the County Judge/Executives Association, and the Kentucky League of Cities~~;~~  
21 ~~the chairperson of the Kentucky Urban Affairs Council,]~~ and the commissioner of the  
22 Governor's Office for Local Development~~Department for Local Government~~.

23 Section 46. KRS 65.323 is amended to read as follows:

24 (1) The Local Government Training Advisory Council shall:

25 (a) Develop and update on a biennial basis a local government training plan that:

26 1. Quantifies the training needs of local governments;

27 2. Evaluates the abilities of existing training programs to meet the needs;

- 1           3. Identifies areas of unmet need that justify expanding existing programs  
2           or the creation of new programs; and
- 3           4. Formulates a strategy, giving consideration to the use of state-of-the-art  
4           communication techniques to enhance training efforts, that meets the  
5           needs of local governments;
- 6           (b) Submit a copy of the local government training plan to the Legislative  
7           Research Commission by November 1 of odd-numbered years;
- 8           (c) Ensure the proper coordination of training programs for city and county  
9           governments; and
- 10          (d) Elect a chairperson annually from its membership.
- 11       (2) The council shall adopt the plan provided for in subsection (1)(a) of this section by  
12       majority vote, at which time it shall become the policy document used by the  
13       *Governor's Office for Local Development*~~[Department for Local Government]~~ to  
14       determine priorities for the expenditure of training funds.
- 15       Section 47. KRS 65.327 is amended to read as follows:
- 16       (1) The Local Government Training Advisory Council shall use the expertise of  
17       existing training providers in developing new or expanded programs. This includes,  
18       but is not limited to:
- 19           (a) All institutions of higher education and affiliate organizations that provide  
20           training and technical assistance to local governments;
- 21           (b) State agencies that provide training related to statutory or regulatory oversight  
22           responsibilities;
- 23           (c) Area development districts;
- 24           (d) Public official professional associations;
- 25           (e) Private providers associated with established certification programs; and
- 26           (f) Any other provider suitable for developing effective training programs.
- 27       (2) The council shall be attached to the *Governor's Office for Local*

1        **Development**~~[Department for Local Government]~~ for administrative purposes.

2        Section 48. KRS 65.905 is amended to read as follows:

3        (1) Except as otherwise provided in subsection (2) of this section, each local  
4        government as defined in KRS 65.900 shall annually, after the close of the fiscal  
5        year, complete a uniform financial information report. The report shall be submitted  
6        to the **Governor's Office for Local Development**~~[Department for Local  
7        Government]~~ by May 1 immediately following the close of the fiscal year. The  
8        **Governor's Office for Local Development**~~[Department for Local Government]~~  
9        shall immediately send one (1) copy of the uniform financial information report to  
10       the Legislative Research Commission to be used for the purposes of KRS 6.955 to  
11       6.975.

12       (2) The final quarterly report filed by a county within fifteen (15) days after the end of  
13       the last quarter of the fiscal year, in accordance with KRS 68.360(2), shall be  
14       deemed the uniform financial information report for that county for purposes of  
15       compliance with KRS 65.900 to 65.925, if that quarterly report contains, at a  
16       minimum, all information required by KRS 65.910.

17       (3) Each city may have the uniform financial information report completed by its  
18       selected auditor as part of the terms and conditions of the written agreement  
19       between the city and the auditor in accordance with KRS 91A.040. Each county  
20       may have the uniform financial information report completed by its auditor selected  
21       in accordance with KRS 43.070 or 64.810. Each special district may have the  
22       uniform financial information report completed by its auditor selected in  
23       accordance with KRS 65.065. If a city does not use the auditor to complete the  
24       uniform financial information report, it shall by order designate an elected or  
25       nonelected official to be responsible for annually completing the report and  
26       submitting it to the **Governor's Office for Local Development**~~[Department for  
27       Local Government]~~. If a local government has any agency, board, or commission

1 that receives any funding from the local government, but conducts its operations on  
2 an autonomous or semi-autonomous basis, the local government shall note on the  
3 uniform financial information report the name of the agency, board, or commission;  
4 the mailing address of the agency, board, or commission; and the dollar amount  
5 annually appropriated by the local government to the agency, board, or  
6 commission.

7 (4) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
8 shall by administrative regulation prescribe the format of the uniform financial  
9 information report, and~~[- The department]~~ shall attempt to coordinate and combine  
10 efforts with the United States Bureau of the Census in the development of the  
11 format of the uniform financial information report so that a single report will meet  
12 the needs of both agencies and fulfill the requirements of KRS 65.900 to 65.925.  
13 Regardless of any agreement between the *Governor's Office for Local*  
14 *Development*~~[Department for Local Government]~~ and the United States Bureau of  
15 the Census, the *Governor's Office for Local Development*~~[department]~~ shall  
16 maintain responsibility for assuring that a uniform financial information report is  
17 distributed to each local government as soon as practicable after the close of each  
18 fiscal year, but in no event later than one hundred twenty (120) days prior to the  
19 required submission date of May 1.

20 (5) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
21 shall use the uniform financial information report to replace as many financial  
22 information forms as possible that local governments are currently required to  
23 complete and submit to *that office*~~[the department]~~ for use by either the state or  
24 federal governments, by consolidating the required information into the uniform  
25 report.

26 Section 49. KRS 65.910 is amended to read as follows:

27 (1) The uniform financial information report shall include, but not be limited to,

1 information relating to demographics, bonded indebtedness, debt service  
2 requirements, lease-purchase agreements, tax rates and revenues, licenses, permits,  
3 fees, utilities, intergovernmental revenues, miscellaneous revenues, charges for  
4 services, and all expenditures as set forth in this section.

5 (2) Demographic information shall include:

- 6 (a) The name of the unit of local government;
- 7 (b) The county in which the city or special district is located;
- 8 (c) The classification of the city;
- 9 (d) The population of the unit of local government;
- 10 (e) The form of government of the city; and
- 11 (f) The area development district in which the unit of local government is  
12 located.

13 (3) Bonded indebtedness and debt service information shall include:

- 14 (a) The name of each project listed individually;
- 15 (b) The type of bond issue used for each project;
- 16 (c) The bonded indebtedness of each project;
- 17 (d) The debt service requirements of each project; and
- 18 (e) The specific source of debt service funds, whether local government  
19 appropriations or use of nongovernment funds.

20 (4) Lease-purchase agreement information shall include:

- 21 (a) Purpose of the agreement;
- 22 (b) Identity of the lessor;
- 23 (c) Principal amount of the agreement;
- 24 (d) Interest rate or rates for the agreement;
- 25 (e) Date the local government entered into agreement;
- 26 (f) Length of term of agreement;
- 27 (g) Current annual debt service requirements for agreement; and

- 1 (h) A list of and the purpose of any short-term renewal bank notes.
- 2 (5) Tax rate and revenue information shall include:
- 3 (a) The compensating tax rate and the maximum tax rate for the current fiscal
- 4 year and the preceding fiscal year;
- 5 (b) The current fiscal year ad valorem tax rate levied by the local government, the
- 6 preceding fiscal year revenues collected by the local government, and the
- 7 assessed property valuation for real property, personal property, and motor
- 8 vehicles and watercraft; and
- 9 (c) The current fiscal year tax rate levied by the local government and the
- 10 preceding fiscal year revenues collected by the local government for the
- 11 following types of taxes:
- 12 1. Occupational license tax on persons;
- 13 2. Occupational license tax on business net profits, gross receipts, or a flat
- 14 rate;
- 15 3. Insurance premium tax on fire and allied perils, casualty liability only,
- 16 vehicle, inland marine, health, life, all other risks taxed, minimum tax
- 17 and company taxable reserves;
- 18 4. Transient room tax;
- 19 5. Restaurant tax;
- 20 6. Bank franchise tax;
- 21 7. Delinquent collections; and
- 22 8. Special purpose and other taxes.
- 23 (6) Information on licenses, permits, and fees shall include the amount charged and the
- 24 preceding fiscal year revenues collected by the local government for the following
- 25 types of licenses, permits, and fees:
- 26 (a) Alcoholic beverage licenses for the manufacture and sale, distilled spirits and
- 27 wine, malt beverages, Sunday sales, and regulatory license fee on gross

- 1 receipts;
- 2 (b) Required sticker fees on automobiles and trucks;
- 3 (c) Motor vehicles fees on taxicabs, truck-tractors, semitrailers and trailers;
- 4 (d) Coin-operated machines;
- 5 (e) Cable television;
- 6 (f) Building, electrical, and plumbing permits;
- 7 (g) Zoning permits and development impact fees;
- 8 (h) Building, elevator, electrical, plumbing, food, rehabilitation, and any other
- 9 inspection fees;
- 10 (i) Licensing of electricians and electrical contractors;
- 11 (j) Unloading fees;
- 12 (k) Public service fees for fire protection, police protection;
- 13 (l) Ambulance service franchise fees and ambulance run fees;
- 14 (m) Animal license fees; and
- 15 (n) Any other source of license, permit, or fee.

16 If varying rates or fees are charged based upon classification, volume, value, or

17 other criteria, the local government shall submit a fee chart with the report form.

18 (7) Information on utilities shall include the franchise tax or fee, charge for service,

19 user fee or "tap on" fee, and preceding fiscal year revenues collected by the local

20 government on the following utilities:

- 21 (a) Waterworks;
- 22 (b) Sewage treatment;
- 23 (c) Electric light, heat, and power;
- 24 (d) Gas;
- 25 (e) Garbage collection for residential, commercial, and industrial customers, and
- 26 landfill fees;
- 27 (f) Transit authority; and

1 (g) Any other type of utility.

2 If varying rates or fees are charged based upon classification, volume, value, or  
3 other criteria, the local government shall submit a fee chart with the report form.

4 (8) Information on intergovernmental revenues shall include the types of  
5 intergovernmental revenues received by the local government, preceding fiscal year  
6 revenues collected by the local government, and rate and interest requirements for  
7 loan repayments that shall include:

8 (a) Kentucky Law Enforcement Foundation Program fund;

9 (b) Professional Firefighters Foundation Program fund;

10 (c) Community development block grant funds;

11 (d) County or municipal road aid;

12 (e) Local government economic assistance funds;

13 (f) Net court revenues;

14 (g) Kentucky Infrastructure Authority funds;

15 (h) Economic development bonds;

16 (i) Kentucky Economic Development Finance Authority funds;

17 (j) Environmental Protection Agency funds;

18 (k) County or city transfers; and

19 (l) Any other source of state or federal funds.

20 (9) Information on miscellaneous revenues and charges for services shall include the  
21 source of revenue, charge, or fee levied by the local government and preceding  
22 fiscal year revenues collected for the following:

23 (a) Parking meter receipts;

24 (b) Parking facility receipts;

25 (c) Parking violation fines;

26 (d) Charges for impounded vehicles;

27 (e) Sale of abandoned vehicles;

- 1 (f) Delinquent tax bills;
- 2 (g) Fines and forfeitures;
- 3 (h) Penalties and interest;
- 4 (i) Franchise payments for governmental services bid out to the private sector;
- 5 (j) Golf course receipts;
- 6 (k) Parks and recreation;
- 7 (l) Proceeds from sale of seized and forfeited property;
- 8 (m) Rent;
- 9 (n) Interest from investments and dividends; and
- 10 (o) Any other source of revenue or charge for service.

11 (10) Information on expenditures shall be listed by total only and indicate the fund from  
12 which an appropriation was made. The Governor's Office for Local  
13 Development~~Department for Local Government~~ shall consult with the Kentucky  
14 League of Cities, the Kentucky Association of Counties, the Kentucky Municipal  
15 Finance Officers' Association, the Kentucky Society of Certified Public  
16 Accountants, and other affected interest groups, as well as local officials in the  
17 development of information to be included in the expenditure section of the  
18 uniform financial information report.

19 Section 50. KRS 65.900 is amended to read as follows:

20 As used in KRS 65.905 to 65.925~~65.920~~, unless the context requires otherwise:

- 21 (1) "City" means every city organized and governed under the mayor-alderman form of  
22 government pursuant to KRS Chapter 83, every city organized and governed under  
23 the mayor-council form of government pursuant to KRS Chapter 83A, every city  
24 organized and governed under the commission form of government pursuant to  
25 KRS Chapter 83A, every city organized and governed under the city manager form  
26 of government pursuant to KRS Chapter 83A, and every urban-county government  
27 organized and governed under the urban-county form of government pursuant to

1 KRS Chapter 67A.

2 (2) "County" means any of Kentucky's one hundred and twenty (120) counties.

3 (3) "Special district" means any district with ad valorem taxing powers including, but  
 4 not limited to, those specified in the following KRS statutes: KRS 75.010 to 75.260,  
 5 KRS 76.274 to 76.279, KRS 104.450 to 104.680, KRS 107.310 to 107.500, KRS  
 6 108.080 to 108.180, KRS 109.115 to 109.190, KRS 147.610 to 147.710, KRS  
 7 164.605 to 164.675, KRS 173.450 to 173.650, KRS 173.710 to 173.800, KRS  
 8 179.700 to 179.990, KRS 210.370 to 210.480, KRS 212.720 to 212.760, KRS  
 9 216.310 to 216.360, KRS 220.010 to 220.613, KRS 262.010 to 262.660, KRS  
 10 262.700 to 262.990, KRS 266.010 to 266.990, KRS 268.010 to 268.990, and KRS  
 11 269.100 to 269.270.

12 (4) "Local government" includes the terms city, county, and special district as defined  
 13 in this section.

14 (5) "Lease-purchase agreement" means an agreement to lease or to lease and purchase  
 15 major items of property, equipment, or services estimated to cost fifty thousand  
 16 dollars (\$50,000) or more, and two hundred thousand dollars (\$200,000) or more  
 17 for the construction or installation of a building or a utility.

18 Section 51. KRS 65.920 is amended to read as follows:

19 (1) Any local government that fails to submit annually a uniform financial information  
 20 report to the Governor's Office for Local Development~~Department for Local~~  
 21 ~~Government~~ shall be ineligible to receive county or municipal road aid moneys in  
 22 accordance with KRS 177.360 or 177.366. Any local government receiving road  
 23 aid moneys in accordance with KRS 177.365 to 177.369 or KRS 177.320 and  
 24 177.360 that fails to comply with the provisions of KRS 65.900 to 65.925~~65.915~~  
 25 shall immediately have all road aid payments suspended until the local government  
 26 submits the uniform financial information report to the Governor's Office for Local  
 27 Development~~Department for Local Government~~.

1 (2) If a local government receives payments of money from the Commonwealth and  
2 fails to comply with the provisions of KRS 65.900 to 65.925 or KRS 92.280(1), the  
3 state local finance officer may notify those agencies making payments to the local  
4 government of noncompliance, and those agencies shall immediately suspend  
5 delivery of all payments to the local government except those payments made  
6 pursuant to KRS Chapter 154 or KRS 42.4588, until the state local finance officer  
7 determines that the local government has complied with the requirements of KRS  
8 65.900 to 65.925 or KRS 92.280(1).

9 Section 52. KRS 65.925 is amended to read as follows:

10 The **Governor's Office for Local Development**~~[Department for Local Government]~~ shall  
11 consult with the Legislative Research Commission to determine a format for electronic  
12 data which is acceptable to both. At the earliest date possible, but no later than September  
13 30, 1992, and each year thereafter, the **Governor's Office for Local**  
14 **Development**~~[Department for Local Government]~~ shall provide a copy of all reliable data  
15 from the uniform financial information reports of all reporting governments to the  
16 Legislative Research Commission in the agreed upon electronic format. The **Governor's**  
17 **Office for Local Development**~~[Department for Local Government]~~ shall, upon receipt,  
18 file a copy of each completed uniform financial information report with the county clerk  
19 of the county in which the reporting unit of local government is located.

20 Section 53. KRS 66.370 is amended to read as follows:

21 (1) A county may, by order of its fiscal court, surrender to the state local debt officer,  
22 **Governor's Office for Local Development**~~[Department for Local Government]~~, all  
23 money in hand, notes, bonds, accounts, or other credits representing assets  
24 available, and any other sums which may hereafter become available from any and  
25 all sources, for paying the principal and interest of any bonded debt of the county;  
26 however, if a county surrenders the sinking fund for any bond issue payable either  
27 from the tax levy authorized by Section 157 or by Section 157a of the Constitution

1 of Kentucky or from any special tax levy authorized by law, it shall also surrender  
2 the sinking funds for all other bonds payable from the same tax levy as herein  
3 defined. The surrender shall be irrevocable on the part of the county. Any county  
4 which has a bond issue approved under KRS 66.310 may comply with the  
5 provisions of this subsection with respect to the sinking funds for the bonds thus  
6 approved and for any other bonds payable from the same tax levy as herein defined.

7 (2) All cash received under this section by the state local debt officer, Governor's  
8 Office for Local Development~~Department for Local Government~~, shall be  
9 deposited with the commissioner, Governor's Office for Local  
10 Development~~Department for Local Government~~ to the credit of a fund designated  
11 the "county sinking fund." All assets other than cash shall be deposited with the  
12 commissioner, Governor's Office for Local Development~~Department for Local~~  
13 ~~Government~~ and shall be liquidated, upon authorization of the  
14 commissioner~~commission~~, within a reasonable time.

15 (3) The county treasurer of any county complying with the provisions of this section  
16 shall remit monthly to the state local debt officer, Governor's Office for Local  
17 Development~~Department for Local Government~~, all moneys received from any  
18 tax levy made for the exclusive purpose of paying principal and interest on any  
19 bonds. Any moneys appropriated in the county budget from any other source or any  
20 moneys required by law to be used for the same purpose shall be remitted as  
21 required for paying any principal or interest maturities, or both, or meeting sinking  
22 fund requirements. The state local debt officer, Governor's Office for Local  
23 Development~~Department for Local Government~~ may institute actions in the  
24 Franklin Circuit Court to enforce the provisions of this subsection or to recover any  
25 funds that may have been misapplied.

26 (4) Accounts showing the county sinking fund receipts and disbursements shall be kept  
27 by the state local debt officer, Governor's Office for Local

1        Development,~~{Department for Local Government}~~ for each bond issue of each  
2 county for which deposits are made in the fund. As of the close of the county fiscal  
3 year the state local debt officer, Governor's Office for Local  
4 Development,~~{Department for Local Government}~~ shall, within thirty (30) days  
5 thereafter, render to the county judge/executive of each county having deposits in  
6 the fund a statement thereof for each bond issue of that county. On or about the first  
7 day of May of each year, the state local debt officer, Governor's Office for Local  
8 Development,~~{Department for Local Government}~~ shall deliver to the county  
9 judge/executive an estimate of the principal and interest requirements of  
10 outstanding bonds issued by that county or of the proportionate annual amount  
11 which should be deposited in a sinking fund.

12 (5) Disbursements from the county sinking fund shall, when authorized by the state  
13 local debt officer, Governor's Office for Local Development,~~{Department for Local~~  
14 ~~Government}~~ be made in the same manner as other claims on the Commonwealth  
15 are paid. Disbursements may be made only for:

16 (a) The payment of principal or interest, or both, of the bonds for which the  
17 deposit was made; and

18 (b) The investment of the funds as authorized by law.

19 (6) All coupons and bonds for the payment of which deposits are made in the county  
20 sinking fund shall be paid either directly by the state local debt officer, Governor's  
21 Office for Local Development,~~{Department for Local Government}~~ or by the bank  
22 designated as paying agent. That bank may be paid a reasonable fee for its services  
23 by the Governor's Office for Local Development~~{Department for Local~~  
24 ~~Government}~~ out of its appropriation. All paid bonds and coupons shall be  
25 surrendered to the state local debt officer and canceled, and shall be delivered to the  
26 judge/executive of each county along with the annual statement provided for in this  
27 section.

1 Section 54. KRS 67.680 is amended to read as follows:

- 2 (1) A county acting under authority of this section may by ordinance create a county  
3 cemetery board that may apply to the *Governor's Office for Local*  
4 *Development*~~[Department for Local Government]~~ for grants to restore and maintain  
5 nonprofit cemeteries that do not receive perpetual care funds pursuant to KRS  
6 367.952.
- 7 (2) The county cemetery boards shall meet three (3) times annually in space provided  
8 by the fiscal court and shall have five (5) volunteer members with no more than  
9 three (3) representing the same political party. Members shall be appointed by the  
10 county judge/executive with approval of the fiscal court, shall have lived in the  
11 county for at least one (1) year prior to appointment, and shall have demonstrated  
12 an interest in cemetery preservation, genealogy, local history, or a related area.

13 Section 55. KRS 67.682 is amended to read as follows:

- 14 (1) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
15 shall establish a county cemetery fund to receive appropriations, gifts, grants,  
16 federal funds, revolving funds, and any other funds from public and private sources.
- 17 (a) Moneys deposited in the fund shall be disbursed by the State Treasurer and  
18 any unallocated or unencumbered balances in the fund shall be invested as  
19 provided in KRS 42.500(9).
- 20 (b) Income earned from investment including unallotted or unencumbered  
21 balances in the fund shall not lapse, shall be returned to the *Governor's Office*  
22 *for Local Development*~~[Department for Local Government]~~, and may be  
23 redistributed to other counties.
- 24 (2) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
25 shall promulgate administrative regulations related to responsibilities of the boards,  
26 grant appropriation amounts and eligible expenditures, application and reporting  
27 procedures, accountability criteria for grant recipients, and other issues of

1 importance to the board's operation.

2 Section 56. KRS 67C.131 is amended to read as follows:

3 (1) The salary of the members of the legislative council of a newly consolidated local  
4 government created by the provisions of KRS 67C.101 to 67C.137 shall be eighty  
5 percent (80%) of that amount that is permitted for county commissioners on July  
6 14, 2000, as provided by Section 246 of the Kentucky Constitution. In order to  
7 equate the compensation of legislative council members with the purchasing power  
8 of the dollar, the *Governor's Office for Local Development*~~[Department for Local  
9 Government]~~ shall compute by the second Friday in February of every year the  
10 annual increase or decrease in the consumer price index of the preceding year. The  
11 *Governor's Office for Local Development*~~[Department for Local Government]~~  
12 shall notify the appropriate governing bodies charged by law to fix the  
13 compensation of the above elected officials of the annual rate of compensation to  
14 which the elected officials are entitled in accordance with the increase or decrease  
15 in the consumer price index. Upon notification from the *Governor's Office for*  
16 *Local Development*~~[Department for Local Government]~~, the appropriate governing  
17 body may set the annual compensation of the above elected officials at a rate no  
18 greater than that stipulated by the *Governor's Office for Local*  
19 *Development*~~[Department for Local Government]~~.

20 (2) Each legislative council member may hire one (1) full-time staff person.

21 Section 57. KRS 68.001 is amended to read as follows:

22 As used in this chapter and other provisions of law, "state local finance officer" shall  
23 mean the commissioner of the *Governor's Office for Local Development*~~[Department for  
24 Local Government]~~, or his agent designated in writing with the approval of the Governor.

25 Section 58. KRS 81A.470 is amended to read as follows:

26 (1) If the limits of a city are enlarged or reduced, the city shall, within sixty (60) days  
27 of the enlargement or reduction, cause an accurate map and description of the

1 annexed, transferred, or severed area, together with a copy of the ordinance duly  
2 certified, to be recorded in the office of the county clerk of the county or counties in  
3 which the city is located, in the office of the Secretary of State, and in the  
4 Governor's Office for Local Development~~Department for Local Government~~.

5 The map and description shall be prepared by a professional land surveyor. The  
6 documents shall depict the parcel annexed, transferred, or severed as a closed  
7 geometric figure on a plat annotated with bearings and distances, or sufficient curve  
8 data to describe each line. The professional land surveyor shall clearly state on the  
9 documents the location of the existing municipal boundary, any physical feature  
10 with which the proposed municipal boundary coincides, and a statement of the  
11 recorded deeds, plats, right-of-way plans, or other resources used to develop the  
12 documents depicting the municipal boundary.

- 13 (2) No city which has annexed unincorporated or accepted transfer of incorporated  
14 territory may levy any tax upon the residents or property within the annexed or  
15 transferred area until the city has complied with the provisions of subsection (1) of  
16 this section, and of KRS 81A.475.

17 Section 59. KRS 83.580 is amended to read as follows:

- 18 (1) The mayor shall:
- 19 (a) Cause the ordinances of the city and the laws of the state to be executed and  
20 enforced;
  - 21 (b) Communicate to the board of aldermen at least once a year a statement of the  
22 finances and general condition of the affairs of the city, and information in  
23 relation thereto as the board of aldermen requires;
  - 24 (c) Recommend, by written message to the board of aldermen, the measures he  
25 deems expedient;
  - 26 (d) Fill, with the consent of the board of aldermen, all vacancies in executive and  
27 ministerial offices and the filling of which is not otherwise provided for;

- 1 (e) Exercise a general supervision over all the executive and ministerial officers  
2 of the city, and see that their official duties are honestly performed; and
- 3 (f) No later than January 31 of each year, mail to the Governor's Office for  
4 Local Development~~[Department for Local Government]~~ a list containing  
5 current city information including, but not limited to the following:
- 6 1. The correct name of the mayor, members of the board of aldermen, and  
7 the following appointed officials who are serving as of January 1 of  
8 each year:
    - 9 a. Clerk of the board of aldermen;
    - 10 b. City treasurer;
    - 11 c. City attorney;
    - 12 d. Finance director;
    - 13 e. Police chief;
    - 14 f. Fire chief; and
    - 15 g. Public works director;
  - 16 2. The correct name of the city, mailing address for city hall, and the  
17 telephone number of city hall; and
  - 18 3. The name and telephone number of either an elected or appointed  
19 official to serve as a contact person that may be reached during normal  
20 business hours of 8:00 a.m. to 4:30 p.m.
- 21 (2) The mayor shall appoint to those seats which are not subject to prior qualification  
22 on a board or commission an equal number of members from each county  
23 commissioner's district, as created in accordance with KRS 67.045, into which the  
24 authority of the board or commission extends. If there are more districts than  
25 members of a particular board or commission, the mayor shall not appoint more  
26 than one (1) member from any district. If there are more members of a particular  
27 board or commission than there are districts, the mayor shall equalize appointments

1 from among districts to the extent possible. The mayor shall not be required, but  
2 shall use his best efforts, to balance appointments from among districts on a board  
3 or commission if the appointments are to be made from nominees submitted by  
4 other groups or individuals, or if nominees shall have a professional or technical  
5 background, expertise, or membership. The mayor shall attempt to balance  
6 appointments from among districts on all boards and commissions to equalize  
7 representation of all districts over the entire range of boards and commissions.

8 (3) The mayor may:

- 9 (a) Remove from office, by a written order, any officer appointed by him, unless  
10 otherwise provided by law;
- 11 (b) Appoint his own staff, and remove them at pleasure;
- 12 (c) Require from any executive or ministerial officer of the city or joint agency of  
13 the city a statement in writing concerning the discharge of his duties; and
- 14 (d) Exercise the same power to administer oaths that justices of the peace and  
15 other judicial officers of the state have.

16 (4) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
17 shall immediately forward one (1) copy of the information received from the mayor  
18 to the Legislative Research Commission.

19 Section 60. KRS 83A.075 is amended to read as follows:

20 (1) In order to equate the compensation of mayors and members of city legislative  
21 bodies with the purchasing power of the dollar, the *Governor's Office for Local*  
22 *Development*~~[Department for Local Government]~~ shall compute by the second  
23 Friday in February of every year the annual increase or decrease in the consumer  
24 price index of the preceding year by using 1949 as the base year in accordance with  
25 Section 246 of the Constitution of Kentucky which provides that the mayor in cities  
26 of the first class shall be paid at a rate no greater than twelve thousand dollars  
27 (\$12,000) per annum and mayors in cities other than the first class and legislative

1 body members shall be paid at a rate no greater than seven thousand two hundred  
2 dollars (\$7,200) per annum.

3 (2) The legislative body of the city shall set the compensation of the officer in  
4 accordance with KRS 83A.070 at a rate no greater than that stipulated by the  
5 *Governor's Office for Local Development*~~[Department for Local Government]~~.

6 Section 61. KRS 83A.085 is amended to read as follows:

7 (1) Each city, except a city of the first class, shall establish the office of city clerk.

8 (2) The office of city clerk may be combined with any other nonelected city office by  
9 inclusion of the title and duties of the office in the ordinance establishing the office  
10 of city clerk.

11 (3) The duties and responsibilities of the clerk shall include, but not be limited to, the  
12 following:

13 (a) Maintenance and safekeeping of the permanent records of the city;

14 (b) Performance of the duties required of the "official custodian" or "custodian"  
15 in accordance with KRS 61.870 to 61.882;

16 (c) Possession of the seal of the city if used;

17 (d) No later than January 31 of each year, mail to the *Governor's Office for*  
18 *Local Development*~~[Department for Local Government]~~ a list containing  
19 current city information including, but not limited to, the following:

20 1. The correct name of the mayor, legislative body members, and the  
21 following appointed officials who are serving as of January 1 of each  
22 year:

23 a. City clerk;

24 b. City treasurer;

25 c. City manager;

26 d. City attorney;

27 e. Finance director;

- 1 f. Police chief;
- 2 g. Fire chief; and
- 3 h. Public works director;
- 4 2. The correct name of the city, mailing address for city hall, and telephone
- 5 number of city hall; and
- 6 3. The name and telephone number of either an elected or appointed
- 7 official to serve as a contact person that may be reached during normal
- 8 business hours of 8 a.m. to 4:30 p.m.;
- 9 (e) Performance of all other duties and responsibilities required of the city clerk
- 10 by statute or ordinance; and
- 11 (f) The *Governor's Office for Local Development*~~[Department for Local~~
- 12 ~~Government]~~ shall immediately forward one (1) copy of the information
- 13 received from each city clerk to the Legislative Research Commission.

14 Section 62. KRS 91A.040 is amended to read as follows:

- 15 (1) Each city of the first through fifth class shall, after the close of each fiscal year,
- 16 cause each fund of the city to be audited by the Auditor of Public Accounts or a
- 17 certified public accountant. The audits shall be completed by February 1
- 18 immediately following the fiscal year being audited. Within ten (10) days of the
- 19 completion of the audit and its presentation to the city legislative body, in
- 20 accordance with subsection (4)(e) of this section, each city shall forward three (3)
- 21 copies of the audit report to the *Governor's Office for Local*
- 22 *Development*~~[Kentucky Department for Local Government]~~ for information
- 23 purposes. The *Governor's Office for Local Development*~~[department]~~ shall forward
- 24 one (1) copy of the audit report to the Legislative Research Commission to be used
- 25 for the purposes of KRS 6.955 to 6.975.
- 26 (2) Except as provided in subsection (3) of this section, each city of the sixth class
- 27 shall, after the close of each odd-numbered fiscal year, cause each fund of the city

- 1 to be audited by the Auditor of Public Accounts or a certified public accountant.  
2 The audits shall be completed by February 1 immediately following the fiscal year  
3 to be audited. Within ten (10) days of the completion of the audit and its  
4 presentation to the city legislative body, in accordance with subsection (4)(e) of this  
5 section, each sixth class city shall forward three (3) copies of the audit report to the  
6 *Governor's Office for Local Development*~~[Kentucky Department for Local~~  
7 ~~Government]~~ for information purposes. The *Governor's Office for Local*  
8 *Development*~~[department]~~ shall forward one (1) copy of the audit report to the  
9 Legislative Research Commission to be used for the purposes of KRS 6.955 to  
10 6.975. After the close of each even-numbered fiscal year, each sixth class city shall  
11 prepare a financial statement in accordance with KRS 424.220 and immediately  
12 forward one (1) copy to the *Governor's Office for Local Development,*  
13 *which*~~[Kentucky Department for Local Government. The department]~~ shall forward  
14 one (1) copy of the financial statement to the Legislative Research Commission.
- 15 (3) Any city of the sixth class, which for any fiscal year receives and expends, from all  
16 sources and for all purposes, less than seventy-five thousand dollars (\$75,000), and  
17 which has no long-term debt, whether general obligation or revenue debt, shall not  
18 be required to audit each fund of the city for that particular fiscal year. Each city  
19 shall annually prepare a financial statement in accordance with KRS 424.220 and  
20 immediately forward one (1) copy to the *Governor's Office for Local*  
21 *Development*~~[Kentucky Department for Local Government]~~ for information  
22 purposes. The *Governor's Office for Local Development*~~[department]~~ shall be  
23 responsible for forwarding one (1) copy of the financial statement to the Legislative  
24 Research Commission to be used for the purposes of KRS 6.955 to 6.975.
- 25 (4) Each city required by this section to conduct an annual or biannual audit shall enter  
26 into a written contract with the selected auditor. The contract shall set forth all  
27 terms and conditions of the agreement which shall include, but not be limited to,

1 requirements that:

2 (a) The auditor be employed to examine the basic financial statements, which  
3 shall include the government-wide and fund financial statements;

4 (b) The auditor shall include in the annual city audit report an examination of  
5 local government economic assistance funds granted to the city under KRS  
6 42.450 to 42.495. The auditor shall include a certification with the annual  
7 audit report that the funds were expended for the purpose intended;

8 (c) All audit information be prepared in accordance with generally accepted  
9 governmental auditing standards which include tests of the accounting records  
10 and auditing procedures considered necessary in the circumstances. Where the  
11 audit is to cover the use of state or federal funds, appropriate state or federal  
12 guidelines shall be utilized;

13 (d) The auditor prepare a typewritten or printed report embodying:

14 1. The basic financial statements and accompanying supplemental and  
15 required supplemental information;

16 2. The auditor's opinion on the basic financial statements or reasons why  
17 an opinion cannot be expressed; and

18 3. Findings required to be reported as a result of the audit;

19 (e) The completed audit and all accompanying documentation shall be presented  
20 to the city legislative body at a regular or special meeting; and

21 (f) Any contract with a certified public accountant for an audit shall require the  
22 accountant to forward a copy of the audit report and management letters to the  
23 Auditor of Public Accounts upon request of the city or the Auditor of Public  
24 Accounts, and the Auditor of Public Accounts shall have the right to review  
25 the certified public accountant's work papers upon request.

26 (5) A copy of an audit report which meets the requirements of this section shall be  
27 considered satisfactory and final in meeting any official request to a city for

- 1 financial data, except for statutory or judicial requirements, or requirements of the  
2 Legislative Research Commission necessary to carry out the purposes of KRS  
3 6.955 to 6.975.
- 4 (6) Each city shall, within thirty (30) days after the presentation of an audit to the city  
5 legislative body, publish an advertisement in accordance with KRS Chapter 424  
6 containing:
- 7 (a) The auditor's opinion letter;
- 8 (b) The "Budgetary Comparison Schedules-Major Funds," which shall include  
9 the general fund and all major funds;
- 10 (c) A statement that a copy of the complete audit report, including financial  
11 statements and supplemental information, is on file at city hall and is  
12 available for public inspection during normal business hours;
- 13 (d) A statement that any citizen may obtain from city hall a copy of the complete  
14 audit report, including financial statements and supplemental information, for  
15 his personal use;
- 16 (e) A statement which notifies citizens requesting a personal copy of the city  
17 audit report that they will be charged for duplication costs at a rate that shall  
18 not exceed twenty-five cents (\$0.25) per page; and
- 19 (f) A statement that copies of the financial statement prepared in accordance with  
20 KRS 424.220 are available to the public at no cost at the business address of  
21 the officer responsible for preparation of the statement.
- 22 (7) Any city of the fifth or sixth class may utilize the alternative publication methods  
23 authorized by KRS 424.190(2) to comply with the provisions of this section.
- 24 (8) Any person who violates any provision of this section shall be fined not less than  
25 fifty dollars (\$50) nor more than five hundred dollars (\$500). In addition, any  
26 officer who fails to comply with any of the provisions of this section shall, for each  
27 failure, be subject to a forfeiture of not less than fifty dollars (\$50) nor more than

1 five hundred dollars (\$500), in the discretion of the court, which may be recovered  
2 only once in a civil action brought by any resident of the city. The costs of all  
3 proceedings, including a reasonable fee for the attorney of the resident bringing the  
4 action, shall be assessed against the unsuccessful party.

5 Section 63. KRS 91A.050 is amended to read as follows:

6 The *Governor's Office for Local Development*~~[Department for Local Government]~~ shall  
7 make available to all cities assistance in meeting the requirements of KRS 91A.010 to  
8 91A.060, including the preparation and dissemination of model systems for accounting  
9 and budgeting, and other technical materials.

10 Section 64. KRS 96.530 is amended to read as follows:

11 (1) Any city acquiring or constructing an electric light, heat, and power plant under the  
12 provisions of KRS 96.520 shall, by ordinance, appoint a city utility commission  
13 consisting of three (3) commissioners to operate, manage, and control the plant,  
14 except that a city of the second class shall appoint five (5) commissioners. The  
15 utility commission shall have absolute control of the plant in every respect,  
16 including its operation and fiscal management and the regulation of rates, except  
17 that in fixing rates the commission shall be governed by the provisions of KRS  
18 96.430, as it is made applicable to those plants by KRS 96.520, and by any  
19 ordinance enacted under that section, except that in fixing rates the commission in a  
20 city of the second or third class shall be governed by the provisions of KRS 96.535  
21 and any ordinance enacted according to this section. The utility commission, when  
22 so appointed, shall be a public body politic and corporate, with perpetual  
23 succession; and the body may contract and be contracted with, sue and be sued, in  
24 and by its corporate name, and have and use a corporate seal. The utility  
25 commission shall provide rules for the management of the plant, and it shall fix the  
26 number, qualifications, pay, and terms of employment of all employees needed to  
27 operate the plant. In cities of the second or third class providing civil service

1 coverage for city employees, the utility commission appointed under this section  
2 may provide civil service coverage for all of its employees and it shall exercise the  
3 powers and functions with respect to their employees which are vested in the city  
4 legislative body with respect to the city employees by KRS 90.380. Employees who  
5 have been in the employment of the utility commission for one (1) year  
6 immediately preceding the adoption of an order by the utility commission placing  
7 all of its employees under civil service coverage shall not be required to stand a  
8 civil service examination and they shall be eligible for all the benefits provided by  
9 civil service coverage. Out of the revenue of the plant, it shall pay operating  
10 expenses, repairs, and necessary additions and provide sufficient reserve fund  
11 against any emergency that may arise. The commission shall from time to time pay  
12 to the city the surplus revenue derived from the operation of the plant as is provided  
13 in KRS 96.430 and 96.440, as they are made applicable to the plants by KRS  
14 96.520, except that the commission in a city of the second or third class shall pay to  
15 the city the surplus revenue derived from the operation of the plant as is provided in  
16 KRS 96.535 and any ordinance adopted according to this section. Notwithstanding  
17 the foregoing provisions, the utility commission, for the purpose stated in  
18 subsection (1) of KRS 96.520, may enter into an agreement for the operation of any  
19 of its plants or other facilities.

20 (2) Except as provided in KRS 61.070, no person shall be appointed a member of the  
21 commission who has, within the last two (2) years before his appointment, held any  
22 city, county, state, or federal office, or been a member of any committee of any  
23 political party, or who is related within the third degree to the mayor, or a member  
24 of a city legislative body. The commission shall not appoint to any subordinate  
25 office that it may create any person who is related to any commissioner, to the  
26 mayor or to any member of the city legislative body. No officer or employee of the  
27 city, whether holding a paid or unpaid office, shall be eligible to be appointed as a

1 member of the commission or to be employed by the commission in any capacity.  
2 The members of the commission shall be citizens, taxpayers, and legal voters of the  
3 city and shall not at the time of appointment be indebted to the city or be surety on  
4 the official bond of any officer of the city. If at any time during his term of office  
5 any member of the commission becomes a candidate for or is elected or appointed  
6 to any public office, he shall automatically vacate his membership on the  
7 commission and another person shall be appointed in his place.

8 (3) The city shall pay the cost of securing bonds for the commissioners from a surety  
9 company, and each commissioner shall execute bond to be approved by the city  
10 legislative body.

11 (4) The city legislative body shall fix the salary to be paid each member of the  
12 commission at a sum not to exceed two thousand four hundred dollars (\$2,400) per  
13 annum. The Governor's Office for Local Development~~Department for Local~~  
14 ~~Government~~ shall compute by the second Friday in February of every year the  
15 annual increase or decrease in the Consumer Price Index of the preceding year by  
16 using 1998 as the base year, and the salary of the commissioners may be adjusted at  
17 a rate no greater than that stipulated by the Governor's Office for Local  
18 Development~~department~~.

19 (5) The first commissioners appointed under this section shall be appointed one (1) for  
20 the term of one (1) year, one (1) for the term of two (2) years and one (1) for the  
21 term of three (3) years. Upon the expiration of the first terms, successors shall be  
22 appointed for a term of three (3) years. On a commission with five (5) members, not  
23 more than two (2) members shall hold concurrent terms of office.

24 (6) All commission members appointed subsequent to the initial members shall be  
25 appointed by the mayor or chief executive of the municipality, with the approval of  
26 the governing body of the municipality.

27 Section 65. KRS 136.658 is amended to read as follows:

1 (1) The Local Distribution Fund Oversight Committee is hereby created and  
2 administratively attached to and staffed by the department. The oversight  
3 committee shall consist of nine (9) members appointed by the Governor and shall  
4 be representative of local government and state government officials. The Governor  
5 shall receive recommendations for four (4) members each from the Kentucky  
6 Association of Counties and the Kentucky League of Cities from which the  
7 Governor shall select two (2) members each. The Governor shall receive  
8 recommendations for two (2) members each from the Kentucky School Board  
9 Association, the Kentucky Superintendents Association, and the Kentucky School  
10 Administrators Association from which the Governor shall select one (1) member  
11 each. One (1) member shall be appointed by the Governor to represent the interests  
12 of special districts other than school districts. The remaining member shall be the  
13 commissioner of the Governor's Office for Local Development, ~~Department for~~  
14 ~~Local Government~~ who shall serve as chairperson of the oversight committee. The  
15 members shall serve for a term of three (3) years. Five (5) members of the oversight  
16 committee shall constitute a quorum. A member may be removed for cause in  
17 accordance with procedures established by the oversight committee and shall serve  
18 without salary but shall be reimbursed for expenses in the same manner as state  
19 employees. Any vacancy occurring on the oversight committee shall be filled by the  
20 Governor for the unexpired term.

21 (2) The duties of the oversight committee shall be:

22 (a) To monitor the department's implementation and distribution of funds from  
23 the gross revenues and excise tax fund and the state baseline and local growth  
24 fund and to report its findings to the commissioner of the department; and

25 (b) To act as a finder of fact for the commissioner of the department in disputes in  
26 and between political subdivisions, school districts, special districts, and  
27 sheriff departments, and between political subdivisions, school districts,

- 1 special districts, and sheriff departments, and the department regarding the  
2 implementation and distribution of funds from the gross revenues and excise  
3 tax fund and the state baseline and local growth fund.
- 4 (3) The department shall provide the oversight committee with an annual report  
5 reflecting the amounts distributed to each participating political subdivision, school  
6 district, special district, or sheriff department.
- 7 (4) Any political subdivision, school district, special district, or sheriff department may  
8 file a complaint and request a hearing with the oversight committee on a form  
9 prescribed by the committee. The oversight committee shall give notice to any  
10 political subdivision, school district, special district, or sheriff department that may  
11 be affected by the complaint. Any political subdivision, school district, special  
12 district, or sheriff department intending to respond to the complaint shall do so in  
13 writing within thirty (30) days of notice of the complaint.
- 14 (5) In conducting its business:
- 15 (a) The oversight committee shall give due notice of the times and places of its  
16 hearings;
- 17 (b) The parties shall be entitled to be heard, to present evidence, and to examine  
18 and cross-examine witnesses;
- 19 (c) The oversight committee shall act by majority vote;
- 20 (d) The oversight committee shall adopt and publish rules of procedure and  
21 practice regarding its hearings; and
- 22 (e) The oversight committee shall make written findings and recommendations to  
23 the commissioner of the department.
- 24 (6) The commissioner of the department shall review the findings and  
25 recommendations of the oversight committee and issue a final ruling within sixty  
26 (60) days of receipt of the recommendations.
- 27 (7) The parties in the dispute shall have the rights and duties to appeal any final ruling

1 to the Kentucky Board of Tax Appeals under KRS 131.340.

2 (8) Nothing contained in this section shall prevent at any time a written compromise of  
3 any matter or matters in dispute, if otherwise lawful, by the parties to the hearing  
4 process.

5 Section 66. KRS 147A.004 is amended to read as follows:

6 (1) The **Governor's Office for Local Development**~~[Department for Local Government]~~  
7 shall administer distribution of state and federal planning funds to area  
8 development districts and shall require by administrative regulation financial and  
9 operational reports, audits, and other controls as are necessary to assure compliance  
10 with state and federal laws relating to funds received by the area development  
11 districts.

12 (2) The **Governor's Office for Local Development**~~[Department for Local Government]~~  
13 shall promulgate administrative regulations as will assure statewide coordination of  
14 the planning and assistance operations of the area development districts.

15 Section 67. KRS 147A.020 is amended to read as follows:

16 (1) The state local debt officer and the state local finance officer within the **Governor's**  
17 **Office for Local Development**~~[Department for Local Government]~~ shall exercise  
18 the following administrative functions of the state:

19 (a) The state local debt officer shall exercise all administrative functions as  
20 provided in the county debt act, KRS 66.280 to 66.390, and administrative  
21 functions relating to local government bonds as provided in KRS 66.045; and

22 (b) The state local finance officer shall exercise all administrative functions  
23 regarding county and local government budgets, as provided in KRS 68.210  
24 to 68.360.

25 (2) The state local debt officer shall have the following powers and duties:

26 (a) To require reports from local governments to enable him to adequately  
27 provide the technical and advisory assistance authorized by this section. The

1 reports shall provide the necessary information for a complete file on local  
2 government debt, which the state local debt officer shall keep open for public  
3 inspection at the *Governor's Office for Local Development*~~[Department for~~  
4 ~~Local Government]~~;

5 (b) To conduct studies in debt management, including ways and means of  
6 appraising the terms of alternative bids;

7 (c) To request assistance and information, which shall be provided by all  
8 departments, divisions, boards, bureaus, commissions, and other agencies of  
9 state government, to enable the state local debt officer to carry out his duties  
10 under this section; and

11 (d) To compile and publish annually a report which shall include detailed  
12 information on local government long-term debt issued and retired during the  
13 previous year and outstanding, and other available statistical data on local  
14 government finances.

15 (3) The state local finance officer shall have the following powers and duties:

16 (a) To coordinate for the Governor the state's responsibility for, and shall be  
17 responsible for liaison with the appropriate state and federal agencies with  
18 respect to, general revenue sharing for local government;

19 (b) To provide technical assistance and information to units of local government  
20 on matters including, but not limited to, fiscal management, purchases, and  
21 contracts; and

22 (c) To conduct training programs to instruct county and other local officials  
23 respecting their duties and responsibilities in the collection, expenditure, and  
24 management of public moneys subject to their control and jurisdiction.

25 Section 68. KRS 147A.021 is amended to read as follows:

26 (1) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
27 shall have the following powers and duties:

- 1 (a) To require any reports from local governments that will enable it adequately  
2 to provide the technical and advisory assistance authorized by this section.
- 3 (b) To encourage, conduct, or participate in training courses in procedures and  
4 practices for the benefit of local officials, and in connection therewith, to  
5 cooperate with associations of public officials, business and professional  
6 organizations, university faculties, or other specialists.
- 7 (c) To request assistance and information, which shall be provided by all  
8 departments, divisions, boards, bureaus, commissions, and other agencies of  
9 state government to enable the *Governor's Office for Local*  
10 *Development*~~[Department]~~ to carry out its duties under this section.
- 11 (d) At its discretion, to compile and publish annually a report on local  
12 government.
- 13 (2) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
14 shall coordinate for the Governor the state's responsibility for, and shall be  
15 responsible for liaison with the appropriate state and federal agencies with respect  
16 to, the following programs:
- 17 (a) Demonstration cities and metropolitan development act as amended with the  
18 exception of Title I of the Housing and Community Development Act of 1974  
19 as amended through 1981;
- 20 (b) Farmers Home Administration;
- 21 (c) Veterans Administration Act as amended, as it pertains to housing.
- 22 (3) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
23 shall provide technical assistance and information to units of local government,  
24 including but not limited to:
- 25 (a) Personnel administration;
- 26 (b) Ordinances and codes;
- 27 (c) Community development;

- 1 (d) Appalachian Regional Development Program;
- 2 (e) Economic Development Administration Program;
- 3 (f) Intergovernmental Personnel Act Program;
- 4 (g) Land and Water Conservation Fund Program;
- 5 (h) Area Development Fund Program;
- 6 (i) ~~Gas System Restoration Project;~~
- 7 (j) Joint Funding Administration Program;
- 8 (k) State clearinghouse for A-95 review;
- 9 (l) The memorandums of agreement with the area development districts to  
10 provide management assistance to local governments; and
- 11 (m) The urban development office.
- 12 (4) The **Governor's Office for Local Development** ~~Department for Local Government~~  
13 shall exercise all of the functions of the state local finance officer provided in KRS  
14 Chapters 66, 68, and 131 relating to the control of funds of counties, cities, and  
15 other units of local government.
- 16 (5) Upon request of the Administrative Office of the Courts, the **Governor's Office for**  
17 **Local Development** ~~Department for Local Government~~ shall evaluate the financial  
18 condition of any local unit of government selected to participate in a court facilities  
19 construction or renovation project under KRS 26A.160 and shall certify to the  
20 Administrative Office of the Courts the local unit of government's ability to  
21 participate in the project.
- 22 Section 69. KRS 147A.025 is amended to read as follows:
- 23 (1) Except as provided in subsection (7) of this section, the **Governor's Office for**  
24 **Local Development** ~~Department for Local Government~~ with the advice and  
25 approval of the state local finance officer annually shall conduct a program to  
26 instruct county clerks, sheriffs, jailers, and county treasurers respecting their duties  
27 and responsibilities in the collection and expenditure of public moneys, subject to

1 their control and jurisdiction.

2 (2) The **Governor's Office for Local Development**~~[department]~~ with the advice and  
3 approval of the state local finance officer shall establish the content and publish  
4 instructional materials essential to implementing this program. Subsequent to every  
5 regular and extraordinary session of the General Assembly, the **Governor's Office**  
6 **for Local Development**~~[department]~~ with the state local finance officer shall review  
7 and revise, if necessary, the program when it is found not to be consistent with state  
8 law.

9 (3) The **Governor's Office for Local Development**~~[department]~~ may assess a charge to  
10 any person requesting copies of instructional materials published as provided by  
11 this section to cover actual costs of printing and handling these materials, except  
12 that no county official shall be charged for instructional materials provided for his  
13 use. Funds accruing from the sale of instructional materials shall be paid into the  
14 State Treasury, and the State Treasurer shall pay these funds into an account of the  
15 **Governor's Office for Local Development**~~[department]~~ to defray the costs of  
16 printing and handling these materials.

17 (4) The commissioner of the **Governor's Office for Local Development**~~[department]~~  
18 with the advice and approval of the state local finance officer may prescribe  
19 completion standards for this program, and may, subject to subsection (6) of this  
20 section, establish the number, type and sequence of instructional sessions to be  
21 conducted by the **Governor's Office for Local Development**~~[department]~~; but the  
22 commissioner of the **Governor's Office for Local Development**~~[department]~~ shall  
23 not require the attendance of any county official, nor shall he prescribe any  
24 requirement or standard that restricts or impairs a county official or elected  
25 candidate in the lawful pursuit or conduct of the office to which he is elected.

26 (5) The **Governor's Office for Local Development**~~[department]~~ shall notify in advance  
27 each county clerk, sheriff, jailer, and county treasurer respecting instructional

1 session pertinent to his office. Notification shall be by mail, and it shall be posted  
2 no later than twenty-one (21) days prior to the instructional session. At a minimum,  
3 the notice shall give the date, time, place and title of the instruction session.

4 (6) The *Governor's Office for Local Development*~~[department]~~ shall conduct this  
5 program by providing a one (1) day session at various locations throughout this  
6 state in order to minimize the travel expenses of those officials attending, provided  
7 that the aggregate number of all sessions shall not exceed five (5) during any  
8 calendar year. Except as provided in subsection (7) of this section, the *Governor's*  
9 *Office for Local Development*~~[department]~~ may commence instruction anytime  
10 during a calendar year.

11 (7) The *Governor's Office for Local Development*~~[department]~~ shall not conduct a  
12 program as provided by this section during any calendar year when a general  
13 election is held for every constitutional county office. The *Governor's Office for*  
14 *Local Development*~~[department]~~, however, shall commence instruction for the  
15 succeeding year within eighty (80) days following said general election.

16 (8) Every county official who attends an instructional session shall be paid his actual  
17 and necessary expenses in attending from the operating funds of his office.

18 (9) In fulfilling the requirements of this section, the *Governor's Office for Local*  
19 *Development*~~[department]~~ shall confer with and coordinate its duties and  
20 responsibilities with the Finance and Administration Cabinet and the Auditor of  
21 Public Accounts. The *Governor's Office for Local Development*~~[department]~~ shall  
22 also confer with those state universities whose mission statements mandate their  
23 participation in the training of public officials, the state associations for those  
24 officials listed in subsection (1) of this section, and the Kentucky Association of  
25 Counties, respecting the implementation of this section.

26 Section 70. KRS 147A.028 is amended to read as follows:

27 (1) In enacting a parks establishment aid law, it is the intention of the General

1 Assembly to supplement local efforts to establish park and recreational facilities.  
2 The inadequacy of present facilities and the high cost of acquisition and  
3 establishment of park recreational facilities are hereby declared to be matters of  
4 public interest and concern and vital to the promotion of the health, welfare and  
5 industrial development of the inhabitants of the Commonwealth.

6 (2) The commissioner of the *Governor's Office for Local Development*~~Department~~  
7 ~~for Local Government~~ shall cause to be established in the Treasury a special fund  
8 to be known as the local government parks and recreational facilities fund, to be  
9 administered by the commissioner. The fund shall be comprised of grants,  
10 contributions, appropriations and intergovernmental transfers. Moneys in the fund  
11 shall not lapse at the end of the fiscal year.

12 (3) The commissioner may, when he determines that a proposed local government plan  
13 for a park or other recreational facility would serve the public interest, use moneys  
14 from the local government parks and recreational facilities fund to aid local  
15 governmental units in their acquisition and establishment of local parks and  
16 recreational facilities, provided that local governmental units must provide  
17 matching funds for the project. The *Governor's Office for Local*  
18 *Development*~~Department for Local Government~~ may grant an amount up to five  
19 hundred thousand dollars (\$500,000) for any one (1) project, which amount shall  
20 not exceed fifty percent (50%) of the cost of the entire project. For the purposes of  
21 this section, local governmental units shall mean county governments, urban-  
22 county government, and governments of cities of any class. Title to parks and  
23 recreational facilities acquired by the use of funds authorized by this section shall  
24 vest in the local governmental unit which proposed the project and provided the  
25 matching funds.

26 (4) In September of each year, the commissioner shall determine the amount of funds  
27 available for distribution by December 31 of that same year. The commissioner

1 may prescribe standards for determining the amounts to be granted for local  
2 projects and any administrative regulations as may be necessary to implement the  
3 provisions of this section. Funds granted by the *Governor's Office for Local*  
4 *Development*~~[department]~~ shall be spent by the local governing authorities only for  
5 the acquisition and establishment of parks and recreational facilities or major  
6 improvements or additions to existing parks and shall not be used for operating or  
7 maintenance expenses.

8 Section 71. KRS 147A.029 is amended to read as follows:

- 9 (1) The commissioner of the *Governor's Office for Local Development*~~[Department~~  
10 ~~for Local Government]~~ shall administer and determine the disbursement of funds  
11 for the Local Match Participation Program.
- 12 (2) Funds appropriated for the Local Match Participation Program may be used as  
13 matching funds by local governments for flood-related projects and straight sewage  
14 pipe removal projects with:
- 15 (a) The United States Army Corps of Engineers;
  - 16 (b) The Federal Emergency Management Agency (FEMA); and
  - 17 (c) Other federal government grant and loan programs requiring local matching  
18 funds.
- 19 (3) Any general fund appropriations made for the Local Match Participation Program  
20 may be used for flood control planning and mitigation activities and straight sewage  
21 pipe removal and mitigation activities.

22 Section 72. KRS 147A.031 is amended to read as follows:

- 23 (1) The *Governor's Office for Local Development*~~[Department for Local~~  
24 ~~Government]~~, in cooperation with cities, counties, waste management districts,  
25 waste industries, the Environmental and Public Protection Cabinet, and the  
26 Environmental Quality Commission, shall develop procedures designed to resolve  
27 conflicts resulting from municipal solid waste management facility siting and

1 operation. The procedures shall address:

2 (a) Resolution of conflicts associated with multijurisdictional municipal solid  
3 waste management facilities, including the use of such techniques as  
4 negotiation, mediation, or arbitration to address issues including, but not  
5 limited to, host community compensation and collection and disposal fees;  
6 and

7 (b) Resolution of issues, except those relating to permit conditions imposed by  
8 the cabinet, resulting from municipal solid waste management facility siting  
9 and operation, including the use of such techniques as negotiation, mediation,  
10 or arbitration to address concerns of those persons and landowners who are  
11 directly affected by the facility's location and operation. Issues which may be  
12 addressed include, but are not limited to, the following:

- 13 1. Operational issues, such as hours of operation;
- 14 2. Recycling and composting efforts that may be implemented;
- 15 3. Protection of property values;
- 16 4. Traffic routing and road maintenance; and
- 17 5. Establishment of local advisory committees.

18 (2) The Governor's Office for Local Development~~[Department for Local Government]~~  
19 shall adopt administrative regulations to implement the provisions of subsection (1)  
20 of this section.

21 ~~(3) [By January 1, 1992, the Department for Local Government shall report to the~~  
22 ~~Governor and to the General Assembly the recommendations developed under~~  
23 ~~subsection (1) of this section.~~

24 ~~(4)~~ Nothing in this section shall be construed to abridge any rights or remedies  
25 provided by KRS Chapters 109 and 224, or at common law.

26 Section 73. KRS 147A.060 is amended to read as follows:

27 There shall be in each area development district a board of directors. The composition of

1 the board and the terms and appointments of its members in each district shall be  
2 specified by administrative regulation promulgated by the *Governor's Office for Local*  
3 *Development*~~[Department for Local Government]~~ in accordance with KRS Chapter 13A.  
4 The designee of a mayor or county judge/executive shall be a member of the designator's  
5 respective legislative body or their staff. Other persons who are not elected officials or  
6 members of their staffs may be designated as representatives with the consent of that  
7 body. The *Governor's Office for Local Development*~~[Department for Local~~  
8 ~~Government]~~ in specifying the composition of the board shall conform to applicable  
9 federal requirements. A person who is a state officer, a deputy state officer, or a member  
10 of the General Assembly may serve only in a nonmember advisory capacity to the board  
11 of directors of an area development district. An area development district board of  
12 directors shall notify legislators of the provisions of this section and of their right to  
13 participate in the activities of the area development district. If a legislator chooses to  
14 participate in accordance with this section, the area development district shall send  
15 meeting notices to that legislator at the same time board members are notified of the  
16 meetings.

17 Section 74. KRS 147A.250 is amended to read as follows:

18 A Railtrail Development Office is hereby created within the *Governor's Office for Local*  
19 *Development*~~[Department for Local Government]~~. The *Governor's Office for Local*  
20 *Development*~~[department]~~ shall insure that the office has the necessary expertise to carry  
21 out the requirements imposed upon it by this section. Among other railtrail functions and  
22 duties which may be assigned to it, the *Railtrail Development* Office shall carry on at  
23 least the following responsibilities:

24 (1) The office shall monitor the proceedings of the United States Department of  
25 Transportation's Surface Transportation Board and shall disseminate to interested  
26 entities in Kentucky information regarding those proceedings of interest to railtrail  
27 conversion or policy in the Commonwealth. If a railroad applies to the Surface

1           Transportation Board for authority to discontinue service over or abandon a railroad  
2           corridor in the Commonwealth, the office shall immediately notify those political  
3           subdivisions through which the corridor passes and any interested state agency of  
4           the proceedings and the potential for trail development of the corridor. Notice shall  
5           also be sent to the county judge/executive of each county through which the  
6           proposed abandonment passes, who shall distribute copies of the notice to each  
7           member of the chief legislative body of the county government at the next regularly  
8           scheduled meeting of that legislative body. The office shall also send a copy of the  
9           notice to each soil and water conservation district through which the abandonment  
10          passes. If time is of the essence and it appears that the corridor is a suitable  
11          candidate for conversion to a railtrail and that no other railtrail interested entity will  
12          be participating in the federal proceeding, the office shall take those steps necessary  
13          to cause a railbanking or public use condition to be imposed in the federal  
14          proceeding;

15       (2) The office shall assist any requesting political subdivision or agency of state  
16          government with assistance on any application to the Surface Transportation Board  
17          regarding an abandoned or about-to-be-abandoned railroad corridor, including any  
18          requests for railbanking or imposition of public use conditions;

19       (3) The office shall coordinate and promote railtrail development efforts among the  
20          various agencies of state government, including the Department of Parks and the  
21          Transportation Cabinet. While this subsection does not confer upon the office any  
22          powers beyond those that it may ordinarily possess, every entity of state  
23          government shall cooperate with the office to the extent practicable under the  
24          circumstances;

25       (4) The office shall furnish to requesting political subdivisions assistance in applying to  
26          available federal, state, or local funding sources for funds to be used for the process  
27          of converting railroad corridors into public use trails; and

- 1 (5) The office may apply for federal, state, or private grants or other forms of financial  
2 assistance to carry on its mission.

3 Section 75. KRS 148.022 is amended to read as follows:

- 4 (1) The *Governor's Office for Local Development*~~[Department for Local Government]~~  
5 shall administer and operate the outdoor recreation programs of the state and shall  
6 be responsible for developmental planning and the administration of United States  
7 Bureau of Outdoor Recreation funds.

- 8 (2) All functions of the Commonwealth relating to the Breaks Interstate Park shall be  
9 attached to the Commerce Cabinet for administrative purposes.

10 Section 76. KRS 148.690 is amended to read as follows:

- 11 (1) The department shall review all formal declarations of railroad right-of-way  
12 abandonments by the Surface Transportation Board or other agency with  
13 jurisdiction and may review former railroad corridors for possible inclusion in the  
14 state trails system. The commissioner shall, within three (3) years after the route of  
15 a trail or trail segment included in the system has been located, determine the  
16 boundaries of the right-of-way to be associated with that trail. Such boundaries  
17 shall be established in such a manner that they protect the scenic value of the trail.

- 18 (2) The commissioner is authorized to develop effective procedures to assure that,  
19 wherever practicable, utility rights-of-way, abandoned railroad corridors, or similar  
20 properties having value for trail purposes may be made available for such use;  
21 however, the commissioner shall take into consideration the rights of adjacent  
22 property owners in the development of any such procedures. Other departments of  
23 state government having jurisdiction, control over, or information concerning the  
24 use, abandonment, or disposition of rights-of-way, railroad corridors, and similar  
25 properties that may be suitable for trail purposes shall cooperate with the  
26 commissioner in the transfer of these rights for trail use. These procedures shall  
27 include, at a minimum, that, for every railroad corridor that is the subject of a

1 request for federal authority to discontinue service or for federal regulatory  
2 abandonment, the commissioner shall evaluate the potential of converting that  
3 corridor into a railtrail. The commissioner shall cause a preliminary review to be  
4 completed within thirty (30) days of the publication of the request for federal  
5 authority in the Federal Register. The commissioner shall cause a final review to be  
6 completed ninety (90) days after the publication of the request for federal authority  
7 in the Federal Register. The commissioner shall timely transmit copies of these  
8 reviews to the Legislative Research Commission and to the Commonwealth's  
9 Railtrail Development Office in the *Governor's Office for Local*  
10 *Development*~~Department for Local Government~~ as they are completed. If either  
11 review indicates the possibility of converting the corridor into a railtrail, the  
12 commissioner may participate in the federal proceeding to request that the corridor  
13 be railbanked in accordance with federal law or to request the imposition of a  
14 public use condition.

15 Section 77. KRS 152.055 is amended to read as follows:

16 The *Governor's Office for Local Development*~~Department for Local Government~~ shall  
17 have responsibility for the administration and coordination of Appalachian regional  
18 development programs and economic development administration programs.

19 Section 78. KRS 154.33-603 is amended to read as follows:

- 20 (1) The corporation shall be governed by a board of directors consisting of seven (7)  
21 voting members and three (3) ex officio members as follows:
- 22 (a) Three (3) members representing the three (3) county governments, one (1) to  
23 be appointed by the county judge/executive of Knott County, one (1) to be  
24 appointed by the county judge/executive of Letcher County, and one (1) to be  
25 appointed by the county judge/executive of Perry County;
  - 26 (b) Three (3) members appointed by the Governor, one (1) each from Knott,  
27 Letcher, and Perry Counties;

- 1 (c) The secretary of the Finance and Administration Cabinet, or his or her  
2 designee, as a voting member;
- 3 (d) The secretary of the Commerce Cabinet, or his or her designee, as an ex  
4 officio, nonvoting member;
- 5 (e) The secretary of the Cabinet for Economic Development, or his or her  
6 designee, as an ex officio, nonvoting member; and
- 7 (f) The commissioner of the Governor's Office for Local  
8 Development~~Department for Local Government~~, or his or her designee, as  
9 an ex officio, nonvoting member.
- 10 (2) Appointed members shall serve staggered terms of four (4) years beginning August  
11 1, 2000, except that of the initial appointments:
- 12 (a) One (1) member appointed by the Governor and the member appointed by the  
13 county judge/executive of Knott County shall each serve a term of four (4)  
14 years;
- 15 (b) One (1) member appointed by the Governor and the member appointed by the  
16 county judge/executive of Letcher County shall each serve a term of three (3)  
17 years;
- 18 (c) The one (1) member appointed by the county judge/executive of Perry County  
19 shall serve a term of two (2) years; and
- 20 (d) One (1) member appointed by the Governor shall serve a term of one (1) year.
- 21 (3) A member may be removed by the appointing authority only for neglect of duty,  
22 misfeasance, or malfeasance and after being afforded an opportunity for a hearing  
23 in accordance with KRS Chapter 13B.
- 24 (4) Members of the board shall serve without compensation but shall be reimbursed for  
25 actual and necessary travel expenses incurred in the performance of their duties.  
26 The reimbursement shall be in accordance with administrative regulations  
27 promulgated under KRS Chapter 13A by the Finance and Administration Cabinet.

1 Section 79. KRS 164.3571 is amended to read as follows:

- 2 (1) The Governmental Services Center may, upon request~~[,]~~ of the *Governor's Office*  
3 *for Local Development*~~[Department for Local Government]~~, and as financial and  
4 staff resources permit, develop, coordinate, implement, assist, and conduct  
5 employee and management training programs, seminars, and conferences, for  
6 agencies, departments, divisions, boards, and commissions of county and city  
7 government, and any other political subdivisions of the state.
- 8 (2) The Governmental Services Center may enter into contractual agreements with  
9 county and city governments and other political subdivisions as necessary to allow  
10 the Governmental Services Center to properly perform its duties and  
11 responsibilities as established by KRS 164.3571 to 164.3573.
- 12 (3) Any agency of a county, city, or other political subdivision whose employees  
13 receive the benefit of the Governmental Services Center's services, shall reimburse  
14 the Governmental Services Center for those costs and expenses which it incurs as a  
15 result of providing these services.

16 Section 80. KRS 171.381 is amended to read as follows:

- 17 (1) The Kentucky Heritage Council shall be dedicated to the preservation and  
18 protection of all meaningful vestiges of Kentucky's heritage for succeeding  
19 generations, and in pursuit of this dedication it shall engage in and concern itself  
20 with worthy projects and other matters related to the conservation and continuing  
21 recognition of buildings, structures, sites, and other landmarks associated with the  
22 archaeological, cultural, economic, military, natural, political, or social aspects of  
23 Kentucky's history.
- 24 (2) The duties and functions of the council shall be to:
- 25 (a) Review and recommend appropriate projects and programs to insure the  
26 proper recognition, preservation, and protection of matters related to  
27 Kentucky's heritage, particularly those in the nature of or associated with real

- 1           property;
- 2           (b) Advise, consult, and cooperate generally with state, local, and national
- 3           officials and agencies to accomplish the purposes to which the council is
- 4           dedicated, and specifically with the Kentucky Department of Parks and
- 5           Historical Society in matters of common concern;
- 6           (c) Encourage, promote, and coordinate historic preservation programs being
- 7           conducted in Kentucky by other agencies or groups, public and private; and
- 8           (d) Prepare and maintain an inventory or survey of Kentucky's resource of
- 9           historic buildings, sites, structures, and other landmarks, and list in an official
- 10          roll those such landmarks which possess statewide or national significance.
- 11       (3) The council may:
- 12           (a) Accept grants or other funds or property from any available source, public or
- 13           private;
- 14           (b) Employ, with the approval of the Governor, such staff as may be necessary.
- 15           Any member of such staff shall be entitled to compensation under KRS
- 16           Chapter 18A, and may be reimbursed for necessary and actual expenses in
- 17           accordance with the provisions of KRS Chapters 44 and 45;
- 18           (c) Enter into such contractual relationships as may be necessary;
- 19           (d) Acquire real property, by gift or devise or by purchase pursuant to the
- 20           provisions of KRS 45A.045, and hold the same in the name of the
- 21           Commonwealth for the use and benefit of the council;
- 22           (e) Initiate its own projects of an appropriate nature, and undertake or otherwise
- 23           engage in joint projects with other agencies or groups, public or private; and
- 24           (f) Adopt such rules and regulations as may be necessary and incidental to the
- 25           performance of the council's duties and functions.
- 26       (4) The receipt, control, and expenditure of funds shall be subject to the general
- 27          provisions of the Kentucky Revised Statutes governing financial administration of

1 all state agencies.

2 (5) No provision of this section shall be construed as repealing any of the laws of the  
3 Commonwealth relating to the preservation, protection, and recognition of  
4 historical matters, but shall be held and construed as ancillary and supplemental  
5 thereto.

6 (6) The council shall receive applications, interview and recommend to the Governor  
7 three (3) persons as nominees for appointment as the director of the Heritage  
8 Division, Commerce Cabinet. The director of the Heritage Division shall be the  
9 state historic preservation officer.

10 (7) The responsibilities of the state historic preservation officer shall include:

11 (a) Development for the State Historic Preservation Program;

12 (b) Direction of a comprehensive statewide survey of historic properties;

13 (c) Nomination of historic properties to the National Register of Historic Places;

14 (d) Cooperation in the development of effective working relationships with  
15 federal, state, and local agencies that participate in the management of historic  
16 properties and in project planning that may affect historic properties;

17 (e) Cooperation in the integration of historic preservation planning with all levels  
18 of planning;

19 (f) Cooperation in the development and maintenance of a review procedure for  
20 publicly funded, assisted, and licensed undertakings that may affect historic  
21 properties within the state;

22 (g) Participation in the review of federal, federally assisted, and federally licensed  
23 undertakings that may affect historic properties included in or eligible for  
24 inclusion in the National Register under Section 106 of the National Historic  
25 Preservation Act and Executive Order 11593;

26 (h) Assisting federal agencies in fulfilling their historic preservation  
27 responsibilities under federal law and regulations;

- 1 (i) Liaison with organizations of professional archaeologists, historians,  
2 architects, architectural historians, planners, and others concerned with  
3 historic preservation;
- 4 (j) Development and operation of a program of public information and education  
5 concerning the preservation program;
- 6 (k) Administration of the grants program within the state;
- 7 (l) Preparation and maintenance of a comprehensive statewide historic  
8 preservation plan; and
- 9 (m) The immediate transmittal to the Department of Parks and to the  
10 Commonwealth's Railtrail Development Office in the *Governor's Office for*  
11 *Local Development*~~[Department for Local Government]~~ of any information  
12 received from a railroad or other person having an ownership interest in a  
13 railroad corridor pertaining to a proposed or pending action or proceeding to  
14 obtain federal authority for the regulatory abandonment of that railroad  
15 corridor.

16 Section 81. KRS 174.130 is amended to read as follows:

- 17 (1) The Transportation Cabinet, including any agency or other unit of government  
18 attached to the cabinet, shall immediately transmit to the Department of Parks and  
19 to the Commonwealth's Railtrail Development Office in the *Governor's Office for*  
20 *Local Development*~~[Department for Local Government]~~ any information received  
21 from a railroad or other person having an ownership interest in a railroad corridor  
22 pertaining to a proposed or pending action or proceeding to obtain federal authority  
23 for the regulatory abandonment of that railroad corridor.
- 24 (2) The Transportation Cabinet shall keep a record of railroad lines in the  
25 Commonwealth of Kentucky, including both lines that have been abandoned  
26 through the federal government's regulatory abandonment process and those where  
27 any railroad property interest in the railroad corridor itself has been abandoned

1 under Kentucky law. The cabinet shall annually publish an updated map showing  
2 the location and as much information as to the status of these lines as practicable.

3 The record shall include, inasmuch as possible:

- 4 (a) A description of the line and its location;
- 5 (b) The current or last railroad owner of the line;
- 6 (c) The operator of the line;
- 7 (d) The addresses and phone numbers for the owners and operators of the lines;
- 8 (e) Whether the owner of the line has received authority from the Federal  
9 Government to discontinue service over the line;
- 10 (f) Whether the owner of the line has received authority from the Federal  
11 Government to abandon the line;
- 12 (g) Whether the owner of the line has consummated any authority granted by the  
13 Federal Government to discontinue service over the line or to abandon the  
14 line;
- 15 (h) Whether the line has been railbanked under either federal or state law; and
- 16 (i) Any other information the cabinet deems pertinent and useful to the public.

17 Section 82. KRS 177.360 is amended to read as follows:

- 18 (1) Except as provided in subsection (5) of this section, the Department of  
19 Intergovernmental Programs shall allocate the funds set apart under KRS  
20 177.320(1) for construction, reconstruction, and maintenance of state-maintained  
21 secondary and rural highways as follows:

- 22 (a) One-fifth (1/5) shall be apportioned equally among the one hundred twenty  
23 (120) counties.
- 24 (b) One-fifth (1/5) shall be apportioned among the one hundred twenty (120)  
25 counties on the basis of the ratio which the rural population of each county  
26 bears to the total rural population of the state. "Rural population" as used here  
27 means the population in a county outside cities, towns, and urban areas having

1 a population of twenty-five hundred (2,500) or more as shown by the most  
2 recent decennial census of the United States Bureau of the Census, and county  
3 population shall be determined by the most recent decennial census of the  
4 United States Bureau of the Census.

5 (c) One-fifth ( $1/5$ ) shall be apportioned among the one hundred twenty (120)  
6 counties on the basis of the ratio that the public road mileage outside of cities,  
7 towns, and urban areas having a population of twenty-five hundred (2,500) or  
8 more bears to the total mileage of such roads for the entire state.

9 (d) Two-fifths ( $2/5$ ) shall be apportioned among the one hundred twenty (120)  
10 counties on the basis of the ratio which the square-mile rural area of the  
11 county bears to the total square-mile rural area of the state. "Rural area" as  
12 used here means that area of the county outside of cities, towns, and urban  
13 areas having a population of twenty-five hundred (2,500) or more and shown  
14 by the most recent decennial census of the United States Bureau of the  
15 Census.

16 (2) A sum not exceeding six percent (6%) of the allocation provided by KRS  
17 177.320(1) to each county shall be deducted at the beginning of each fiscal year and  
18 adjusted quarterly to cover the maintenance, administrative, engineering, and other  
19 costs of the program.

20 (3) Of the total amount apportioned by the provisions of this section, a sum not  
21 exceeding six percent (6%) may be deducted and placed by the Department of  
22 Intergovernmental Programs in a special emergency account to be expended at the  
23 direction of the commissioner to meet unforeseen emergencies on rural and  
24 secondary roads and bridges.

25 (4) Apportionments as required by the provisions of this section shall be made on the  
26 basis of revenue estimates supplied by the Finance and Administration Cabinet and  
27 adjusted quarterly in accordance with the most recent revision of the estimates by

1 the Finance and Administration Cabinet.

- 2 (5) Any county eligible to receive county road aid moneys in accordance with KRS  
3 177.320 and this section shall be required to submit a uniform financial information  
4 report to the Governor's Office for Local Development~~Department for Local~~  
5 ~~Governments~~ in accordance with KRS 65.905 before any payment of county road  
6 aid funds shall be made. The Governor's Office for Local  
7 Development~~Department for Local Government~~ shall notify the Department of  
8 Intergovernmental Programs no later than March 1 annually of any county that has  
9 not submitted a uniform financial information report. The Department of  
10 Intergovernmental Programs shall, upon notification by the Governor's Office for  
11 Local Development,~~department~~ immediately suspend all county road aid moneys  
12 to the county until the county complies with the provisions of KRS 65.900 to  
13 65.925~~[65.915]~~ and submits the uniform financial information report to the  
14 Governor's Office for Local Development~~Department for Local Government~~.  
15 The Governor's Office for Local Development~~department~~ shall immediately  
16 notify the Department of Intergovernmental Programs to reinstate county road aid  
17 moneys to any county affected by this subsection as soon as the county submits the  
18 uniform financial information report.

19 Section 83. KRS 177.366 is amended to read as follows:

- 20 (1) Except as provided in subsection (8) of this section, on and after July 1, 1980, the  
21 Finance and Administration Cabinet shall allocate to each incorporated city and  
22 "unincorporated urban place" its pro rata share of the funds set apart for  
23 construction, reconstruction, and maintenance of urban roads and streets on the  
24 basis of the ratio which the population in the incorporated cities and in  
25 "unincorporated urban places" bears to the total population in incorporated cities  
26 and in "unincorporated urban places" of the state. "Unincorporated urban places" as  
27 used here, means an area as defined in KRS 81.015, and any area outside of

1 incorporated cities, which area has a population of 2,500 or more as shown by the  
2 most recent decennial census of the United States Bureau of the Census, and all  
3 populations shall be determined by the most recent decennial census of the United  
4 States.

5 (2) Any area which becomes incorporated after December 31, 1970, shall not be  
6 eligible to participate in the Municipal Aid Program until the beginning of the  
7 second fiscal year following its incorporation and population certification. It shall  
8 be the responsibility of the newly incorporated area to provide the Finance and  
9 Administration Cabinet with documentation from the United States Bureau of the  
10 Census showing the population of the newly incorporated area as it existed at the  
11 time of the last decennial census.

12 (3) In the event the newly incorporated area cannot obtain a population count from the  
13 Bureau of the Census, it shall not be eligible to participate in the Municipal Aid  
14 Program until the next decennial census.

15 (4) If an incorporated city, whose incorporation took place prior to December 31, 1970,  
16 annexes additional area, the population of the annexed area will not be counted in  
17 the allocation of municipal aid funds until the beginning of the second fiscal year  
18 following annexation and population certification.

19 (5) It shall be the responsibility of the incorporated city to provide the Finance and  
20 Administration Cabinet with documentation from the United States Bureau of the  
21 Census showing the population for the annexed area as it existed at the time of the  
22 last decennial census.

23 (6) If the incorporated area cannot obtain a population count from the Bureau of the  
24 Census, the annexed area's population shall not be eligible to be counted in the  
25 distribution of the municipal aid fund. However, the streets included in the annexed  
26 areas shall be eligible to receive work through this program.

27 (7) Apportionments as required by the provisions of this section shall be made on the

1 basis of revenue estimates supplied by the Office of State Budget Director and shall  
2 be adjusted quarterly in accordance with the most recent revision of the estimates  
3 by the Office of State Budget Director.

4 (8) Any local government eligible to receive municipal road aid moneys pursuant to  
5 KRS 177.365 to 177.369 shall be required to submit a uniform financial  
6 information report to the *Governor's Office for Local Development*~~[Department for  
7 Local Government]~~ pursuant to KRS 65.905 before any payment of municipal road  
8 aid funds shall be made. The *Governor's Office for Local  
9 Development*~~[Department for Local Government]~~ shall notify the Finance and  
10 Administration Cabinet no later than March 1 annually of any local government  
11 that has not submitted a uniform financial information report. The Finance and  
12 Administration Cabinet shall, upon notification by the *Governor's Office for Local  
13 Development*~~[department]~~, immediately suspend all municipal road aid moneys to  
14 the local government until the local government complies with the provisions of  
15 KRS 65.900 to 65.925~~[65.915]~~ and submits the uniform financial information  
16 report to the *Governor's Office for Local Development*~~[Department for Local  
17 Government]~~. The *Governor's Office for Local Development*~~[department]~~ shall  
18 immediately notify the Finance and Administration Cabinet to reinstate municipal  
19 road aid moneys to any local government affected by this subsection as soon as the  
20 local government submits the uniform financial information report.

21 Section 84. KRS 179.410 is amended to read as follows:

22 The *Governor's Office for Local Development*~~[Department for Local Government]~~ shall  
23 allocate the sum appropriated by the General Assembly from the funds arising under the  
24 provisions of KRS 177.320(2), for the construction, reconstruction, improvement, and  
25 maintenance of county roads and bridges in accordance with the provisions of KRS  
26 177.360(1).

27 Section 85. KRS 179.415 is amended to read as follows:

- 1 (1) On and after the fiscal year beginning July 1, 1980, and each fiscal year thereafter,  
2 the *Governor's Office for Local Development*~~[Department for Local Government]~~  
3 shall pay to each county its pro rata share of any funds appropriated and any  
4 unexpended balance of funds appropriated for construction, reconstruction,  
5 improvement, and maintenance of county roads and bridges. During each fiscal  
6 year, the *Governor's Office for Local Development*~~[department]~~ shall make  
7 quarterly payments to each such county of the funds allocated in accordance with  
8 KRS 177.369.
- 9 (2) The expenditure of any money received by the county in accordance with the  
10 provisions of subsection (1) of this section shall be made solely for the purpose of  
11 construction, reconstruction, improvement, and maintenance of county roads and  
12 bridges.
- 13 (3) Any county which has received any money in accordance with the provisions of  
14 subsection (1) of this section shall retain all records of the expenditure of the money  
15 for a period of five (5) years and said records shall be subject to audit by the  
16 *Governor's Office for Local Development*~~[Department for Local Government]~~ for  
17 said period of time in order to determine the proper expenditure of said money for  
18 the purpose required by KRS 179.410.
- 19 Section 86. KRS 198A.030 is amended to read as follows:
- 20 (1) There is hereby created and established an independent, de jure municipal  
21 corporation and political subdivision of the Commonwealth which shall be a public  
22 body corporate and politic to be known as the Kentucky Housing Corporation.
- 23 (2) The Kentucky Housing Corporation is created and established as a de jure  
24 municipal corporation and political subdivision of the Commonwealth to perform  
25 essential governmental and public functions and purposes in improving and  
26 otherwise promoting the health and general welfare of the people by the production  
27 of residential housing in Kentucky.

- 1 (3) The corporation shall be governed by a board of directors, consisting of thirteen  
2 (13) members, five (5) of whom shall be the Lieutenant Governor, the secretary of  
3 the Finance and Administration Cabinet, the commissioner of the Governor's  
4 Office for Local Development~~[Department for Local Government]~~, the Attorney  
5 General, and the secretary of the Cabinet for Economic Development, or their duly  
6 appointed designees, as public directors, and eight (8) private directors who shall be  
7 appointed by the Governor, subject to confirmation by the Senate as provided by  
8 KRS 11.160, as follows:
- 9 (a) One (1) private director representing the interests of financial lending  
10 institutions located within the Commonwealth;
  - 11 (b) One (1) private director representing the interests of the manufactured  
12 housing industry within the Commonwealth;
  - 13 (c) One (1) private director representing the interests of real estate practitioners  
14 licensed by the Kentucky Real Estate Commission;
  - 15 (d) One (1) private director representing the interests of the homeless population  
16 within the Commonwealth;
  - 17 (e) One (1) private director representing the interests of local government;
  - 18 (f) One (1) private director representing the interests of the home construction  
19 industry in the Commonwealth;
  - 20 (g) One (1) private director representing the interests of consumers in the  
21 Commonwealth; and
  - 22 (h) One (1) private director representing the interests of the Kentucky State  
23 Building Trades Council.
- 24 (4) Private directors appointed by the Governor may include previous members of the  
25 board, and members may be reappointed for successive terms. All appointments  
26 shall be for four (4) years, and the appointees shall serve until a qualified successor  
27 is appointed.

- 1 (5) In case of a vacancy, the Governor may appoint a person for the vacancy to hold  
2 office during the remainder of the term. A vacancy shall be filled in accordance  
3 with the requirement and procedures for appointments.
- 4 (6) The Governor may remove any private director whom he may appoint in case of  
5 incompetency, neglect of duty, gross immorality, or malfeasance in office; and he  
6 may declare his office vacant and may appoint a person for the vacancy as provided  
7 in this section.
- 8 (7) The Governor shall designate a director of the corporation to serve as chairman.  
9 The term of the chairman shall extend to the earlier of either the date of expiration  
10 of his then current term as a director of the corporation or a date six (6) months  
11 after the expiration of the then current term of the Governor designating the  
12 chairman.
- 13 (8) The board of directors shall annually elect one (1) of its members as vice chairman.  
14 The board of directors shall also elect or appoint, and prescribe the duties of, other  
15 officers the board of directors deems necessary or advisable, including an executive  
16 director and a secretary, and the board of directors shall fix the compensation of the  
17 officers.
- 18 (9) The executive director shall administer, manage, and direct the affairs and business  
19 of the corporation, subject to the policies, control, and direction of the board of  
20 directors of the corporation. The secretary of the corporation shall keep a record of  
21 the proceedings of the corporation and shall be custodian of all books, documents,  
22 and papers filed with the corporation, the minute book or journal of the corporation,  
23 and its official seal. The secretary shall have authority to cause copies to be made of  
24 all minutes and other records and documents of the corporation and to give  
25 certificates under the official seal of the corporation to the effect that copies are true  
26 copies, and all persons dealing with the corporation may rely upon the certificates.
- 27 (10) A majority of the board of directors of the corporation shall constitute a quorum for

1 the purposes of conducting its business and exercising its powers and for all other  
2 purposes. A majority shall be determined by excluding any existing vacancies from  
3 the total number of directors.

4 (11) Action shall be taken by the corporation upon a vote of a majority of the directors  
5 present at a meeting at which a quorum shall exist called upon three (3) days'  
6 written notice to each director or upon the concurrence of at least eight (8)  
7 directors.

8 (12) Each private director shall be entitled to a fee of one hundred dollars (\$100) for  
9 attendance at each meeting of the board of directors or duly called committee  
10 meeting of the board.

11 Section 87. KRS 198A.035 is amended to read as follows:

12 (1) The Kentucky Housing Corporation shall oversee the development and  
13 implementation of the Kentucky housing policy. The corporation shall create an  
14 advisory committee on housing policy consisting of the following:

15 (a) The following nine (9) state government members, or their duly-appointed  
16 designees: the commissioner of education; commissioner of the Governor's  
17 Office for Local Development~~Department for Local Government~~; executive  
18 director of the Office of Housing, Buildings and Construction; secretary of the  
19 Environmental and Public Protection Cabinet; secretary of the Cabinet for  
20 Health and Family Services; executive director of the Human Rights  
21 Commission; state historic preservation officer; secretary of the  
22 Transportation Cabinet; and executive director of the Kentucky Housing  
23 Corporation.

24 (b) At-large members shall be appointed by the chairman of the board of directors  
25 of the Kentucky Housing Corporation. There shall be one (1) at-large  
26 representative for each of the following:

27 1. Public housing authorities;

- 1           2.    Mortgage banking industry;
  - 2           3.    Manufactured housing industry;
  - 3           4.    Realtors;
  - 4           5.    Homebuilders;
  - 5           6.    Urban nonprofit housing organizations;
  - 6           7.    Rural nonprofit housing organizations;
  - 7           8.    Urban advocates for the homeless;
  - 8           9.    Rural advocates for the homeless;
  - 9           10.  Residents of economically-diverse urban neighborhoods;
  - 10          11.  Residents of economically-diverse rural neighborhoods;
  - 11          12.  Rental property providers;
  - 12          13.  Advocates for persons with physical disabilities;
  - 13          14.  Advocates for persons with mental disabilities;
  - 14          15.  The Kentucky State Building Trades Council;
  - 15          16.  The Kentucky League of Cities; and
  - 16          17.  The Kentucky Association of Counties.
- 17          (c)  One (1) member of the Senate and one (1) member of the House of  
18             Representatives.
- 19          (2)  State government members and General Assembly members shall serve on the  
20             advisory committee during the term of their elected or appointed state government  
21             positions. Members appointed as provided by subsection (1)(b) of this section shall  
22             be appointed for four (4) year terms, except that initially five (5) shall be appointed  
23             for two (2) year terms, six (6) shall be appointed for three (3) year terms, and six  
24             (6) shall be appointed for four (4) year terms.
- 25          (3)  The advisory committee shall meet at least quarterly and hold additional meetings  
26             as necessary. Eleven (11) members of the committee shall constitute a quorum for  
27             the purposes of conducting business and exercising its powers for all purposes.

- 1 (4) Any vacancy shall be filled as provided by the requirements and procedures for the  
2 initial appointment and only for the remainder of the term of the initial  
3 appointment.
- 4 (5) Any at-large member may be removed at any time, with or without cause, by  
5 resolution of a majority of the board of directors of the corporation.
- 6 (6) The advisory committee shall consult with and advise the officers and directors of  
7 the corporation concerning matters relating to the Kentucky housing policy.
- 8 (7) The corporation shall annually report its findings and recommendations regarding  
9 the Kentucky housing policy to the Governor and the Interim Joint Committee on  
10 Local Government of the Legislative Research Commission.
- 11 (8) The advisory committee shall elect a presiding officer from among its members and  
12 may establish its own rules of procedure which shall not be inconsistent with the  
13 provisions of this chapter.
- 14 (9) Members of the advisory committee shall serve without compensation. Members  
15 who are not employees of the Commonwealth shall be entitled to reimbursement for  
16 actual expenses incurred in carrying out their duties on the committee.
- 17 (10) The Kentucky Housing Corporation shall provide the staff and funding for the  
18 administrative activities of the advisory committee. The Kentucky Housing  
19 Corporation shall perform all budgeting, procurement, and other administrative  
20 activities necessary to the functioning of the advisory committee. The advisory  
21 committee may authorize studies as it deems necessary and utilize Kentucky  
22 Housing Corporation funds and other available resources from the public or private  
23 sector to provide housing needs data.

24 Section 88. KRS 198B.040 is amended to read as follows:

25 The Kentucky Board of Housing, Buildings and Construction shall have the following  
26 general powers and duties:

- 27 (1) To conduct or cause to be conducted studies to determine the needs of the building

- 1 industry of Kentucky;
- 2 (2) To conduct or cause to be conducted or participate in studies of the costs of the  
3 various factors of building construction and use of buildings, and to recommend  
4 programs and procedures which will minimize the cost of buildings, including the  
5 use of energy, while maintaining safety, durability, and comfort;
- 6 (3) To administer regulatory legislation relating to buildings and construction;
- 7 (4) To assume administrative coordination of the various state construction review  
8 programs and to cooperate with various federal, state, and local agencies in the  
9 programs as they relate to buildings and construction;
- 10 (5) To assume administration and coordination of various state housing programs to  
11 include:
- 12 (a) Devising and implementing procedures, in conjunction with the Governor's  
13 Office for Local Development~~[Department for Local Government]~~, for  
14 attaining and maintaining an accurate count of the housing inventory in  
15 Kentucky, including information on the age, physical condition, size,  
16 facilities, and amenities of this housing, and housing constructed and  
17 demolished each year;
- 18 (b) Designing programs coordinating the elements of housing finance,  
19 production, maintenance, and rehabilitation for the purpose of assuring the  
20 availability of safe, adequate housing in a healthful environment for all  
21 Kentucky citizens;
- 22 (c) Establishing or causing to be established public information and educational  
23 programs relating to housing, to include informing Kentucky citizens about  
24 housing and housing related programs that are available on all levels of  
25 government;
- 26 (d) Designing and administering, or participating in the design and administration  
27 of educational programs to prepare low income families for home ownership,

- 1           and counseling them during their early years as homeowners;
- 2           (e) Promoting educational programs to assist sponsors in the development and  
3           management of low and moderate income housing for sale or rental;
- 4           (f) Cooperating with various federal, state, and local agencies in their programs  
5           as they relate to housing; and
- 6           (g) Conducting or causing to be conducted studies to determine the housing  
7           preferences of Kentucky citizens and the present and future housing  
8           requirements of the state;
- 9       (6) To recommend state building industry policies and goals to the Kentucky General  
10       Assembly;
- 11       (7) To adopt and promulgate a mandatory uniform state building code, and parts  
12       thereof, which shall establish standards for the construction of all buildings, as  
13       defined in KRS 198B.010, in the state;
- 14       (8) To promulgate administrative regulations providing for the proper construction of  
15       public water purification plants, other than the water treatment equipment and  
16       systems in such plants; provided, however, that any such regulations must require  
17       that applications for permits to build public water purification plants will be  
18       submitted by the office to the Environmental and Public Protection Cabinet for that  
19       cabinet's comments. Any such regulations shall require the Environmental and  
20       Public Protection Cabinet's comments to be completed and submitted to the office  
21       within sixty (60) days;
- 22       (9) To promulgate administrative regulations providing for the proper construction of  
23       sewage treatment plants, other than the sewage treatment equipment and systems in  
24       such plants; provided, however, that any such regulations must require that  
25       applications for permits to build public sewage treatment plants will be submitted  
26       by the office to the Environmental and Public Protection Cabinet for that cabinet's  
27       comments. Any such regulations shall require the Environmental and Public

1 Protection Cabinet's comments to be completed and submitted to the office within  
2 sixty (60) days; and

3 (10) To promulgate administrative regulations for the safe installation and operation of  
4 plumbing and plumbing fixtures.

5 (11) (a) As used in this subsection, "main board" means the Kentucky Board of  
6 Housing, Buildings and Construction.

7 (b) If the main board has proposed a new or amended administrative regulation  
8 that directly and clearly relates to the work of a profession, class of workers,  
9 or industry that is under the authority of any board or advisory committee that  
10 is created by statute and is controlled, superseded, administratively attached,  
11 or affiliated with the main board, the main board shall not promulgate the  
12 proposed administrative regulation without first receiving comments from the  
13 affected board or advisory committee, subject to the restrictions of paragraph  
14 (c) of this subsection.

15 (c) 1. If a proposed administrative regulation affects a board or advisory  
16 committee that qualifies under paragraph (b) of this subsection, the main  
17 board shall distribute the proposed administrative regulation to the  
18 board or advisory committee.

19 2. The affected board or advisory committee shall be granted a maximum  
20 of sixty (60) days to submit its comments on the proposed regulatory  
21 change. If the administrative regulation is a new emergency regulation,  
22 the affected board or advisory committee shall be granted a maximum of  
23 thirty (30) days to submit its comments on the proposed regulatory  
24 change.

25 3. The time limits in this paragraph shall begin from the day the main  
26 board submits the regulatory change and sets a date for a proposed  
27 hearing for the comments of the affected board or advisory committee.

1           If the board or advisory committee is already scheduled to meet at a  
2           time that will give it an adequate opportunity to review the regulation  
3           and respond, the hearing may be held at that meeting.

4           4. If a board or advisory committee is not scheduled to meet or meets only  
5           at the call of the main board, the main board shall arrange for the board  
6           or advisory committee to meet at a time that will allow the board or  
7           advisory committee an adequate opportunity to review and comment on  
8           the regulation within the time limit. If the affected board or advisory  
9           committee fails to comment within the time limit, the main board may  
10          proceed with the administrative changes at its discretion.

11          (d) To the extent that any other statute relating to the main board's authority to  
12          promulgate administrative regulations conflicts with this section, this section  
13          shall take precedence.

14          (e) If a board or advisory committee chooses to produce written comments, those  
15          comments shall be attached to any public submission of the administrative  
16          regulation, including any filing under KRS Chapter 13A.

17          (12) Any power or limitation relating to administrative regulations promulgated by the  
18          Kentucky Board of Housing, Buildings and Construction that are subject to  
19          subsection (11) of this section shall also apply to the office and executive director  
20          as described in KRS 198B.030(9) and (10).

21          Section 89. KRS 224A.030 is amended to read as follows:

22          (1) There is hereby created the Kentucky Infrastructure Authority, which authority  
23          shall be a body corporate and politic, constituting a public corporation and a  
24          governmental agency and instrumentality of the state. All powers, duties, and  
25          obligations of the Kentucky Pollution Abatement and Water Resources Finance  
26          Authority shall be transferred March 31, 1988, to the Kentucky Infrastructure  
27          Authority. The affairs of the authority shall be managed and carried out by a board

1 consisting of nine (9) members. The secretaries of the Economic Development,  
2 Finance and Administration, and Environmental and Public Protection Cabinets; the  
3 executive director of the Public Service Commission; and the commissioner of the  
4 *Governor's Office for Local Development*~~[Department for Local Government]~~  
5 shall serve as ex officio members of the authority. The secretaries, the executive  
6 director, and the commissioner may designate alternates. On or before August 1,  
7 2000, the Governor shall additionally appoint five (5) at-large members. One (1)  
8 member shall be selected from a list of three (3) nominees submitted by the  
9 Kentucky Association of Counties, one (1) member selected from a list of three (3)  
10 nominees submitted by the Kentucky League of Cities, one (1) member selected  
11 from a list of three (3) nominees submitted by the Kentucky Rural Water  
12 Association, one (1) member representing for-profit private water companies, and  
13 one (1) member selected from a list of three (3) nominees submitted by the  
14 Kentucky section of the American Water Works Association. The at-large members  
15 shall serve as follows: two (2) shall serve a term ending June 30, 2004; two (2)  
16 shall serve a term ending June 30, 2003; and one (1) shall serve a term ending June  
17 30, 2002. As the terms of the at large members expire, the Governor shall appoint  
18 successors for terms of four (4) years and until their successors are appointed. The  
19 members shall constitute the Kentucky Infrastructure Authority, with power in that  
20 name to contract and be contracted with, sue and be sued, have and use a corporate  
21 seal, and exercise, in addition to the powers and functions specifically stated in this  
22 chapter, all of the usual powers of private corporations to the extent that the same  
23 are not inconsistent with specifically enumerated powers of the authority. In the  
24 carrying out of its purposes and the exercise by it of the powers conferred by this  
25 chapter, the authority is deemed and declared to be performing essential  
26 governmental functions and public purposes of the state.

27 (2) The members of the authority shall receive no compensation for their services in

1 said capacity, but shall be entitled to reimbursement for all reasonable expenses  
2 necessarily incurred in connection with performance of their duties and functions as  
3 such members.

4 (3) Five (5) members of the authority shall constitute a quorum for the transaction of  
5 business, and in the absence of a quorum, one (1) or more members may adjourn  
6 from time to time until a quorum is convened. The members of the authority shall  
7 choose from their ranks a chair and a vice chair. The authority shall elect a  
8 secretary and a treasurer who shall not be members of the authority, each of whom  
9 shall serve at the pleasure of the authority and shall receive compensation as may  
10 be determined by the authority.

11 (4) (a) The authority shall, for administrative purposes, be attached to the Governor's  
12 Office for Local Development, which shall provide any office space  
13 required by the authority.~~[Office of the Governor, and shall establish and~~  
14 ~~maintain offices in premises which shall be provided for that purpose by the~~  
15 ~~Finance and Administration Cabinet; and]~~

16 (b) The secretary of the authority shall at all times maintain therein complete  
17 records of all of the authority's actions and proceedings which shall constitute  
18 public records open to inspection at all reasonable times.

19 Section 90. KRS 224A.300 is amended to read as follows:

20 (1) The General Assembly finds that it is necessary to encourage~~[the work of the~~  
21 ~~Water Resource Development Commission, created by executive order of the~~  
22 ~~Governor and confirmed by the General Assembly in KRS 147A.011, established~~  
23 ~~the necessity of encouraging]~~ regionalization, consolidation, and partnerships  
24 among governmental agencies, and private parties when appropriate, with the goal  
25 of making potable water and wastewater treatment available to all Kentuckians  
26 through the maximization of financial resources and the conservation of natural  
27 resources of the Commonwealth. Based on these findings, the General Assembly

1 declares that the Kentucky Infrastructure Authority shall implement a program for  
2 the provision of water services as authorized in the budget and directed by the  
3 General Assembly.

4 (2) *The authority shall be responsible*~~[On July 14, 2000, responsibility]~~ for the  
5 management and operation of the Water Resource Information System~~[shall be~~  
6 ~~transferred from the Water Resource Development Commission to the authority]~~.  
7 The authority shall maintain and, at least annually, update the information  
8 contained in this system to ensure its accuracy.

9 (3) The authority may request all branches of state and local government, including  
10 special districts and water districts, to provide information relating to the status of  
11 existing plants, the financial condition of existing systems, and the existing  
12 regulatory authority held by agencies of government regarding the issue of water  
13 resource development and management. All branches of state and local government  
14 shall, to the extent reasonable and appropriate, comply with such requests for  
15 information.

16 (4) The authority shall promulgate administrative regulations that require a water  
17 supply and distribution system receiving or seeking funding to provide current  
18 information regarding the financial, managerial, and technical aspects of its system  
19 and, thereafter, to furnish updates to the information so provided.

20 Section 91. KRS 276.530 is amended to read as follows:

21 The Railroad Commission shall immediately transmit to the Department of Parks and to  
22 the Commonwealth's Railtrail Development Office in the *Governor's Office for Local*  
23 *Development*~~[Department for Local Government]~~ any information received from a  
24 railroad or other person having an ownership interest in a railroad corridor pertaining to a  
25 proposed or pending action or proceeding to obtain federal authority for the regulatory  
26 abandonment of that railroad corridor.

27 Section 92. KRS 277.406 is amended to read as follows:

1 Each railroad proposing to discontinue service over or to obtain federal authority for  
2 regulatory abandonment of a railroad corridor in the Commonwealth of Kentucky shall,  
3 in addition to those notification requirements set out in federal law, notify the  
4 Commonwealth's Railtrail Development Office in the *Governor's Office for Local*  
5 *Development*~~[Department for Local Government]~~ and the trails coordinator in the  
6 Department of Parks that the railroad is attempting to obtain federal authority to do so.

7 Section 93. KRS 278.457 is amended to read as follows:

8 The Public Service Commission shall immediately transmit to the Department of Parks  
9 and to the Commonwealth's Railtrail Development Office in the *Governor's Office for*  
10 *Local Development*~~[Department for Local Government]~~ any information received from a  
11 railroad or other person having an ownership interest in a railroad corridor pertaining to a  
12 proposed or pending action or proceeding to obtain federal authority for the regulatory  
13 abandonment of that railroad corridor.

14 Section 94. KRS 424.190 is amended to read as follows:

- 15 (1) If a statute gives discretion to a public officer or agency or governmental body as to  
16 the method of making an advertisement required by the statute, and if a statute  
17 provides that an advertisement may be made either by posting or by newspaper  
18 publication, the advertisement shall be made by newspaper publication in  
19 accordance with the provisions of this chapter, except as provided in subsection (2)  
20 of this section.
- 21 (2) Any city may, when the cost of the newspaper publication exceeds the cost of  
22 postage, supplies, and reproduction for the alternative method of publication, in lieu  
23 of newspaper publication of advertisement, substitute delivery of a copy of the  
24 advertisement by first class mail to each residence within the publication area. Any  
25 city electing to use the alternative publication methods authorized by this section  
26 shall forward three (3) copies of its audit report or one (1) copy of its financial  
27 statement, whichever is applicable, to the *Governor's Office for Local*

1        Development~~[Kentucky Department for Local Government]~~ in accordance with  
2        KRS 91A.040 and 424.220.

3        Section 95. The following KRS sections are repealed:

- 4        11.180 Kentucky Appalachian Commission.
- 5        11.182 Membership -- Reimbursement of expenses -- Designation of alternate.
- 6        11.184 Officers -- Duties -- Annual report.
- 7        64.770 County Officials' Compensation Board.
- 8        64.780 Questionnaires -- Reports of recommendations.
- 9        65.915 Date of filing first report.
- 10       82.025 Kentucky Urban Affairs Council.
- 11       147A.006 Local Government Advisory Commission established.
- 12       147A.009 Division of Flood Control.
- 13       147A.011 Water Resource Development Commission -- Duties -- Membership -- Term -  
14       - Authority to designate alternate.
- 15       151.560 Flood Control Advisory Commission.
- 16       151.570 Duties of commission.
- 17       154.33-020 Appalachian Development Council -- Functions -- Membership.
- 18       154.85-001 Short title for KRS 154.85-001 to 154.85-085.
- 19       154.85-010 Definitions for KRS 154.85-001 to 154.85-085.
- 20       154.85-015 Creation of West Kentucky Corporation -- Purpose -- Interim board of  
21       directors.
- 22       154.85-020 Eligibility for membership on board of directors and in corporation.
- 23       154.85-025 Board of directors -- Terms of office -- Vacancies.
- 24       154.85-027 Removal of members -- Meetings -- Officers.
- 25       154.85-030 Disclosure of conflict of interest -- Nonparticipation in contract  
26       authorization.
- 27       154.85-033 Limitation of liability of corporate members or officers.

- 1 154.85-035 Powers and authority of corporation.
- 2 154.85-040 Executive committee -- Membership -- Powers and duties -- Meetings --  
3 Expenses.
- 4 154.85-045 Issuance of bonds.
- 5 154.85-050 West Kentucky economic development fund.
- 6 154.85-055 Construction of KRS 154.85-001 to 154.85-085.
- 7 154.85-060 Bonds payable from revenues and assets only.
- 8 154.85-065 Negotiability of obligations of corporation.
- 9 154.85-070 Status of obligations as authorized investments.
- 10 154.85-075 Tax-exempt status.
- 11 154.85-080 Disposition of corporation assets upon termination or dissolution.
- 12 154.85-085 Annual report -- Annual audit.

13 Section 96. In order to reflect the reorganization effectuated by this Act, the  
14 reviser of statutes shall replace references in the Kentucky Revised Statutes to the  
15 agencies, subagencies, and officers affected by this Act with references to the appropriate  
16 successor agencies, subagencies, and officers established by this Act. The reviser of  
17 statutes shall base these actions on the functions assigned to the new entities by this Act  
18 and may consult with officers of the affected agencies, or their designees, to receive  
19 suggestions.

20 Section 97. The General Assembly hereby confirms Executive Order 2006-678,  
21 dated June 19, 2006, except for the provision abolishing the East Kentucky Corporation,  
22 to the extent it is not otherwise confirmed or superseded by this Act.