GENERAL ASSEMBLY
COMMONWEALTH OF KENTUCKY

2013 REGULAR SESSION

HOUSE BILL NO. 1

AS ENACTED

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ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY K. Adler

1 AN ACT relating to special purpose governmental entities, making an appropriation
2 therefor, and declaring an emergency.
3 WHEREAS, special purpose governmental entities exist to serve a public purpose
4 and must be subject to standards of accountability so that the public, other local
5 governmental entities, and state government can be apprised of their status and activities;
6 and
7 WHEREAS, for many years it has been impossible to compile a complete and
8 accurate list of all the special purpose governmental entities operating in the
9 Commonwealth, or to ascertain basic information about how those entities are operated,
10 where they receive their funding, and how they expend their resources; and
11 WHEREAS, the General Assembly, in 12 RS HCR 53, directed the Interim Joint
12 Committee on Local Government to study, during the 2012 Interim, special districts'
13 fiscal, administrative, and ethical issues in light of audits conducted by the Auditor of
14 Public Accounts; and
15 WHEREAS, numerous concerns relating to the accountability and transparency of
16 special purpose governmental entities were recently highlighted in "Ghost Government –
17 A Report on Special Districts in Kentucky" issued by the Auditor of Public Accounts on
18 November 14, 2012; and
19 WHEREAS, the General Assembly intends, by enacting this legislation, to improve
20 the public accountability and transparency of all special purpose governmental entities in
21 the Commonwealth, for the benefit of the people whom these entities serve;
22 NOW, THEREFORE,
23 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***
24 ➔SECTION 1. KRS CHAPTER 65A IS ESTABLISHED AND A NEW
25 SECTION THEREOF IS CREATED TO READ AS FOLLOWS:
26 ***As used in this chapter:***
27 ***(1) "County" means any county, consolidated local government, urban-county***

1 *government, unified local government, or charter county;*
2 *(2) "DLG" means the Department for Local Government established by KRS*
3 *147A.002;*
4 *(3) "Establishing entity" means the city or county, or any combination of cities and*
5 *counties that established a special purpose governmental entity and that has not*
6 *subsequently withdrawn its affiliation with the special purpose governmental*
7 *entity by ordinance or other official action;*
8 *(4) "Fee" means any user charge, rental fee, assessment, fee, schedule of rates, or*
9 *tax, other than an ad valorem tax, imposed by a special purpose governmental*
10 *entity;*
11 *(5) (a) "Private entity" means any entity whose sole source of public funds is from*
12 *payments pursuant to a contract with a city, county, or special purpose*
13 *governmental entity, including funds received as a grant or as a result of a*
14 *competitively bid procurement process.*
15 *(b) "Private entity" does not include any entity:*
16 *1. Created by a city, county, or combination of cities and counties to*
17 *perform one (1) or more of the types of public services listed in*
18 *subsection (7)(c) of this section; or*
19 *2. Governed by a board, council, commission, committee, authority, or*
20 *corporation whose members are appointed by the chief executive or*
21 *governing body of a city, county, or combination of cities and*
22 *counties;*
23 *(6) "Public funds" means any funds derived from the levy of a tax, fee, assessment,*
24 *or charge, or the issuance of bonds by the state or a city, county, or special*
25 *purpose governmental entity;*
26 *(7) "Registry" means the online central registry and reporting portal established*
27 *pursuant to Section 2 of this Act; and*

1 *(8) (a) "Special purpose governmental entity" or "entity" means any agency,*
2 *authority, or entity created or authorized by statute which:*
3 *1. Exercises less than statewide jurisdiction;*
4 *2. Exists for the purpose of providing one (1) or a limited number of*
5 *services or functions;*
6 *3. Is governed by a board, council, commission, committee, authority, or*
7 *corporation with policy-making authority that is separate from the*
8 *state and the governing body of the city, county, or cities and counties*
9 *in which it operates; and*
10 *4. a. Has the independent authority to generate public funds; or*
11 *b. May receive and expend public funds, grants, awards, or*
12 *appropriations from the state, from any agency, or authority of*
13 *the state, from a city or county, or from any other special*
14 *purpose governmental entity.*
15 *(b) "Special purpose governmental entity" shall include entities meeting the*
16 *requirements established by paragraph (a) of this subsection, whether the*
17 *entity is formed as a nonprofit corporation under KRS Chapter 273,*
18 *pursuant to an interlocal cooperation agreement under KRS 65.210 to*
19 *65.300, or pursuant to any other provision of the Kentucky Revised Statutes.*
20 *(c) Examples of the types of public services that may be provided by special*
21 *purpose governmental entities include but are not limited to the following:*
22 *1. Ambulance, emergency, and fire protection services;*
23 *2. Flood control, drainage, levee, water, water conservation, watershed,*
24 *and soil conservation services;*
25 *3. Area planning, management, community improvement, and*
26 *community development services;*
27 *4. Library services;*

1 *5. Public health, public mental health, and public hospital services;*
2 *6. Riverport and airport services;*
3 *7. Sanitation, sewer, waste management, and solid waste services;*
4 *8. Industrial and economic development;*
5 *9. Parks and recreation services;*
6 *10. Construction, maintenance, or operation of roads and bridges;*
7 *11. Mass transit services;*
8 *12. Pollution control;*
9 *13. Construction or provision of public housing;*
10 *14. Tourism and convention services; and*
11 *15. Agricultural extension services.*
12 *(d) "Special purpose governmental entity" shall not include:*
13 *1. Cities;*
14 *2. Counties;*
15 *3. School districts;*
16 *4. Private entities;*
17 *5. Any incorporated entity that:*
18 *a. Provides utility services;*
19 *b. Is member-owned; and*
20 *c. Has a governing body whose voting members are all elected by*
21 *the membership of the entity; or*
22 *6. Any entity whose budget and financial information are integrated with*
23 *and included as a part of the budget and financial reporting of the*
24 *city, county, or cities and counties in which it operates.*
25 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 65A IS CREATED TO
26 READ AS FOLLOWS:
27 *(1) The DLG shall:*

1 *(a) On or before March 1, 2014, make the necessary reporting and certification*
2 *forms, online reporting portal, and online central registry available for*
3 *reporting by special purpose governmental entities. The portal and registry*
4 *shall serve as a unified location for the reporting of and access to*
5 *administrative and financial information by special purpose governmental*
6 *entities; and*
7 *(b) On or before October 1, 2014, make available online public access to*
8 *administrative and financial information reported by special purpose*
9 *governmental entities.*
10 *(2) (a) For each fiscal period beginning on or after July 1, 2014, all special*
11 *purpose governmental entities shall annually submit to the DLG the*
12 *information required by this section. The information shall be submitted in*
13 *accordance with this section, at the time, and in the form and format*
14 *required by the DLG. The information submitted shall include at a*
15 *minimum the following:*
16 *1. Administrative information:*
17 *a. The name, address, and, if applicable, the term and appointing*
18 *authority for each board member of the governing body of the*
19 *entity;*
20 *b. The fiscal year of the entity;*
21 *c. The Kentucky Revised Statute under which the entity was*
22 *established, the date of establishment, the establishing entity,*
23 *and the statute or statutes under which the entity operates, if*
24 *different from the statute or statutes under which it was*
25 *established;*
26 *d. The mailing address and telephone number and, if applicable,*
27 *the Web site uniform resource locator (URL) of the entity;*

1 *e. The operational boundaries and service area of the entity and*
2 *the services provided by the entity;*
3 *f. A listing of all taxes, fees, or charges imposed and collected by*
4 *the entity, including the rates or amounts charged for the*
5 *reporting period and the statutory authority for the levy of the*
6 *tax, fee, or charge;*
7 *g. The primary contact for the entity for purposes of*
8 *communication from the DLG;*
9 *h. The code of ethics that applies to the entity, and whether the*
10 *entity has adopted additional ethics provisions;*
11 *i. A listing of all federal, state, and local governmental entities that*
12 *have oversight authority over the special purpose governmental*
13 *entity or to which the special purpose governmental entity*
14 *submits reports, data, or information; and*
15 *j. Any other related administrative information required by the*
16 *DLG; and*
17 *2. Financial information:*
18 *a. The most recent adopted budget of the entity;*
19 *b. After the close of each fiscal year, a comparison of the budget to*
20 *actual revenues and expenditures for each fiscal year;*
21 *c. Completed audits or attestation engagements as provided in*
22 *Section 3 of this Act; and*
23 *d. Other financial oversight reports or information required by the*
24 *DLG.*
25 *(b) The provisions of Section 4 of this Act shall apply when a special purpose*
26 *governmental entity fails to submit the information required by this section*
27 *in a timely manner, or submits information that does not comply with the*

1 *requirements and standards established by this section and the DLG. To*
2 *facilitate the enforcement of these provisions, the DLG shall establish and*
3 *maintain an online list of due dates for the filing of reports, audit*
4 *certifications, and information for each special purpose governmental*
5 *entity.*
6 *(c) The provisions of this subsection shall be in addition to, and shall not*
7 *supplant or replace any reporting or filing requirements established by*
8 *other provisions of the Kentucky Revised Statutes.*
9 *(3) (a) The DLG shall, by administrative regulation adopted pursuant to KRS*
10 *Chapter 13A, develop standard forms, protocols, timeframes, and due dates*
11 *for the submission of information by special purpose governmental entities.*
12 *All information shall be submitted electronically; however, the DLG may*
13 *allow submission by alternative means, with the understanding that the*
14 *DLG shall be responsible for converting the information to a format that*
15 *will make it accessible through the registry.*
16 *(b) In an effort to reduce duplicative submissions to different governmental*
17 *entities and agencies, during the development of the forms, protocols,*
18 *timeframes, and due dates, the DLG shall consult with other governmental*
19 *entities and agencies that may use the information submitted by special*
20 *purpose governmental entities, and may include the information those*
21 *agencies and entities need to the extent possible.*
22 *(4) (a) Beginning October 1, 2014, all information submitted by special purpose*
23 *governmental entities under this section shall be publicly available through*
24 *the registry. The registry shall be updated at least monthly, but may be*
25 *updated more frequently at the discretion of the DLG. The registry shall*
26 *include a notation indicating the date of the most recent update.*
27 *(b) The registry shall be in a searchable format and shall, at a minimum, allow*

1 *a search by county, by special purpose governmental entity name, and by*
2 *type of entity.*
3 *(c) To the extent possible, the registry shall be linked to or accessed through the*
4 *Web site established pursuant to KRS 42.032 to provide public access to*
5 *expenditure records of the executive branch of state government.*
6 *(5) (a) To offset the costs incurred by the DLG in maintaining and administering*
7 *the registry, the costs incurred in providing education for the governing*
8 *bodies and employees of special purpose governmental entities as required*
9 *by Section 6 of this Act, and the costs incurred by the DLG and the Auditor*
10 *of Public Accounts in responding to and acting upon noncompliant special*
11 *purpose governmental entities under Section 4 of this Act, excluding costs*
12 *associated with conducting audits or special examinations, each special*
13 *purpose governmental entity shall pay a registration fee to the DLG on an*
14 *annual basis at the time of registration under this section.*
15 *(b) The initial annual fee shall be as follows:*
16 *1. For special purpose governmental entities with annual revenue from*
17 *all sources of less than one hundred thousand dollars ($100,000),*
18 *twenty-five dollars ($25);*
19 *2. For special purpose governmental entities with annual revenues from*
20 *all sources of at least one hundred thousand dollars ($100,000) but*
21 *less than five hundred thousand dollars ($500,000), two hundred fifty*
22 *dollars ($250); and*
23 *3. For special purpose governmental entities with annual revenues of*
24 *five hundred thousand dollars ($500,000) or greater, five hundred*
25 *dollars ($500).*
26 *(c) If the costs of administering and maintaining the registry, providing*
27 *education, and enforcing compliance change over time, the fee and tiered*

1 *structure established by paragraph (b) of this subsection may be adjusted*
2 *one (1) time by the DLG through the promulgation of an administrative*
3 *regulation under KRS Chapter 13A. The rate, if adjusted, shall be set at a*
4 *level no greater than a level that is expected to generate sufficient revenue*
5 *to offset the actual cost of maintaining and administering the registry,*
6 *providing education for the governing bodies and employees of special*
7 *purpose governmental entities, and enforcing compliance.*
8 *(d) The portion of the registration fee attributable to expenses incurred by the*
9 *Auditor of Public Accounts for duties and services other than conducting*
10 *audits or special examinations shall be collected by the DLG and*
11 *transferred to the Auditor of Public Accounts on a quarterly basis. Prior to*
12 *the transfer of funds, the Auditor of Public Accounts shall submit an*
13 *invoice detailing the actual costs incurred, which shall be the amount*
14 *transferred; however, the amount transferred to the Auditor of Public*
15 *Accounts under the initial fee established by paragraph (b) of this section*
16 *shall not exceed the annual amount agreed to between the DLG and the*
17 *Auditor of Public Accounts.*
18 *(6) By October 1, 2014, and on or before each October 1 thereafter, the DLG shall*
19 *file an annual report with the Legislative Research Commission detailing the*
20 *compliance of special purpose governmental entities with the provisions of*
21 *Sections 1 to 9 of this Act. The Legislative Research Commission shall refer the*
22 *report to the Interim Joint Committee on Local Government for review.*
23 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 65A IS CREATED TO
24 READ AS FOLLOWS:
25 *(1) For fiscal periods beginning on or after July 1, 2014, requirements relating to*
26 *audits and financial statements of special purpose governmental entities are as*
27 *follows:*

1 *(a) Every special purpose governmental entity with the higher of annual*
2 *receipts from all sources or annual expenditures of less than one hundred*
3 *thousand dollars ($100,000) shall:*
4 *1. Annually prepare a financial statement; and*
5 *2. Once every four (4) years, contract for the application of an attestation*
6 *engagement as determined by the DLG, as provided in subsection (2)*
7 *of this section;*
8 *(b) Every special purpose governmental entity with the higher of annual*
9 *receipts from all sources or annual expenditures equal to or greater than*
10 *one hundred thousand dollars ($100,000) but less than five hundred*
11 *thousand dollars ($500,000) shall:*
12 *1. Annually prepare a financial statement; and*
13 *2. Once every four (4) years, contract for the provision of an independent*
14 *audit as provided in subsection (2) of this section; and*
15 *(c) Every special purpose governmental entity with the higher of annual*
16 *receipts from all sources or annual expenditures equal to or greater than*
17 *five hundred thousand dollars ($500,000) shall:*
18 *1. Annually prepare a financial statement; and*
19 *2. Be audited annually as provided in subsection (2) of this section.*
20 *(2) (a) To provide for the performance of an audit or attestation engagement as*
21 *provided in subsection (1)(a) to (c) of this section, the governing body of a*
22 *special purpose governmental entity shall employ an independent certified*
23 *public accountant or contract with the Auditor of Public Accounts to*
24 *conduct the audit or attestation engagement.*
25 *(b) The audit or attestation engagement shall be completed no later than twelve*
26 *(12) months following the close of the fiscal year subject to the audit or the*
27 *attestation engagement.*

1 *(c) The special purpose governmental entity shall submit for publication on the*
2 *registry the audit or attestation engagement, in the form and format*
3 *required by the DLG.*
4 *(d) The audit or attestation engagement shall conform to:*
5 *1. Generally accepted governmental auditing or attestation standards,*
6 *which means those standards for audits or attestations of*
7 *governmental organizations, programs, activities, and functions issued*
8 *by the Comptroller General of the United States;*
9 *2. Generally accepted auditing or attestation standards, which means*
10 *those standards for all audits or attestations promulgated by the*
11 *American Institute of Certified Public Accountants; and*
12 *3. Additional procedures and reporting requirements as may be required*
13 *by the Auditor of Public Accounts.*
14 *(e) Upon request, the Auditor of Public Accounts may review the final report*
15 *and all related work papers and documents of the independent certified*
16 *public accountant relating to the audit or attestation engagement.*
17 *(f) If a special purpose governmental entity is required by another provision of*
18 *law to audit its funds more frequently or more stringently than is required*
19 *by this section, the special purpose governmental entity shall comply with*
20 *the provisions of that law, and shall comply with the requirements of*
21 *paragraph (c) of this subsection.*
22 *(g) Notwithstanding any provision of the Kentucky Revised Statutes to the*
23 *contrary, a unit of government furnishing funds directly to a special*
24 *purpose governmental entity may require additional audits at the expense of*
25 *the unit of government furnishing the funds.*
26 *(h) All audit reports, attestation engagement reports, and financial statements*
27 *of special purpose governmental entities shall be public records.*

1 *(3) The DLG shall determine which procedures conducted under attestation*
2 *standards will apply to special purpose governmental entities meeting the*
3 *conditions established by subsection (1)(a) of this section. The DLG may*
4 *determine that additional procedures be conducted under attestation standards*
5 *for specific categories of special purpose governmental entities or for specific*
6 *special purpose governmental entities, as needed, to obtain the oversight and*
7 *information deemed necessary by the DLG.*
8 *(4) Based on the information submitted by special purpose governmental entities*
9 *under Sections 2 and 9 of this Act, the DLG shall determine when each special*
10 *purpose governmental entity was last audited, and shall notify the special purpose*
11 *governmental entity of when each audit or attestation engagement is due under*
12 *the new standards and requirements of this section.*
13 *(5) The DLG may promulgate administrative regulations pursuant to KRS Chapter*
14 *13A to implement the provisions of this section.*
15 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 65A IS CREATED TO
16 READ AS FOLLOWS:
17 *(1) The provisions of this section shall apply when any special purpose governmental*
18 *entity fails to submit information or submits noncompliant information under*
19 *Section 2 of this Act.*
20 *(2) If a special purpose governmental entity fails to submit information in a timely*
21 *manner or submits noncompliant information, the DLG shall, within thirty (30)*
22 *days after the due date of the information, notify the special purpose*
23 *governmental entity and the establishing entity in writing that:*
24 *(a) Either:*
25 *1. The required information was not submitted in a timely manner; or*
26 *2. The information submitted was noncompliant and the reason for*
27 *noncompliance;*

1 *(b) The special purpose governmental entity shall have thirty (30) days from the*
2 *date of the notice to submit the information; and*
3 *(c) Failure to submit compliant information:*
4 *1. Will result in:*
5 *a. Any funds due the entity and in the possession of any agency,*
6 *entity, or branch of state government being withheld by the state*
7 *government entity until the report or information is submitted;*
8 *and*
9 *b. Publication of a notice of noncompliance in a newspaper having*
10 *general circulation in the area where the special purpose*
11 *governmental entity operates; and*
12 *2. May result in the Auditor of Public Accounts or the auditor's designee*
13 *performing an audit or special examination of the special purpose*
14 *governmental entity at the expense of the entity.*
15 *(3) Upon the failure of a special purpose governmental entity to submit information*
16 *in response to the notice sent under subsection (2) of this section, the DLG shall,*
17 *within fifteen (15) days after the passage of the thirty (30) day period:*
18 *(a) Notify in writing the Auditor of Public Accounts, the establishing entity,*
19 *and any entity having oversight or responsibility of the special purpose*
20 *governmental entity at the state level. The notice shall include at a*
21 *minimum the name, mailing address, and primary contact name for the*
22 *special purpose governmental entity, as well as details about the*
23 *information that is past due;*
24 *(b) Notify the Finance and Administration Cabinet that the special purpose*
25 *governmental entity has failed to comply with the reporting requirements of*
26 *Sections 1 to 9 of this Act, and that any funds in the possession of any*
27 *agency, entity, or branch of state government shall be withheld until further*

1 *notice; and*

2 *(c) 1. Cause to be published in the newspaper having general circulation in*

3 *the area where the special purpose governmental entity operates a*

4 *notice of noncompliance. The notice shall meet the requirements of*

5 *KRS Chapter 424 and shall include:*

6 *a. Identification of the special purpose governmental entity;*

7 *b. A statement that the special purpose governmental entity failed*

8 *to comply with the reporting requirements established by Section*

9 *2 of this Act;*

10 *c. The names of the board members of the special purpose*

11 *governmental entity;*

12 *d. The name and contact information of the individual provided as*

13 *the contact for the special purpose governmental entity; and*

14 *e. Any other information the DLG may require.*

15 *2. The cost of publication of the notice shall be borne by the special*

16 *purpose governmental entity. If the notice includes more than one (1)*

17 *special purpose governmental entity, the cost shall be divided equally*

18 *among the entities included in the notice.*

19 *(4) Upon receipt of notification under subsection (3)(b) of this section, the secretary*

20 *of the Finance and Administration Cabinet shall, within ten (10) days after*

21 *receipt of the notice, notify all state agencies, entities, and branches of state*

22 *government to withhold any funds due the noncompliant special purpose*

23 *governmental entity.*

24 *(5) (a) The Auditor of Public Accounts shall, within thirty (30) days after the*

25 *receipt of information from the DLG under subsection (3)(a) of this*

26 *subsection, notify in writing the special purpose governmental entity that*

27 *the entity may be subject to an audit or special examination at the expense*

1 *of the special purpose governmental entity.*
2 *(b) The Auditor of Public Accounts may initiate an audit or special*
3 *examination of any special purpose governmental entity any time after*
4 *sending the notice required by paragraph (a) of this subsection. Any audit*
5 *or special examination initiated pursuant to this subsection shall be at the*
6 *expense of the special purpose governmental entity.*
7 *(c) Once commenced, an audit or special examination may be completed*
8 *regardless of whether the special purpose governmental entity subsequently*
9 *submits the required information.*
10 *(d) The audit or special examination shall be prepared and submitted as*
11 *required by Sections 2 and 3 of this Act.*
12 *(6) Upon receipt of all required information from a noncompliant special purpose*
13 *governmental entity, the DLG shall notify in writing the Auditor of Public*
14 *Accounts, the establishing entity, and the Finance and Administration Cabinet,*
15 *and the secretary of the Finance and Administration Cabinet shall notify all state*
16 *agencies, entities, and branches of state government that funds withheld may*
17 *once again be distributed to the special purpose governmental entity.*
18 *(7) Any resident or property owner of the service area of a special purpose*
19 *governmental entity may bring an action in the Circuit Court to enforce the*
20 *provisions of Section 2 of this Act. The Circuit Court, in its discretion, may allow*
21 *the prevailing party, other than the special purpose governmental entity, a*
22 *reasonable attorney's fee and court costs, to be paid from the special purpose*
23 *governmental entity's treasury.*
24 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 65A IS CREATED TO
25 READ AS FOLLOWS:
26 *(1) (a) As used in this subsection, "entity seeking dissolution" shall mean:*
27 *1. The DLG;*

1 *2. If the special purpose governmental entity was established by one (1)*
2 *county, or by one (1) city, the governing body of the county or city that*
3 *established the special purpose governmental entity;*
4 *3. If the special purpose governmental entity was established by multiple*
5 *counties and cities, the governing bodies of all establishing entities; or*
6 *4. If the special purpose governmental entity was established other than*
7 *by an establishing entity, the governing body or bodies of the county or*
8 *counties in which the special purpose governmental entity provides or*
9 *provided services, or operates or operated.*
10 *(b) Any special purpose governmental entity that meets at least one (1) of the*
11 *following criteria may be administratively dissolved:*
12 *1. The special purpose governmental entity has taken no action for two*
13 *(2) or more consecutive years;*
14 *2. Following a written inquiry from the entity seeking dissolution, the*
15 *chair of the special purpose governmental entity either:*
16 *a. Notifies the entity seeking dissolution in writing that the special*
17 *purpose governmental entity has not had a governing board, or*
18 *has not had a sufficient number of governing board members to*
19 *constitute a quorum for two (2) or more consecutive years; or*
20 *b. Fails to respond to the inquiry within thirty (30) days;*
21 *3. The special purpose governmental entity fails to register with the DLG*
22 *as required by Section 9 of this Act;*
23 *4. The special purpose governmental entity fails to file the information*
24 *required by Section 2 of this Act for two (2) or more consecutive years;*
25 *or*
26 *5. The governing body of the special purpose governmental entity*
27 *provides documentation to the DLG or the governing body or bodies of*

1 *the establishing entity that it has unanimously adopted a resolution*
2 *declaring the special purpose governmental entity inactive.*
3 *(c) To begin the process of administrative dissolution, the entity seeking*
4 *dissolution shall provide notification of the proposed administrative*
5 *dissolution as provided in this paragraph:*
6 *1. The entity seeking dissolution shall:*
7 *a. Post a notice of proposed administrative dissolution on the*
8 *registry established by Section 2 of this Act;*
9 *b. For administrative dissolutions under subparagraphs 3., 4., and*
10 *5. of paragraph (b) of this subsection, publish, in accordance*
11 *with the provisions of KRS Chapter 424, a notice of proposed*
12 *administrative dissolution, with the cost of the publication billed*
13 *to the special purpose governmental entity for which*
14 *administrative dissolution is sought;*
15 *c. Mail a copy of the notice to the registered contact for the special*
16 *purpose governmental entity, if any; and*
17 *d. Mail a copy of the notice as follows:*
18 *i. If the dissolution is sought by the DLG, to the governing*
19 *body of the establishing entity or county, and to all entities*
20 *at the state level having oversight of or responsibility for*
21 *special purpose governmental entity; and*
22 *ii. If the dissolution is sought by an establishing entity or*
23 *county, to the DLG and any other establishing entities or*
24 *counties, and to all entities at the state level having*
25 *oversight of or responsibility for the special purpose*
26 *governmental entity; and*
27 *2. The notice shall include:*

1 *a. The name of the entity seeking dissolution, and contact*
2 *information for the entity;*
3 *b. The name of the special purpose governmental entity for which*
4 *dissolution is sought;*
5 *c. The statutes under which the special purpose governmental*
6 *entity was organized and operating;*
7 *d. A description of the services provided and the territory of the*
8 *special purpose governmental entity;*
9 *e. If there is a plan of dissolution as required by paragraph (e) of*
10 *this subsection, identification of the place where the plan of*
11 *dissolution may be reviewed;*
12 *f. A statement that any objections to the administrative dissolution*
13 *shall be filed in writing with the entity seeking to dissolve the*
14 *special purpose governmental entity within thirty (30) days after*
15 *the publication date, and the address and process for submitting*
16 *such objections; and*
17 *g. A statement that if no written objections are received within*
18 *thirty (30) days of publication of the notice, the special purpose*
19 *governmental entity shall be administratively dissolved.*
20 *(d) 1. Any resident living in or owning property in the area served by the*
21 *special purpose governmental entity for which dissolution is sought,*
22 *who is not a member of the governing body of the special purpose*
23 *governmental entity or an immediate family member of a member of*
24 *the governing body of the special purpose governmental entity, may*
25 *file a written objection to the dissolution with the entity seeking*
26 *dissolution. The written objection shall state the specific reasons why*
27 *the special purpose governmental entity shall not be dissolved, and*

1 *shall be filed within thirty (30) days after the posting of the notice on*
2 *the registry as required by paragraph (c) of this subsection.*
3 *2. a. Upon the passage of thirty (30) days with no objections filed, and*
4 *satisfaction of all outstanding obligations of the special purpose*
5 *governmental entity, the special purpose governmental entity*
6 *shall be deemed dissolved and, if a dissolution plan was required,*
7 *the entity seeking dissolution shall proceed to implement the*
8 *dissolution plan.*
9 *b. Notification of dissolution shall be provided by the entity seeking*
10 *dissolution to all other entities listed under paragraph (a) of this*
11 *subsection. The DLG shall maintain a list of all dissolved special*
12 *purpose governmental entities and the date of dissolution on the*
13 *registry established by Section 2 of this Act.*
14 *3. If written objections are received within thirty (30) days of the*
15 *publication on the registry required by paragraph (c) of this*
16 *subsection, the dissolution process shall be aborted, and the process*
17 *established by subsection (2) of this section shall be utilized if it is*
18 *determined that dissolution should still be sought, notwithstanding*
19 *any other dissolution process that may exist in the Kentucky Revised*
20 *Statutes for the type of special purpose governmental entity for which*
21 *dissolution is sought.*
22 *(e) If the special purpose governmental entity for which administrative*
23 *dissolution is sought:*
24 *1. Is providing services;*
25 *2. Has outstanding liabilities; or*
26 *3. Has assets;*
27 *the entity seeking dissolution shall, as part of the dissolution process,*

1 develop a dissolution plan that includes, as relevant, provisions addressing
2 the continuation of services, the satisfaction of all liabilities, and the
3 distribution of assets of the special purpose governmental entity.
4 (2) Any special purpose governmental entity not meeting the requirements for
5 dissolution under subsection (1) of this section, and for which no specific
6 dissolution provisions apply in the Kentucky Revised Statutes, may be dissolved as
7 provided in this subsection:
8 (a) The dissolution of a special purpose governmental entity may be initiated
9 upon:
10 1. The affirmative vote of two-thirds (2/3) of the governing body of the
11 special purpose governmental entity and the adoption of an ordinance
12 by the affirmative vote or two-thirds (2/3) of the governing body of
13 each establishing entity;
14 2. The adoption of an ordinance by an affirmative vote of two-thirds
15 (2/3) of the governing body of each establishing entity; or
16 3. If there is no establishing entity, by the adoption of an ordinance by
17 an affirmative vote of two-thirds (2/3) of the governing body of each
18 county in which the special purpose governmental entity provides
19 services or operates;
20 (b) Upon initiation of a dissolution after an affirmative vote as provided in
21 paragraph (a) of this subsection, the special purpose governmental entity
22 for which dissolution is sought shall not assume any new obligations or
23 duties, contract for any new debt, or levy any additional fees or taxes unless
24 the new obligations, duties, debt, fees, or taxes are included in the
25 dissolution plan required by paragraph (c) of this subsection. Any contract
26 or agreement or plan for new obligations, duties, debt, fees, or taxes entered
27 into or devised in violation of this paragraph shall be void;

1 *(c) After voting to commence dissolution of a special purpose governmental*
2 *entity, the governing body or bodies initiating the dissolution shall:*
3 *1. Develop a dissolution plan which, if adopted by an establishing entity*
4 *shall be by ordinance, which shall include but not be limited to:*
5 *a. A description of how the necessary governmental services*
6 *provided by the special purpose governmental entity will be*
7 *provided upon dissolution of the entity or a statement that the*
8 *services are no longer needed;*
9 *b. A plan for the satisfaction of any outstanding obligations of the*
10 *special purpose governmental entity, including the continuation*
11 *of any tax levies or fee payments necessary to meet the*
12 *outstanding obligations;*
13 *c. Assurances from any organization or entity that will be*
14 *assuming responsibility for services provided by the special*
15 *purpose governmental entity, or that will assume the obligations*
16 *of the special purpose governmental entity, that the organization*
17 *or entity will, in fact, provide the services or assume the*
18 *obligations;*
19 *d. A plan for the orderly transfer of all assets of the special purpose*
20 *governmental entity in a manner that will continue to benefit*
21 *those to whom services were provided by the special purpose*
22 *governmental entity;*
23 *e. A date upon which final dissolution of the special purpose*
24 *governmental entity shall occur; and*
25 *f. Any other information the governing body wishes to include.*
26 *The dissolution plan shall be available for public review at least thirty*
27 *(30) days prior to the public hearing required by subparagraph 2. of*

1 *this paragraph;*
2 *2. Hold a public hearing in each county and city that is participating in*
3 *the dissolution to present the proposed dissolution plan and receive*
4 *feedback from the public. The time and location of the hearing, as*
5 *well as the location where a copy of the dissolution plan may be*
6 *reviewed by the public prior to the hearing, shall be advertised as*
7 *provided in KRS 424.130, and shall be posted on the registry*
8 *established by Section 2 of this Act. The hearing shall be held not less*
9 *than fifteen (15) days, nor more than thirty (30) days after the*
10 *publication of the notice in the newspaper;*
11 *3. Send a copy of the notice required by subparagraph 2. of this*
12 *paragraph to the DLG and to any state entity with oversight authority*
13 *of the special purpose governmental entity;*
14 *4. If the dissolution plan is amended after the public hearing, make the*
15 *amended dissolution plan available for public inspection for at least*
16 *fifteen (15) days prior to the final vote of the governing body under*
17 *subparagraph 5. of this paragraph;*
18 *5. If the special purpose governmental entity is utility as defined in KRS*
19 *278.010(3), obtain approval from the public service commission*
20 *pursuant to KRS 278.020(5); and*
21 *6. Within sixty (60) days after the date of the public hearing, finally*
22 *approve or disapprove the dissolution of the special purpose*
23 *governmental entity and the dissolution plan. Approval shall require:*
24 *a. If initiated by the governing board of the special purpose*
25 *governmental entity, the affirmative vote of two-thirds (2/3) of*
26 *the members of the governing body of the special purpose*
27 *governmental entity and the adoption of an ordinance by two-*

1 *thirds (2/3) of the members of the governing body of each*
2 *establishing entity;*
3 *b. The adoption of an ordinance by two-thirds (2/3) of the members*
4 *of the governing body of each establishing entity; or*
5 *c. If there is no establishing entity, by the adoption of an ordinance*
6 *by two-thirds (2/3) of the members of the governing body of each*
7 *county in which the special purpose governmental entity*
8 *provided services or operated.*
9 *(d) The governing body or bodies shall notify the DLG of the outcome the vote*
10 *or votes taken pursuant to subparagraph 6. of paragraph (c) of this*
11 *subsection; and*
12 *(e) Notwithstanding any other provision of this section, the dissolution of a*
13 *special purpose governmental entity shall not be final until all obligations*
14 *of the special purpose governmental entity have been satisfied or have been*
15 *assumed by another entity.*
16 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 65A IS CREATED TO
17 READ AS FOLLOWS:
18 *The DLG shall provide, or shall arrange for the provision of, educational materials*
19 *and programs for the governing bodies and employees of special purpose governmental*
20 *entities to inform them of their duties and responsibilities under the provisions of this*
21 *chapter and issues related thereto. In developing the materials and programs, the DLG*
22 *shall consult with public entities as defined in KRS 65.310. The DLG may promulgate*
23 *administrative regulations under KRS Chapter 13A to implement this section.*
24 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 65A IS CREATED TO
25 READ AS FOLLOWS:
26 *(1) (a) The board, officers, and employees of each special purpose governmental*
27 *entity shall be subject to the code of ethics of the establishing entity in*

1 *which the special purpose governmental entity's principal business office is*
2 *located.*
3 *(b) If the principal business office is located in more than one (1) establishing*
4 *entity, the board of the special purpose governmental entity shall select one*
5 *(1) of the applicable codes of ethics that will apply.*
6 *(c) If there is no establishing entity, the board, officers, and employees of the*
7 *special purpose governmental entity shall be subject to the code of ethics of*
8 *the county in which the special purpose governmental entity's principal*
9 *business office is located.*
10 *(2) The governing body of a special purpose governmental entity may adopt ethics*
11 *provisions that are more stringent than those of the establishing entity in which*
12 *its principal business office is located. If more stringent provisions are adopted,*
13 *the governing body of the special purpose governmental entity shall, within*
14 *twenty-one (21) days of the adoption of the provisions, deliver a copy of the*
15 *provisions to the DLG and the establishing entity. Any subsequent amendments*
16 *shall also be delivered to the DLG and the establishing entity within twenty-one*
17 *(21) days of adoption. The DLG shall include any documents provided under this*
18 *section as part of the public records and lists maintained under subsection (5)(a)*
19 *of Section 10 of this Act.*
20 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 65A IS CREATED TO
21 READ AS FOLLOWS:
22 *(1) The governing body of each special purpose governmental entity shall annually*
23 *adopt a budget conforming with the requirements established under Section 2 of*
24 *this Act prior to the start of the fiscal year to which the budget applies. No*
25 *moneys shall be expended from any source except as provided in the adopted*
26 *budget.*
27 *(2) In lieu of the publication requirements of KRS 424.220, but in compliance with*

1 *other applicable provisions of KRS Chapter 424, each special purpose*
2 *governmental entity shall, within sixty (60) days after the close of each fiscal*
3 *year, publish the location where the adopted budget, financial statements, and*
4 *most recent audit or attestation engagement reports may be examined by the*
5 *public.*
6 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 65A IS CREATED TO
7 READ AS FOLLOWS:
8 *(1) (a) To establish a complete list of all special purpose governmental entities*
9 *operating in Kentucky on the effective date of this Act so that the registry*
10 *established pursuant to Section 2 of this Act will be comprehensive, every*
11 *existing special purpose governmental entity shall register with the DLG as*
12 *provided in this subsection.*
13 *(b) Registration shall occur prior to December 31, 2013, and shall be in the*
14 *form and format required by the DLG, provided that in addition to the*
15 *information required by the DLG, all special purpose governmental entities*
16 *shall report to the DLG the date the last independent audit of the entity was*
17 *conducted.*
18 *(c) Between the effective date of this Act and December 31, 2013, the DLG,*
19 *with assistance from the area development districts created under KRS*
20 *147A.050, public entities as defined in KRS 65.310, and the Auditor of*
21 *Public Accounts, shall notify all special purpose governmental entities of*
22 *which it is aware of the registration requirement established by this*
23 *subsection, and of the consequences of failing to register in a timely*
24 *manner.*
25 *(2) The governing body of any special purpose governmental entity established on or*
26 *after January 1, 2014 shall, within fifteen (15) days of the establishment of the*
27 *entity, file with the DLG the information required by subsection (2)(a)1. of*

1 ***Section 2 of this Act and any other information required by the DLG.***
2 ***(3) Notwithstanding any other provision of the Kentucky Revised Statutes, any***
3 ***special purpose governmental entity that fails to provide information to the DLG***
4 ***as required under this section shall be:***
5 ***(a) Subject to administrative dissolution as provided in Section 5 of this Act;***
6 ***and***
7 ***(b) Prohibited from levying or collecting any tax, fee, assessment, or charge***
8 ***beginning January 1, 2014, through the date the entity registers with the***
9 ***DLG.***
10 ***To enforce paragraph (b) of this subsection, any resident or property owner of the***
11 ***service area of a special purpose governmental entity may bring an action in the***
12 ***Circuit Court. The Circuit Court, in its discretion, may allow the prevailing party,***
13 ***other than the special purpose governmental entity, a reasonable attorney's fee***
14 ***and court costs, to be paid from the special purpose governmental entity's***
15 ***treasury***.
16 ➔Section 10. KRS 65.003 is amended to read as follows:
17 (1) ***(a)*** The governing body of each city, county, urban-county, consolidated local
18 government, and charter county, shall adopt, by ordinance, a code of ethics
19 which shall apply to all elected officials of the city, county, urban-county,
20 consolidated local government, or charter county, and to appointed officials
21 and employees of the city, county, urban-county, consolidated local
22 government, or charter county government, or agencies created jointly, as
23 specified in the code of ethics. The elected officials of a city, county, or
24 consolidated local government to which a code of ethics shall apply include
25 the mayor, county judge/executive, members of the governing body, county
26 clerk, county attorney, sheriff, jailer, coroner, surveyor, and constable but do
27 not include members of any school board. Agencies created jointly may

1 include planning or administrative commissions or boards. Candidates for the
2 local government elective offices specified in this subsection shall comply
3 with the annual financial disclosure statement filing requirements contained in
4 the code of ethics.
5 ***(b) The boards, officers, and employees of special purpose governmental***
6 ***entities shall be subject to a code of ethics as provided in Section 7 of this***
7 ***Act. As used in this section, special purpose governmental entity have the***
8 ***same meaning as in Section 1 of this Act.***
9 (2) Any city, county, or consolidated local government may enter into a memorandum
10 of agreement or an interlocal agreement with one (1) or more other cities, counties,
11 or consolidated local governments for joint adoption of a code of ethics which shall
12 apply to all elected officials of the cities, counties, or consolidated local
13 governments, and to appointed officials and employees as specified by each of the
14 cities, counties, or consolidated local governments which enters into the agreement.
15 Interlocal agreements shall be executed pursuant to the Interlocal Cooperation Act
16 in KRS 65.210 to 65.300. The interlocal agreement or memorandum of agreement
17 may provide for but shall not be limited to:
18 (a) The provision of administrative services relating to the implementation of a
19 code of ethics;
20 (b) The creation of a regional ethics board which serves independently to provide
21 advice to member governments and their officials and provides for the
22 enforcement of locally adopted codes of ethics; and
23 (c) Contracting by a memorandum of agreement with an area development
24 district for the provision of administrative services relating to the
25 implementation of a code of ethics.
26 Candidates for the city, county, or consolidated local government elective offices
27 specified in this subsection shall comply with the annual financial disclosure

1 statement filing requirements contained in the code of ethics.

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

5 (a) Standards of conduct for elected and appointed officials and employees;

6 (b) Requirements for creation of financial disclosure statements, which shall be
7 filed annually by all candidates for the city, county, or consolidated local
8 government elective offices specified in subsection (1) of this section, elected
9 officials of each city, county, or consolidated local government, and other
10 officials or employees of the city, county, or consolidated local government,
11 as specified in the code of ethics, and which shall be filed with the person or
12 group responsible for enforcement of the code of ethics, provided that***:***

13 ***1.*** Nonpaid members of jointly created agencies may be exempted from
14 filing financial disclosure statements; ***and***

15 ***2. Board members, officers, and employees of special purpose***
16 ***governmental entities shall not be required to file financial disclosure***
17 ***statements for their service or employment with the special purpose***
18 ***governmental entity, unless the special purpose governmental entity***
19 ***adopts more stringent requirements under Section 7 of this Act that***
20 ***require the filing of 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 a
8 copy of the ordinance by which the code was adopted and proof of publication
9 in accordance with KRS Chapter 424 to the Department for Local
10 Government. The Department for Local Government shall maintain the
11 ordinances as public records and shall maintain a list of city, county, or
12 consolidated local governments which have adopted a code of ethics and a list
13 of those which have not adopted a code of ethics.
14 (b) Within twenty-one (21) days of the amendment of a code of ethics required by
15 this section, each city, county, or consolidated local government shall*:*
16 ***1.*** Deliver a copy of the ordinance by which the code was amended and
17 proof of publication in accordance with KRS Chapter 424 to the
18 Department for Local Government, which shall maintain the amendment
19 with the ordinance by which the code was adopted***; and***
20 ***2. Deliver a copy of the ordinance by which the code was amended to the***
21 ***governing body of each special purpose governmental entity that***
22 ***follows that establishing entity's code of ethics pursuant to Section 7***
23 ***of this Act***.
24 (c) For ordinances adopting or amending a code of ethics under this section, cities
25 of the first class and consolidated local governments shall comply with the
26 publication requirements of KRS 83A.060(9), notwithstanding the exception
27 contained in that statute.

1 (6) If a city, county, or consolidated local government fails to comply with the
2 requirements of this section, the Department for Local Government shall notify all
3 state agencies, including area development districts, which deliver services or
4 payments of money from the Commonwealth to the city, county, or consolidated
5 local government. Those agencies shall suspend delivery of all services or payments
6 to the city, county, or consolidated local government which fails to comply with the
7 requirements of this section. The Department for Local Government shall
8 immediately notify those same agencies when the city, county, or consolidated local
9 government is in compliance with the requirements of this section, and those
10 agencies shall reinstate the delivery of services or payments to the city, county, or
11 consolidated local government.
12 ➔Section 11. KRS 65.005 is amended to read as follows:
13 (1) ***The provisions of this section shall apply prior to July 1, 2014. On and after July***
14 ***1, 2014, the provisions of this section shall no longer apply; instead the***
15 ***provisions of Sections 1 to 9 of this Act shall apply. Special districts shall***
16 ***cooperate with the Department for Local Government and the Auditor of Public***
17 ***Accounts to ensure an orderly transition from the reporting requirements of this***
18 ***section to the reporting requirements of Sections 1 to 9 of this Act.***
19 ***Notwithstanding the dates established by this subsection, the provisions of this***
20 ***section and Sections 1 to 9 of this Act shall be administered such that the***
21 ***registration required by subsection (1) of Section 9 of this Act occurs as required***
22 ***by that subsection, and there is no gap in reporting by entities subject to this***
23 ***section and Sections 1 to 9 of this Act as the transition occurs.***
24 *(2)* (a) "Special district" means any agency, authority, or political subdivision of the
25 state which exercises less than statewide jurisdiction and which is organized
26 for the purpose of performing governmental or other prescribed functions
27 within limited boundaries. It includes all political subdivisions of the state

1 except a city, a county, or a school district.
2 (b) "Governing body" means the body possessing legislative authority in a city,
3 county, or special district.
4 *(3)*[~~(2)~~] No special district shall be legally created without sending notification of its
5 existence in writing to the clerk of the county within the jurisdiction of which its
6 principal office shall be located. This requirement for notification is in addition to
7 all other provisions of existing law providing for the creation of special districts.
8 The notification shall contain the names and addresses of the members of the
9 governing body of the district, the name and address of its chief executive officer, a
10 specific reference to the statute or statutes under which it was created, and a brief
11 description of its service area and activities. The clerk shall record the original and
12 forward a copy of the notification to the state local finance officer and the state local
13 debt officer, Department for Local Government. The clerk shall be paid a fee of two
14 dollars ($2) by the district for recording and mailing the notification.
15 *(4)*[~~(3)~~] The governing body of any existing special district shall submit notification as
16 required in subsection *(3)*[~~(2)~~] of this section within thirty (30) days after June 16,
17 1966, and the governing body of a newly created special district shall submit the
18 required notification at or before its first meeting.
19 ➔Section 12. KRS 65.065 is amended to read as follows:
20 (1) ***The provisions of this section shall apply for fiscal periods ending prior to July 1,***
21 ***2014. For fiscal periods beginning on or after July 1, 2014, the provisions of this***
22 ***section shall no longer apply; instead, the provisions of Sections 1 to 9 of this Act***
23 ***shall apply. Districts shall cooperate with the Department for Local Government***
24 ***and the Auditor of Public Accounts to ensure an orderly transition from the***
25 ***reporting requirements of this section to the reporting requirements of Sections 1***
26 ***to 9 of this Act. Notwithstanding the dates established by this subsection, the***
27 ***provisions of this section and Sections 1 to 9 of this Act shall be administered***

1 ***such that the registration required by subsection (1) of Section 9 of this Act***
2 ***occurs as required by that subsection, and there is no gap in reporting by entities***
3 ***subject to this section and Sections 1 to 9 of this Act as the transition occurs.***
4 *(2)* The governing body of each district shall annually prepare a budget and, as
5 appropriate, shall classify budget units in the same fashion as county budgets are
6 classified in accordance with KRS 68.240(2) to (5). The state local finance officer
7 shall prepare standard budget forms for district use and shall furnish them to county
8 clerks for distribution to district officers. No moneys shall be expended from any
9 funds or any sources, except in accordance with the budget which has been filed
10 with the fiscal court to be available for public inspection. No budget of a district
11 shall become effective until filed with the fiscal court of the county in which the
12 district is located for submission to the Department for Local Government. For
13 those districts with multicounty jurisdictions, the district shall file a copy with each
14 of the fiscal courts within the jurisdiction of the district for their review. If the
15 budget is not filed with the fiscal court at least thirty (30) days prior to the start of
16 the district fiscal year, the fiscal court shall immediately notify the county attorney.
17 The county attorney shall then notify the governing board of the special district of
18 the noncompliance and then proceed with any steps necessary to prevent the
19 expenditure of funds by the special district until the district is in compliance.
20 *(3)*[~~(2)~~] The governing body of each district which for the year in question receives
21 from all sources or expends for all purposes less than seven hundred fifty thousand
22 dollars ($750,000) shall annually prepare a financial statement, except that once
23 every four (4) years the district's governing body shall provide for the performance
24 of an audit as provided in subsection *(5)*[~~(4)~~] of this section.
25 *(4)*[~~(3)~~] The governing body of each district which for the year in question receives
26 from all sources or expends for all purposes seven hundred fifty thousand dollars
27 ($750,000) or more shall provide for the performance of an annual audit as provided

1 in subsection *(5)*[~~(4)~~] of this section.

2 *(5)*[~~(4)~~] To provide for the performance of an audit, the governing body of a district
3 shall employ an independent certified public accountant or contract with the Auditor
4 of Public Accounts to perform an audit of the funds in the district budget. The audit
5 shall conform to:

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

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

18 *(6)*[~~(5)~~] The provisions of subsection *(3)*[~~(2)~~] of this section shall not apply to any
19 district that is required by law to annually submit a financial report to an agency of
20 state government. The districts shall annually submit a copy of their financial report
21 to the county judge/executive and to the state local finance officer and once every
22 four (4) years provide for the performance of an audit as provided in subsection
23 *(5)*[~~(4)~~] of this section.

24 *(7)*[~~(6)~~] Any resident of the district may bring an action in the Circuit Court to enforce
25 the provisions of this section. The Circuit Court shall hear the action and, on a
26 finding that the governing body of the district has violated the provisions of this
27 section, shall order the district to comply with the provisions. The Circuit Court, in

1 its discretion, may allow the prevailing party, other than the district, a reasonable
2 attorney's fee and court costs, to be paid from the district's treasury.
3 ➔Section 13. KRS 65.070 is amended to read as follows:
4 (1) ***The provisions of this section shall apply for fiscal periods ending prior to July 1,***
5 ***2014. For fiscal periods beginning on and after July 1, 2014, the provisions of***
6 ***this section shall no longer apply; instead, the provisions of Sections 1 to 9 of this***
7 ***Act shall apply. Districts shall cooperate with the Department for Local***
8 ***Government and the Auditor of Public Accounts to ensure an orderly transition***
9 ***from the reporting requirements of this section to the reporting requirements of***
10 ***Sections 1 to 9 of this Act. Notwithstanding the dates established by this***
11 ***subsection, the provisions of this section and Sections 1 to 9 of this Act shall be***
12 ***administered such that the registration required by subsection (1) of Section 9 of***
13 ***this Act occurs as required by that subsection, and there is no gap in reporting by***
14 ***entities subject to this section and Sections 1 to 9 of this Act as the transition***
15 ***occurs.***
16 *(2)* Within sixty (60) days following the close of the fiscal year, the district shall:
17 (a) File with the county clerk of each county with territory in the district a
18 certification showing any of the following information that has changed since
19 the last filing by the district:
20 1. The name of the district;
21 2. A map or general description of its service area;
22 3. The statutory authority under which it was created; and
23 4. The names, addresses, and the date of expiration of the terms of office of
24 the members of its governing body and chief executive officer;
25 (b) Submit for review a copy of the summary financial statement with the fiscal
26 court of each county with territory in the district; and
27 (c) Publish, in lieu of the provisions of KRS 424.220, but in compliance with

1 other applicable provisions of KRS Chapter 424, the names and addresses of
2 the members of its governing body and chief executive officer, and either a
3 summary financial statement, which includes the location of supporting
4 documents, or the location of district financial records which may be
5 examined by the public.
6 ***(3)***[~~(2)~~] The district shall submit for review a copy of the audit with the fiscal court of
7 each county with territory in the district. The submission shall be made within thirty
8 (30) days of the district's receipt of the completed audit.
9 ***(4)***[~~(3)~~] The Department for Local Government shall prepare and furnish to county
10 clerks standard reporting forms which districts may use to comply with the
11 provisions of this section.
12 ***(5)***[~~(4)~~] Any resident of the district may bring an action in the Circuit Court to enforce
13 the provisions of this section. The Circuit Court shall hear the action and, on a
14 finding that the governing body of the district has violated the provisions of this
15 section, shall order the district to comply with its provisions. The Circuit Court, in
16 its discretion, may allow the prevailing party, other than the district, a reasonable
17 attorney's fee and court costs, to be paid from the district's treasury.
18 ➔Section 14. KRS 65.117 is amended to read as follows:
19 (1) No city, county, urban-county, consolidated local government, charter county, ***or***
20 special ***purpose governmental entity as defined in Section 1 of this Act***[~~district, or~~
21 ~~taxing district~~] shall enter into any financing obligation of any nature, whether
22 evidenced by note pursuant to KRS 65.7701 to 65.7721 or otherwise, by lease
23 pursuant to KRS 65.940 to 65.956, under which the lease price exceeds two
24 hundred thousand dollars ($200,000), by bond issuance pursuant to KRS Chapter
25 66, or any long-term debt obligation of any sort without first notifying the state local
26 debt officer in writing. The Department for Local Government may promulgate
27 administrative regulations to develop the forms for the notification that shall contain

1 the relevant financial terms of the obligation, including the interest rates or method
2 of determining rates, the date of issue, the maturity dates, term of obligation,
3 renewal periods, and the trustee or paying agent, if any. No approval of the state
4 local debt officer shall be required, unless otherwise required by law.
5 (2) Any financing obligation entered into prior to July 15, 2008, shall be considered in
6 compliance if that notification is provided to the state local debt officer no later than
7 one (1) year after July 15, 2008.
8 ➔Section 15. KRS 65.900 is amended to read as follows:
9 As used in KRS 65.905 to 65.925, unless the context requires otherwise:
10 (1) "City" means every city organized and governed under the mayor-alderman form of
11 government pursuant to KRS Chapter 83, every city organized and governed under
12 the mayor-council form of government pursuant to KRS Chapter 83A, every city
13 organized and governed under the commission form of government pursuant to
14 KRS Chapter 83A, every city organized and governed under the city manager form
15 of government pursuant to KRS Chapter 83A, every consolidated local government
16 organized and governed under the consolidated local government form of
17 government pursuant to KRS Chapter 67C, and every urban-county government
18 organized and governed under the urban-county form of government pursuant to
19 KRS Chapter 67A.
20 (2) "County" means any of Kentucky's one hundred twenty (120) counties.
21 (3) "Special district" means any district with ad valorem taxing powers including, but
22 not limited to, those specified in the following KRS statutes: KRS 75.010 to 75.260,
23 KRS 76.274 to 76.279, KRS 104.450 to 104.680, KRS 107.310 to 107.500, KRS
24 108.080 to 108.180, KRS 109.115 to 109.190, KRS 147.610 to 147.710, KRS
25 164.605 to 164.675, KRS 173.450 to 173.650, KRS 173.710 to 173.800, KRS
26 179.700 to 179.990, KRS 210.370 to 210.480, KRS 212.720 to 212.760, KRS
27 216.310 to 216.360, KRS 220.010 to 220.613, KRS 262.010 to 262.660, KRS

1 262.700 to 262.990, KRS 266.010 to 266.990, KRS 268.010 to 268.990, and KRS
2 269.100 to 269.270.
3 (4) "Local government" includes:
4 *(a) For fiscal periods ending prior to July 1, 2014, cities, counties, consolidated*
5 *local governments, urban-county governments, and special districts; and*
6 *(b) For fiscal periods beginning on and after July 1, 2014, cities, counties,*
7 *consolidated local governments, and urban-county governments*[~~the terms~~
8 ~~city, county, consolidated local government, urban-county government, and~~
9 ~~special district as defined in this section~~].
10 (5) "Lease-purchase agreement" means an agreement to lease or to lease and purchase
11 major items of property, equipment, or services estimated to cost fifty thousand
12 dollars ($50,000) or more, and two hundred thousand dollars ($200,000) or more
13 for the construction or installation of a building or a utility.
14 ➔Section 16. KRS 65.905 is amended to read as follows:
15 (1) Except as otherwise provided in subsection (2) of this section, each local
16 government[~~ as defined in KRS 65.900~~] shall annually, after the close of the fiscal
17 year, complete a uniform financial information report. The report shall be submitted
18 to the Department for Local Government by May 1 immediately following the close
19 of the fiscal year. The Department for Local Government shall immediately send
20 one (1) copy of the uniform financial information report to the Legislative Research
21 Commission to be used for the purposes of KRS 6.955 to 6.975.
22 (2) The final quarterly report filed by a county within fifteen (15) days after the end of
23 the last quarter of the fiscal year, in accordance with KRS 68.360(2), shall be
24 deemed the uniform financial information report for that county for purposes of
25 compliance with KRS 65.900 to 65.925.
26 (3) *(a) 1.* Each city may have the uniform financial information report completed
27 by its selected auditor as part of the terms and conditions of the written

1 agreement between the city and the auditor in accordance with KRS
2 91A.040.
3 2. Each county may have the uniform financial information report
4 completed by its auditor selected in accordance with KRS 43.070 or
5 64.810.
6 3. ***For fiscal periods ending prior to July 1, 2014,*** each special district
7 may have the uniform financial information report completed by its
8 auditor selected in accordance with KRS 65.065. ***For fiscal periods***
9 ***beginning on and after July 1, 2014, the provisions of this section***
10 ***shall no longer apply to special districts. Instead, the provisions of***
11 ***Sections 1 to 9 of this Act shall apply. Notwithstanding the dates***
12 ***established by this subparagraph, the provisions of this section and***
13 ***Sections 1 to 9 of this Act shall be administered such that the***
14 ***registration required by subsection (1) of Section 9 of this Act occurs***
15 ***as required by that subsection, and there is no gap in reporting by***
16 ***entities subject to this section and Sections 1 to 9 of this Act as the***
17 ***transition occurs.***
18 *(b)* If a city does not use the auditor to complete the uniform financial information
19 report, it shall by order designate an elected or nonelected official to be
20 responsible for annually completing the report and submitting it to the
21 Department for Local Government.
22 *(c)* If a local government has any agency, board, or commission that receives any
23 funding from the local government, but conducts its operations on an
24 autonomous or semi-autonomous basis, the local government shall note on the
25 uniform financial information report the name of the agency, board, or
26 commission; the mailing address of the agency, board, or commission; and the
27 dollar amount annually appropriated by the local government to the agency,

1 board, or commission.

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

13 (5) The Department for Local Government shall use the uniform financial information
14 report to replace as many financial information forms as possible that local
15 governments are currently required to complete and submit to that office for use by
16 either the state or federal governments, by consolidating the required information
17 into the uniform report.

18 ➔Section 17. KRS 39F.160 is amended to read as follows:

19 (1) A rescue squad taxing district may be created by the fiscal court pursuant to KRS
20 65.182 or 65.188.

21 (2) The ad valorem tax that may be imposed for the maintenance and operation of the
22 district shall not exceed ten cents ($0.10) for each one hundred dollars ($100) of the
23 assessed valuation of all property in the district.

24 (3) Upon the creation of a district, the district so established shall be a taxing district
25 within the meaning of Section 157 of the Constitution of Kentucky.

26 (4) The district ad valorem taxes shall be collected by the sheriff in the same manner as
27 county ad valorem taxes. The sheriff shall be entitled to a fee of four percent (4%)

1 of the amount of the tax collected for the district.

2 (5) The affairs of the district shall be controlled by a board of directors appointed by the
3 county judge/executive, the mayor of an urban-county, or the chief executive of
4 another local government with the approval of the legislative body of that
5 jurisdiction.

6 (a) If the district consists of one (1) county, three (3) directors shall be appointed;

7 (b) If the district consists of two (2) counties, the county judge/executive of the
8 county having the greater portion of the population of the district shall appoint
9 two (2) directors and the county judge/executive of the other county shall
10 appoint the third director;

11 (c) If the district consists of more than two (2) counties, the county
12 judge/executive of the county having the greatest portion of the population of
13 the district shall appoint two (2) directors and the county judge/executive of
14 the remaining counties comprising the district shall each appoint one (1)
15 director;

16 (d) The legislative body of each city of the first three (3) classes, or if there is no
17 such class of city, the city of the highest class located within the district shall
18 appoint one (1) additional director.

19 (6) The board of directors shall be appointed within thirty (30) days after the
20 establishment of the district. Each board member shall reside within the county or
21 city for which appointed. Directors shall be appointed for terms of two (2) years
22 each, except that initially the appointing authority shall appoint a minority of the
23 board members for one (1) year terms. Subsequent terms shall all be for two (2)
24 years. Any vacancies shall be filled by the appointing authority for the unexpired
25 term.

26 (7) A majority of the membership of the board shall constitute a quorum.

27 (8) A member of the board of directors may be removed from office as provided by

1 KRS 65.007.
2 (9) The board of directors shall provide rescue service to inhabitants of the district and
3 may:
4 (a) Purchase vehicles and all other necessary equipment and employ trained
5 personnel who meet all federal and state requirements;
6 (b) Adopt rules and regulations necessary to effectively and efficiently provide
7 rescue service for the district. Rules and regulations shall be consistent with
8 the provisions of this chapter;
9 (c) Employ persons to administer the daily operations of the rescue service;
10 (d) Compensate employees of the district at a rate determined by the board;
11 (e) Apply for and receive available funds from the state and federal government
12 for the purpose of maintaining or improving the rescue service of the district;
13 and
14 (f) Acquire by bequest, gift, grant, or purchase any real or personal property
15 necessary to provide rescue service.
16 (10) A district shall be eligible for grants pursuant to KRS 39F.130 and workers'
17 compensation coverage pursuant to KRS 39F.170.
18 (11) Tax revenues of a rescue squad taxing district shall be used only for rescue services
19 as described in this chapter. Tax revenues of a rescue squad taxing district shall be
20 distributed among all rescue squads in the district in proportion to the percentage of
21 the district's population served by each squad.
22 ***(12) The board of directors shall comply with the provisions of Sections 1 to 9 of this***
23 ***Act.***
24 ➔Section 18. KRS 43.070 is amended to read as follows:
25 (1) *(a)* To determine whether any unauthorized, illegal, irregular, or unsafe handling
26 or expenditure of revenue or other improper practice of financial
27 administration has occurred and to assure that all proper items have been duly

1 charged, taxed, and reported, the Auditor shall audit annually:
2 *1.*[~~(a)~~] The funds contained in each county's budget; and
3 *2.*[~~(b)~~] The books, accounts, and papers of all county clerks and sheriffs.
4 ***(b) The Auditor shall not conduct an audit pursuant to this subsection if the***
5 ***fiscal court or the elected official notifies the Auditor that a certified public***
6 ***accountant has been employed to audit the books, accounts, and papers of***
7 ***the county or the fee office, in accordance with KRS 64.810.***
8 (2) [~~(a)~~]The Auditor may audit*:*
9 *(a)* The books, accounts and papers of all county judges/executive, county
10 attorneys, coroners and constables; and
11 ***(b) The books, accounts, papers, and performance of all special purpose***
12 ***governmental entities as defined in Section 1 of this Act. The expense of any***
13 ***audit or examination performed pursuant to this paragraph shall be borne***
14 ***by the entity audited or examined.***
15 [~~(b) The Auditor shall not conduct an audit pursuant to subsection (1)(a) or (b) of~~
16 ~~this section if the fiscal court or the elected official notifies the Auditor that a~~
17 ~~certified public accountant has been employed to audit the books, accounts~~
18 ~~and papers of the county or the fee office, in accordance with KRS 64.810.~~]
19 (3) The county shall bear one-half (1/2) of the actual expense of the audit conducted
20 pursuant to subsection (1)(a)*1.* of this section and shall bear the total actual expense
21 of the audit conducted pursuant to subsections (1)*(a)2.*[~~(b)~~] and (2)*(a)* of this
22 section. No county shall be required to bear the expense for more than one (1) audit
23 of the same fund or office annually pursuant to subsection (1)(a)*1.* or *2.*[~~(b)~~] of this
24 section except as provided [~~for~~]in KRS 64.810(4).
25 (4) Within a reasonable time after the completion and distribution of the audit reports
26 authorized by subsection (1) of this section, the Auditor of Public Accounts shall
27 bill the county for the expenses incurred pursuant to subsection (3) of this section.

1 A copy of this bill shall be forwarded to the secretary of the Finance and
2 Administration Cabinet. Should the fiscal court within sixty (60) days following
3 receipt of said bill determine the charge to be excessive or otherwise improper it
4 shall submit its objection to the secretary of the Finance and Administration Cabinet
5 and to the State Treasurer for resolution of the controversy in accordance with
6 subsection (5) of this section. If the amount billed has not been paid within sixty
7 (60) days from date of billing, and no objection has been filed, the Auditor shall
8 notify the secretary of the Finance and Administration Cabinet and the secretary of
9 revenue who shall cause said amount to be deducted from the next payment or
10 return of moneys provided by KRS 47.110 by the state to the county or counties.
11 Deductions shall continue until the total amount due the Auditor's office has been
12 paid. All moneys received pursuant to this section shall be credited to the trust and
13 agency account of the Auditor of Public Accounts. When an objection to the bill has
14 been filed with the secretary of the Finance and Administration Cabinet and the
15 State Treasurer in accordance with subsection (5) of this section the amount found
16 to be equitable and just shall become payable immediately upon the entry of the
17 final decision.
18 (5) Any controversy over the amount of the bill for the actual expenses incurred shall
19 be submitted by the fiscal court to the secretary of the Finance and Administration
20 Cabinet and the State Treasurer for a decision as to the proper amount. In the event
21 that these two (2) arbitrators fail to agree, then the controversy shall be submitted to
22 the Attorney General, whose decision shall be final.
23 ➔Section 19. KRS 43.075 is amended to read as follows:
24 (1) The Auditor shall develop uniform standards and procedures for conducting, and
25 uniform formats for reporting, all audits of county budgets and the accounts, books
26 and papers of elected county or district officials performed under KRS
27 43.070(1)(a)*1.* and *2.*~~[(b)]~~ or *(1)*~~[(2)]~~(b) or 64.810. The Auditor shall promulgate the

1 uniform standards and procedures by administrative regulation according to KRS
2 Chapter 13A.
3 (2) Upon and after July 15, 1986, no person shall conduct an audit under KRS
4 43.070(1)(a)*1.* and *2.*[~~(b)~~] or *(1)*[~~(2)~~](b) or 64.810 which does not comply with the
5 standards and procedures promulgated by the state Auditor of Public Accounts
6 under subsection (1) of this section.
7 (3) The uniform audit standards and procedures promulgated by the Auditor shall
8 include but need not be limited to the requirement that each person performing an
9 audit shall determine whether the fiscal court or county official is complying with
10 the requirements of the uniform system of accounts adopted under KRS 68.210,
11 whether there is accurate recording of receipts by source and expenditures by payee,
12 and whether or not each official is complying with all other legal requirements
13 relating to the management of public funds by his office, including all publication
14 requirements. The requirements for uniform formats for audit reports shall require
15 that the format of reports for each category of county or district office shall be
16 uniform.
17 (4) The Auditor shall make informational copies of the regulations containing the audit
18 standards and procedures available to interested persons at their request, and may
19 charge a reasonable fee for such copies.
20 ➔SECTION 20. A NEW SECTION OF KRS 65.180 TO 65.192 IS CREATED
21 TO READ AS FOLLOWS:
22 ***The board of any taxing district established pursuant to KRS 65.180 to 65.192 shall***
23 ***comply with the provisions of Sections 1 to 9 of this Act.***
24 ➔SECTION 21. A NEW SECTION OF KRS 65.350 TO 65.375 IS CREATED
25 TO READ AS FOLLOWS:
26 ***Any board formed and operating under KRS 65.350 to 65.375 shall comply with the***
27 ***provisions of Sections 1 to 9 of this Act.***

1 ➔Section 22. KRS 65.530 is amended to read as follows:
2 (1) The purposes of the authority shall be to establish, maintain, operate, and expand
3 necessary and proper riverport and river navigation facilities, and to acquire and
4 develop property, or rights therein within the economic environs, the home county,
5 or any county adjacent thereto, of the riverport or proposed riverport to attract
6 directly or indirectly river-oriented industry. It shall have the duty and such powers
7 as may be necessary or desirable to promote and develop navigation, river
8 transportation, riverports, and riverport facilities, and to attract industrial or
9 commercial operations to the property held as industrial parks.
10 (2) The authority shall establish and fix reasonable rates, charges, and fees for the use
11 of the riverport facilities which shall be published in a newspaper of general
12 circulation in the county in which the riverport is located. In fixing rates, charges, or
13 fees the authority may take into consideration, among other factors, the total capital
14 investment of the authority, the revenue needed properly to maintain such facilities,
15 the revenue needed properly to expand the riverport and its facilities, the portion of
16 the facilities utilized by the licensee or contracting party and its customers, and the
17 volume and type of business conducted. Any party aggrieved by the rates, charges,
18 or fees may appeal from the action of the authority to the Circuit Court of the
19 county within which the authority operates, within ninety (90) days from the date
20 that the authority finally publishes the rates, charges, or fees and gives notice of
21 same to the contracting party or licensee. The Circuit Court may hear evidence and
22 determine whether or not the rates, charges, or fees are, or are not, reasonable in
23 amount. Appeal from the judgment of the Circuit Court may be prosecuted as any
24 other civil appeal.
25 (3) The authority shall also have power, from time to time, to fix rates, charges, or fees
26 by contract, or by publishing general rates, charges, or fees for commercial vendors,
27 concessionaires, or other persons for the use or occupancy of riverport facilities

1 under the terms and conditions it deems to be in the best interest of maintaining,
2 operating, or expanding necessary riverport facilities, and the public use thereof.
3 (4) The authority may acquire by contract, lease, purchase, option, gift, condemnation,
4 or otherwise any real or personal property, or rights therein, necessary or suitable
5 for establishing, developing, operating, or expanding riverports, riverport facilities,
6 water navigation facilities, including spoilage areas for the disposal of materials
7 dredged from river bottoms in an effort to improve the navigability of rivers, reserve
8 storage areas and reserves of bulk materials utilized by the authority or any person
9 acting as the authority's agent or licensee, and industrial parks or sites within the
10 economic environs of the riverport or proposed riverport. The authority may erect,
11 equip, operate, and maintain on the property buildings and equipment necessary and
12 proper for riverport and water navigation facilities. The authority may dispose of
13 any real or personal property, or rights therein, which in the opinion of the authority
14 is not needed for use as riverport or water navigation facilities, or use as industrial
15 parks or sites. The authority may lease, sell, convey, or assign its interest in land
16 owned, optioned, or otherwise held by it to any person for the purpose of
17 constructing and/or operating any industrial or commercial facility or for the
18 purpose of acting as the authority's agent or licensee in effectively carrying out any
19 of its powers and duties.
20 (5) With the consent of the legislative body of the governmental unit in which the
21 property to be condemned is located, the authority may by resolution, reciting that
22 the property cannot be acquired by purchase or agreement and is needed for
23 riverport, water navigation, or industrial purposes in accordance with the powers set
24 forth in subsection (4) of this section, direct the condemnation of any property. The
25 procedure for condemnation shall conform to the procedure set out in the Eminent
26 Domain Act of Kentucky.
27 (6) The authority may apply for, receive authorization for, establish, and operate a

1 foreign trade zone, as permitted by 19 U.S.C. sec. 81, provided approval is obtained
2 from the Cabinet for Economic Development.
3 ***(7) The authority shall comply with the provisions of Sections 1 to 9 of this Act.***
4 ➔SECTION 23. A NEW SECTION OF KRS 65.660 TO 65.679 IS CREATED
5 TO READ AS FOLLOWS:
6 ***Any emergency services board established pursuant to KRS 65.660 to 65.679 shall***
7 ***comply with the provisions of Sections 1 to 9 of this Act.***
8 ➔Section 24. KRS 65.8925 is amended to read as follows:
9 (1) By January 1, 2012, the commissioners of a regional wastewater commission
10 established under the provisions of KRS 65.8901 to 65.8923 shall provide public
11 access to records relating to expenditures of the commission through display of the
12 records on a Web site.
13 (2) The Web site shall be in a searchable format and shall provide financial information
14 about expenditures not exempt under the provisions of state or federal law,
15 including:
16 (a) The payee name;
17 (b) The category or type of expenditure;
18 (c) A description of the reason for the expenditure, if available;
19 (d) The expenditure amount;
20 (e) An electronic link to documents relating to the expenditure, if the documents
21 are available electronically;
22 (f) The budget adopted by the commission and subsequent amendments to that
23 budget;
24 (g) The completed annual audit results; and
25 (h) Any other information deemed relevant by the commission.
26 (3) Information on the Web site shall be updated at least on a monthly basis and shall
27 be maintained on the Web site for at least three (3) years.

1 ***(4) (a) The regional wastewater commission shall register with the Department for***
2 ***Local Government as required by Section 9 of this Act.***
3 ***(b) For fiscal periods beginning on and after July 1, 2014, the provisions of***
4 ***Sections 1 to 9 of this Act shall apply to regional wastewater commissions.***
5 ***Commissioners shall work with the Department for Local Government to***
6 ***provide the information required by this section through the registry***
7 ***established by Section 2 of this Act.***
8 ➔SECTION 25. A NEW SECTION OF KRS 68.600 TO 68.606 IS CREATED
9 TO READ AS FOLLOWS:
10 ***The board of trustees shall comply with the provisions of Sections 1 to 9 of this Act.***
11 ➔Section 26. KRS 74.070 is amended to read as follows:
12 *(1)* The commission shall be a body corporate for all purposes, and may make contracts
13 for the water district with municipalities and other persons.
14 *(2)* All corporate powers of the water district shall be exercised by, or under the
15 authority of, its commission. The business and affairs of the water district shall be
16 managed under the direction and oversight of its commission.
17 *(3)* The commission may prosecute and defend suits, hire the chief executive officer
18 and do all acts necessary to carry on the work of the water district.
19 *(4)* The commission may adopt bylaws not inconsistent with the provisions of this
20 chapter.
21 ***(5) The commission shall comply with the provisions of Sections 1 to 9 of this Act.***
22 ➔Section 27. KRS 75.430 is amended to read as follows:
23 (1) Each recognized and certified fire department created pursuant to KRS Chapter 273
24 shall ***comply with the provisions of Sections 1 to 9 of this Act***[~~send a copy of its~~
25 ~~annual report as required by KRS 14A.6-010 to the commission at the time the~~
26 ~~report is filed with the Secretary of State~~].
27 (2) The governing body of each recognized and certified volunteer fire department

1 created pursuant to KRS Chapter 273 which, for the year in question, receives from
2 all sources or expends for all purposes less than one hundred thousand dollars
3 ($100,000) shall prepare a financial statement and submit it to the commission by
4 July 31 of each year.
5 (3) The governing body of each recognized and certified volunteer fire department
6 created pursuant to KRS Chapter 273 which, for the year in question, receives from
7 all sources or expends for all purposes one hundred thousand dollars ($100,000) or
8 more shall prepare a financial statement and shall employ an independent certified
9 public accountant or contract with the Auditor of Public Accounts to perform a
10 review of the financial statement, and shall submit the reviewed statement to the
11 commission by July 31 of each year.
12 ➔SECTION 28. A NEW SECTION OF KRS 76.005 TO 76.230 IS CREATED
13 TO READ AS FOLLOWS:
14 ***The board of the district shall comply with the provisions of Sections 1 to 9 of this Act***
15 ***for both the district and any subdistrict established pursuant to KRS 76.241 to 76.273.***
16 ➔SECTION 29. A NEW SECTION OF KRS 76.231 TO 76.240 IS CREATED
17 TO READ AS FOLLOWS:
18 ***The board shall comply with the provisions of Sections 1 to 9 of this Act.***
19 ➔SECTION 30. A NEW SECTION OF KRS 76.274 TO 76.279 IS CREATED
20 TO READ AS FOLLOWS:
21 ***The board shall comply with the provisions of Sections 1 to 9 of this Act.***
22 ➔SECTION 31. A NEW SECTION OF KRS 76.295 TO 76.420 IS CREATED
23 TO READ AS FOLLOWS:
24 ***The board shall comply with the provisions of Sections 1 to 9 of this Act.***
25 ➔Section 32. KRS 77.135 is amended to read as follows:
26 (1) It shall be the duty of the secretary-treasurer of an air pollution control board of a
27 consolidated local government and a county containing a city of the first or second

1 class, during or before the month of May of each year, to prepare and certify to the
2 consolidated local government or fiscal court of the county and to the legislative
3 body of the city, for their joint consideration, a preliminary budget showing the total
4 funds which, in the judgment of the air pollution control board, will be needed for
5 the various departments of the district, together with a statement showing the
6 estimated balances, if any, which will be available on July 1 for expenditure during
7 the next fiscal year following the certification of said statement, and also indicating,
8 as nearly as may be possible, what additional funds or assets (other than
9 appropriations) will be or will become available for expenditure during that year.
10 The board shall also furnish to the consolidated local government or the fiscal court
11 and the city legislative body any other information or data available to it which the
12 consolidated local government, the fiscal court, or the city legislative body may
13 request.
14 (2) Prior to the first day of each fiscal year, every air pollution control board shall
15 prepare, for its own use and guidance, a financial budget setting forth the total
16 amounts of funds available from all sources for expenditures during the said fiscal
17 year, and also setting forth in detail the estimated expenditures of the board and the
18 district during said fiscal year.
19 (3) A contingent fund for unanticipated expenditures may be established in order to
20 provide for such contingent and unanticipated needs as may arise during the
21 district's said fiscal year.
22 ***(4) All air pollution control boards shall comply with the provisions of Sections 1 to 9***
23 ***of this Act.***
24 ➔Section 33. KRS 77.140 is amended to read as follows:
25 *(1)* The air pollution control board of a consolidated local government or a county
26 containing a city of the first or second class shall install and maintain a modern and
27 efficient system of accounting and keep financial records. The board, however, may

1 select and use the finance department of the consolidated local government or city
2 to do its financial accounting and make its disbursements in a manner as may be
3 agreed upon by and between the board and the director of finance of the
4 consolidated local government or city, which work shall be done by the finance
5 department without compensation from the board.
6 ***(2)*** The Auditor of Public Accounts of the Commonwealth of Kentucky, the
7 comptroller and inspector of the consolidated local government or the city, and the
8 county auditor of such county, respectively, shall have access to the books and
9 records of the board.[,]
10 ***(3) All air pollution control boards shall be subject to audit or attestation***
11 ***engagement procedures as provided in Section 3 of this Act. In addition, at any***
12 ***other time***[and] upon the direction of the legislative body of ***a***[the] consolidated
13 local government[or the city the comptroller and inspector], or upon the direction
14 of the fiscal court of the county, the county auditor[,] shall make an audit of the
15 board's accounts and report back thereon.
16 ➔SECTION 34. A NEW SECTION OF KRS 80.262 TO 80.266 IS CREATED
17 TO READ AS FOLLOWS:
18 ***The board of each authority shall comply with the provisions of Sections 1 to 9 of this***
19 ***Act.***
20 ➔SECTION 35. A NEW SECTION OF KRS 80.310 TO 80.610 IS CREATED
21 TO READ AS FOLLOWS:
22 ***The board of each authority shall comply with the provisions of Sections 1 to 9 of this***
23 ***Act.***
24 ➔Section 36. KRS 91.758 is amended to read as follows:
25 (1) Upon the effective date of the ordinance establishing the management district, a
26 board of directors shall be appointed and shall proceed to implement the economic
27 improvements contained in the ordinance adopted by the legislative body.

1 (2) As soon as practicable after its appointment, and each year thereafter as provided by
2 ordinance, the board of directors shall develop a plan for economic improvements
3 within the management district and shall prepare an annual detailed budget for the
4 costs of providing economic improvements and shall submit the budget to the
5 legislative body for its approval.
6 (3) Upon approval of the annual budget, the board of directors shall***:***
7 ***(a) Submit the budget to the Department for Local Government as provided in***
8 ***Section 2 of this Act;***
9 ***(b)*** Publish ~~[both]~~the economic improvement plan ~~[and the annual budget~~
10 ~~]~~pursuant to KRS Chapter 424***;*** and~~[shall]~~
11 ***(c)*** Mail by ***first-class***~~[first class]~~ mail to each affected property owner a
12 description of the plan, the fair basis of assessment to be utilized, the
13 estimated cost to the property owner, and the ratio that the cost to each
14 property owner bears to the total cost of the economic improvements.
15 (4) The ordinance establishing the management district shall provide a procedure for
16 the annual collection of the assessment for the economic improvements.
17 (a) The board of directors may be directed to annually prepare and mail by first
18 class mail to an owner of each parcel of real property the annual assessment,
19 and to establish due dates and penalties and interest, if any, for delinquent
20 payment; or
21 (b) The annual assessment may be collected in the same manner, at the same
22 times, and by the office authorized by law for the collection and enforcement
23 of general city, consolidated local government, or urban-county taxes, in
24 which case the collector of taxes shall make regular remittances of the
25 amounts collected to the board of directors. The penalties and interest for
26 delinquent taxes may be applied to delinquent assessments, or separate
27 penalties and interest may be imposed; however, no discount shall be provided

1 for early payment.

2 (c) Notwithstanding the method of collection for the assessment that is adopted,
3 any affected property owner shall be afforded the right to contest the amount
4 of assessment or the inclusion of his or her property. The contest shall be filed
5 with the board of directors within thirty (30) days of the receipt of the
6 assessment. The property owner shall have the right to appear before the board
7 of directors and present evidence. A record shall be made of the proceedings
8 and the board of directors shall render a written decision. The decision of the
9 board of directors may be appealed to the Circuit Court of the county in which
10 the city, consolidated local government, or urban-county is located.

11 (5) The amount of any outstanding assessment on any property, and accrued interest
12 and other charges, shall constitute a lien on the property. The lien shall take
13 precedence over all other liens, whether created prior to or subsequent to the
14 assessment, except a lien for state and county taxes, general municipal, consolidated
15 local government, or urban-county taxes, and prior improvement assessments, and
16 shall not be defeated or postponed by any private or judicial sale, by any mortgage,
17 or by any error or mistake in the description of the property or in the names of the
18 owners. No error in the proceedings of the city, consolidated local government, or
19 urban-county legislative body or the board of directors of the management district
20 shall exempt any property from the lien for the economic improvement assessment,
21 or from payment thereof, or from the penalties or interest thereon, as herein
22 provided.

23 ➔Section 37. KRS 91.760 is amended to read as follows:

24 (1) The management district shall constitute a body corporate with the power to sue and
25 be sued, and to contract, and shall be controlled by a board of directors.

26 (2) The number of members of the board of directors, their terms and qualifications,
27 shall be established by the ordinance creating the district. All members of the board

1 shall be property owners, representatives of property owners, or tenants within the
2 district, except for specified ex officio members designated in the local ordinance.
3 At least two-thirds (2/3) of the total number of board members, including ex officio
4 members, must be property owners or the representatives of property owners within
5 the district. The board members shall be appointed by the executive authority of the
6 city, consolidated local government, or urban-county, with the approval of the
7 legislative body. A board member may be removed by the executive authority for
8 violation of the rules, regulations, or operating procedures adopted by the board of
9 directors if the removal is recommended by a majority of the members of the board
10 of directors.
11 (3) The powers of the board of directors shall include all powers set forth in KRS
12 91.750 to 91.762 and the ordinance establishing the management district. The board
13 of directors may employ or contract with persons to assist it in its responsibilities.
14 (4) *(a)* The board of directors shall manage the fiscal affairs of the management
15 district and shall adopt rules and regulations governing the investment and
16 disbursement of funds.
17 *(b)* The board of directors may borrow money on a short-term or long-term basis
18 as required. The total aggregate amount of long-term and short-term debt
19 which may be carried by a management district shall not exceed five hundred
20 thousand dollars ($500,000).
21 *(c)* The board of directors may hold funds in the name of the management district
22 or may designate the city, consolidated local government, or urban-county as
23 the fiscal agent for the management district.
24 *(d)* Money derived from the assessments imposed pursuant to KRS 91.750 to
25 91.762 shall be used only for economic improvements and the cost of
26 administration of the management district and shall be used for no other
27 purposes.

1 *(e)* As soon as practicable after the close of the fiscal year, the board of directors
2 shall cause an audit to be performed of all funds of the management district by
3 a certified public accountant.
4 ***(f) The board shall comply with the provisions of Sections 1 to 9 of this Act.***
5 (5) In addition to receiving funds from assessments, the board of directors shall be
6 authorized to receive grants, donations, and gifts.
7 ➔Section 38. KRS 91A.360 is amended to read as follows:
8 (1) The commission established pursuant to KRS 91A.350(2) shall be composed of
9 seven (7) members to be appointed, in accordance with the method used to establish
10 the commission. Members of a commission established by joint action of the local
11 governing bodies of a county and a city or cities located therein shall be appointed,
12 jointly, by the chief executive officers of the local governing bodies that established
13 the commission. Members of a commission established by separate action of the
14 local governing body of a county or a city located therein shall be appointed
15 separately by the chief executive officer of the local governing body that established
16 the commission. The chief executive officer of a city shall mean the mayor and the
17 chief executive officer of a county shall mean the county judge/executive.
18 Appointments to a commission shall be made by the appropriate chief executive
19 officer or officers in the following manner:
20 (a) Two (2) commissioners shall be appointed from a list of three (3) or more
21 names submitted by the local city hotel and motel association and one (1)
22 commissioner shall be appointed from a list of three (3) or more names
23 submitted by the local county hotel and motel association, provided that if
24 only one (1) local hotel and motel association exists which covers both the
25 city and county, then three (3) commissioners shall be appointed from a list of
26 six (6) or more names submitted by it. If no formal local city or county hotel
27 and motel association is in existence upon the establishment of a commission

1 or upon the expiration of the term of a commissioner appointed pursuant to
2 this subsection, then up to three (3) commissioners shall be appointed by the
3 appropriate chief executive officer or officers from persons residing within the
4 jurisdiction of the commission and representing local hotels or motels. A local
5 city or county hotel and motel association shall not be required to be affiliated
6 with the Kentucky Hotel and Motel Association to be recognized as the
7 official local city or county hotel and motel association.
8 (b) One (1) commissioner shall be appointed from a list of three (3) or more
9 names submitted by the local restaurant association or associations. If no
10 formal local restaurant association or associations exist upon the
11 establishment of a commission or upon the expiration of the term of a
12 commissioner appointed pursuant to this subsection, then one (1)
13 commissioner shall be appointed by the appropriate chief executive officer or
14 officers from persons residing within the jurisdiction of the commission and
15 representing a local restaurant. A local restaurant association or associations
16 shall not be required to be affiliated with the Kentucky Restaurant Association
17 to be recognized as the official local restaurant association or associations.
18 (c) One (1) commissioner shall be appointed from a list of three (3) or more
19 names submitted by the chamber or chambers of commerce existing within
20 those governmental units, which by joint or separate action have established
21 the commission. If the commission is established by joint action of a county
22 and a city or cities, then each chamber of commerce shall submit a list of three
23 (3) names, and the chief executive officers of the participating governmental
24 units shall jointly appoint one (1) commission member from the aggregate list.
25 If no local chamber of commerce is in existence upon the establishment of a
26 commission or upon the expiration of the term of a commissioner appointed
27 pursuant to this subsection, then one (1) commissioner shall be appointed by

1 the appropriate chief executive officer or officers from persons residing within
2 the jurisdiction of the commission and representing local businesses.
3 (d) Two (2) commissioners shall be appointed in the following manner:
4 1. By the chief executive officer of the county or city, if the commission
5 has been established by separate action of a county or city; or
6 2. One (1) each by the chief executive officer of the county and by the chief
7 executive officer of the most populous city participating in the
8 establishment of the commission, if the commission has been
9 established by joint action of a county and a city or cities.
10 (2) A candidate submitted for appointment to the commission, pursuant to subsection
11 (1)(a) to (1)(c), shall be appointed by the appropriate chief executive officer or
12 officers within thirty (30) days of the receipt of the required list or lists. Vacancies
13 shall be filled in the same manner that original appointments are made.
14 (3) The commissioners shall be appointed for terms of three (3) years, provided, that in
15 making the initial appointments, the appropriate chief executive officer or officers
16 shall appoint two (2) commissioners for a term of three (3) years, two (2)
17 commissioners for a term of two (2) years and three (3) commissioners for a term of
18 one (1) year. There shall be no limitation on the number of terms to which a
19 commissioner is reappointed. Subsequent appointments shall be for three (3) year
20 terms.
21 (4) The commission shall elect from its membership a chairman and a treasurer, and
22 may employ personnel and make contracts necessary to carry out the purpose of
23 KRS 91A.350 to 91A.390. The contracts may include, but shall not be limited to,
24 the procurement of promotional services, advertising services, and other services
25 and materials relating to the promotion of tourist and convention business.
26 Contracts of the type enumerated shall be made only with persons, organizations,
27 and firms with experience and qualifications for providing promotional services and

1 materials, such as advertising firms, chambers of commerce, publishers, and
2 printers.
3 (5) The books of the commission and its account as established in KRS 91A.390(2)
4 shall be audited annually by an independent auditor who shall make a report to the
5 commission, to the associations submitting lists of names from which commission
6 members are selected, to the appropriate chief executive officer or officers, to the
7 State Auditor of Public Accounts, and to the local governing body or bodies that
8 established the commission that was audited. A copy of the audit report shall be
9 made available by the commission to members of the public upon request and at no
10 charge.
11 (6) A commissioner may be removed from office, by joint or separate action, of the
12 appropriate chief executive officer or officers of the local governing body or bodies
13 that established the commission, as provided by KRS 65.007.
14 ***(7) The commission shall comply with the provisions of Sections 1 to 9 of this Act.***
15 ➔Section 39. KRS 91A.370 is amended to read as follows:
16 (1) Except in a county containing a consolidated local government, the commission
17 established pursuant to KRS 91A.350(1) shall be composed of nine (9) members to
18 be appointed by the mayor of the largest city in the county, the county
19 judge/executive and the Governor of the Commonwealth.
20 (2) Except in a county containing a consolidated local government, the mayor of the
21 largest city in the county shall appoint three (3) commissioners in the following
22 manner:
23 (a) One (1) commissioner from a list submitted by the local city hotel and motel
24 association;
25 (b) One (1) commissioner from a list submitted by the chamber of commerce of
26 the largest city in the county; and
27 (c) One (1) commissioner from a list submitted by the local restaurant association

1 or associations.
2 (3) Except in a county containing a consolidated local government, the county
3 judge/executive shall, with the approval of the fiscal court, appoint three (3)
4 commissioners in the following manner:
5 (a) One (1) commissioner from a list submitted by the local county hotel and
6 motel association, provided that if only one (1) local hotel and motel
7 association exists which covers both the city and county, then the local hotel
8 and motel association shall submit a list to the county judge/executive;
9 (b) One (1) commissioner from a list submitted by the board of directors of the
10 largest incorporated Thoroughbred horse racing concern in the county, which
11 list shall contain only directors, officers, or employees of that corporation; and
12 (c) One (1) commissioner who is a resident of the county and who has an active
13 interest in the convention and tourist industry.
14 (4) Except in a county containing a consolidated local government, the Governor shall
15 appoint three (3) commissioners in the following manner:
16 (a) One (1) commissioner from a list submitted by the State Fair Board;
17 (b) One (1) commissioner from a list submitted by the local countywide air board;
18 and
19 (c) One (1) commissioner shall be appointed, in those counties not containing a
20 consolidated local government, who is a resident of the county. In those
21 counties containing a consolidated local government, one (1) commissioner
22 shall be appointed who is a resident of the area comprising the consolidated
23 local government.
24 (5) Vacancies shall be filled in the manner that original appointments are made.
25 (6) When a list as provided in subsections (2) and (3) of this section contains less than
26 three (3) names or when a selection from such list is not made, the appointing
27 authority shall request in writing the submission of a new list of names.

1 (7) Except in a county containing a consolidated local government, the commissioners
2 shall be appointed for a term of three (3) years, provided that in making the initial
3 appointments, the mayor, county judge/executive, and Governor of the
4 Commonwealth shall each appoint one (1) commissioner for a term of one (1) year,
5 one (1) commissioner for a term of two (2) years, and one (1) commissioner for a
6 term of three (3) years.
7 (8) Upon the establishment of a consolidated local government in a county where a city
8 of the first class and a county containing such city have had in effect a cooperative
9 compact pursuant to KRS 79.310 to 79.330, the commission shall have nine (9)
10 members. Six (6) members of the commission shall be appointed by the mayor of
11 the consolidated local government pursuant to the provisions of KRS 67C.139 for a
12 term of three (3) years. The Governor of the Commonwealth shall appoint three (3)
13 members of the commission for a term of three (3) years. Incumbent members upon
14 the establishment of the consolidated local government shall continue to serve as
15 members of the board for the time remaining of their current term of appointment.
16 (9) The commission shall elect from its membership a chairman and a treasurer, and
17 may employ such personnel and make such contracts as are necessary to effectively
18 carry out the purposes of KRS 91A.350 to 91A.390. Such contracts may include but
19 shall not be limited to the procurement of promotional services, advertising
20 services, and other services and materials relating to the promotion of tourist and
21 convention business; provided, contracts of the type enumerated shall be made only
22 with persons, organizations, and firms with experience and qualifications for
23 providing promotional services and materials such as advertising firms, chambers of
24 commerce, publishers, and printers.
25 (10) The books of the commission shall be audited by an independent auditor who shall
26 make a report to the commission, to the organizations submitting names from which
27 commission members are selected, and to the mayor of a city or a consolidated local

1 government, the county judge/executive in counties not containing a consolidated
2 local government, and the Governor of the Commonwealth.
3 (11) Commission members appointed by the Governor shall serve at the pleasure of the
4 Governor. Commission members appointed by the mayor of a city or a consolidated
5 local government or the county judge/executive may be removed as provided by
6 KRS 65.007.
7 ***(12) The commission shall comply with the provisions of Sections 1 to 9 of this Act.***
8 ➔Section 40. KRS 91A.372 is amended to read as follows:
9 (1) The commission established pursuant to KRS 91A.350(2) by an urban-county
10 government shall be composed of nine (9) members appointed by the mayor of the
11 urban-county government in the following manner:
12 (a) Three (3) commissioners from a list submitted by the local hotel and motel
13 association.
14 (b) One (1) commissioner from a list submitted by the local restaurant association
15 or associations.
16 (c) One (1) commissioner from a list submitted by the local chamber of
17 commerce.
18 (d) Four (4) commissioners who shall be residents of the urban-county.
19 (2) Vacancies shall be filled in the same manner that original appointments are made.
20 (3) The commissioners shall be appointed for terms of three (3) years, provided, that in
21 making the initial appointments, the chief elective official of the urban-county shall
22 appoint three (3) commissioners for a term of three (3) years, three (3)
23 commissioners for a term of two (2) years and three (3) commissioners for a term of
24 one (1) year.
25 (4) The commission shall elect from its membership a chairman and a treasurer, and
26 may employ such personnel and make such contracts as are necessary to effectively
27 carry out the purpose of KRS 91A.350 to 91A.390. Such contracts may include but

1 shall not be limited to the procurement of promotional services, advertising services
2 and other services and materials relating to the promotion of tourist and convention
3 business; provided, contracts of the type enumerated shall be made only with
4 persons, organizations, and firms with experience and qualifications for providing
5 promotional services and materials, such as event coordinators, advertising firms,
6 chambers of commerce, publishers and printers.
7 (5) The books of the commission shall be audited by an independent auditor who shall
8 make a report to the commission, to the organizations submitting names from which
9 commission members are selected, and to the mayor of the urban-county
10 government.
11 ***(6) The commission shall comply with the provisions of Sections 1 to 9 of this Act.***
12 ➔Section 41. KRS 91A.380 is amended to read as follows:
13 (1) The commission established pursuant to KRS 91A.350(3) shall be composed of six
14 (6) members from each county to be appointed by the county judge/executive, with
15 the approval of the fiscal court, one (1) of whom shall be a member of the General
16 Assembly in whose district the county or part of the county is located in the
17 following manner:
18 (a) One (1) commissioner from a list of at least three (3) persons submitted by the
19 local restaurant association or associations;
20 (b) One (1) commissioner from a list of at least three (3) persons submitted by the
21 local chamber of commerce;
22 (c) One (1) commissioner by the county judge/executive; and
23 (d) Two (2) commissioners from a list of at least six (6) persons submitted by the
24 local hotel and motel association or associations.
25 (2) Vacancies shall be filled in the same manner that original appointments are made.
26 (3) The commissioners shall be appointed for terms of three (3) years, provided that in
27 making the initial appointments, the county judge/executive shall appoint two (2)

1 commissioners for a term of three (3) years, two (2) commissioners for a term of
2 two (2) years, and two (2) commissioners for a term of one (1) year.
3 (4) The commission shall elect from its membership a chairman and a treasurer, and
4 may employ such personnel and make such contracts as are necessary to effectively
5 carry out the purpose of KRS 91A.350 to 91A.390. Such contracts may include but
6 shall not be limited to the procurement of promotional services, advertising services
7 and other services and materials relating to the promotion of tourist and convention
8 business.
9 (5) The books of the commission and its account as established in KRS 91A.390(2)
10 shall be audited by an independent auditor who shall make a report to the
11 commission, to the organizations submitting names from which commission
12 members are selected, to the State Auditor of Public Accounts, and to the county
13 judge/executive of each county. A copy of the audit report shall be made available
14 by the commission to members of the public upon request and at no charge.
15 (6) A commissioner may be removed from office as provided by KRS 65.007.
16 ***(7) The commission shall comply with the provisions of Sections 1 to 9 of this Act.***
17 ➔Section 42. KRS 91A.570 is amended to read as follows:
18 (1) Upon the effective date of the ordinance establishing the management district, the
19 board shall implement the economic improvement plan adopted by the legislative
20 body.
21 (2) As soon as practicable after its appointment, and each year thereafter as provided by
22 ordinance, the board shall develop a plan for economic improvements within the
23 management district and shall prepare an annual detailed budget for the costs of
24 providing economic improvements and shall submit the plan and budget to the
25 legislative body for its approval.
26 (3) Upon approval of the economic improvement plan and annual budget, the board
27 shall:

1 ***(a) Submit the budget to the Department for Local Government as provided in***
2 ***Section 2 of this Act;***
3 ***(b)*** Publish ~~[both]~~pursuant to KRS Chapter 424 and ~~[shall]~~mail by first -class
4 mail to each affected property owner a description of the plan, the fair basis of
5 assessment to be utilized, the estimated cost to the property owner, and the
6 ratio that the cost to each property owner bears to the total cost of the
7 economic improvements.
8 (4) The ordinance establishing the management district shall provide a procedure for
9 the annual collection of the assessment for the economic improvements.
10 (a) The board may be directed to annually prepare and mail by first -class mail to
11 an owner of each parcel of real property the annual assessment, and to
12 establish due dates and penalties and interest, if any, for delinquent payment;
13 or
14 (b) The annual assessment may be collected in the same manner, at the same
15 times, and by the office authorized by law for the collection and enforcement
16 of general city taxes, in which case the collector of taxes shall make regular
17 remittances of the amounts collected to the board. The penalties and interest
18 for delinquent taxes may be applied to delinquent assessments, or separate
19 penalties and interest may be imposed; however, no discount shall be provided
20 for early payment.
21 (c) Notwithstanding the method of collection for the assessment that is adopted,
22 any affected property owner shall be afforded the right to contest the amount
23 of assessment or the inclusion of his property. The contest shall be filed with
24 the board within thirty (30) days of the receipt of the assessment. The property
25 owner shall have the right to appear before the board and present evidence. A
26 record shall be made of the proceedings and the board shall render a written
27 decision. The decision of the board may be appealed to the Circuit Court of

1 the county in which the city is located.

2 (5) The amount of any outstanding assessment on any property, and accrued interest
3 and other charges, shall constitute a lien on the property. The lien shall take
4 precedence over all other liens, whether created prior to or subsequent to the
5 assessment, except a lien for state and county taxes, general municipal taxes, and
6 prior improvement assessments, and shall not be defeated or postponed by any
7 private or judicial sale, by any mortgage, or by any error or mistake in the
8 description of the property or in the names of the owners. No error in the
9 proceedings of the city legislative body or the board shall exempt any property from
10 the lien for the economic improvement assessment, or from payment thereof, or
11 from the penalties or interest thereon, as herein provided.

12 ➔Section 43. KRS 91A.575 is amended to read as follows:

13 (1) The management district shall constitute a body corporate with the power to sue and
14 be sued, and to contract, and shall be controlled by the board.

15 (2) The number of members of the board, their terms and qualifications, shall be
16 established by the ordinance creating the district. No fewer than a majority of the
17 board shall be property owners within the district. The board members shall be
18 appointed by the mayor of the city, with the approval of the legislative body.

19 (3) The powers of the board shall include all powers set forth in KRS 91A.550 to
20 91A.580 and the ordinance establishing the management district. The board may
21 employ or contract with persons to assist it in its responsibilities.

22 (4) *(a)* The board shall manage the fiscal affairs of the management district and shall
23 adopt regulations governing the investment and disbursement of funds.

24 *(b)* The board may borrow money on a short-term basis as required.

25 *(c)* The board may hold funds in the name of the management district or may
26 designate the city as the fiscal agent for the management district.

27 *(d)* Money derived from the assessments imposed pursuant to KRS 91A.550 to

1 91A.580 shall be used only for economic improvements and the cost of
2 administration of the management district and shall be used for no other
3 purposes.
4 ***(e)*** As soon as practicable after the close of the fiscal year, the board shall cause
5 an audit to be performed of all funds of the management district by a certified
6 public accountant.
7 ***(f) The board shall comply with the provisions of Sections 1 to 9 of this Act.***
8 (5) In addition to receiving funds from assessments, the board shall be authorized to
9 receive grants, donations, and gifts.
10 ➔Section 44. KRS 96A.190 is amended to read as follows:
11 ***(1)*** Each authority shall employ a ***certified***~~[state-licensed]~~ public accountant, or firm
12 thereof, to make an annual audit of the authority's financial accounts and affairs, and
13 to make a report thereof, including comments of the auditor regarding whether or
14 not the authority is in compliance with statutory requirements and with lawful
15 covenants and commitments made in its contract or bond proceedings. A copy of
16 each audit report shall be filed and kept open for public inspection in the office of
17 the secretary-treasurer of the authority, and a copy shall be provided to the clerk,
18 secretary or other appropriate office of record of each public body which may have
19 participated in the creation and organization of the authority, or in the subsequent
20 expansion thereof.
21 ***(2) Each authority shall comply with the provisions of Sections 1 to 9 of this Act.***
22 ➔Section 45. KRS 97.095 is amended to read as follows:
23 (1) For the purpose of acquiring, building, operating, and maintaining parks and green
24 space, two (2) or more counties may form a regional park authority.
25 (2) (a) The regional park authority may be established by a vote of the fiscal courts of
26 the participating counties or by a vote of the majority of the voters in each
27 participating county voting in an election. The issue shall be placed upon the

1 ballot if supported by a petition signed by a number of people from the
2 participating counties equal to one percent (1%) of the voters in the last
3 regular election.
4 (b) A county may join an existing regional park authority by a vote of the fiscal
5 court of each participating county and of the fiscal court of the joining county,
6 or by a vote of the majority of voters from each participating county and the
7 joining county voting in an election. The issue shall be placed upon the ballot
8 if supported by a petition signed by a number of people from the participating
9 and joining counties equal to one per cent (1%) of the voters from each
10 participating county and one percent (1%) of the voters from the joining
11 county, voting in the last regular election.
12 (3) A regional park authority is authorized to:
13 (a) Levy taxes and issue bonds;
14 (b) Accept donations, land, and equipment;
15 (c) Reject unusable or unmanageable land donations;
16 (d) Hire employees and contract for services; and
17 (e) Enter into agreements with public and private entities under the provisions of
18 the Interlocal Cooperation Act, KRS 65.210 to 65.300, and contracts
19 authorizing the use of private facilities for public recreation.
20 (4) A regional park authority may levy taxes not exceeding five cents ($0.05) on each
21 one hundred dollars ($100) of all taxable property within the regional park
22 authority's boundaries. The tax shall not be levied until a public referendum has
23 been conducted in accordance with the provisions of KRS 83A.120 and has been
24 adopted by the majority of the voters voting in an election in each county involved.
25 (5) A regional park authority shall be governed by a board made up of three (3) citizens
26 from each participating county. Board members shall be appointed by the fiscal
27 court from a list of candidates provided by the cities within the county and by the

1 county planning commission if there is one in that county.

2 ***(6) A regional park authority shall comply with the provisions of Sections 1 to 9 of***

3 ***this Act.***

4 ➔Section 46. KRS 97.120 is amended to read as follows:

5 (1) In cities of the first and second class the city recreational committee shall consist of

6 not less than three (3) nor more than seven (7) members, the exact number to be at

7 the discretion of the city legislative body. In cities of the third, fourth, fifth and sixth

8 class the city recreational committee shall consist of three (3) members.

9 ***(a)*** In cities of any class the city recreational committee shall be appointed by the

10 mayor, with the approval of a majority of the members of the legislative body

11 of the city, for terms of four (4) years, except that the members first appointed

12 shall be so appointed that the terms of the members will expire in different

13 years.

14 ***(b)*** The members shall serve without compensation.

15 ***(c)*** The members shall be legal voters of the city.

16 ***(d)*** If any member during the term of his ***or her*** office becomes a candidate for, or

17 is elected or appointed to any public office, he ***or she*** shall automatically

18 vacate his membership on the commission and another person shall be

19 appointed in his ***or her*** place; but this provision shall not prevent a member of

20 the commission from serving as a member of any other appointive

21 commission of the city, county, state or federal government.

22 (2) Any member of the commission may be removed by the vote of three-fourths (3/4)

23 of the elected members of the city legislative body. Vacancies shall be filled in the

24 same manner as in the original appointment. The city may require each

25 commissioner to execute a bond in the penal sum of one thousand dollars ($1,000).

26 If the commissioners are required to execute bonds, the bonds shall be approved by

27 the legislative body of the city, and the cost thereof may either be paid by the city or

1 by the commission out of its revenue.
2 (3) The commission shall provide rules and regulations for the management of the
3 recreational project or projects, and out of the revenue derived from the project or
4 projects it shall pay all operating expenses, provide for necessary repairs and
5 additions, provide a sufficient reserve fund to insure the buildings and
6 improvements against fire and tornado, provide a fund for payment of any
7 incidental or emergency expenses that may arise, and set up a fund to provide for
8 the payment of any debts created in connection with the establishment and
9 maintenance of the project or projects.
10 (4) The commission may levy and collect fees for the use of or admission to the project
11 or projects and expend or invest the income from the fees for the purposes set forth
12 in this section.
13 ***(5) The commission shall comply with the provisions of Sections 1 to 9 of this Act.***
14 ➔Section 47. KRS 97.600 is amended to read as follows:
15 ***(1)*** The park board shall keep a set of books showing the receipts and expenditures of
16 the board. The books shall at all times be subject to examination by the mayor or
17 any committee of the legislative body authorized to make such examination, either
18 by themselves or by ***a certified public***[~~an expert~~] accountant. The board shall each
19 January transmit to the mayor and legislative body a full and detailed report and
20 statement of the acts of the board for the preceding year, with a complete and
21 itemized account of all receipts and disbursements of money and an itemized
22 estimate of the money needed for park and playground purposes.
23 ***(2) The board shall comply with the provisions of Sections 1 to 9 of this Act.***
24 ➔Section 48. KRS 97.720 is amended to read as follows:
25 (1) The fiscal year of the commission shall be the same as that of the city. The
26 commission shall, each May, prepare and certify to the mayor, to be by him
27 transmitted to the legislative body, a statement showing the total funds that, in the

1 judgment of the commission, will be needed for maintaining the memorial for the
2 ensuing fiscal year; setting forth in detail the sums needed for the different classes
3 of expenditure; setting forth the estimated balance that will be on hand on the first
4 of July following the certification of the statement and available for expenditure
5 during the ensuing fiscal year for maintenance purposes; and indicating, as nearly as
6 possible, what additional assets other than those derived from the city appropriation
7 will become available for maintenance purposes for the ensuing fiscal year.
8 (2) The legislative body, in making the appropriation or levy of the tax for maintenance
9 purposes, shall take into consideration the amount of funds held or derived by the
10 commission from donations for maintenance purposes. The commission may set
11 aside and retain from year to year, out of the maintenance funds derived by gift or
12 appropriation, a reasonable fund to be known as an "improvement and replacement
13 fund," to cover needed improvements, replacements and equipment for, and
14 depreciation of, the memorial. The funds shall be placed at interest in a bank of the
15 city, with the mayor's approval, or invested in United States government interest-
16 bearing bonds, or bonds of the city or any of its instrumentalities. The amount set
17 aside each year for such purposes shall be made with the approval of the mayor, and
18 shall be held and used as occasion requires as a further memorial building and
19 improvement fund to improve and further equip the memorial, and for replacement
20 purposes if the memorial or any portion of it is destroyed by casualty or decay. The
21 cost of ordinary repairs shall be paid for out of maintenance funds.
22 ***(3) The commission shall comply with the provisions of Sections 1 to 9 of this Act.***
23 ➔Section 49. KRS 104.610 is amended to read as follows:
24 (1) The board of directors shall, upon taking oath, elect one (1) of their members as
25 president of the board, and shall select some suitable person as secretary, who need
26 not be a member of the board. The secretary shall serve as treasurer of the district,
27 or the board may select a treasurer. The selection of the secretary and treasurer shall

1 be evidenced on the minutes of the board, with their compensation. He or they shall
2 serve at the pleasure of the board.
3 (2) The board shall adopt a seal, and shall keep in a well-bound book a record of all
4 proceedings, minutes of meetings, certificates, contracts, bonds given by employees,
5 and all corporate acts, which shall be open to the inspection of any owner of
6 property in the district as well as all other interested persons.
7 (3) The board of directors shall be the governing body of the flood control district, and
8 shall exercise all the powers and manage and control all of the affairs and property
9 of the district.
10 (4) No compensation shall be paid to directors, but each director shall be reimbursed
11 for expenses incurred in attending meetings or for expenses incurred in other
12 activities authorized by the board of directors as necessary for carrying out the
13 purposes of the flood control district.
14 (5) The board of directors may adopt all necessary rules and regulations for the proper
15 management and conduct of the business of the board and of the corporation, and
16 for carrying into effect the other objects for which the district was formed. The
17 board of directors may also make and enforce rules and regulations pertaining to the
18 use by persons of land or properties connected with or a part of the flood control
19 works. All such rules and regulations shall become effective on the date when a
20 notice of their adoption is published pursuant to KRS Chapter 424; such notice shall
21 not contain the rules and regulations in full but shall only summarize their contents
22 and shall state where any interested person may examine the full texts of such rules
23 and regulations.
24 (6) The board of directors may recover by civil action from any person or public
25 corporation violating such rules and regulations a sum not less than one hundred
26 dollars ($100) nor more than one thousand dollars ($1,000), together with costs.
27 The board may enforce by mandamus or otherwise all necessary and authorized

1 rules and regulations made by it, and may take summary action to remove any
2 improper construction or to terminate any unauthorized practices in connection with
3 flood control works. Any person or public corporation willfully failing to comply
4 with rules and regulations of the board shall be liable for damages caused by such
5 failure and for the cost of renewing or replacing any part of the flood control works
6 damaged or destroyed.
7 (7) The board of directors shall have an annual audit made by a certified public
8 accountant, copies of which shall be filed with the Secretary of State and with the
9 county judge/executive of the county or counties in which the flood control district
10 is located.
11 ***(8) The board of directors shall comply with the provisions of Sections 1 to 9 of this***
12 ***Act.***
13 ➔Section 50. KRS 107.380 is amended to read as follows:
14 *(1)* The board shall annually file a written report concerning its operations with the
15 county judge/executive.
16 ***(2) The board shall comply with the provisions of Sections 1 to 9 of this Act.***
17 ➔SECTION 51. A NEW SECTION OF KRS 108.010 TO 108.075 IS CREATED
18 TO READ AS FOLLOWS:
19 ***The board of directors shall comply with the provisions of Sections 1 to 9 of this Act.***
20 ➔SECTION 52. A NEW SECTION OF KRS 108.080 TO 108.180 IS CREATED
21 TO READ AS FOLLOWS:
22 ***The board of each district shall comply with the provisions of Sections 1 to 9 of this***
23 ***Act.***
24 ➔SECTION 53. A NEW SECTION OF KRS CHAPTER 109 IS CREATED TO
25 READ AS FOLLOWS:
26 ***Any board or authority shall comply with the provisions of Sections 1 to 9 of this Act.***
27 ➔Section 54. KRS 147.635 is amended to read as follows:

1 *(1)* An area planning commission created under the provisions of KRS 147.610 to
2 147.705 shall, not later than two (2) months prior to the first day of its fiscal year,
3 submit a proposed budget detailing anticipated revenues and expenditures, and a
4 proposed tax rate, to the area council for its approval on or before the first day of
5 each such fiscal year.
6 *(2)* The area council shall contract with an independent, reputable certified public
7 accountant to perform an audit of the records, books, and accounts of the area
8 planning commission for each fiscal year.
9 ***(3) The area planning commission and area council shall comply with the provisions***
10 ***of Sections 1 to 9 of this Act.***
11 ➔Section 55. KRS 147A.021 is amended to read as follows:
12 (1) The Department for Local Government shall have the following powers and duties:
13 (a) To require any reports from local governments that will enable it adequately to
14 provide the technical and advisory assistance authorized by this section;~~[.]~~
15 (b) To encourage, conduct, or participate in training courses in procedures and
16 practices for the benefit of local officials, and in connection therewith, to
17 cooperate with associations of public officials, business and professional
18 organizations, university faculties, or other specialists;~~[.]~~
19 (c) To request assistance and information, which shall be provided by all
20 departments, divisions, boards, bureaus, commissions, and other agencies of
21 state government to enable the Department for Local Government to carry out
22 its duties under this section;~~[.]~~
23 (d) At its discretion, to compile and publish annually a report on local
24 government***; and***
25 ***(e) To administer the provisions of Sections 1 to 9 of this Act***.
26 (2) The Department for Local Government shall coordinate for the Governor the state's
27 responsibility for, and shall be responsible for liaison with the appropriate state and

1 federal agencies with respect to, the following programs:
2 (a) Demonstration cities and metropolitan development act as amended with the
3 exception of Title I of the Housing and Community Development Act of 1974
4 as amended through 1981;
5 (b) Farmers Home Administration;
6 (c) Veterans Administration Act as amended, as it pertains to housing.
7 (3) The Department for Local Government shall provide technical assistance and
8 information to units of local government, including but not limited to:
9 (a) Personnel administration;
10 (b) Ordinances and codes;
11 (c) Community development;
12 (d) Appalachian Regional Development Program;
13 (e) Economic Development Administration Program;
14 (f) Intergovernmental Personnel Act Program;
15 (g) Land and Water Conservation Fund Program;
16 (h) Area Development Fund Program;
17 (i) Joint Funding Administration Program;
18 (j) State clearinghouse for A-95 review;
19 (k) The memorandums of agreement with the area development districts to
20 provide management assistance to local governments; and
21 (l) The urban development office.
22 (4) The Department for Local Government shall exercise all of the functions of the state
23 local finance officer provided in KRS Chapters 66, 68, and 131 relating to the
24 control of funds of counties, cities, and other units of local government.
25 (5) Upon request of the Administrative Office of the Courts, the Department for Local
26 Government shall evaluate the financial condition of any local unit of government
27 selected to participate in a court facilities construction or renovation project under

1 KRS 26A.160 and shall certify to the Administrative Office of the Courts the local
2 unit of government's ability to participate in the project.
3 (6) The Department for Local Government shall encourage broadband and information
4 technology deployment and adoption throughout Kentucky in accordance with KRS
5 147A.023.
6 ➔Section 56. KRS 147A.090 is amended to read as follows:
7 Each district board of directors shall have the power, duty, and authority to:
8 (1) Establish such functional advisory committees as may be necessary and advisable.
9 These functional advisory committees shall be organized to meet such guidelines as
10 may be required for federal or state assistance***;***~~[.]~~
11 (2) Conduct the necessary research and studies and coordinate and cooperate with all
12 appropriate groups and agencies in order to develop, and adopt and revise, when
13 necessary, a district development plan or series of plans, including, but not limited
14 to, the following districtwide plan elements: goals and objectives; water and sewer;
15 land-use; and open space and recreation. Such plans shall serve as a general guide
16 for public and private actions and decisions to assure the development of public and
17 private property in the most appropriate relationships***;***~~[.]~~
18 (3) Prepare annually a report of its activities to the cities and counties within the
19 district, the legislature, and the Governor. The board shall make copies of the report
20 available to members of the public within the district***; and***
21 ***(4) Comply with the provisions of Sections 1 to 9 of this Act.***
22 ➔SECTION 57. A NEW SECTION OF SUBTITLE 50 OF KRS CHAPTER 154
23 IS CREATED TO READ AS FOLLOWS:
24 ***Any authority shall comply with the provisions of Sections 1 to 9 of this Act.***
25 ➔Section 58. KRS 164.655 is amended to read as follows:
26 The extension board of each extension district shall have the following powers and
27 duties:

1 (1) To serve as an agency of the Commonwealth and to manage and transact all of the
2 business and affairs of its district and have authority to acquire property necessary
3 for the conduct of the business of the district for the purposes of KRS 164.605 to
4 164.675;
5 (2) To enter into an annual memorandum of agreement with the extension service and
6 the extension district. This memorandum of agreement shall set forth the policy
7 pertaining to (a) appointment of personnel to serve in the district, (b) financing of
8 extension work in the district, and (c) responsibilities of the cooperating parties in
9 planning and executing the program;
10 (3) To, and shall as soon as possible following the first meeting in which the officers
11 are elected and annually thereafter, file in the office of the county clerk a certificate
12 signed by its chairman and secretary, certifying the names, addresses and terms of
13 office of each member and the names and addresses of the officers of the extension
14 board with the signatures of the officers affixed thereto, and said certificate shall be
15 conclusive as to the organization of the extension district, its extension board and as
16 to its members and its officers;
17 (4) With the advice of the extension council, to make and adopt such rules and
18 regulations not inconsistent with the law as it may deem necessary for its own
19 government in the transaction of the business of the extension district;
20 (5) To cooperate with the extension service and the extension council in conducting an
21 extension program in agriculture, home economics, youth work and related subjects
22 in the extension district. Said program shall be planned and executed upon the
23 advice, recommendations and assistance of the extension council with the board to
24 make final decisions;
25 (6) To cooperate with other extension districts in the employment of personnel, conduct
26 of programs and sponsorship of activities for the mutual benefit of each;
27 (7) To cooperate with all extension organizations, farm organizations, state and federal

1 agencies, civic clubs and any other organizations who may be interested in and
2 willing to cooperate in conducting the extension programs in the extension district;
3 (8) To prepare annually not later than April 15 of each year in cooperation with the
4 director of extension an extension district budget for the ensuing year. This budget
5 shall be prepared with consideration being given to the advice and
6 recommendations of the extension council, must be consistent with financing
7 policies of the extension service and shall reflect the agricultural, home economics,
8 youth and related subject matter needs of people in the extension district;
9 (9) To deposit all district extension education funds in a bank or banks approved by it
10 in the name of the extension district. These receipts shall constitute a fund known as
11 the district cooperative extension education fund which shall be disbursed by the
12 treasurer of the extension board in accordance with the annual budget and the
13 annual memorandum of agreement between the board and the extension service;
14 (10) To, from time to time when necessary and on approval of the fiscal court, borrow
15 such funds as may be required to meet the financial obligations of the extension
16 district; provided, however, that the extension board cannot in any fiscal year incur
17 indebtedness in an amount which would be in excess of the anticipated revenue of
18 said district for the fiscal year. The amount of the anticipated revenue shall be
19 certified to said board by the fiscal court of the county in which the district is
20 located;
21 (11) To expand the district cooperative extension education fund for salaries and travel
22 expense of extension personnel, rental, office supplies, equipment, communications,
23 office facilities, services and property acquisition and in payment of such other
24 items as may be necessary to carry out the extension district program;
25 (12) To carry over unexpended district cooperative extension education funds into the
26 next fiscal year so that funds will be available to carry on the program; provided,
27 however, that such anticipated carry-over funds shall be taken into consideration in

1 the formulation of the extension district budget for the ensuing year;
2 (13) To ***comply with the requirements of Sections 1 to 9 of this Act***[~~file with the county~~
3 ~~fiscal court or board of commissioners and directors of extension and to publish in~~
4 ~~one (1) newspaper of general circulation in the county before October 1 of each year~~
5 ~~a report under oath of all receipts and expenditures of such district cooperative~~
6 ~~extension education funds showing from whom received, to whom paid and for~~
7 ~~what purpose for the last fiscal year~~];
8 (14) To be remunerated from the district cooperative extension education fund for actual
9 expenses incurred in the performance of services for the extension district;
10 provided, however, that payments for expenses must be approved by the extension
11 board;
12 (15) To accept contributions from fiscal courts and boards of education for use in
13 conducting extension work in the extension district as provided for under KRS
14 247.080;
15 (16) To accept private funds for use in conducting extension work in the extension
16 district; provided, however, that the acceptance of all such contributions must be
17 approved by the director of extension; and
18 (17) To collect reasonable fees for specific services which require special equipment or
19 personnel such as soil testing services, seed testing services or other services in
20 support of the educational program of the extension district.
21 ➔SECTION 59. A NEW SECTION OF KRS CHAPTER 173 IS CREATED TO
22 READ AS FOLLOWS:
23 ***Any board of trustees formed and operating under KRS 173.010 to 173.410 shall***
24 ***comply with the provisions of Sections 1 to 9 of this Act.***
25 ➔Section 60. KRS 173.570 is amended to read as follows:
26 *(1)* Within sixty (60) days after the close of each fiscal year the board shall make a
27 written report to the Department for Libraries and Archives. A copy of this report

1 shall be filed with the county clerk of each county within the district. The report
2 shall contain:
3 *(a)* [~~(1) An itemized statement of the various sums of money received for the~~
4 ~~district;~~
5 ~~(2) An itemized statement of expenditures from the fund;~~
6 ~~(3)~~]A statement of the property acquired by devise, bequest, purchase, gift or
7 otherwise during the fiscal year;
8 *(b)*[~~(4)~~] A statement of the character of library service furnished to the district
9 during the fiscal year; and
10 *(c)*[~~(5)~~] Any other statistics or information requested by the Department for
11 Libraries and Archives.
12 ***(2) The board shall comply with the provisions of Sections 1 to 9 of this Act.***
13 ➔Section 61. KRS 173.770 is amended to read as follows:
14 *(1)* Within sixty (60) days after the close of each fiscal year, the board shall make a
15 written report to the Department for Libraries and Archives. A copy of this report
16 shall be filed with the county clerk of each county within the district. The report
17 shall contain:
18 *(a)*[~~(1) An itemized statement of the various sums of money received for the~~
19 ~~district;~~
20 ~~(2) An itemized statement of expenditures from the fund;~~
21 ~~(3)~~] A statement of the property acquired by devise, bequests, purchase, gift, or
22 otherwise during the fiscal year;
23 *(b)*[~~(4)~~] A statement of the character of library service furnished to the district
24 during the fiscal year; and
25 *(c)*[~~(5)~~] Any other statistics or information requested by the Department for
26 Libraries and Archives.
27 ***(2) The board shall comply with the provisions of Sections 1 to 9 of this Act.***

1 ➔SECTION 62. A NEW SECTION OF KRS 183.132 TO 183.165 IS CREATED
2 TO READ AS FOLLOWS:
3 ***The board shall comply with the provisions of Sections 1 to 9 of this Act.***
4 ➔Section 63. KRS 184.080 is amended to read as follows:
5 ***(1)*** The board of directors, which is hereby declared to be the governing body of the
6 road district, shall keep a record of its proceedings, shall adopt and have a seal, and
7 shall exercise all powers and manage and control all the affairs and property of the
8 district.
9 ***(2) The***[~~Said~~] board of directors shall elect one (1) of its members chairman, one (1)
10 secretary and one (1) treasurer.
11 ***(3)*** The board may employ an attorney and an engineer, who shall serve in such
12 capacities during the pleasure of the board and for such reasonable compensation as
13 may be fixed by the board and approved by order of the county judge/executive.
14 ***(4)*** Each member of the board may receive a salary of not in excess of two hundred
15 dollars ($200) per annum for his services, which salary shall be fixed at the first
16 meeting of said board, and approved of by order of the county judge/executive, and
17 thereafter may be decreased as the duties of the members decrease.
18 ***(5)*** The board may adopt such rules and regulations as are necessary for its proper
19 functioning.
20 ***(6)*** The chairman, secretary and treasurer of the district shall perform such duties as are
21 usually performed by such officers.
22 ***(7)*** The county judge/executive, by method similar to that for approving settlements of
23 fiduciaries, shall approve the accounts and acts of all directors upon death,
24 resignation or at expiration of their term of office, which county judge/executive
25 approval shall relieve the surety upon the bond of such director, the cost of which
26 shall be a charge against the district.
27 ***(8) The district board shall comply with the provisions of Sections 1 to 9 of this Act.***

1 *(9)* When the affairs of the district have been completed, the directors and officers shall
2 by verified petition ask the county judge/executive for a dissolution of the district,
3 which petition shall include an accounting of all moneys received and disbursed by
4 the district and shall be referred to the county judge/executive and when approved
5 by the county judge/executive shall release said officers, directors and their sureties,
6 the cost of which shall be a charge against the district.
7 ➔Section 64. KRS 210.400 is amended to read as follows:
8 Subject to the provisions of this section and the policies and regulations of the secretary
9 of the Cabinet for Health and Family Services, each community board for mental health
10 or individuals with an intellectual disability shall:
11 (1) Review and evaluate services for mental health or individuals with an intellectual
12 disability provided pursuant to KRS 210.370 to 210.460, and report thereon to the
13 secretary of the Cabinet for Health and Family Services, the administrator of the
14 program, and, when indicated, the public, together with recommendations for
15 additional services and facilities;
16 (2) Recruit and promote local financial support for the program from private sources
17 such as community chests, business, industrial and private foundations, voluntary
18 agencies, and other lawful sources, and promote public support for municipal and
19 county appropriations;
20 (3) Promote, arrange, and implement working agreements with other social service
21 agencies, both public and private, and with other educational and judicial agencies;
22 (4) Adopt and implement policies to stimulate effective community relations;
23 (5) Be responsible for the development and approval of an annual plan and budget;
24 (6) Act as the administrative authority of the community program for mental health or
25 individuals with an intellectual disability;~~[and]~~
26 (7) Oversee and be responsible for the management of the community program for
27 mental health or individuals with an intellectual disability in accordance with the

1 plan and budget adopted by the board and the policies and regulations issued under
2 KRS 210.370 to 210.480 by the secretary of the Cabinet for Health and Family
3 Services***; and***
4 ***(8) Comply with the provisions of Sections 1 to 9 of this Act.***
5 ➔Section 65. KRS 212.500 is amended to read as follows:
6 (1) The board shall annually select a strong, safe, and conservative trust company,
7 doing business in the city in which said board exists, as custodian of the funds and
8 securities of the board received from donations and investments for specific
9 purposes, as set out above, and may authorize said trust company to make the actual
10 investment and reinvestment of said funds, but the proposed sale or purchase of
11 land and securities must first be submitted to and approved of by the board. The
12 board shall exact from such trust company a bond in double the amount of any
13 money or property received under KRS 212.350 to 212.620, that comes into said
14 trust company's hands, and may take the capital stock of the trust company as
15 security or require an additional surety bond or other form of security, in such
16 amount as it shall deem necessary as security for the funds and property in the
17 custody of the trust company.
18 (2) All expenditures of said funds shall be made only by order of the board or by the
19 proper officers designated by said board.
20 (3) The board shall cause an annual audit to be made of the receipts, expenditures and
21 investments of said fund by ***a certified public***[~~an~~] accountant[~~ or accountants~~] who
22 shall be approved by the mayor and county judge/executive of the city and county
23 where such board is located.
24 ***(4) The board shall comply with the provisions of Sections 1 to 9 of this Act.***
25 ➔Section 66. KRS 212.639 is amended to read as follows:
26 (1) [~~In order~~]To provide sufficient funds for carrying out the provisions of KRS
27 212.626 to 212.639, the department shall be entitled to the same state aid as is

1 provided for county and district health departments under KRS 212.120, upon
2 notice of the establishment of the department being given to the Cabinet for Health
3 and Family Services as provided in KRS 212.120, the legislative intent being hereby
4 declared to be that funding from the Cabinet for Health and Family Services be
5 continued at least at the same level and proportion after July 1, 1977, as before its
6 implementation and that modification or alteration of the annual allotment not be
7 made unless for causes enumerated under the provisions of KRS 212.120.
8 (2) *If*[~~In the event~~] the sums derived from the appropriations, together with funds
9 otherwise available from any other source to the board during any fiscal year, for its
10 necessary expenditures in the maintenance and operation of the board, exceed its
11 need for such expenditures during such fiscal year, any such unexpended funds at
12 the end of the fiscal year shall be carried forward by the board to be used in paying
13 for its operating costs and expenses for its ensuing year.
14 (3) The fiscal year of the board shall begin on July 1 of each year and shall end on June
15 30 of the following year.
16 (4) In a timely fashion governed by the requirements of the various funding sources
17 such as the Cabinet for Health and Family Services, urban-county government, and
18 any and all other sources, the commissioner shall prepare for board approval a
19 budget setting forth the total amounts of funds available from all sources for
20 expenditures during the board's fiscal year, and setting forth the estimated
21 expenditures of the board for the fiscal year.
22 (5) The board shall install and maintain a system of accounting and shall file an annual
23 report of its fiscal and other operations to the Cabinet for Health and Family
24 Services and to the legislative body of the urban-county government after the close
25 of the board's fiscal year. The annual report shall be accompanied by such
26 information, tables, and data as may be necessary to present a reasonably detailed
27 report of the board's condition and activities during the preceding year.

1 ***(6) The board shall comply with the provisions of Sections 1 to 9 of this Act.***

2 ➔SECTION 67. A NEW SECTION OF KRS 212.720 TO 212.760 IS CREATED
3 TO READ AS FOLLOWS:

4 ***The board of a public health taxing district shall comply with the provisions of***
5 ***Sections 1 to 9 of this Act.***

6 ➔Section 68. KRS 212.794 is amended to read as follows:

7 (1) The cost of creating, establishing, and maintaining the independent district health
8 department shall be paid by the participating local boards of health in proportion to
9 the taxable property of each county as determined by respective county assessments
10 and in accordance with revenues generated pursuant to authority under KRS
11 212.720 and 212.725.

12 (2) The independent district health department shall be entitled to the same state aid as
13 provided for county and district health departments under KRS 212.120, upon
14 notification of the establishment of the department being given to the cabinet, as
15 provided in KRS 212.120. Funding from the cabinet shall be continued at least at
16 the same level and proportion for similar public health activities the district after
17 enactment of KRS 212.780 to 212.794 as before. Modification of annual allotments
18 shall not be made unless in accordance with causes enumerated under the provisions
19 of KRS 212.120.

20 (3) An independent district board of health may establish schedules of fees and charges
21 for any services rendered by the department and may recover the fees and charges
22 for services from any person who receives services.

23 (4) A board may make reasonable classifications in fee schedules based upon the
24 financial ability of the person to pay and may vary charges in accordance with
25 income classifications but no fee charged shall exceed the approximate cost of
26 rendering such service.

27 (5) The district director of health shall prepare a budget for the board's approval and set

1 forth the total funds available from all sources for actual and estimated expenditure
2 during the fiscal year. Fiscal years shall begin on July 1 of each year and shall end
3 on June 30 of the following year.
4 (6) A board shall install and maintain a system of accounting and records and shall file
5 an annual report and other documents required by the fiscal courts, to the cabinet
6 and to the local boards of health within one hundred twenty (120) days of the close
7 of the board's fiscal year.
8 ***(7) A board shall comply with the provisions of Sections 1 to 9 of this Act.***
9 ➔Section 69. KRS 216.343 is amended to read as follows:
10 *(1)* Every district established under KRS 216.310 to 216.360 shall at all reasonable
11 times keep open for the inspection of the Auditor of Public Accounts all of its
12 records and books of accounts and shall have an outside independent audit by a
13 certified public accountant annually.
14 ***(2) Any board formed and operating under KRS 216.310 to 216.360 shall comply***
15 ***with the provisions of Sections 1 to 9 of this Act.***
16 ➔Section 70. KRS 220.544 is amended to read as follows:
17 (1) By January 1, 2012, each district board of directors of a district shall provide public
18 access to records relating to expenditures of the district through display of the
19 records on a Web site.
20 (2) The Web site shall be in a searchable format and shall provide financial information
21 about expenditures not exempt under the provisions of state or federal law,
22 including:
23 (a) The payee name;
24 (b) The category or type of expenditure;
25 (c) A description of the reason for the expenditure, if available;
26 (d) The expenditure amount;
27 (e) An electronic link to documents relating to the expenditure, if the documents

1 are available electronically;
2 (f) The budget adopted by the district and subsequent amendments to that budget;
3 (g) The completed annual audit; and
4 (h) Any other information deemed relevant by the district.
5 (3) Information on the Web site shall be updated at least on a monthly basis and shall
6 be maintained on the Web site for at least three (3) years.
7 (4) The provisions of this section shall not apply to sanitation districts with fewer than
8 ten thousand (10,000) customer accounts.
9 ***(5) (a) The district shall register with the Department for Local Government as***
10 ***required by Section 9 of this Act.***
11 ***(b) For fiscal periods beginning on and after July 1, 2014, the provisions of***
12 ***Sections 1 to 9 of this Act shall apply to districts. District board members***
13 ***shall work with the Department for Local Government to provide the***
14 ***information required by this section through the registry established by***
15 ***Section 2 of this Act.***
16 ➔Section 71. KRS 262.097 is amended to read as follows:
17 ***(1)*** The supervisors of the respective soil conservation districts shall submit to the
18 commission such statements, estimates, budgets, and other information at such time
19 and in such manner as the commission requires.
20 ***(2) The supervisors of the soil conservation districts shall comply with the provisions***
21 ***of Sections 1 to 9 of this Act.***
22 ➔Section 72. KRS 262.280 is amended to read as follows:
23 (1) The board shall provide for the keeping of a full and accurate record of all its
24 proceedings and of all resolutions, regulations, and orders issued or adopted by it.
25 (2) ***For fiscal periods ending prior to July 1, 2014,*** an audit of the accounts of each
26 district shall take place once every four (4) years unless the district receives or
27 expends seven hundred fifty thousand dollars ($750,000) or more in any year, in

1 which case the district shall provide for the performance of an annual audit. The
2 audit shall be conducted in accordance with audit standards and requirements
3 stipulated in KRS 65.065***(5)***[~~(4)~~] ***for fiscal periods beginning on and after July 1,***
4 ***2014, the provisions of Section 3 of this Act shall apply to audits of the accounts***
5 ***of each district***.
6 (3) Upon request of the commission, the board shall furnish the commission with
7 copies of ordinances, regulations, orders, contracts, forms, and other documents
8 adopted or employed by the board and any other information requested by the
9 commission concerning the board's activities.
10 ➔Section 73. KRS 262.760 is amended to read as follows:
11 Within the first quarter of each calendar year, the board of directors shall prepare an
12 itemized budget of the funds needed for administration, construction, operation and
13 maintenance of works of improvement. After approval of such budget by the board of
14 supervisors, the board of directors shall, by order or resolution, levy a tax sufficient to
15 meet such budget, either by millage rate or per acre rate. A copy of such budget and order
16 or resolution shall be certified to the county clerk of the county or counties involved***, and***
17 ***shall be submitted to the Department for Local Government as provided in Section 2 of***
18 ***this Act***.
19 ➔Section 74. KRS 262.763 is amended to read as follows:
20 (1) ***(a) For fiscal periods ending prior to July 1, 2014,*** an audit of the accounts of
21 each watershed conservancy district shall take place once every four (4) years
22 unless the district receives or expends seven hundred fifty thousand dollars
23 ($750,000) or more in any year, in which case the district shall provide for the
24 performance of an annual audit. The audit shall be conducted in accordance
25 with audit standards and requirements stipulated in KRS 65.065***(5)***[~~(4)~~]. The
26 board of directors of each watershed conservancy district shall select to make
27 the audit certified public accountants who have no personal interest in the

1 financial affairs of the board of directors or in any of its officers or employees.
2 ***(b) For fiscal periods beginning on and after July 1, 2015, the provisions of***
3 ***Section 3 of this Act shall apply to the audit of accounts of each watershed***
4 ***conservancy district.***
5 (2) Immediately upon completion of each audit, the accountant shall prepare a report of
6 his findings and recommendations. This report shall be to the board of directors and
7 in such number of copies as specified by the board of directors.~~[Immediately~~
8 ~~following receipt of the audit report, the board of directors shall cause a summary of~~
9 ~~the report or the text of the report to be advertised for the district by publication in a~~
10 ~~newspaper of general circulation in the area encompassed by the watershed~~
11 ~~conservancy district.]~~ The actual expense of any audit authorized under this section
12 shall be borne by the watershed conservancy district.
13 (3) ***The board of directors shall comply with the provisions of Sections 1 to 9 of this***
14 ***Act***~~[The board of directors shall forward a copy of the newspaper in which the audit~~
15 ~~report appeared to the State Auditor of Public Accounts]~~.
16 ➔Section 75. KRS 266.120 is amended to read as follows:
17 (1) The board of levee commissioners shall superintend the construction, care and
18 protection of the levee, and see that convenient crossings of the levee are made at
19 the intersection of all public roads and at such private crossings as the
20 commissioners may establish.
21 (2) At any time the commissioners deem the levee in danger of being damaged, after
22 being built, by wind or high water, they shall, after giving six (6) hours' notice to all
23 persons between the ages of eighteen (18) and fifty (50) residing within the territory
24 protected by the levee, require them to assemble at a point designated by the
25 commissioners, and aid in the repair and protection of the levee, for which they
26 shall be paid by the commissioners at the rate of one dollar and fifty cents ($1.50)
27 per day.

1 (3) No person liable to work under this section shall fail to do so after being notified.
2 ***(4) All boards shall comply with the provisions of Sections 1 to 9 of this Act.***
3 ➔SECTION 76. A NEW SECTION OF KRS CHAPTER 267 IS CREATED TO
4 READ AS FOLLOWS:
5 ***All boards established under this chapter shall comply with the provisions of Sections 1***
6 ***to 9 of this Act.***
7 ➔SECTION 77. A NEW SECTION OF KRS CHAPTER 268 IS CREATED TO
8 READ AS FOLLOWS:
9 ***All boards established under this chapter shall comply with the provisions of Sections 1***
10 ***to 9 of this Act.***
11 ➔Section 78. KRS 268.170 is amended to read as follows:
12 (1) The board shall furnish its secretary with the necessary office room, furniture,
13 fixtures, stationery, maps, plats, typewriter, and postage. The board shall meet as
14 often as necessary for the proper discharge of duties at whatever places these duties
15 require within the county in which any part of the district lies. The board shall keep
16 complete records of its proceedings, which shall be at all times open to the
17 inspection of the public.
18 (2) The treasurer of the board shall, by May 1 of each year, make a complete and
19 itemized report of its accounts and doings during the previous year, showing the
20 amount of money received and from what source and the amount paid out and for
21 what purposes. This report shall be spread upon the records and open for public
22 inspection***, and shall be submitted to the Department for Local Government as***
23 ***required by Section 2 of this Act***.~~[He shall also, by May 1 of each year, have~~
24 ~~published pursuant to KRS Chapter 424 in the county where most of the acreage of~~
25 ~~the district lies, a complete and itemized statement of the previous year showing the~~
26 ~~accounts received, the date of receipt and from what sources, the amounts paid out,~~
27 ~~the date of disbursement and for what purposes.]~~

1 (3) All expenses incurred by the board shall be taken out of drainage funds and not
2 from any general funds of the county. The commissioners shall be paid not more
3 than three dollars ($3) per day while actually engaged in the performance of their
4 duties as well as all traveling expenses incurred in attending any meeting of the
5 board or in the performance of their duties, to be paid out of the funds of the
6 district.

7 ➔SECTION 79. A NEW SECTION OF KRS CHAPTER 269 IS CREATED TO
8 READ AS FOLLOWS:

9 ***Any board established under this chapter shall comply with the provisions of Sections 1***
10 ***to 9 of this Act.***

11 ➔Section 80. KRS 273.441 is amended to read as follows:

12 (1) Each community action agency shall:

13 (a) Plan systematically for an effective community action program, develop
14 information as to the problems and causes of poverty in the community;
15 determine how much and how effectively assistance is being provided to deal
16 with those problems and causes; and establish priorities among projects,
17 activities, and areas as needed for the best and most efficient use of resources;

18 (b) Provide planning or technical assistance to agencies; and generally, in
19 cooperation with community agencies and officials, undertake actions to
20 improve existing efforts to reduce poverty, such as improving day-to-day
21 communications, closing service gaps, focusing resources on the most needy,
22 and providing additional opportunities to low-income individuals for regular
23 employment or participation in the programs or activities for which those
24 community agencies and officials are responsible;

25 (c) Initiate and sponsor projects responsive to needs of the poor which are not
26 otherwise being met, with particular emphasis on providing central or
27 common services that can be drawn upon by a variety of related programs,

1 developing new approaches or new types of services that can be incorporated
2 into other programs, and filling gaps pending the expansion or modification of
3 those programs;
4 (d) Establish effective procedures by which the poor and area residents concerned
5 will be enabled to influence the character of programs affecting their interests,
6 provide for their regular participation in the implementation of those
7 programs, and provide technical and other support needed to enable the poor
8 and neighborhood groups to secure on their own behalf available assistance
9 from public and private sources;
10 (e) Join with and encourage business, labor and other private groups and
11 organizations to undertake, together with public officials and agencies,
12 activities in support of the community action program which will result in the
13 additional use of private resources and capabilities, with a view to developing
14 new employment opportunities, stimulating investment that will have a
15 measurable impact on reducing poverty among residents of areas of
16 concentrated poverty, and providing methods by which residents of those
17 areas can work with private groups, firms, and institutions in seeking solutions
18 to problems of common concern.
19 (2) If a community action agency places responsibility for the character, funding,
20 extent, administration of, or budgeting for programs of the agency with another
21 agency or organization, public or private, it shall do so by contract. No contract
22 shall be made with an agency or organization which does not have a board which is
23 broadly representative of the citizens of the geographic area served by the agency or
24 organization.
25 ***(3) Each community action agency shall comply with the provisions of Sections 1 to***
26 ***9 of this Act.***
27 ➔Section 81. KRS 6.764 is amended to read as follows:

1 (1) A legislator shall not accept any appointment as an officer or employee of the
2 Commonwealth or any state agency except as provided in subsection (3) of this
3 section and in Section 165 of the Constitution unless he shall have first resigned his
4 membership in the General Assembly, and it shall be unlawful for the State
5 Treasurer to pay any salary by reason of the appointment until the resignation has
6 been received by the presiding officer of the house of which he ***or she*** is a member.
7 Violation of this subsection is ethical misconduct.
8 (2) A legislator shall not accept any appointment or serve as a member of the governing
9 body of any ***special purpose governmental*** entity ***as defined in Section 1 of this***
10 ***Act***[~~created pursuant to the statutes listed in KRS 65.060~~]which has the statutory
11 authority to levy taxes or to set rates unless he ***or she*** shall have first resigned his
12 membership in the General Assembly. Violation of this provision is ethical
13 misconduct.
14 (3) Notwithstanding the provisions of subsection (1) of this section, a legislator may
15 serve on the faculty or staff of any of the state universities or community colleges or
16 as an employee of a local public school board without resigning his ***or her***
17 membership in the General Assembly.
18 ➔Section 82. KRS 64.012 is amended to read as follows:
19 The county clerk shall receive for the following services the following fees:
20 (1) (a) Recording and indexing of a:
21 1. Deed of trust or assignment for the benefit of creditors;
22 2. Deed;
23 3. Real estate mortgage;
24 4. Deed of assignment;
25 5. Real estate option;
26 6. Power of attorney;
27 7. Revocation of power of attorney;

1 8. Lease which is recordable by law;
2 9. Deed of release of a mortgage or lien under KRS 382.360;
3 10. United States lien;
4 11. Release of a United States lien;
5 12. Release of any recorded encumbrance other than state liens;
6 13. Lis pendens notice concerning proceedings in bankruptcy;
7 14. Lis pendens notice;
8 15. Mechanic's and artisan's lien under KRS Chapter 376;
9 16. Assumed name;
10 17. Notice of lien issued by the Internal Revenue Service;
11 18. Notice of lien discharge issued by the Internal Revenue Service;
12 19. Original, assignment, amendment, or continuation financing statement;
13 20. Making a record for the establishment of a city, recording the plan or
14 plat thereof, and all other service incident;
15 21. Survey of a city, or any part thereof, or any addition to or extensions of
16 the boundary of a city;
17 22. Recording with statutory authority for which no specific fee is set,
18 except a military discharge; and
19 23. Filing with statutory authority for which no specific fee is set.
20 For all items in this subsection if the entire thereof does not exceed
21 three (3) pages $12.00
22 And, for all items in this subsection exceeding three (3) pages,
23 for each additional page $3.00
24 And, for all items in this subsection for each additional reference
25 relating to same instrument $4.00
26 (b) The twelve dollar ($12) fee imposed by paragraph (a) of this subsection shall
27 be divided as follows:

1. Six dollars ($6) shall be retained by the county clerk; and

2. Six dollars ($6) shall be paid to the affordable housing trust fund established in KRS 198A.710 and shall be remitted by the county clerk within ten (10) days following the end of the quarter in which the fee was received. Each remittance to the affordable housing trust fund shall be accompanied by a summary report on a form prescribed by the Kentucky Housing Corporation.

(2) Recording and indexing a file-stamped copy of documents set forth in KRS 14A.2-040(1) or (2) that have been filed first with the Secretary of State:

(a) The entire record thereof does not exceed three (3) pages $10.00

(b) And, exceeding three (3) pages, for each additional page $3.00

(3) Recording wills or other probate documents pursuant to KRS Chapter 392 or 394 .....$ 8.00

(4) Recording court ordered name changes pursuant to KRS Chapter 401 .....$ 8.00

(5) For noting a security interest on a certificate of title pursuant to KRS Chapter 186A $12.00

(6) For filing the release of collateral under a financing statement and noting same upon the face of the title pursuant to KRS Chapter 186 or 186A $5.00

(7) Filing or recording state tax or other state liens $5.00

(8) Filing release of a state tax or other state lien $5.00

(9) Marginal release, noting release of any lien, mortgage, or redemption other than a deed of release $8.00

(10) Acknowledging or notarizing any deed, mortgage, power of attorney, or other written instrument required by law for recording and certifying same $4.00

(11) Recording a land use restriction according to KRS 100.3681 .....$15.00

1 (12) Recording plats, maps, and surveys, not exceeding 24 inches by
2 36 inches, per page $20.00
3 (13) Recording a bond, for each bond $10.00
4 (14) Each bond required to be taken or prepared by the clerk $4.00
5 (15) Copy of any bond when ordered $3.00
6 (16) Administering an oath and certificate thereof $5.00
7 (17) Issuing a license for which no other fee is fixed by law $8.00
8 (18) Issuing a solicitor's license $15.00
9 (19) Marriage license, indexing, recording, and issuing certificate thereof $24.00
10 (20) Every order concerning the establishment, changing, closing, or
11 discontinuing of roads, to be paid out of the county levy when
12 the road is established, changed, closed, or discontinued, and by
13 the applicant when it is not $3.00
14 (21) Registration of licenses for professional persons required to register
15 with the county clerk $10.00
16 (22) Certified copy of any record $5.00
17 Plus fifty cents ($.50) per page after three (3) pages
18 (23) Filing certification required by KRS 65.070*(2)*~~[(1)]~~(a) $5.00
19 (24) Filing notification and declaration and petition of candidates
20 for Commonwealth's attorney $200.00
21 (25) Filing notification and declaration and petition of candidates for
22 office in cities of the fifth or sixth class and candidates for county
23 and independent boards of education $20.00
24 (26) Filing notification and declaration and petition of candidates for
25 boards of soil and water conservation districts $20.00
26 (27) Filing notification and declaration and petition of candidates for
27 other office $50.00

1 (28) Filing declaration of intent to be a write-in candidate for office
2 other than municipal office in a city of the fifth or sixth class $50.00
3 (29) Filing declaration of intent to be a write-in candidate for municipal
4 office in a city of the fifth or sixth class $20.00
5 (30) Filing petitions for elections, other than nominating petitions $50.00
6 (31) Notarizing any signature, per signature $2.00
7 (32) Filing bond for receiving bodies under KRS 311.310 .....$10.00
8 (33) Noting the assignment of a certificate of delinquency and recording
9 and indexing the encumbrance under KRS 134.126 or 134.127 .....$27.00
10 (34) Filing a going-out-of-business permit under KRS 365.445 .....$50.00
11 (35) Filing a renewal of a going-out-of-business permit under KRS 365.445 .....$50.00
12 (36) Filing a grain warehouseman's license under KRS 359.050 .....$10.00
13 (37) Filing and processing a transient merchant permit under KRS 365.680 .....$25.00
14 ➔Section 83. KRS 136.602 is amended to read as follows:
15 As used in KRS 136.600 to 136.660:
16 (1) "Cable service" means the provision of video, audio, or other programming service
17 to purchasers, and the purchaser interaction, if any, required for the selection or use
18 of the video or other programming service, regardless of whether the programming
19 is transmitted over facilities owned or operated by the provider or by one (1) or
20 more other communications service providers. Included in this definition are basic,
21 extended, and premium service, pay-per-view service, digital or other music
22 services, and other similar services;
23 (2) "Communications service" means the provision, transmission, conveyance, or
24 routing, for consideration, of voice, data, video, or any other information signals of
25 the purchaser's choosing to a point or between or among points specified by the
26 purchaser, by or through any electronic, radio, light, fiber-optic, or similar medium
27 or method now in existence or later devised.

1 (a) "Communications service" includes but is not limited to:
2 1. Local and long-distance telephone services;
3 2. Telegraph and teletypewriter services;
4 3. Prepaid calling services, and postpaid calling services;
5 4. Private communications services involving a direct channel specifically
6 dedicated to a customer's use between specific points;
7 5. Channel services involving a path of communications between two (2)
8 or more points;
9 6. Data transport services involving the movement of encoded information
10 between points by means of any electronic, radio, or other medium or
11 method;
12 7. Caller ID services, ring tones, voice mail and other electronic messaging
13 services;
14 8. Mobile telecommunications service as defined in 4 U.S.C. sec. 124(7);
15 and
16 9. Voice over Internet Protocol (VOIP);
17 (b) "Communications services" does not include information services or
18 multichannel video programming service;
19 (3) "Department" means the Department of Revenue;
20 (4) "End user" means the person who utilized the multichannel video programming
21 service. In the case of an entity, "end user" means the individual who used the
22 service on behalf of the entity;
23 (5) "Engaged in business" means:
24 (a) Having any employee, representative, agent, salesman, canvasser, or solicitor
25 operating in this state, under the authority of the provider, its subsidiary, or
26 related entity, for the purpose of selling, delivering, taking orders, or
27 performing any activities that help establish or maintain a marketplace for the

1 provider;
2 (b) Maintaining, occupying, or using permanently or temporarily, directly or
3 indirectly, or through a subsidiary or any other related entity, agent or
4 representative, by whatever name called, an office, place of distribution, sales
5 or sample room or place, warehouse or storage place, or other place of
6 business;
7 (c) Having real or tangible personal property in this state;
8 (d) Providing communications service by or through a customer's facilities
9 located in this state;
10 (e) Soliciting orders from residents of this state on a continuous, regular, or
11 systematic basis in which the solicitation of the order, placement of the order
12 by the customer or payment of the order utilizes the services of any financial
13 institution, communications system, radio or television station, cable service,
14 direct broadcast satellite or wireless cable service, print media, or other
15 facility or service located in this state; or
16 (f) Soliciting orders from residents of this state on a continuous regular,
17 systematic basis if the provider benefits from an agent or representative
18 operating in this state under the authority of the provider to repair or service
19 tangible personal property sold by the retailer;
20 (6) "Gross revenues" means all amounts received in money, credits, property, or other
21 money's worth in any form, by a provider for furnishing multichannel video
22 programming service or communications service in this state excluding amounts
23 received from:
24 (a) Charges for Internet access as defined in 47 U.S.C. sec. 151; and
25 (b) Any excise tax, sales tax, or similar tax, fee, or assessment levied by the
26 United States or any state or local political subdivision upon the purchase,
27 sale, use, or other consumption of communications services or multichannel

1 video programming services that is permitted or required to be added to the
2 sales price of the communications service or multichannel video programming
3 service. This exclusion does not include any amount that the provider has
4 retained as a reimbursement for collecting and remitting the tax to the
5 appropriate taxing jurisdiction in a timely manner;
6 (7) "In this state" means within the exterior limits of the Commonwealth of Kentucky
7 and includes all territory within these limits owned by or ceded to the United States
8 of America;
9 (8) "Multichannel video programming service" means programming provided by or
10 generally considered comparable to programming provided by a television
11 broadcast station and shall include but not be limited to:
12 (a) Cable service;
13 (b) Satellite broadcast and wireless cable service; and
14 (c) Internet protocol television provided through wireline facilities without regard
15 to delivery technology;
16 (9) "Person" means and includes any individual, firm, corporation, joint venture,
17 association, social club, fraternal organization, general partnership, limited
18 partnership, limited liability partnership, limited liability company, nonprofit entity,
19 estate, trust, business trust, receiver, trustee, syndicate, cooperative, assignee,
20 governmental unit or agency, or any other group or combination acting as a unit;
21 (10) "Place of primary use" means the street address where the end user's use of the
22 multichannel video programming service primarily occurs;
23 (11) "Political subdivision" means a city, county, urban-county government,
24 consolidated local government, or charter county government;
25 (12) "Provider" means any person receiving gross revenues for the provision of
26 multichannel video programming service or communications service in this state;
27 (13) "Purchaser" means the person paying for multichannel video programming service;

1 (14) "Resale" means the purchase of a multichannel video programming service by a
2 provider required to collect the tax levied by KRS 136.604 for sale, or incorporation
3 into a multichannel video programming service for sale, including but not limited
4 to:
5 (a) Charges paid by multichannel video programming service providers for
6 transmission of video or other programming by another provider over
7 facilities owned or operated by the other provider; and
8 (b) Charges for use of facilities for providing or receiving multichannel video
9 programming services;
10 (15) "Retail purchase" means any purchase of a multichannel video programming service
11 for any purpose other than resale;
12 (16) "Ring tones" means digitized sound files that are downloaded onto a device and that
13 may be used to alert the customer with respect to a communication;
14 (17) "Sale" means the furnishing of a multichannel video programming service for
15 consideration;
16 (18) (a) "Sales price" means the total amount billed by or on behalf of a provider for
17 the sale of multichannel video programming services in this state valued in
18 money, whether paid in money or otherwise, without any deduction on
19 account of the following:
20 1. Any charge attributable to the connection, movement, change, or
21 termination of a multichannel video programming service; or
22 2. Any charge for detail billing;
23 (b) "Sales price" does not include any of the following:
24 1. Charges for installation, reinstallation, or maintenance of wiring or
25 equipment on a customer's premises;
26 2. Charges for the sale or rental of tangible personal property;
27 3. Charges for billing and collection services provided to another

1 multichannel video programming service provider;
2 4. Bad check charges;
3 5. Late payment charges;
4 6. Any excise tax, sales tax, or similar tax, fee, or assessment levied by the
5 United States or any state or local political subdivision, upon the
6 purchase, sale, use, or consumption of any multichannel video
7 programming service, that is permitted or required to be added to the
8 sales price of the multichannel video programming service; or
9 7. Internet access as defined in 47 U.S.C. sec. 151;
10 (19) "Satellite broadcast and wireless cable service" means point-to-point or point-to-
11 multipoint distribution services that include but are not limited to direct broadcast
12 satellite service and multichannel multipoint distribution services, with
13 programming or voice transmitted or broadcast by satellite, microwave, or any other
14 equipment directly to the purchaser. Included in this definition are basic, extended,
15 and premium service, pay-per-view service, digital or other music services, two (2)
16 way service, and other similar services;
17 (20) "School district" means a school district as defined in KRS 160.010 and 160.020;
18 and
19 (21) "Special district" means a special district as defined in KRS 65.005*(2)*[~~(1)~~](a) that
20 currently levies on any provider or its customers the public service corporation
21 property tax under KRS 136.120.
22 ➔Section 84. KRS 65.009 is amended to read as follows:
23 (1) Except where the law provides that fiscal court members may serve as members of
24 a district's governing body, the fiscal court of the county in which the greater
25 portion of the district's population lies may, by resolution, designate one of its
26 members to serve as an ex officio member of a district's governing body. Fiscal
27 court members shall be eligible for ex officio membership on a district's governing

1 body regardless of residency, political affiliation or other restrictions on board
2 membership.
3 (2) The fiscal court shall notify the district of the designation of an ex officio member
4 of the governing body and the district shall provide the ex officio member with
5 notice of all regular and special meetings of the district's governing body.
6 (3) An ex officio member of a district's governing body designated pursuant to this
7 section shall not be counted in determining a quorum nor shall he vote on matters
8 before the district's governing body.
9 (4) An ex officio member of a district's governing body designated pursuant to this
10 section shall receive no compensation or reimbursement for expenses for attending
11 meetings of the district's governing body.
12 (5) An ex officio member of a district's governing body designated pursuant to this
13 section shall serve in such capacity at the pleasure of the fiscal court.
14 ***(6) The provisions of this section shall not apply to a district established by a city or***
15 ***cities.***
16 ➔SECTION 85. A NEW SECTION OF KRS CHAPTER 65A IS CREATED TO
17 READ AS FOLLOWS:
18 ***(1) The provisions of this section shall apply to any fee or ad valorem tax levied by a***
19 ***special purpose governmental entity.***
20 ***(2) Any special purpose governmental entity that:***
21 ***(a) 1. Adopts a new fee or ad valorem tax;***
22 ***2. Increases the rate at which an existing fee or tax, other than an ad***
23 ***valorem tax, is imposed; or***
24 ***3. Adopts an ad valorem tax rate;***
25 ***shall report the fee or tax to the governing body of the city or county in***
26 ***which the largest number of citizens served by the special purpose***
27 ***governmental entity reside. If the special purpose governmental entity***

1 ***serves only the residents of a city, the notice shall be provided to the***
2 ***governing body of that city.***
3 ***(b) The report required by paragraph (a) of this subsection shall be for***
4 ***informational purposes only, and the governing body shall not have the***
5 ***authority to adjust, amend, or veto the fee or tax, provided that any other***
6 ***provision of the Kentucky Revised Statutes that provides greater authority***
7 ***for the governing body of a city or county over taxes, fees, or rates imposed***
8 ***by a special purpose governmental entity shall continue to apply to those***
9 ***taxes, fees, or rates.***
10 ***(3) The report required by subsection (2) of this section shall be made by:***
11 ***(a) Submission of written notification of the ad valorem tax or fee to the***
12 ***governing body at least thirty (30) days before the date the ad valorem tax or***
13 ***fee will be effective; and***
14 ***(b) Presentation of testimony relating to the ad valorem tax or fee at an open,***
15 ***regularly scheduled meeting of the governing body at least ten (10) days***
16 ***prior to the date the ad valorem tax or fee will be effective.***
17 ***(4) The governing body shall include notification that the ad valorem tax or fee will***
18 ***be presented in all public notices provided for the meeting.***
19 ➔Section 86. KRS 132.010 is amended to read as follows:
20 As used in this chapter, unless the context otherwise requires:
21 (1) "Department" means the Department of Revenue;
22 (2) "Taxpayer" means any person made liable by law to file a return or pay a tax;
23 (3) "Real property" includes all lands within this state and improvements thereon;
24 (4) "Personal property" includes every species and character of property, tangible and
25 intangible, other than real property;
26 (5) "Resident" means any person who has taken up a place of abode within this state
27 with the intention of continuing to abide in this state; any person who has had his

1 actual or habitual place of abode in this state for the larger portion of the twelve
2 (12) months next preceding the date as of which an assessment is due to be made
3 shall be deemed to have intended to become a resident of this state;
4 (6) "Compensating tax rate" means that rate which, rounded to the next higher one-
5 tenth of one cent ($0.001) per one hundred dollars ($100) of assessed value and
6 applied to the current year's assessment of the property subject to taxation by a
7 taxing district, excluding new property and personal property, produces an amount
8 of revenue approximately equal to that produced in the preceding year from real
9 property. However, in no event shall the compensating tax rate be a rate which,
10 when applied to the total current year assessment of all classes of taxable property,
11 produces an amount of revenue less than was produced in the preceding year from
12 all classes of taxable property. For purposes of this subsection, "property subject to
13 taxation" means the total fair cash value of all property subject to full local rates,
14 less the total valuation exempted from taxation by the homestead exemption
15 provision of the Constitution and the difference between the fair cash value and
16 agricultural or horticultural value of agricultural or horticultural land;
17 (7) "Net assessment growth" means the difference between:
18 (a) The total valuation of property subject to taxation by the county, city, school
19 district, or special district in the preceding year, less the total valuation
20 exempted from taxation by the homestead exemption provision of the
21 Constitution in the current year over that exempted in the preceding year, and
22 (b) The total valuation of property subject to taxation by the county, city, school
23 district, or special district for the current year;
24 (8) "New property" means the net difference in taxable value between real property
25 additions and deletions to the property tax roll for the current year. "Real property
26 additions" shall mean:
27 (a) Property annexed or incorporated by a municipal corporation, or any other

1 taxing jurisdiction; however, this definition shall not apply to property
2 acquired through the merger or consolidation of school districts, or the
3 transfer of property from one (1) school district to another;
4 (b) Property, the ownership of which has been transferred from a tax-exempt
5 entity to a nontax-exempt entity;
6 (c) The value of improvements to existing nonresidential property;
7 (d) The value of new residential improvements to property;
8 (e) The value of improvements to existing residential property when the
9 improvement increases the assessed value of the property by fifty percent
10 (50%) or more;
11 (f) Property created by the subdivision of unimproved property, provided, that
12 when such property is reclassified from farm to subdivision by the property
13 valuation administrator, the value of such property as a farm shall be a
14 deletion from that category;
15 (g) Property exempt from taxation, as an inducement for industrial or business
16 use, at the expiration of its tax exempt status;
17 (h) Property, the tax rate of which will change, according to the provisions of
18 KRS 82.085, to reflect additional urban services to be provided by the taxing
19 jurisdiction, provided, however, that such property shall be considered "real
20 property additions" only in proportion to the additional urban services to be
21 provided to the property over the urban services previously provided; and
22 (i) The value of improvements to real property previously under assessment
23 moratorium.
24 "Real property deletions" shall be limited to the value of real property removed
25 from, or reduced over the preceding year on, the property tax roll for the current
26 year;
27 (9) "Agricultural land" means:

1 (a) Any tract of land, including all income-producing improvements, of at least
2 ten (10) contiguous acres in area used for the production of livestock,
3 livestock products, poultry, poultry products and/or the growing of tobacco
4 and/or other crops including timber;
5 (b) Any tract of land, including all income-producing improvements, of at least
6 five (5) contiguous acres in area commercially used for aquaculture; or
7 (c) Any tract of land devoted to and meeting the requirements and qualifications
8 for payments pursuant to agriculture programs under an agreement with the
9 state or federal government;
10 (10) "Horticultural land" means any tract of land, including all income-producing
11 improvements, of at least five (5) contiguous acres in area commercially used for
12 the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables,
13 flowers, or ornamental plants;
14 (11) "Agricultural or horticultural value" means the use value of "agricultural or
15 horticultural land" based upon income-producing capability and comparable sales of
16 farmland purchased for farm purposes where the price is indicative of farm use
17 value, excluding sales representing purchases for farm expansion, better
18 accessibility, and other factors which inflate the purchase price beyond farm use
19 value, if any, considering the following factors as they affect a taxable unit:
20 (a) Relative percentages of tillable land, pasture land, and woodland;
21 (b) Degree of productivity of the soil;
22 (c) Risk of flooding;
23 (d) Improvements to and on the land that relate to the production of income;
24 (e) Row crop capability including allotted crops other than tobacco;
25 (f) Accessibility to all-weather roads and markets; and
26 (g) Factors which affect the general agricultural or horticultural economy, such
27 as: interest, price of farm products, cost of farm materials and supplies, labor,

1 or any economic factor which would affect net farm income;
2 (12) "Deferred tax" means the difference in the tax based on agricultural or horticultural
3 value and the tax based on fair cash value;
4 (13) "Homestead" means real property maintained as the permanent residence of the
5 owner with all land and improvements adjoining and contiguous thereto including
6 but not limited to lawns, drives, flower or vegetable gardens, outbuildings, and all
7 other land connected thereto;
8 (14) "Residential unit" means all or that part of real property occupied as the permanent
9 residence of the owner;
10 (15) "Special benefits" are those which are provided by public works not financed
11 through the general tax levy but through special assessments against the benefited
12 property;
13 (16) "Mobile home" means a structure, transportable in one (1) or more sections, which
14 when erected on site measures eight (8) body feet or more in width and thirty-two
15 (32) body feet or more in length, and which is built on a permanent chassis and
16 designed to be used as a dwelling, with or without a permanent foundation, when
17 connected to the required utilities, and includes the plumbing, heating, air-
18 conditioning, and electrical systems contained therein. It may be used as a place of
19 residence, business, profession, or trade by the owner, lessee, or their assigns and
20 may consist of one (1) or more units that can be attached or joined together to
21 comprise an integral unit or condominium structure;
22 (17) "Recreational vehicle" means a vehicular type unit primarily designed as temporary
23 living quarters for recreational, camping, or travel use, which either has its own
24 motive power or is mounted on or drawn by another vehicle. The basic entities are:
25 travel trailer, camping trailer, truck camper, and motor home.
26 (a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide
27 temporary living quarters for recreational, camping, or travel use, and of such

1 size or weight as not to require special highway movement permits when
2 drawn by a motorized vehicle, and with a living area of less than two hundred
3 twenty (220) square feet, excluding built-in equipment (such as wardrobes,
4 closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.
5 (b) Camping trailer: A vehicular portable unit mounted on wheels and constructed
6 with collapsible partial side walls which fold for towing by another vehicle
7 and unfold at the camp site to provide temporary living quarters for
8 recreational, camping, or travel use.
9 (c) Truck camper: A portable unit constructed to provide temporary living
10 quarters for recreational, travel, or camping use, consisting of a roof, floor,
11 and sides, designed to be loaded onto and unloaded from the bed of a pick-up
12 truck.
13 (d) Motor home: A vehicular unit designed to provide temporary living quarters
14 for recreational, camping, or travel use built on or permanently attached to a
15 self-propelled motor vehicle chassis or on a chassis cab or van which is an
16 integral part of the completed vehicle;
17 (18) "Hazardous substances" shall have the meaning provided in KRS 224.01-400;
18 (19) "Pollutant or contaminant" shall have the meaning provided in KRS 224.01-400;
19 (20) "Release" shall have the meaning as provided in either or both KRS 224.01-400 and
20 KRS 224.60-115;
21 (21) "Qualifying voluntary environmental remediation property" means real property
22 subject to the provisions of KRS 224.01-400 and 224.01-405, or 224.60-135 where
23 the Energy and Environment Cabinet has made a determination that:
24 (a) All releases of hazardous substances, pollutants, contaminants, petroleum, or
25 petroleum products at the property occurred prior to the property owner's
26 acquisition of the property;
27 (b) The property owner has made all appropriate inquiry into previous ownership

1 and uses of the property in accordance with generally accepted practices prior
2 to the acquisition of the property;
3 (c) The property owner or a responsible party has provided all legally required
4 notices with respect to hazardous substances, pollutants, contaminants,
5 petroleum, or petroleum products found at the property;
6 (d) The property owner is in compliance with all land use restrictions and does
7 not impede the effectiveness or integrity of any institutional control;
8 (e) The property owner complied with any information request or administrative
9 subpoena under KRS Chapter 224; and
10 (f) The property owner is not affiliated with any person who is potentially liable
11 for the release of hazardous substances, pollutants, contaminants, petroleum,
12 or petroleum products on the property pursuant to KRS 224.01-400, 224.01-
13 405, or 224.60-135, through:
14 1. Direct or indirect familial relationship;
15 2. Any contractual, corporate, or financial relationship, excluding
16 relationships created by instruments conveying or financing title or by
17 contracts for sale of goods or services; or
18 3. Reorganization of a business entity that was potentially liable;
19 (22) "Intangible personal property" means stocks, mutual funds, money market funds,
20 bonds, loans, notes, mortgages, accounts receivable, land contracts, cash, credits,
21 patents, trademarks, copyrights, tobacco base, allotments, annuities, deferred
22 compensation, retirement plans, and any other type of personal property that is not
23 tangible personal property;~~[and]~~
24 (23) (a) "County" ***means any county, consolidated local government, urban-county***
25 ***government, unified local government, or charter county government***~~[shall~~
26 ~~also mean a charter county government]~~;
27 (b) "Fiscal court" ***means the legislative body of any county, consolidated local***

1 ***government, urban-county government, unified local government, or***
2 ***charter county government***[~~shall also mean the legislative body of a charter~~
3 ~~county government~~]; and
4 (c) "County judge/executive" ***means the chief executive officer of any county,***
5 ***consolidated local government, urban-county government, unified local***
6 ***government, or charter county government;***[~~shall also mean the chief~~
7 ~~executive officer of a charter county government~~]
8 ***(24) "Taxing district" means any entity with the authority to levy a local ad valorem***
9 ***tax, including special purpose governmental entities; and***
10 ***(25) "Special purpose governmental entity" shall have the same meaning as in***
11 ***Section 1 of this Act, and as used in this chapter shall include only those special***
12 ***purpose governmental entities with the authority to levy ad valorem taxes, and***
13 ***that are not specifically exempted from the provisions of this chapter by another***
14 ***provision of the Kentucky Revised Statutes***.
15 ➔Section 87. KRS 132.023 is amended to read as follows:
16 (1) No ***special purpose governmental entity***[~~taxing district, other than the state,~~
17 ~~counties, school districts, cities, consolidated local governments, and urban-county~~
18 ~~governments,~~] shall levy a tax rate which exceeds the compensating tax rate
19 [~~defined in KRS 132.010,~~] until the taxing district has complied with the provisions
20 of subsection (2) of this section.
21 (2) (a) A ***special purpose governmental entity***[~~taxing district, other than the state,~~
22 ~~counties, school districts, cities, consolidated local governments, and urban-~~
23 ~~county governments,~~] proposing to levy a tax rate which exceeds the
24 compensating tax rate [~~defined in KRS 132.010,~~] shall hold a public hearing
25 to hear comments from the public regarding the proposed tax rate. The hearing
26 shall be held ***in the same location where the governing body of the city or***
27 ***county where the largest number of citizens served by the special purpose***

governmental entity reside meets, and shall be held immediately before a regularly scheduled meeting of that governing body[~~in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district~~].

(b) The ***special purpose governmental entity***[~~taxing district~~] shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:

1. The tax rate levied in the preceding year, and the revenue produced by that rate;
2. The tax rate proposed for the current year and the revenue expected to be produced by that rate;
3. The compensating tax rate and the revenue expected from it;
4. The revenue expected from new property and personal property;
5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;
6. A time and place for the public hearing which shall be held not less than seven (7) days, nor more than ten (10) days, after the day that the second advertisement is published;
7. The purpose of the hearing; and
8. A statement to the effect that the General Assembly has required publication of the advertisement and the information contained therein.

(c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property in the ***special purpose governmental entity***[~~taxing district~~], addressed to the property owner at his residence or principal place of business

as shown on the current year property tax roll.

(d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The ***special purpose governmental entity***[~~taxing district~~] may set reasonable time limits for testimony.

(3) (a) That portion of a tax rate levied by an action of a ***special purpose governmental entity***[~~tax district, other than the state, counties, school districts, cities, consolidated local governments, and urban-county governments~~] which will produce revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate [~~defined in KRS 132.010~~]shall be subject to a recall vote or reconsideration by the ***special purpose governmental entity***[~~taxing district~~], as provided for in KRS 132.017, and shall be advertised as provided [~~for~~] in paragraph (b) of this subsection.

(b) The ***special purpose governmental entity***[~~taxing district, other than the state, counties, school districts, cities, consolidated local governments, and urban-county governments~~] shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a tax rate which will produce revenue from real property, exclusive of revenue from new property [~~as defined in KRS 132.010,~~]more than four percent (4%) over the amount of revenue produced by the compensating tax rate[~~ defined in KRS 132.010~~], cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:

1. The fact that the taxing district has adopted a rate;

2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property[~~ as defined in KRS 132.010,~~] in

excess of four percent (4%) over the amount of revenue produced by the compensating tax rate [~~defined in KRS 132.010~~]is subject to recall; and

3. The name, address, and telephone number of the county clerk of the county in which the ***special purpose governmental entity***[~~taxing district~~] is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

➔Section 88. KRS 132.024 is amended to read as follows:

(1) ***If***[~~In the event that~~] the tax rate applicable to real property levied by a ***special purpose governmental entity***[~~taxing district, other than the state, counties, school districts, cities, and urban-county governments,~~] will produce a percentage increase in revenue from personal property less than the percentage increase in revenue from real property, the ***special purpose governmental entity***[~~taxing district, other than the state, counties, school districts, cities, and urban-county governments,~~] may levy a tax rate applicable to personal property which will produce the same percentage increase in revenue from personal property as the percentage increase in revenue from real property.

(2) The tax rate applicable to personal property levied by a ***special purpose governmental entity***[~~taxing district, other than the state, counties, school districts, cities, and urban-county governments,~~] under the provisions of subsection (1) of this section shall not be subject to the public hearing provisions of KRS 132.023(2) and to the recall provisions of KRS 132.023(3).

➔Section 89. (1) Notwithstanding 2012 Ky. Acts ch. 144, Part VII(1)(a) and (b), $63,700 is appropriated to the Department for Local Government budget unit in fiscal year 2012-2013 from the amount certified by the Secretary of the Finance and Administration Cabinet to be available for expenditure in fiscal year 2012-2013 pursuant to the enacted General Fund Surplus Expenditure Plan. Notwithstanding KRS 45.229,

1 any unexpended funds from this appropriation in fiscal year 2012-2013 shall not lapse but
2 shall be carried forward into the next fiscal year.
3 (2) Notwithstanding 2012 Ky. Acts ch. 144, Part VII(1)(a) and (b), $60,000 is
4 appropriated to the Auditor of Public Accounts budget unit in fiscal year 2012-2013 from
5 the amount certified by the Secretary of the Finance and Administration Cabinet to be
6 available for expenditure in fiscal year 2012-2013 pursuant to the enacted General Fund
7 Surplus Expenditure Plan. Notwithstanding KRS 45.229, any unexpended funds from
8 this appropriation in fiscal year 2012-2013 shall not lapse but shall be carried forward
9 into the next fiscal year.
10 ➔Section 90. Because it is necessary to establish an accountable and transparent
11 reporting system for special purpose governmental entities as soon as possible, an
12 emergency is declared to exist, and this Act takes effect upon its passage and approval by
13 the Governor or upon its otherwise becoming a law.

Speaker-House of Representatives

President of Senate

Attest: Chief Clerk of House of Representatives

Approved Governor

Date 3-21-13