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

COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

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VETO MESSAGE FROM THE GOVERNOR OF THE COMMONWEALTH OF KENTUCKY REGARDING HOUSE BILL 236 OF THE 2014 REGULAR SESSION

1. Aviation Economic Development Fund – Earmarks

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 3, lines 24 through 27, in their entirety.
Page 4, lines 1 through 8, in their entirety.

I am vetoing this part because there is a limited amount of funds in the Aviation Economic Development fund to provide for the development, rehabilitation, and maintenance of the 53 publicly owned or operated aviation facilities and for other aviation programs. Since its inception, these funds have been allocated for projects selected through a competitive application process, and these limited resources have been directed toward maintenance and safety related projects with an aim of keeping the 53 general aviation airports safe. The earmarking of $3,000,000 for three projects in fiscal year 2014-2015 represents about half of the annual available funds for these types of projects. These three projects are worthy ones and still may be funded during the 2014-16 biennium through a process that considers them along with the other project applications submitted for allocations from the limited funding available.

2. Kentucky Pride Program – Highway Contingency Account

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 5, line 17, after "Account.", delete the rest of the line.
Page 5, lines 18, in its entirety.
Page 5, line 19, delete "KRS 224.43-505."

I am vetoing this part because it mandates a change in the statutory funding structure of the Kentucky Pride fund without suspending the statute. This provision mandates that all

$5,000,000 in Road Fund support each fiscal year for the Kentucky Pride fund shall come from the Contingency Account. This veto retains the $5,000,000 each year in funding for the Kentucky Pride fund from the Road Fund, but serves to accomplish this by returning to the statutory means of financing.

3. Road Fund Cash Management Reporting

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 7, line 9, after "2014.", delete the rest of the line.
Page 7, line 10, in its entirety.

I am vetoing this part because it mandates a reporting of information that not only does not exist but is not feasible to establish. The Transportation Cabinet develops and maintains a cash management model to serve the financial liquidity needs of road and bridge projects. Cash flow projections for these projects cannot be reasonably estimated beyond two to three years. This provision mandates a six year cash flow estimate which cannot be validly or reliably done. I am retaining the new quarterly reporting provision to the Appropriation and Revenue Committees.

This the 25th day of April, 2014

Steven L. Beshear, Governor

GENERAL ASSEMBLY
COMMONWEALTH OF KENTUCKY

2014 REGULAR SESSION

HOUSE BILL NO. 236

AS ENACTED

TUESDAY, APRIL 15, 2014

---

1 AN ACT relating to fiscal matters and making an appropriation therefor.

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

3 ➔Section 1. The Transportation Cabinet Budget is as follows:

4 **PART I**

5 **OPERATING BUDGET**

6 **(1) Funds Appropriations:** There is appropriated out of the General Fund, Road
7 Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the
8 fiscal year beginning July 1, 2013, and ending June 30, 2014, for the fiscal year beginning
9 July 1, 2014, and ending June 30, 2015, and for the fiscal year beginning July 1, 2015,
10 and ending June 30, 2016, the following discrete sums, or so much thereof as may be
11 necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each
12 appropriation is made by source of respective fund or funds accounts. Appropriations for
13 the budget units of the Transportation Cabinet are subject to the provisions of Chapters
14 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions
15 and procedures set forth in this Act.

16 **A. TRANSPORTATION CABINET**

17 **Budget Units**

18 **1. GENERAL ADMINISTRATION AND SUPPORT**

		2014-15	2015-16
19			
20	General Fund	500,000	500,000
21	Restricted Funds	1,989,100	1,989,100
22	Road Fund	70,871,200	72,006,800
23	TOTAL	73,360,300	74,495,900

24 **(1) Biennial Highway Construction Plan:** The Secretary of the Transportation
25 Cabinet shall produce a single document that contains two separately identified sections,
26 as follows:

27 Section 1 shall detail the enacted fiscal biennium 2014-2016 Biennial Highway

1 Construction Program and Section 2 shall detail the 2014-2016 Highway Preconstruction
2 Program Plan for fiscal year 2014-2015 through fiscal year 2019-2020 as identified by the
3 2014 General Assembly. This document shall mirror in data type and format the fiscal
4 year 2014-2020 Recommended Six-Year Road Plan as submitted to the 2014 General
5 Assembly. The document shall be published and distributed to members of the General
6 Assembly and the public within 60 days of adjournment of the 2014 Regular Session of
7 the General Assembly.

8 **(2) Debt Service:** Included in the above Road Fund appropriation is $6,401,000
9 in fiscal year 2014-2015 and $6,780,500 in fiscal year 2015-2016 for debt service on
10 previously authorized bonds for the Transportation Cabinet office building and parking
11 structure.

12 **(3) Adopt-A-Highway Litter Program:** The Transportation Cabinet and the
13 Energy and Environment Cabinet may receive, accept, and solicit grants, contributions of
14 money, property, labor, or other things of value from any governmental agency,
15 individual, nonprofit organization, or private business to be used for the Adopt-a-
16 Highway Litter Program or other statewide litter programs. Any contribution of this
17 nature shall be deemed to be a contribution to a state agency for a public purpose and
18 shall be treated as Restricted Funds under KRS Chapter 45 and reported according to
19 KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter
20 11A.

21 **(4) Debt Service:** Included in the above Road Fund appropriation is $208,000 in
22 fiscal year 2014-2015 and $415,000 in fiscal year 2015-2016 for new debt service to
23 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

24 **(5) SAFE Patrol Program:** The Transportation Cabinet shall continue the SAFE
25 Patrol Program at the current service level. The primary mission of the Cabinet's SAFE
26 Patrol shall be motorist assistance. The SAFE Patrol shall be restricted to providing only
27 assistance services on interstates, parkways, and other limited-access highways.

1 **(6) Riverport Improvements:** Included in the above General Fund appropriation
2 is $500,000 in each fiscal year to improve public riverports within Kentucky.
3 Improvements shall be limited to dredging and maintenance of access. The Secretary of
4 the Transportation Cabinet, in conjunction with the Kentucky Water Transportation
5 Advisory Board, shall determine how the funds are distributed.
6 **(7) Ferry Boat Captain Licensure:** If the United States Congress exempts any
7 small passenger vessels from the operator licensing requirements of 46 U.S.C. sec. 8902,
8 the Transportation Cabinet shall establish a system of state licensure for the operators of
9 any small passenger vessels so affected.
10 **2. AVIATION**

	2014-15	2015-16
Restricted Funds	10,412,000	10,421,500
Federal Funds	611,700	611,700
Road Fund	2,862,000	2,884,500
TOTAL	13,885,700	13,917,700

16 **(1) Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted
17 Funds appropriation includes operational costs of the program in each fiscal year.
18 **(2) Debt Service:** Included in the above Road Fund appropriation is $1,894,500
19 in fiscal year 2014-2015 and $1,898,800 in fiscal year 2015-2016 for debt service on
20 previously authorized bonds. Notwithstanding KRS 183.525, $992,500 in fiscal year
21 2014-2015 and $996,800 in fiscal year 2015-2016 is transferred to the Road Fund from
22 the Kentucky Aviation Economic Development Fund to support debt service on those
23 bonds.
24 **(3) Bowling Green-Warren County Regional Airport:** Included in the above
25 Restricted Funds appropriation is $750,000 in fiscal year 2014-2015 for the Bowling
26 Green-Warren County Regional Airport project. No funds shall be disbursed unless
27 $1,250,000 from other fund sources, including up to $300,000 in in-kind contributions, is

1 available to complete the project.

2 **(4) Pikeville Commercial Air Service:** Included in the above Restricted Funds
3 appropriation is $250,000 in fiscal year 2014-2015 for the City of Pikeville for the
4 Pikeville Commercial Air Service project.

5 **(5) Eastern Kentucky University Aviation Program:** Included in the above
6 Restricted Funds appropriation is $2,000,000 in fiscal year 2014-2015 for hangars, flight
7 simulators, maintenance, and renovations for the Eastern Kentucky University Aviation
8 Program.

9 **3. DEBT SERVICE**

	2014-15	2015-16
10		
11 Road Fund	154,035,300	170,387,700

12 **(1) Economic Development Road Lease-Rental Payments:** Included in the
13 above Road Fund appropriation is $153,910,300 in fiscal year 2014-2015 and
14 $170,262,700 in fiscal year 2015-2016 for Economic Development Road lease-rental
15 payments relating to projects financed by Economic Development Road Revenue Bonds
16 previously authorized by the General Assembly and issued by the Kentucky Turnpike
17 Authority.

18 **(2) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505,
19 no portion of the revenues to the state Road Fund provided by the adjustments in KRS
20 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment
21 Acceleration Fund account during the 2014-2016 fiscal biennium.

22 **(3) Excess Lease-Rental Payments:** Any moneys not required to meet lease-
23 rental payments or to meet the administrative costs of the Kentucky Turnpike Authority
24 shall be transferred to the State Construction Account.

25 **4. HIGHWAYS**

	2013-14	2014-15	2015-16
26			
27 Restricted Funds	100,000,000	349,341,800	199,952,100

Federal Funds	-0-	697,940,400	699,967,300
Road Fund	-0-	821,913,600	779,181,500
TOTAL	100,000,000	1,869,195,800	1,679,100,900

(1) Debt Service: Included in the above Federal Funds appropriation is $68,477,200 in fiscal year 2014-2015 and $91,415,700 in fiscal year 2015-2016 for debt service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously appropriated by the General Assembly.

(2) State Supported Construction Program: Included in the above Road Fund appropriation is $393,011,900 in fiscal year 2014-2015 and $345,306,800 in fiscal year 2015-2016 for the State Supported Construction Program.

(3) Biennial Highway Construction Program: Included in the State Supported Construction Program is $265,019,900 in fiscal year 2014-2015 and $217,323,800 in fiscal year 2015-2016 from the Road Fund for state construction projects in the fiscal biennium 2014-2016 Biennial Highway Construction Program.

(4) Highway Construction Contingency Account: Included in the State Supported Construction Program is $31,000,000 in each fiscal year for the Highway Construction Contingency Account. Included in the Highway Construction Contingency Account is $5,000,000 in each fiscal year to support the Kentucky Pride Fund created in KRS 224.43-505. Also included in the Highway Construction Contingency Account for Shortline Railroads is $1,600,000 in each fiscal year for public safety improvements to at-grade railroad crossings, railroad bridge overpasses, and railroad crossing safety equipment, which shall not be expended unless matched with private funds equaling 20 percent of the total amount for any individual project. Except in the case of a declared emergency, the Governor and the Secretary shall not expend or encumber in the aggregate more that 55 percent of the funds appropriated by this Act to the Highway Construction Contingency Account during the first half of fiscal year 2015-2016.

(5) 2014-2016 Biennial Highway Construction Plan: Projects in the enacted

1 2012-2014 Biennial Highway Construction Plan are authorized to continue their current
2 authorization into the 2014-2016 fiscal biennium. If projects in previously enacted
3 highway construction plans conflict with the 2014-2016 Biennial Highway Construction
4 Plan, the projects in the 2014-2016 Biennial Highway Construction Plan shall control.
5 The Secretary shall make every effort to maintain highway program delivery by adhering
6 to the timeframes included in the 2014-2016 Biennial Highway Construction Plan for
7 those projects.

8 **(6) Kentucky Transportation Center:** Notwithstanding KRS 177.320(4),
9 included in the above Road Fund appropriation is $290,000 in each fiscal year for the
10 Kentucky Transportation Center.

11 **(7) New Highway Equipment Purchases:** Notwithstanding KRS 48.710(3),
12 included in the above Restricted Funds appropriation is $1,500,000 in each fiscal year
13 from the sale of surplus equipment to purchase new highway equipment.

14 **(8) State Match Provisions:** The Transportation Cabinet is authorized to utilize
15 state construction moneys or Toll Credits to match federal highway moneys.

16 **(9) Federal Aid Highway Funds:** If additional federal highway moneys are made
17 available to Kentucky by the United States Congress, the funds shall be used according to
18 the following priority: (a) Any demonstration-specific or project-specific money shall be
19 used on the project identified; and (b) All other funds shall be used to ensure that projects
20 in the fiscal biennium 2014-2016 Biennial Highway Construction Plan are funded. If
21 additional federal moneys remain after these priorities are met, the Transportation
22 Cabinet may select projects from the Highway Preconstruction Program.

23 **(10) Road Fund Cash Management:** The Secretary of the Transportation Cabinet
24 may continue the Cash Management Plan to address the policy of the General Assembly
25 to expeditiously initiate and complete projects in the fiscal biennium 2014-2016 Biennial
26 Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including
27 KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial

1 Highway Construction Plan by employing management techniques that maximize the
2 Cabinet's ability to contract for and effectively administer the project work. Under the
3 approved Cash Management Plan, the Secretary shall continuously ensure that the
4 unspent project and Road Fund balances available to the Transportation Cabinet are
5 sufficient to meet expenditures consistent with appropriations provided. The
6 Transportation Cabinet shall provide quarterly reports to the Interim Joint Committee on
7 Appropriations and Revenue when the General Assembly is not in session and the
8 Standing Committees on Appropriations and Revenue when the General Assembly is in
9 session beginning July 1, 2014. The report shall include a monthly forecast by fiscal year
10 for fiscal year 2014-2015 through fiscal year 2019-2020.

11 **(11) Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229,
12 unexpended Road Fund appropriations in the Highways budget unit for the Construction
13 Program, the Maintenance Program, and the Research Program in fiscal year 2013-2014
14 and in fiscal year 2014-2015 shall not lapse but shall carry forward. Unexpended Federal
15 Funds and Restricted Funds appropriations in the Highways budget unit for the
16 Construction Program, the Maintenance Program, the Equipment Services Program, and
17 the Research Program in fiscal year 2013-2014 and in fiscal year 2014-2015, up to the
18 amount of ending cash balances and unissued Highway and GARVEE Bond Funds, to
19 include any interest income earned on those bond funds, and grant balances shall not
20 lapse but shall carry forward.

21 **(12) Federally Supported Construction Program:** Included in the above Federal
22 Funds appropriation is $676,524,300 in fiscal year 2014-2015 and $678,551,200 in fiscal
23 year 2015-2016 for federal construction projects.

24 **(13) State Resurfacing Program:** Included in the State Supported Construction
25 Program is $97,000,000 in each fiscal year from the Road Fund for the State Resurfacing
26 Program.

27 **(14) Highways Maintenance:** Included in the above Highways Road Fund

1 appropriation is $334,723,000 in fiscal year 2014-2015 and $338,751,200 in fiscal year
2 2015-2016 for Highways Maintenance. Highways Maintenance positions may be filled to
3 the extent the above funding level and the Highways Maintenance continuing
4 appropriation are sufficient to support those positions.

5 **(15) Delayed Projects Status Report:** The Secretary of the Transportation
6 Cabinet shall report by September 30 of each fiscal year to the Interim Joint Committee
7 on Transportation any project included in the enacted Biennial Highway Construction
8 Plan which has been delayed beyond the fiscal year for which the project was authorized.
9 The report shall include:

10 (a) The county name;

11 (b) The Transportation Cabinet project identification number;

12 (c) The route where the project is located;

13 (d) The length of the project;

14 (e) A description of the project and the scope of improvement;

15 (f) The type of local, state, or federal funds to be used on the project;

16 (g) The stage of development for the design, right-of-way, utility, and
17 construction phases;

18 (h) The fiscal year in which each phase of the project was scheduled to
19 commence;

20 (i) The estimated cost for each phase of the project;

21 (j) A detailed description of the circumstances leading to the delay; and

22 (k) The same information required in paragraphs (a) to (i) of this subsection for
23 the project or projects advanced with funds initially scheduled for the delayed project.

24 **(16) Transportation Engineering Salaries:** The Transportation Cabinet and the
25 Personnel Cabinet shall develop a plan to revise the Transportation Engineering Series
26 salaries in a manner that allows the Transportation Cabinet to become competitive with
27 state transportation engineering salaries in surrounding states and private entities. The

1 Transportation Cabinet shall submit a report detailing the plan to the Interim Joint
2 Committee on Transportation and the Interim Joint Committee on Appropriations and
3 Revenue no later than October 31, 2014.

4 **(17) Interstate Connecting Spur:** The Secretary of the Transportation Cabinet
5 shall submit a report on interstate opportunities using existing infrastructure as it relates
6 to the William H. Natcher Parkway as a connecting spur to I-65 to the Legislative
7 Research Commission and the Interim Joint Committee on Transportation by September
8 30, 2015.

9 **(18) Jessamine County Bypass:** It is the intent of the General Assembly in the
10 2016-2018 Biennial Highway Construction Plan to provide $15,000,000 in federal
11 highway funds in fiscal year 2016-2017 for the East Nicholasville Bypass, Section IA.

12 **5. JUDGMENTS**

13 **(1) Payment of Judgments:** Road Fund resources required to pay judgments
14 shall be transferred from the State Construction Account at the time when actual
15 payments must be disbursed from the State Treasury.

16 **6. PUBLIC TRANSPORTATION**

	2014-15	2015-16
17		
18 General Fund	5,728,200	5,728,200
19 Restricted Funds	484,200	495,600
20 Federal Funds	25,341,400	25,667,200
21 TOTAL	31,553,800	31,891,000

22 **(1) Toll Credits:** The Transportation Cabinet is authorized to maximize to the
23 extent necessary the use of Toll Credits to match Federal Funds for transit systems capital
24 grants.

25 **(2) Nonpublic School Transportation:** Included in the above General Fund
26 appropriation is $3,500,000 in each fiscal year for nonpublic school transportation.

27 **7. REVENUE SHARING**

	2014-15	2015-16
Road Fund	396,861,000	390,753,800

(1) County Road Aid Program: Included in the above Road Fund appropriation is $149,967,100 in fiscal year 2014-2015 and $147,643,000 in fiscal year 2015-2016 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by $38,000 in each fiscal year, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(2) Rural Secondary Program: Included in the above Road Fund appropriation is $181,927,400 in fiscal year 2014-2015 and $179,108,000 in fiscal year 2015-2016 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by $46,000 in each fiscal year, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(3) Municipal Road Aid Program: Included in the above Road Fund appropriation is $63,100,900 in fiscal year 2014-2015 and $62,123,000 in fiscal year 2015-2016 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by $16,000 in each fiscal year, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(4) Energy Recovery Road Fund: Included in the above Road Fund appropriation is $903,000 in each fiscal year for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771, 177.9772, 177.978, 177.979, and 177.981.

8. VEHICLE REGULATION

	2014-15	2015-16
Restricted Funds	8,952,800	13,663,100
Federal Funds	2,868,600	2,886,600

Road Fund	31,769,200	28,464,000
TOTAL	43,590,600	45,013,700

(1) Debt Service: Included in the above Road Fund appropriation is $4,802,000 in fiscal year 2014-2015 and $4,803,800 in fiscal year 2015-2016 for debt service on previously authorized bonds.

TOTAL - TRANSPORTATION CABINET

	2013-14	**2014-15**	**2015-16**
General Fund	-0-	6,228,200	6,228,200
Restricted Funds	100,000,000	371,179,900	226,521,400
Federal Funds	-0-	726,762,100	729,132,800
Road Fund	-0-	1,478,312,300	1,443,678,300
TOTAL	100,000,000	2,582,482,500	2,405,560,700

PART II

CAPITAL PROJECTS BUDGET

(1) Capital Construction Fund Appropriations and Reauthorizations: Moneys in the Capital Construction Fund are appropriated for the following capital projects subject to the conditions and procedures in this Act. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 2014-2016 fiscal biennium. Unless otherwise specified, reauthorized projects shall conform to the original authorization enacted by the General Assembly.

(2) Expiration of Existing Line-Item Capital Construction Projects: All appropriations to existing line-item capital construction projects expire on June 30, 2014, unless reauthorized in this Act with the following exceptions: (a) A construction contract for the project shall have been awarded by June 30, 2014; (b) Permanent financing or a short-term line of credit sufficient to cover the total authorized project scope shall have been obtained in the case of projects authorized for bonds, if the authorized project

1 completes an initial draw on the line of credit within the biennium immediately
2 subsequent to the original authorization; and (c) Grant or loan agreements, if applicable,
3 shall have been finalized and properly signed by all necessary parties. Notwithstanding
4 the criteria set forth in this subsection, the disposition of 2012-2014 fiscal biennium
5 nonstatutory appropriated maintenance pools funded from Capital Construction
6 Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

7 **(3) Bond Proceeds Investment Income:** Investment income earned from bond
8 proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage
9 rebates and penalties and excess bond proceeds upon the completion of a bond-financed
10 capital project shall be used to pay debt service according to the Internal Revenue Service
11 Code and accompanying regulations.

12 **A. TRANSPORTATION CABINET**

13	**Budget Units**	**2014-15**	**2015-16**
14	**1. GENERAL ADMINISTRATION AND SUPPORT**		
15	**001.** Maintenance Pool – 2014-2016		
16	Road Fund	3,000,000	3,000,000
17	**002.** Construct C-1 Garage		
18	Bond Funds	5,000,000	-0-
19	**003.** Upgrade AASHTOWare		
20	Road Fund	1,300,000	1,300,000
21	**004.** Construct Ballard County Maintenance Facility and Salt Storage		
22	Structure Reauthorization ($1,440,000 Road Fund)		
23	**005.** Construct Crittenden County Maintenance Facility and Salt Storage		
24	Structure Reauthorization ($1,340,000 Road Fund)		
25	**006.** Construct Harrison County Maintenance Facility and Salt Storage		
26	Structure Reauthorization ($1,440,000 Road Fund)		
27	**007.** Construct Henderson County Maintenance Facility and Salt Storage		

	Structure Reauthorization ($1,440,000 Road Fund)		
008.	Construct Knott County Maintenance Facility and Salt Storage		
	Structure Reauthorization ($1,440,000 Road Fund)		
009.	Construct Menifee County Maintenance Facility and Salt Storage		
	Structure Reauthorization ($1,440,000 Road Fund)		
010.	Construct Muhlenberg County Maintenance Facility and Salt Storage		
	Structure Reauthorization ($1,440,000 Road Fund)		
011.	Construct Nicholas County Maintenance Facility and Salt Storage		
	Structure Reauthorization ($1,440,000 Road Fund)		
012.	Construct Jackson (D-10) District Office		
	Road Fund	1,300,000	5,300,000
013.	Construct Manchester (D-11) District Office		
	Road Fund	1,300,000	5,300,000
2.	**AVIATION**		
001.	Aircraft Major Maintenance Pool - 2014-2016		
	Investment Income	600,000	600,000
3.	**HIGHWAYS**		
001.	Road Maintenance Parks - 2014-2016		
	Road Fund	1,500,000	1,500,000
002.	Repair Loadometer and Rest Areas - 2014-2016		
	Road Fund	750,000	750,000
003.	Various Environmental Compliance - 2014-2016		
	Road Fund	583,000	555,000
4.	**VEHICLE REGULATION**		
001.	Replace Kentucky Driver Licensing System Reauthorization		
	($12,500,000 Bond Funds)		

PART III

1 **FUNDS TRANSFER**

2 The General Assembly finds that the financial condition of state government
3 requires the following action.

4 Notwithstanding the statutes or requirements of the Restricted Funds enumerated
5 below, there is transferred to the General Fund the following amounts in fiscal year 2014-
6 2015 and fiscal year 2015-2016:

		2014-15	2015-16
7			
8	**A. TRANSPORTATION CABINET**		
9	**1. Aviation**		
10	Agency Revenue Fund	468,000	468,000
11	(KRS 183.525(4) and (5))		
12	**2. Vehicle Regulation**		
13	Agency Revenue Fund	4,100,000	4,100,000
14	(KRS 186.040(6)(a))		
15	**3. Vehicle Regulation**		
16	Agency Revenue Fund	3,000,000	3,000,000
17	(KRS 186.240(3))		
18	**4. Vehicle Regulation**		
19	Agency Revenue Fund	250,000	-0-
20	(KRS 138.710(2) and 45.345(2))		
21	TOTAL - FUNDS TRANSFER	7,818,000	7,568,000

22 **PART IV**

23 **ROAD FUND BUDGET REDUCTION PLAN**

24 Notwithstanding 2014 Regular Session HB 235/EN, Part VIII, there is established a
25 Road Fund Budget Reduction Plan for fiscal year 2014-2015 and fiscal year 2015-2016.
26 Pursuant to KRS 48.130, in the event of an actual or projected revenue shortfall in Road
27 Fund revenue receipts of $1,546,700,000 in fiscal year 2014-2015 and $1,558,400,000 in

1 fiscal year 2015-2016 as determined by KRS 48.120 and modified by related Acts and
2 actions of the General Assembly in an extraordinary or regular session, the Governor
3 shall implement sufficient reductions as may be required to protect the highest possible
4 level of service.

5 **PART V**

6 **BUDGET RESERVE TRUST FUND**

7 The Budget Reserve Trust Fund Account (KRS 48.705) balance as appropriated in
8 2014 Regular Session HB 235/EN shall be reduced by $1,617,800 for General Fund
9 moneys appropriated in Part I of this section.

10 **PART VI**

11 **TRANSPORTATION CABINET BUDGET SUMMARY**

12 **OPERATING BUDGET**

		2013-14	**2014-15**	**2015-16**
13				
14	General Fund	-0-	6,228,200	6,228,200
15	Restricted Funds	100,000,000	371,179,900	226,521,400
16	Federal Funds	-0-	726,762,100	729,132,800
17	Road Fund	-0-	1,478,312,300	1,443,678,300
18	SUBTOTAL	100,000,000	2,582,482,500	2,405,560,700

19 **CAPITAL PROJECTS BUDGET**

		2013-14	**2014-15**	**2015-16**
20				
21	Road Fund	-0-	9,733,000	17,705,000
22	Bond Funds	-0-	5,000,000	-0-
23	Investment Income	-0-	600,000	600,000
24	SUBTOTAL	-0-	15,333,000	18,305,000

25 **TOTAL - TRANSPORTATION CABINET BUDGET**

		2013-14	**2014-15**	**2015-16**
26				
27	General Fund	-0-	6,228,200	6,228,200

Restricted Funds	100,000,000	371,179,900	226,521,400
Federal Funds	-0-	726,762,100	729,132,800
Road Fund	-0-	1,488,045,300	1,461,383,300
Bond Funds	-0-	5,000,000	-0-
Investment Income	-0-	600,000	600,000
TOTAL FUNDS	100,000,000	2,597,815,500	2,423,865,700

➔Section 2. Notwithstanding KRS 68.197 or any other statute to the contrary, the provisions of this section shall apply as follows from the effective date of this Act through June 30, 2016:

(1) Any set-off or credit of city license fees against county license fees that exists between a city and county as of the effective date of this Act, shall remain in effect as it is on the effective date of this Act;

(2) The provisions of subsection (7) of KRS 68.197 shall not apply to a city and county unless both the city and the county have levied and are collecting license fees on the effective date of this Act;

(3) Any agreement between a city and county related to the sharing of revenues from a license fee that is in effect on the effective date of this Act shall remain in effect, regardless of whether the agreement, by its terms, was set to expire prior to June 30, 2016; and

(4) Any city and county subject to the provisions of subsections (1) to (3) of this section may enter into an interlocal agreement to establish a revenue-sharing arrangement that differs from the requirements of this section.

➔Section 3. (1) Notwithstanding KRS 68.197 or any other statute to the contrary, the provisions of this section shall only apply to the levy of license fees by a county that levied a license fee that was in effect on the effective date of this Act, and a city within that county that has levied but not collected a license fee as of the effective date of this Act.

1 (2) From July 1, 2014, through June 30, 2015, the credit established by subsection
2 (7) of KRS 68.197 shall only apply to the first one-tenth of one percent (0.10%) of the tax
3 rate imposed by the county within the corporate limits of the city.
4 (3) From July 1, 2015, through June 30, 2016, the credit established by subsection
5 (7) of KRS 68.197 shall only apply to the first two-tenths of one percent (0.20%) of the
6 tax rate imposed by the county within the corporate limits of the city.
7 (4) Any city and county subject to this section may enter into an interlocal
8 agreement to establish a revenue-sharing arrangement that differs from the requirements
9 of this section.
10 ➔Section 4. Notwithstanding the provisions of KRS 68.197, KRS 68.199, or any
11 other statute to the contrary, any county that:
12 (1) Enacted an occupational license fee under the authority of KRS 67.083 at a rate of
13 greater than one percent (1%) prior to reaching a population of thirty thousand
14 (30,000); and
15 (2) Has an agreement with the largest city in the county to share revenues from the
16 occupational license fee levied by the county;
17 may increase the occupational license fee rate above the rate that was imposed at the time
18 the population of the county grew to beyond thirty thousand (30,000) if the county and the
19 largest city within the county enter into an agreement approving the rate increase, and
20 providing an agreed distribution of revenues from the levy to the city and the county.
21 Other cities within the county may also be parties to the agreement if agreed to by all the
22 parties.

Speaker of House of Representatives

President of Senate

Attest: Chief Clerk of House of Representatives

Approved Governor

Date