AN ACT relating to revenue measures, making an appropriation therefor, and
declaring an emergency.

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

SECTION 1. A NEW SECTION OF SUBCHAPTER 10 OF KRS CHAPTER
224 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby established in the State Treasury a trust and agency account to be
known as the Volkswagen settlement fund. The fund shall consist of moneys
designated to the Commonwealth from that settlement.

(2) The fund shall be administered by the Energy and Environment Cabinet.

(3) Notwithstanding KRS 45.229, fund amounts not expended at the close of the
fiscal year shall not lapse but shall be carried forward into the next fiscal year.

(4) Any interest earned from moneys deposited in the fund shall become a part of the
fund and shall not lapse.

Section 2. KRS 224.50-868 is amended to read as follows:

(1) **1. Prior to July 1, 2018 [Until June 30, 2018],** a person purchasing a new
motor vehicle tire in Kentucky shall pay to the retailer a one dollar ($1)
fee at the time of the purchase of that tire. *The fee shall not be subject
to the Kentucky sales tax.*

2. **Beginning July 1, 2018, but prior to July 1, 2020,** a fee is hereby
imposed upon a retailer at the rate of two dollars ($2) for each new
motor vehicle tire sold in Kentucky. *The fee shall be subject to the
Kentucky sales tax.*

3. A retailer may pass the fee imposed by this paragraph on to the
purchaser of the new tire.

(b) A new tire is a tire that has never been placed on a motor vehicle wheel rim,
but it is not a tire placed on a motor vehicle prior to its original retail sale or a
recapped tire.
(c) The term "motor vehicle" as used in this section shall mean "motor vehicle" as defined in KRS 138.450. The fee shall not be subject to the Kentucky sales tax.

(2) When a retailer sells a new motor vehicle tire in Kentucky to replace another tire, the tire that is replaced becomes a waste tire subject to the waste tire program. The retailer shall encourage the purchaser of the new tire to leave the waste tire with the retailer or meet the following requirements:

(a) Dispose of the waste tire in accordance with KRS 224.50-856(1);

(b) Deliver the waste tire to a person registered in accordance with the waste tire program; or

(c) Reuse the waste tire for its original intended purpose or an agricultural purpose.

(3) (a) A retailer shall report to the Department of Revenue on or before the twentieth day of each month the number of new motor vehicle tires sold during the preceding month and the number of waste tires received from customers that month.

(b) The report shall be filed on forms and contain information as the Department of Revenue may require.

(c) The retailer shall be allowed to retain an amount equal to five percent (5%) of the fees due provided the amount due is not delinquent at the time of payment remit with the report ninety five percent (95%) of the fees collected for the preceding month and may retain a five percent (5%) handling fee.

(4) A retailer shall:

(a) Accept from the purchaser of a new tire, if offered, for each new motor vehicle tire sold, a waste tire of similar size and type; and

(b) Post notice at the place where retail sales are made that state law requires:
1. The retailer to accept, if offered, a waste tire for each new motor vehicle
tire sold and that a person purchasing a new motor vehicle tire to replace
another tire shall comply with subsection (2) of this section; and[

2. The two dollar ($2) new tire fee is the notice shall also include the
following wording: "State law requires a new tire buyer to pay one dollar
($1) for each new tire purchased. The money is collected and] used by
the state to oversee the management of waste tires, including cleaning up
abandoned waste tire piles and preventing illegal dumping of waste
tires."[

(5) A retailer shall comply with the requirements of the recordkeeping system for waste
tires established by KRS 224.50-874.

(6) A retailer shall transfer waste tires only to a person who presents a letter from the
cabinet approving the registration issued under KRS 224.50-858 or a copy of a solid
waste disposal facility permit issued by the cabinet, unless the retailer is delivering
the waste tires to a destination outside Kentucky and the waste tires will remain in
the retailer's possession until they reach that destination.

(7) The cabinet shall, in conjunction with the Waste Tire Working Group, develop the
informational fact sheet to be made publicly available on the cabinet's Web site and
available in print upon request. The fact sheet shall identify ways to properly
dispose of the waste tire and present information on the problems caused by
improper waste tire disposal.

Section 3. KRS 157.621 is amended to read as follows:

(1) In addition to the levy required by KRS 157.440(1)(b) to participate in the Facilities
Support Program of Kentucky, local school districts that have made the levy
required by KRS 157.440(1)(b) are authorized to levy the following additional
equivalent rates to support debt service, new facilities, or major renovations of
existing school facilities, which levies shall not be subject to recall under any
provision of the Kentucky Revised Statutes, or to voter approval under the provisions of KRS 157.440(2):

(a) 1. Prior to April 24, 2008, local school districts that have experienced student population growth during a five (5) year period may levy an additional five cents ($0.05) equivalent rate for debt service and new facilities. The tax rate levied by the district under this provision shall not be equalized by state funding, except as provided in paragraph (b) of this subsection. Any levy imposed under this paragraph prior to April 24, 2008, by a local school district shall continue until removed by the local school district.

2. A local school district shall meet the following criteria in order to levy the tax provided in subparagraph 1. of this paragraph:

   a. Growth of at least one hundred fifty (150) students in average daily attendance and three percent (3%) overall growth for the five (5) preceding years;

   b. Bonded debt to the maximum capability of at least eighty percent (80%) of capital outlay from the Support Education Excellence in Kentucky funding program, all revenue from the local facility tax, and all receipts from state equalization on the local facility tax;

   c. Current student enrollment in excess of available classroom space; and

   d. A local school facility plan that has been approved by the Kentucky Board of Education and certified to the School Facilities Construction Commission;

(b) 1. In addition to the levy authorized by paragraph (a) of this subsection, a local school district may levy an additional five cents ($0.05) equivalent rate under the same terms and conditions established by paragraph (a) of
this subsection beginning in fiscal year 2003-2004 if the levy was made
prior to April 24, 2008, and if the local school district:

a. Levied the five cents ($0.05) equivalent rate authorized by
paragraph (a) of this subsection; and

b. Still meets the requirements established by paragraph (a)2. of this
subsection.

2. Any school district that imposes both the levy authorized by paragraph
(a) of this subsection and the additional levy authorized by subparagraph
1. of this paragraph shall receive equalization funding from the state for
the levy imposed by paragraph (a) of this subsection beginning in fiscal
year 2003-2004. Equalization shall be provided at one hundred fifty
percent (150%) of the statewide average per pupil assessment, subject to
the provision of funding by the General Assembly. Equalization funds
shall be used as provided in KRS 157.440(1)(b).

3. Any levy imposed under this paragraph prior to April 24, 2008, by a
local school district shall continue until removed by the local school
district; and

(c) 1. A local school district that meets the following conditions may levy an
additional five cents ($0.05) equivalent rate on and after April 24, 2008:

a. The local school district is located in a county that will have more
students as a direct result of the new mission established for Fort
Knox by the Base Realignment and Closure (BRAC) 2005 issued
by the United States Department of Defense pursuant to the
2687 note; and

b. The commissioner of education has determined, based upon the
presentation of credible data, that the projected increased number
of students is sufficient to require new facilities or the major
renovation of existing facilities to accommodate the new students,
and has approved the imposition of the additional levy.

2. Any local school district that imposes both the levy authorized by
paragraph (a) of this subsection and the additional levy authorized by
subparagraph 1. of this paragraph, and that has not received equalization
funding under subsection (2) or (3) of this section, shall receive
equalization funding from the state for the levy imposed by paragraph
(a) of this subsection beginning in the fiscal year following the fiscal
year in which the levy authorized by subparagraph 1. of this paragraph is
imposed. Equalization shall be provided at one hundred fifty percent
(150%) of the statewide average per pupil assessment, subject to the
provision of funding by the General Assembly. Equalization funds shall
be used as provided in KRS 157.440(1)(b).

3. Any levy imposed under this paragraph by a local school district shall
continue until removed by the local school district.

(2) (a) Any local school district that, prior to April 27, 2016, levied an equivalent rate
that:

1. Was subject to recall at the time it was levied; and

2. Included a rate of at least five cents ($0.05) equivalent rate for the
purpose of debt service for school construction or major renovation of
existing school facilities;

shall be eligible for retroactive equalization from the state for that levy at one
hundred fifty percent (150%) of the statewide average per pupil assessment
beginning in fiscal year 2003-2004, subject to the fiscal condition of the
Commonwealth and the provision of funding by the General Assembly.
Equalization funds shall be used as provided in KRS 157.440(1)(b).

(b) It is the intent of the General Assembly that for levies described in this subsection that are imposed on or after April 27, 2016, equalization funds, if provided by the General Assembly, shall terminate upon the earlier of June 30, 2038, or the date the bonds for the local school district supported by this equalization funding are retired. Equalization shall be subject to the fiscal condition of the Commonwealth and the provision of funding by the General Assembly.

(3) Any local school district that:

(a) Levied an equivalent tax rate as of April 24, 2008, that included at least ten cents ($0.10) that was devoted to building purposes, or that had debt service corresponding to a ten cents ($0.10) equivalent rate;

(b) Did not receive equalized growth funding pursuant to subsection (1)(b)2. of this section; and

(c) Has been approved by the commissioner of education;

shall be eligible for equalization from the state for that levy at one hundred fifty percent (150%) of the statewide average per pupil assessment beginning in fiscal year 2005-2006, subject to the provision of funding by the General Assembly. Equalization funds shall be used as provided in KRS 157.440(1)(b). Equalization funds shall be available to a local school district pursuant to this subsection until the earlier of June 30, 2038[2025], or the date the bonds for the local school district supported by this equalization funding are retired.

(4) (a) Notwithstanding any other provision of this section, any local school district receiving equalization funding prior to April 27, 2016, related to an equivalent rate levy described in subsection (1), (2), (3), or (5) of this section shall continue to receive the equalization funding related to the applicable equivalent rate levy, subject to the limitations established by subsections (1),
(2), (3), and (5) of this section, and subject to the fiscal condition of the Commonwealth and the provision of funding by the General Assembly, until amended by subsequent action of the General Assembly. A local school district described in this paragraph shall not be eligible to receive equalization for any additional equivalent rate levies made by it on or after April 27, 2016.

(b) Notwithstanding any other provision of this section, any local school district that has imposed an equivalent rate levy described in subsection (1)(a) or (b) or (2) of this section prior to April 27, 2016, that qualifies for equalization but that has not yet received equalization funding shall be eligible for equalization funding as provided in subsection (1)(a) or (b) or (2) of this section, subject to the provision of funding by the General Assembly.

(c) On and after April 24, 2008, a local school district not included in paragraph (a) or (b) of this subsection shall be prohibited from imposing an equivalent rate levy under the provisions of subsection (1)(a) or (b) of this section, and shall not be eligible for equalization funding under the provisions of this section.

(d) On and after April 24, 2008, a local school district meeting the requirements of subsection (1)(c) of this section may impose the levy authorized by subsection (1)(c) of this section, and shall qualify for equalization as provided in subsection (1)(c) of this section, subject to the provision of funding by the General Assembly.

(5) (a) Any local school district that:

1. Had school facilities classified as Category 5 on May 18, 2010, by the Kentucky Department of Education; and

2. Levied an additional five cents ($0.05) equivalent tax rate prior to April 27, 2016, for debt service, new construction, and major renovation beyond the five cents ($0.05) equivalent tax rate required by KRS
157.440(1)(b), except as provided in paragraph (b) of this subsection;
shall be eligible for equalization from the state for that levy at one hundred
fifty percent (150%) of the statewide average per pupil assessment beginning
in the fiscal year following the fiscal year in which the levy was imposed. This
levy shall be subject to the recall provisions of KRS 132.017.

(b) School districts that levied a five cents ($0.05) equivalent tax rate for debt
service, new construction, and major renovation, beyond the rate required by
KRS 157.440(1)(b) prior to May 18, 2010, shall not be required to levy an
additional tax to receive the equalization funds provided in paragraph (a) of
this subsection.

(c) If the school district utilizes the equalization funds to support a bond issue for
construction purposes, equalization funds shall be provided until the earlier of
twenty (20) years or date the bonds are retired.

(d) In the event that a school district receives funding pursuant to this subsection
to support construction of a new school facility and subsequently, as a result
of litigation, receives funding for the same facility for which state funds were
provided, that school district shall reimburse the Commonwealth an amount
equal to the amount provided under paragraph (a) of this subsection. Any
funds received in this manner shall be deposited in the budget reserve trust
fund account established in KRS 48.705.

Section 4. KRS 158.441 is amended to read as follows:

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

(1) "Intervention services" means any preventive, developmental, corrective, supportive
services or treatment provided to a student who is at risk of school failure, is at risk
of participation in violent behavior or juvenile crime, or has been expelled from the
school district. Services may include, but are not limited to, screening to identify
students at risk for emotional disabilities and antisocial behavior; direct instruction
in academic, social, problem solving, and conflict resolution skills; alternative
educational programs; psychological services; identification and assessment of
abilities; counseling services; medical services; day treatment; family services;
work and community service programs;

(2) "School resource officer" means a sworn law enforcement officer who has
specialized training to work with youth at a school site. The school resource officer
shall be employed:

(a) Through a contract between a local law enforcement agency and a school
district; or

(b) Through a contract as secondary employment for an officer, as defined in
KRS 16.010, between the Department of Kentucky State Police and a school
district; and

(3) "School security officer" means a person employed by a local board of education
who has been appointed a special law enforcement officer pursuant to KRS 61.902
and who has specialized training to work with youth at a school site.

Section 5. KRS 157.410 is amended to read as follows:

For each school year the Finance and Administration Cabinet, on the certification of the
chief state school officer, shall draw warrants on the State Treasurer for the amount of the
public school fund due each district. Checks shall be issued by the State Treasurer and
transmitted to the Department of Education or electronically transferred for distribution to
the proper officials of the school districts when the districts have fully complied with the
school laws and administrative regulations of the Kentucky Board of Education. The
chief state school officer shall determine on or before August 15 of each year the tentative
allotment of school funds to which each district is entitled under the provisions of KRS
157.310 to 157.440. On July 1, August 1, and September 1, of each fiscal year, one-
twelfth (1/12) of the prior year's allotment minus the capital outlay shall be paid each
school district. On the first of each month thereafter until the final calculation is
completed, one-twelfth (1/12) of each district's share of the tentative calculation minus
capital outlay shall be distributed. On or before March[May] 1 of each year the chief state
school officer shall determine the exact amount of the public common school fund to
which each district is entitled and the remainder of the amount due each district for the
year shall be distributed in equal installments beginning the first month after completion
of final calculation and for each successive month thereafter.

➤ Section 6. KRS 160.463 is amended to read as follows:

(1) The school board of each public school system[ in any county having 300,000 or
more inhabitants] shall direct its superintendent to publish the complete annual
financial statement and the school report card[ in full] annually:

(a) In the newspaper of the largest general circulation in the county;

(b) Electronically on a Web site of the school district; or

(c) By printed copy at a prearranged site at the main branch of the public
    library within the school district.

(2) If publication on a Web site of the school district or by printed copy at the public
    library is chosen, the superintendent shall be directed to publish notification in
    the newspaper of the largest circulation in the county as to the location where the
    document can be viewed by the public.

(3) The notification shall include the address of the library or the electronic address
    of the Web site where the documents can be viewed[ the annual financial statements
    of the school system audited by certified public accountants or an accountant
    approved by the State Department of Education].

(4) Each system's financial statements shall be prepared and presented on a basis
    consistent with that of the other systems.

➤ Section 7. KRS 160.431 is amended to read as follows:

(1) The local district superintendent shall appoint a finance officer who shall be
    responsible for the cash, investment, and financial management of the school
district.

(2)  (a)  A person initially employed as a school finance officer on or after July 1, 2015, shall obtain certification from the Department of Education prior to holding the position and entering the duties of the position of school finance officer.

(b)  The Kentucky Board of Education shall promulgate administrative regulations to prescribe the criteria and procedures to be used in the certification process for a school finance officer.

(c)  The administrative regulations promulgated under this subsection shall specify:

1.  The initial qualification requirements for school finance officer certification;

2.  The certification application and appeal process; and

3.  The certification renewal process.

(3)  The school finance officer shall be required to complete forty-two (42) hours of continuing education every two (2) years from a provider approved by the Department of Education. The Kentucky Board of Education shall promulgate administrative regulations to identify and prescribe the criteria for fulfilling the requirements of this subsection. The administrative regulations shall specify:

(a)  The topics of continuing education;

(b)  Qualifications for continuing education providers;

(c)  Consequences for failure to meet the continuing education requirement; and

(d)  Requirements for reinstatement of school finance officer certification.

(4)  (a)  The finance officer shall present a detailed monthly financial report for board approval to include the previous month's revenues and expenditures of the district. The monthly report shall be posted on the district's Web site for a minimum of six (6) months after its approval.
Within six (6) months following the end of each fiscal year, the finance officer shall submit to the Kentucky Department of Education a detailed annual financial report to include the district's total assets, liabilities, revenues, and expenditures. The annual report shall be posted on the district's Web site and department's Web site for a minimum of two (2) years.

1. The Department of Education shall review each district's annual financial report and shall provide, within two (2) months of receipt, the local board of education a written report indicating the financial status of the district. The department's written report shall be posted on the department's Web site and the district's Web site for a minimum of two (2) years.

2. The commissioner of education shall annually present to the Interim Joint Committee on Education a copy of the department's written report for each district.

Nothing in this subsection shall lessen the obligation of a school district to publish its financial statements in accordance with the provisions of Section 6 of this Act [KRS 424.220].

Section 8. KRS 424.220 is amended to read as follows:

(1) Excepting officers of a city of the first class or a consolidated local government, a county containing such a city or consolidated local government, a public agency of such a city, consolidated local government, or county, or a joint agency of such a city, consolidated local government, and county, or of a school district of such a city, consolidated local government, or county, and excepting officers of a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census or an urban-county government, every public officer of any [school district,] city, consolidated local government, county, or subdivision, or district less than a county, whose duty it is to collect, receive, have the custody,
control, or disbursement of public funds, and every officer of any board or
commission of a city, consolidated local government, county, or district whose duty
it is to collect, receive, have the custody, control, or disbursement of funds collected
from the public in the form of rates, charges, or assessments for services or benefits,
shall at the expiration of each fiscal year prepare an itemized, sworn statement of
the funds collected, received, held, or disbursed by him during the fiscal year just
closed, unless he has complied with KRS 424.230. Pursuant to subsections (2) and
(3) of KRS 91A.040, each city with a population of less than one thousand (1,000)
based upon the most recent federal decennial census shall prepare an itemized,
sworn statement of the funds collected, received, held, or disbursed by the city
which complies with the provisions of this section.

(2) The statement shall show:

(a) The total amount of funds collected and received during the fiscal year from
each individual source; and

(b) The total amount of funds disbursed during the fiscal year to each individual
payee. The list shall include only aggregate amounts to vendors exceeding one
thousand dollars ($1,000).

(3) Only the totals of amounts paid to each individual as salary or commission and
public utility bills shall be shown. The amount of salaries paid to all nonelected
county employees shall be shown as lump-sum expenditures by category, including
but not limited to road department, jails, solid waste, public safety, and
administrative personnel.

(4) **The financial reporting and publishing requirements for a school district are**
provisioned in Section 6 of this Act. The amount of salaries paid to all teachers shall
be shown as a lump-sum instructional expenditure for the school district and not by
amount paid to individual teachers. The amount of salaries paid to all other
employees of the board shall be shown as lump-sum expenditures by category,
including but not limited to administrative, maintenance, transportation, and food
service. The local board of education and the fiscal court shall have accessible a
factual list of individual salaries for public scrutiny and the local board and the
fiscal court shall furnish by mail a factual list of individual salaries of its employees
to a newspaper qualified under KRS 424.120 to publish advertisements for the
district, which newspaper may then publish as a news item the individual salaries of
school or county employees].

(5) The officer shall procure and include in or attach to the financial statement, as a part
thereof, a certificate from the cashier or other proper officer of the banks in which
the funds are or have been deposited during the past year, showing the balance, if
any, of funds to the credit of the officer making the statement.

(6) (a) The officer shall, except in a city publishing its audit in accordance with KRS
91A.040(6), within sixty (60) days after the close of the fiscal year cause the
financial statement to be published in full in a newspaper qualified under KRS
424.120 to publish advertisements for the city, county, or district, as the case
may be. Promptly after the publication is made, the officer shall file a written
or printed copy of the advertisement with proof of publication, in the office of
the county clerk of the county and with the Auditor of Public Accounts.

(b) The appropriate officer of a city that has not conducted an annual audit under
the provisions of KRS 91A.040(2) or (3) may publish a legal display
advertisement meeting the requirements of subsection (7)(b) of this section
which shall satisfy the publication requirements set out in paragraph (a) of this
subsection.

(7) In lieu of the publication requirements of subsection (6) of this section, the
appropriate officer of a city, including the appropriate officer of any municipally
owned electric, gas, or water system, shall elect to satisfy the requirements of
subsection (6) of this section by:
(a) Publishing an audit report in accordance with KRS 91A.040(6); and
(b) Publishing a legal display advertisement of not less than six (6) column inches in a newspaper qualified under KRS 424.120 that the statement required by subsection (1) of this section has been prepared and that copies have been provided to each local newspaper of general circulation, each news service, and each local radio and television station which has on file with the city a written request to be provided a statement. The advertisement shall be published within ninety (90) days after the close of the fiscal year.

(8) The appropriate officer of a county shall satisfy the requirements of subsection (6) of this section by publishing the county's audit, prepared in accordance with KRS 43.070 or 64.810, in the same manner that city audits are published in accordance with KRS 91A.040(6).

SECTION 9. A NEW SECTION OF KRS 96.550 TO 96.900 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "fund-eligible county" means a county of the Commonwealth of Kentucky, limited to the counties of Adair, Allen, Ballard, Barren, Bell, Butler, Caldwell, Calloway, Carlisle, Christian, Clinton, Cumberland, Edmonson, Fulton, Graves, Grayson, Harlan, Hart, Henderson, Hickman, Livingston, Logan, Lyon, Marshall, McCracken, McCreary, Metcalfe, Monroe, Muhlenberg, Ohio, Russell, Simpson, Todd, Trigg, Union, Warren, Wayne, Webster, and Whitley.

(2) (a) The TVA regional development agency assistance fund is hereby established in the State Treasury as a trust and agency account.
(b) The fund shall be administered by the Finance and Administration Cabinet for the purpose of providing moneys to agencies designated to receive funding in a fiscal year by the fiscal court of each fund-eligible county.
(c) The fund may consist of moneys received from state appropriations, gifts,
contribution, grants, or federal funds.

(d) Notwithstanding KRS 45.229, any moneys remaining in the fund at the close of the fiscal year shall not lapse but shall be carried forward into the succeeding fiscal year.

(e) Any interest accrued based on the moneys in the fund shall become a part of the fund and shall not lapse.

(f) A total of two million dollars ($2,000,000) in fiscal year 2018-2019 and a total of four million dollars ($4,000,000) in fiscal year 2019-2020 shall be deposited in the TVA regional development agency assistance fund from the general fund.

(3) (a) For each fiscal year beginning on or after July 1, 2018, each fiscal court of a fund-eligible county shall designate in writing one (1) agency that shall receive a portion of the total amount of moneys in the TVA regional development agency assistance fund.

(b) Each agency's portion shall equal the total amount of moneys in the fund for the fiscal year divided by the total number of agencies designated to receive moneys by fiscal courts of fund-eligible counties.

(c) The payment to each agency shall be made at the same time and in the same manner as payments are made to counties in KRS 96.895(2).

(d) The Finance and Administration Cabinet shall promulgate administrative regulations related to the application process for the fiscal courts in fund-eligible counties to submit a designated agency.

(4) All agencies receiving funds under this section shall:

(a) Operate in, or serve the interest of, the county whose fiscal court designated it to receive funding;

(b) Use the funds for economic development and job creation activities that the agency is empowered to undertake in that county;
(c) Use the funds to acquire federal, state, or private matching funds to the extent possible; and

(d) Provide a written report annually, no later than October 1, to the fiscal court that designated it for payment and to the Interim Joint Committee on Appropriations and Revenue. The report shall describe how the funds were expended and the results of the use of funds in terms of economic development and job creation.

Section 10. KRS 278.020 is amended to read as follows:

(1) (a) No person, partnership, public or private corporation, or combination thereof shall commence providing utility service to or for the public or begin the construction of any plant, equipment, property, or facility for furnishing to the public any of the services enumerated in KRS 278.010, except:

1. Retail electric suppliers for service connections to electric-consuming facilities located within its certified territory and ordinary extensions of existing systems in the usual course of business; or

2. A water district created under KRS Chapter 74 or a water association formed under KRS Chapter 273 that undertakes a waterline extension or improvement project if the water district or water association is a Class A or B utility as defined in the uniform system of accounts established by the commission according to KRS 278.220 and:

   a. The water line extension or improvement project will not cost more than five hundred thousand dollars ($500,000); or

   b. The water district or water association will not, as a result of the water line extension or improvement project, incur obligations requiring commission approval as required by KRS 278.300.

In either case, the water district or water association shall not, as a result of the water line extension or improvement project, increase
rates to its customers;[––]

until that person has obtained from the Public Service Commission a certificate that public convenience and necessity require the service or construction.

(b) Upon the filing of an application for a certificate, and after any public hearing which the commission may in its discretion conduct for all interested parties, the commission may issue or refuse to issue the certificate, or issue it in part and refuse it in part, except that the commission shall not refuse or modify an application submitted under KRS 278.023 without consent by the parties to the agreement.

(c) The commission, when considering an application for a certificate to construct a base load electric generating facility, may consider the policy of the General Assembly to foster and encourage use of Kentucky coal by electric utilities serving the Commonwealth.

(d) The commission, when considering an application for a certificate to construct an electric transmission line, may consider the interstate benefits expected to be achieved by the proposed construction or modification of electric transmission facilities in the Commonwealth.

(e) Unless exercised within one (1) year from the grant thereof, exclusive of any delay due to the order of any court or failure to obtain any necessary grant or consent, the authority conferred by the issuance of the certificate of convenience and necessity shall be void, but the beginning of any new construction or facility in good faith within the time prescribed by the commission and the prosecution thereof with reasonable diligence shall constitute an exercise of authority under the certificate.

(2) For the purposes of this section, construction of any electric transmission line of one hundred thirty-eight (138) kilovolts or more and of more than five thousand two
hundred eighty (5,280) feet in length shall not be considered an ordinary extension
of an existing system in the usual course of business and shall require a certificate
of public convenience and necessity. However, ordinary extensions of existing
systems in the usual course of business not requiring such a certificate shall include:
(a) The replacement or upgrading of any existing electric transmission line; or
(b) The relocation of any existing electric transmission line to accommodate
construction or expansion of a roadway or other transportation infrastructure;
or
(c) An electric transmission line that is constructed solely to serve a single
customer and that will pass over no property other than that owned by the
customer to be served.

(3) Prior to granting a certificate of public convenience and necessity to construct
facilities to provide the services set forth in KRS 278.010(3)(f), the commission
shall require the applicant to provide a surety bond, or a reasonable guaranty that the
applicant shall operate the facilities in a reasonable and reliable manner for a period
of at least five (5) years. The surety bond or guaranty shall be in an amount
sufficient to ensure the full and faithful performance by the applicant or its
successors of the obligations and requirements of this chapter and of all applicable
federal and state environmental requirements. However, no surety bond or guaranty
shall be required for an applicant that is a water district or water association or for
an applicant that the commission finds has sufficient assets to ensure the continuity
of sewage service.

(4) No utility shall exercise any right or privilege under any franchise or permit, after
the exercise of that right or privilege has been voluntarily suspended or
discontinued for more than one (1) year, without first obtaining from the
commission, in the manner provided in subsection (1) of this section, a certificate of
convenience and necessity authorizing the exercise of that right or privilege.
(5) No utility shall apply for or obtain any franchise, license, or permit from any city or
other governmental agency until it has obtained from the commission, in the manner
provided in subsection (1) of this section, a certificate of convenience and necessity
showing that there is a demand and need for the service sought to be rendered.

(6) No person shall acquire or transfer ownership of, or control, or the right to control,
any utility under the jurisdiction of the commission by sale of assets, transfer of
stock, or otherwise, or abandon the same, without prior approval by the
commission. The commission shall grant its approval if the person acquiring the
utility has the financial, technical, and managerial abilities to provide reasonable
service.

(7) No individual, group, syndicate, general or limited partnership, association,
corporation, joint stock company, trust, or other entity (an "acquirer"), whether or
not organized under the laws of this state, shall acquire control, either directly or
indirectly, of any utility furnishing utility service in this state, without having first
obtained the approval of the commission. Any acquisition of control without prior
authorization shall be void and of no effect. As used in this subsection, the term
"control" means the possession, directly or indirectly, of the power to direct or cause
the direction of the management and policies of a utility, whether through the
ownership of voting securities, by effecting a change in the composition of the
board of directors, by contract or otherwise. Control shall be presumed to exist if
any individual or entity, directly or indirectly, owns ten percent (10%) or more of
the voting securities of the utility. This presumption may be rebutted by a showing
that ownership does not in fact confer control. Application for any approval or
authorization shall be made to the commission in writing, verified by oath or
affirmation, and be in a form and contain the information as the commission
requires. The commission shall approve any proposed acquisition when it finds that
the same is to be made in accordance with law, for a proper purpose and is
consistent with the public interest. The commission may make investigation and
hold hearings in the matter as it deems necessary, and thereafter may grant any
application under this subsection in whole or in part and with modification and
upon terms and conditions as it deems necessary or appropriate. The commission
shall grant, modify, refuse, or prescribe appropriate terms and conditions with
respect to every such application within sixty (60) days after the filing of the
application therefor, unless it is necessary, for good cause shown, to continue the
application for up to sixty (60) additional days. The order continuing the application
shall state fully the facts that make continuance necessary. In the absence of that
action within that period of time, any proposed acquisition shall be deemed to be
approved.

(8) Subsection (7) of this section shall not apply to any acquisition of control of any:

(a) Utility which derives a greater percentage of its gross revenue from business
in another jurisdiction than from business in this state if the commission
determines that the other jurisdiction has statutes or rules which are applicable
and are being applied and which afford protection to ratepayers in this state
substantially equal to that afforded such ratepayers by subsection (7) of this
section;

(b) Utility by an acquirer who directly, or indirectly through one (1) or more
intermediaries, controls, or is controlled by, or is under common control with,
the utility, including any entity created at the direction of such utility for
purposes of corporate reorganization; or

(c) Utility pursuant to the terms of any indebtedness of the utility, provided the
issuance of indebtedness was approved by the commission.

(9) In a proceeding on an application filed pursuant to this section, any interested
person, including a person over whose property the proposed transmission line will
cross, may request intervention, and the commission shall, if requested, conduct a
public hearing in the county in which the transmission line is proposed to be
constructed, or, if the transmission line is proposed to be constructed in more than
one county, in one of those counties. The commission shall issue its decision no
later than ninety (90) days after the application is filed, unless the commission
extends this period, for good cause, to one hundred twenty (120) days. The
commission may utilize the provisions of KRS 278.255(3) if, in the exercise of its
discretion, it deems it necessary to hire a competent, qualified and independent firm
to assist it in reaching its decision. The issuance by the commission of a certificate
that public convenience and necessity require the construction of an electric
transmission line shall be deemed to be a determination by the commission that, as
of the date of issuance, the construction of the line is a prudent investment.

(10) The commission shall not approve any application under subsection (6) or (7) of
this section for the transfer of control of a utility described in KRS 278.010(3)(f)
unless the commission finds, in addition to findings required by those subsections,
that the person acquiring the utility has provided evidence of financial integrity to
ensure the continuity of sewage service in the event that the acquirer cannot
continue to provide service.

(11) The commission shall not accept for filing an application requesting authority to
abandon facilities that provide services as set forth in KRS 278.010(3)(f) or to cease
providing services unless the applicant has provided written notice of the filing to
the following:

(a) Kentucky Division of Water;
(b) Office of the Attorney General; and
(c) The county judge/executive, mayor, health department, planning and zoning
commission, and public sewage service provider of each county and each city
in which the utility provides utility service.

(12) The commission may grant any application requesting authority to abandon
facilities that provide services as set forth in KRS 278.010(3)(f) or to cease providing services upon terms and conditions as the commission deems necessary or appropriate, but not before holding a hearing on the application and no earlier than ninety (90) days from the date of the commission's acceptance of the application for filing, unless the commission finds it necessary for good cause to act upon the application earlier.

(13) If any provision of this section or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provision or application, and to that end the provisions are declared to be severable.

Section 11. KRS 150.021 is amended to read as follows:

(1) The Department of Fish and Wildlife Resources shall constitute a department of state government within the meaning of KRS Chapter 12. The department shall consist of a commissioner, a Fish and Wildlife Resources Commission, the Division of Law Enforcement, and other agents and employees provided for in this chapter. The department shall enforce the laws and regulations adopted under this chapter relating to wildlife and shall exercise all powers necessarily incident thereto.

(2) Any powers conferred by this chapter upon the Department of Fish and Wildlife Resources, the Fish and Wildlife Resources Commission, or the commissioner of the Department of Fish and Wildlife Resources, and any powers conferred by KRS Chapter 235 shall be exercised subject to the provisions of KRS Chapters 42, 45, 45A, 56, and 64, which chapters in all respects are controlling.

(3) (a) The Finance and Administration Cabinet shall assess the Department of Fish and Wildlife Resources each fiscal year a fee in an amount equal to twenty percent (20%) of the debt service associated with all phases and implementation of the capital project to replace, repair, or maintain the two way radio system utilized by the Department of Kentucky State Police.
(b) The fee shall be assessed on each phase of the implementation of the two-way radio system and shall continue to be assessed until all debt for the system has been retired.

Section 12. KRS 139.538 is amended to read as follows:

(1) It is the intent and purpose of the General Assembly in enacting this section and KRS 139.990(5), to encourage the motion picture industry to choose locations in the Commonwealth for the filming or producing of motion pictures, by providing an exemption from sales and use taxes. The exemption is accomplished by granting a refundable credit for sales and use taxes paid on purchases made in connection with the filming or producing of motion pictures in Kentucky.

(2) (a) Beginning on the effective date of this Act and until July 1, 2020, the department shall not accept any new applications as provided by subsection (4) of this section.

(b) On or before June 1, 2019, the department shall provide the following information to the Interim Joint Committee on Appropriations and Revenue for all fiscal years data is available:

1. The name of the motion picture company;

2. The filming location or locations in this state;

3. A brief description of the production;

4. The amount of sales and use tax refunded; and

5. The total amount of all sales and use tax refunded to motion picture production companies during each fiscal year reported.

(3) As used in this section and KRS 139.990(5):

(a) "Financial institution" means any bank or savings and loan institution in the Commonwealth which carries FDIC or FSLIC insurance;

(b) "Motion picture production company" means a company engaged in the business of producing motion pictures intended for a theatrical release or for
exhibition on national television either by a network or for national
syndication, or television programs which will serve as a pilot for or a
segment of a nationally televised dramatic series, either by a network or for
national syndication; and

(c) "Secretary" means the secretary of the Kentucky Finance and Administration
Cabinet.

(4) Any motion picture production company that intends to film all or parts of a
motion picture in the Commonwealth and desires to receive the credit provided for
in subsection (7) of this section shall, prior to the commencement of filming:

(a) Provide the department with the address of a Kentucky location at which
records of expenditures qualifying for the tax credit will be maintained, and
with the name of the individual maintaining these records; and

(b) File an application for the tax credit within sixty (60) days after the
completion of filming or production in Kentucky. The application shall
include a final expenditure report providing documentation for expenditures in
accordance with administrative regulations promulgated by the department.

(5) To qualify as a basis for the financial incentive, expenditures must be made by
check drawn upon any Kentucky financial institution.

(6) The twelve (12) month period during which expenditures may qualify for the
tax credit shall begin on the date of the earliest expenditure reported.

(7) Any motion picture production company which films or produces one (1) or
more motion pictures in the Commonwealth during any twelve (12) month period
shall, upon making application therefor and meeting the other requirements
prescribed in this section, be entitled to a refundable tax credit equal to the amount
of Kentucky sales and use tax paid for purchases made in connection with the
filming or production of a motion picture.

(8) The department shall, within sixty (60) days following the receipt of an
application for a credit for sales and use tax paid, calculate the total expenditures of
the motion picture production company for which there is documentation for funds
expended in the Commonwealth, calculate the amount of credit to which the
applicant is entitled, and certify the amount of the credit to the secretary. In the case
of an audit, as provided for in subsection (13) of this section, the department
shall certify the amount of the credit due to the secretary within one hundred eighty
(180) days following the receipt of the motion picture production company's
application.

(9) Upon receipt of the certification of the amount of credit from the department,
the secretary shall cause the refund of sales taxes paid to be remitted to the motion
picture production company. For purposes of payment and funding thereof, the
credit shall be paid in the same manner as other claims on the State Treasury are
paid. They shall not be charged against any appropriation but shall be deducted
from tax receipts for the current fiscal year.

(10) The sales and use taxes paid by the motion picture production company for
which a refundable tax credit is granted shall be deemed not to have been legally
paid into the State Treasury, and the refund of the credit shall not be in violation of
Section 59 of the Kentucky Constitution.

(11) Any tax credit or part thereof paid to a motion picture production company as
a result of error by the department shall be repaid by such company to the secretary.

(12) Any tax credit or part thereof paid to a motion picture production company as
a result of error or fraudulent statements made by the motion picture production
company shall be repaid by such company to the secretary, together with interest, at
the tax interest rate provided for in KRS 131.010(6).

(13) The department may require that reported expenditures and the application for
the tax credit from a motion picture production company be subjected to an audit by
the department auditors to verify expenditures.
For companies in the business of producing films or television shows other than those which would qualify them for the credit under the definition of "motion picture production company," the department may require separate accounting records for the reporting of expenditures made in connection with the application for a refundable tax credit.

The department may promulgate appropriate administrative regulations to carry out the intent and purposes of this section.

SECTION 13. A NEW SECTION OF KRS 148.542 TO 148.546 IS CREATED TO READ AS FOLLOWS:

(1) Beginning on the effective date of this Act, the office shall not accept new applications or make any preliminary approvals until on or after July 1, 2020.

(2) Prior to June 1, 2019, the office and the Department of Revenue shall work jointly to provide the following information for each approved motion picture or entertainment production project to the Interim Joint Committee on Appropriations and Revenue by taxable year for all years that a refundable credit under KRS 141.383 is claimed:

(a) The name of the approved company and whether it is Kentucky-based or not;

(b) A brief description of the motion picture or entertainment production project;

(c) The amount of qualifying expenditures and the amount of qualifying payroll expenditures included in the agreement;

(d) The amount of qualifying expenditures and the amount of qualifying payroll expenditures paid to below-the-line production crew and paid to above-the-line production crew in an enhanced incentive county;

(e) The amount of qualifying expenditures and the amount of qualifying payroll expenditures paid to below-the-line production crew and paid to
above-the line production crew in a county other than an enhanced incentive county; and

(f) The total amount of the tax credit claimed on a return by tax type, any amount denied, any amount applied against a tax liability, and any amount refunded.

Section 14. KRS 148.8531 is amended to read as follows:

Beginning on the effective date of this Act, the authority shall not accept any new applications or make preliminary approvals until on or after July 1, 2020. [New applications shall not be accepted or considered before August 1, 2014, or after May 1, 2018, for the sales tax incentive provided in KRS 148.853(3)(b)2. All projects with preliminary or final approval under KRS 148.851 to 148.860 on July 31, 2018, shall continue to be governed by KRS 148.851 to 148.860.]

Section 15. KRS 148.853 is amended to read as follows:

(1) The General Assembly finds and declares that:

(a) The general welfare and material well-being of the citizens of the Commonwealth depend in large measure upon the development of tourism in the Commonwealth;

(b) It is in the best interest of the Commonwealth to provide incentives for the creation of new tourism attractions and the expansion of existing tourism attractions within the Commonwealth in order to advance the public purposes of relieving unemployment by preserving and creating jobs that would not exist if not for the incentives offered by the authority to approved companies, and by preserving and creating sources of tax revenues for the support of public services provided by the Commonwealth;

(c) The authorities granted by KRS 148.851 to 148.860 are proper governmental and public purposes for which public moneys may be expended; and

(d) That the creation or expansion of tourism development projects is of
paramount importance mandating that the provisions of KRS 139.536 and KRS 148.851 to 148.860 be liberally construed and applied in order to advance public purposes.

(2) To qualify for incentives provided in KRS 139.536 and 148.851 to 148.860, the following requirements shall be met:

(a) For a tourism attraction project:

1. The total eligible costs shall exceed one million dollars ($1,000,000), except for a tourism attraction project located in a county designated as an enhanced incentive county at the time the eligible company becomes an approved company as provided in KRS 148.857(6), the total eligible costs shall exceed five hundred thousand dollars ($500,000);

2. In any year, including the first year of operation, the tourism attraction project shall be open to the public at least one hundred (100) days; and

3. In any year following the third year of operation, the tourism attraction project shall attract at least twenty-five percent (25%) of its visitors from among persons who are not residents of the Commonwealth;

(b) For an entertainment destination center project:

1. The total eligible costs shall exceed five million dollars ($5,000,000);

2. The facility shall contain a minimum of two hundred thousand (200,000) square feet of building space adjacent or complementary to an existing tourism attraction project or a major convention facility;

3. The incentives shall be dedicated to a public infrastructure purpose that shall relate to the entertainment destination center project;

4. In any year, including the first year of operation, the entertainment destination center project shall:
   a. Be open to the public at least one hundred (100) days per year;
   b. Maintain at least one (1) major theme restaurant and at least three
(3) additional entertainment venues, including but not limited to live entertainment, multiplex theaters, large-format theater, motion simulators, family entertainment centers, concert halls, virtual reality or other interactive games, museums, exhibitions, or other cultural and leisure-time activities; and

c. Maintain a minimum occupancy of sixty percent (60%) of the total gross area available for lease with entertainment and food and drink options not including the retail sale of tangible personal property; and

5. In any year following the third year of operation, the entertainment destination center project shall attract at least twenty-five percent (25%) of its visitors from among persons who are not residents of the Commonwealth;

(c) For a theme restaurant destination attraction project:

1. The total eligible costs shall exceed five million dollars ($5,000,000);  
2. In any year, including the first year of operation, the attraction shall:
   a. Be open to the public at least three hundred (300) days per year and for at least eight (8) hours per day; and  
   b. Generate no more than fifty percent (50%) of its revenue through the sale of alcoholic beverages;  
3. In any year following the third year of operation, the theme restaurant destination attraction project shall attract a minimum of fifty percent (50%) of its visitors from among persons who are not residents of the Commonwealth; and  
4. The theme restaurant destination attraction project shall:
   a. At the time of final approval, offer a unique dining experience that is not available in the Commonwealth within a one hundred (100)
mile radius of the attraction;

b. In any year, including the first year of operation, maintain seating capacity of four hundred fifty (450) guests and offer live music or live musical and theatrical entertainment during the peak business hours that the facility is in operation and open to the public; or

c. Within three (3) years of the completion date, the attraction shall obtain a top two (2) tier rating by a nationally accredited service and shall maintain a top two (2) tier rating through the term of the agreement;

(d) For a lodging facility project:

1. a. The eligible costs shall exceed five million dollars ($5,000,000) unless the provisions of subdivision b. of this subparagraph apply.

b. i. If the lodging facility is an integral part of a major convention or sports facility, the eligible costs shall exceed six million dollars ($6,000,000); and

ii. If the lodging facility includes five hundred (500) or more guest rooms, the eligible costs shall exceed ten million dollars ($10,000,000); and

2. In any year, including the first year of operation, the lodging facility shall:

a. Be open to the public at least one hundred (100) days; and

b. Attract at least twenty-five percent (25%) of its visitors from among persons who are not residents of the Commonwealth;

(e) Any tourism development project shall not be eligible for incentives if it includes material determined to be lewd, offensive, or deemed to have a negative impact on the tourism industry in the Commonwealth; and

(f) An expansion of any tourism development project shall in all cases be treated
as a new stand-alone project.

(3) The incentives offered under the Kentucky Tourism Development Act shall be as follows:

(a) An approved company may be granted a sales tax incentive based on the Kentucky sales tax imposed on sales generated by or arising at the tourism development project; and

(b) 1. For a tourism development project other than a lodging facility project described in KRS 148.851(14)(e) or (f), or a tourism attraction project described in subparagraph 2. of this paragraph:

   a. A sales tax incentive shall be allowed to an approved company over a period of ten (10) years, except as provided in subparagraph 4. of this paragraph; and

   b. The sales tax incentive shall not exceed the lesser of the total amount of the sales tax liability of the approved company and its lessees or a percentage of the approved costs as specified by the agreement, not to exceed twenty-five percent (25%);

2. For a tourism attraction project located in an enhanced incentive county at the time the eligible company becomes an approved company as provided in KRS 148.857(6):

   a. A sales tax incentive shall be allowed to the approved company over a period of ten (10) years; and

   b. The sales tax incentive shall not exceed the lesser of the total amount of the sales tax liability of the approved company and its lessees or a percentage of the approved costs as specified by the agreement, not to exceed thirty percent (30%);

3. For a lodging facility project described in KRS 148.851(14)(e) or (f):

   a. A sales tax incentive shall be allowed to the approved company
over a period of twenty (20) years; and

b. The sales tax incentive shall not exceed the lesser of total amount
of the sales tax liability of the approved company and its lessees or
a percentage of the approved costs as specified by the agreement,
not to exceed fifty percent (50%);

Any unused incentives from a previous year may be carried forward to
any succeeding year during the term of the agreement until the entire
specified percentage of the approved costs has been received through
sales tax incentives; and

If the approved company is an entertainment destination center that has
dedicated at least thirty million dollars ($30,000,000) of the incentives
provided under the agreement to a public infrastructure purpose, the
agreement may be amended to extend the term of the agreement up to
two (2) additional years if the approved company agrees to:

a. Reinvest in the original entertainment destination project one
hundred percent (100%) of any incentives received during the
extension that were outstanding at the end of the original term of
the agreement; and

b. Report to the authority at the end of each fiscal year the amount of
incentives received during the extension and how the incentives
were reinvested in the original entertainment destination project.

Section 16. KRS 148.859 is amended to read as follows:

(1) The authority, upon adoption of its final approval, may enter into a tourism
development agreement with any approved company. The terms of the agreement
shall be negotiated between the authority and the approved company and shall
include but not be limited to:

(a) The amount of approved costs;
(b) That any increase in approved costs incurred by the approved company and agreed to by the authority shall apply retroactively for purposes of calculating the carry forward for unused incentives;

(c) A date certain by which the approved company shall have completed the tourism development project;

(d) That the authority may grant an extension or change, which in no event shall exceed three (3) years from the date of final approval, to the completion date as specified in the agreement of an approved company;

(e) That within three (3) months of the completion date, the approved company shall document the actual cost of the tourism development project through a certification of the costs to be provided by an independent certified public accountant acceptable to the authority;

(f) The term of the tourism development agreement and the maximum amount of recovery;

(g) That within forty-five (45) days after the end of each fiscal year of the approved company, during the term of the agreement, the approved company shall supply the authority with reports and certifications as the authority may request demonstrating to the satisfaction of the authority that the approved company is in compliance with the provisions of KRS 139.536 and KRS 148.851 to 148.860;

(h) That the approved company shall notify the authority if any change in ownership of the tourism attraction is contemplated. The authority shall reserve the option to renegotiate the terms of the agreement or, if the change in ownership is detrimental to the Commonwealth, the authority may terminate the agreement;

(i) That the approved company shall not receive a sales tax incentive as prescribed by KRS 139.536 with respect to any fiscal year if the requirements
of KRS 148.853(2) have not been met;

(j) That the authority may grant an extension of up to three (3) years to the completion date in addition to the extension provided for in paragraph (d) of this subsection, to an approved company that has completed at least fifty percent (50%) of an entertainment destination center project;

(k) That in no event shall the completion date be more than six (6) years from the date of final approval; and

(l) That the extension provided for in paragraph (j) of this subsection shall be subject to the following conditions:

1. The approved company shall have spent or have contractually obligated to spend an amount equal to or greater than the amount of approved costs set forth in the initial agreement;

2. The term of the agreement shall not be extended, except as provided in KRS 148.853(3)(b); and

3. The scope of the entertainment destination center project, as set forth in the initial agreement, shall not be altered to include new or additional entertainment and leisure options.

(2) The agreement, including the incentives provided under KRS 148.853, shall not be transferable or assignable by the approved company without the written consent of the authority and a passage of a resolution approving the proposed assignee of the incentives as an approved company.

Section 17. KRS 148.8591 is amended to read as follows:

(1) By September 1, 2019[November 1 of each year], the authority and the Department of Revenue shall work jointly to provide a report to the Interim Joint Committee on Appropriations and Revenue for each approved tourism development project by fiscal year for all projects approved after June 26, 2009[shall file an annual report with the Governor and the Legislative Research
Commission. The report shall be submitted in cooperation with the Cabinet for Economic Development and included in the single annual report required in KRS 154.12-2035]. The report shall also be available on the Tourism, Arts and Heritage Cabinet's Web site.

(2) The report shall include information for all projects approved after June 26, 2009.

(3) The report shall include the following information:

(a) For each approved project:

1. The name of the approved company and a brief description of the project;
2. The amount of approved costs included in the agreement;
3. The maximum amount of incentives the approved company may recover over the term of the agreement;
4. The term of the agreement;
5. The total amount recovered under the agreement, reported for both the prior fiscal year and cumulatively;

6. The date on which the approved company became eligible to receive incentives under KRS 139.536; and

7. The amount of sales tax incentive received by fiscal year for each year of the agreement;

(b) The number of applications for projects submitted for each fiscal year;
(c) The number of projects finally approved for each fiscal year; and
(d) The total dollar amount approved for recovery for all projects approved for each fiscal year, and cumulatively under the Tourism Development Act since its inception, by year of approval.

(3)[(4)] The information required to be reported under this section shall not be
considered confidential taxpayer information and shall not be subject to KRS Chapter 131 or any other provision of the Kentucky Revised Statutes prohibiting disclosure or reporting of information.

Section 18. KRS 131.190 is amended to read as follows:

(1)[—(a)] No present or former commissioner or employee of the department of Revenue, present or former member of a county board of assessment appeals, present or former property valuation administrator or employee, present or former secretary or employee of the Finance and Administration Cabinet, former secretary or employee of the Revenue Cabinet, or any other person, shall intentionally and without authorization inspect or divulge any information acquired by him of the affairs of any person, or information regarding the tax schedules, returns, or reports required to be filed with the department or other proper officer, or any information produced by a hearing or investigation, insofar as the information may have to do with the affairs of the person’s business.

(2)[—(b)] The prohibition established by subsection (1)[paragraph (a)] of this section shall not extend to:

(a)[1.] Information required in prosecutions for making false reports or returns of property for taxation, or any other infraction of the tax laws;

(b)[2.] Any matter properly entered upon any assessment record, or in any way made a matter of public record;

(c)[3.] Furnishing any taxpayer or his properly authorized agent with information respecting his own return;

(d)[4.] Testimony provided by the commissioner or any employee of the department of Revenue in any court, or the introduction as evidence of returns or reports filed with the department, in an action for violation of state or federal tax laws or in any action challenging state or federal tax laws;

(e)[5.] Providing an owner of unmined coal, oil or gas reserves, and other
mineral or energy resources assessed under KRS 132.820(1), or owners of
surface land under which the unmined minerals lie, factual information about
the owner's property derived from third-party returns filed for that owner's
property, under the provisions of KRS 132.820(2), that is used to determine
the owner's assessment. This information shall be provided to the owner on a
confidential basis, and the owner shall be subject to the penalties provided in
KRS 131.990(2)(21). The third-party filer shall be given prior notice of any
disclosure of information to the owner that was provided by the third-party
filer;

(f)(6.) Providing to a third-party purchaser pursuant to an order entered in a
foreclosure action filed in a court of competent jurisdiction, factual
information related to the owner or lessee of coal, oil, gas reserves, or any
other mineral resources assessed under KRS 132.820(1). The department
may promulgate an administrative regulation establishing a fee schedule for
the provision of the information described in this paragraph [subparagraph].
Any fee imposed shall not exceed the greater of the actual cost of providing
the information or ten dollars ($10); or

(g)(7.) Providing information to a licensing agency, the Transportation Cabinet,
or the Kentucky Supreme Court under KRS 131.1817;

(h) Statistics of gasoline and special fuels gallonage reported to the department
under KRS 138.210 to 138.448;

(i) Providing any utility gross receipts license tax return information that is
necessary to administer the provisions of KRS 160.613 to 160.617 to
applicable school districts on a confidential basis; or

(j) Providing information to the Legislative Research Commission under:

1. KRS 139.519 for purposes of the sales and use tax refund on building
materials used for disaster recovery;
2. KRS 141.436 for purposes of the energy efficiency products credits;

3. KRS 141.437 for purposes of the ENERGY STAR home and the
   ENERGY STAR manufactured home credits;

4. Section 19 of this Act for purposes of the distilled spirits credit;

5. Sections 12 and 13 of this Act for purposes of the film industry tax
   incentives; and

6. Section 14 of this Act for purposes of the tourism development
   incentives.

(3) The commissioner shall make available any information for official use only
and on a confidential basis to the proper officer, agency, board or commission of
this state, any Kentucky county, any Kentucky city, any other state, or the federal
government, under reciprocal agreements whereby the department shall receive
similar or useful information in return.

[(3) Statistics of tax-paid gasoline gallonage reported monthly to the department of
Revenue under the gasoline excise tax law may be made public by the department.]

(4) Access to and inspection of information received from the Internal Revenue Service
is for department use only, and is restricted to tax administration
purposes. Notwithstanding the provisions of this section to the contrary,
Information received from the Internal Revenue Service shall not be made available
to any other agency of state government, or any county, city, or other state, and shall
not be inspected intentionally and without authorization by any present secretary or
employee of the Finance and Administration Cabinet, commissioner or employee of
the department, or any other person.

(5) Statistics of crude oil as reported to the Department of Revenue under the crude oil
excise tax requirements of KRS Chapter 137 and statistics of natural gas production
as reported to the Department of Revenue under the natural resources severance tax
requirements of KRS Chapter 143A may be made public by the department by
Notwithstanding any provision of law to the contrary, beginning with mine-map submissions for the 1989 tax year, the department may make public or divulge only those portions of mine maps submitted by taxpayers to the department pursuant to KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-out parcel areas. These electronic maps shall not be relied upon to determine actual boundaries of mined-out parcel areas. Property boundaries contained in mine maps required under KRS Chapters 350 and 352 shall not be construed to constitute land surveying or boundary surveys as defined by KRS 322.010 and any administrative regulations promulgated thereto.

Notwithstanding any other provision of the Kentucky Revised Statutes, The department may divulge to the applicable school districts on a confidential basis any utility gross receipts license tax return information that is necessary to administer the provisions of KRS 160.613 to 160.617.

Section 19. KRS 141.389 is amended to read as follows:

There shall be allowed a nonrefundable and nontransferable credit to each taxpayer paying the distilled spirits ad valorem tax as follows:

1. For taxable years beginning on or after January 1, 2015, and before December 31, 2015, the credit shall be equal to twenty percent (20%) of the tax assessed under KRS 132.160 and paid under KRS 132.180 on a timely basis;

2. For taxable years beginning on or after January 1, 2016, and before December 31, 2016, the credit shall be equal to forty percent (40%) of the tax assessed under KRS 132.160 and paid under KRS 132.180 on a timely basis;

3. For taxable years beginning on or after January 1, 2017, and before December 31, 2017, the credit shall be equal to sixty percent (60%) of
the tax assessed under KRS 132.160 and paid under KRS 132.180 on a timely basis;

4. For taxable years beginning on or after January 1, 2018, and before December 31, 2018, the credit shall be equal to eighty percent (80%) of the tax assessed under KRS 132.160 and paid under KRS 132.180 on a timely basis; and

5. For taxable years beginning on or after January 1, 2019, the credit shall be equal to one hundred percent (100%) of the tax assessed under KRS 132.160 and paid under KRS 132.180 on a timely basis.

(b) The credit shall be applied both to the income tax imposed under KRS 141.020 or 141.040 and to the limited liability entity tax imposed under KRS 141.0401, with the ordering of the credits as provided in KRS 141.0205.

(2) The amount of distilled spirits credit allowed under subsection (1) of this section shall be used only for capital improvements at the premises of the distiller licensed pursuant to KRS Chapter 243. As used in this subsection, "capital improvement" means any costs associated with:

(a) Construction, replacement, or remodeling of warehouses or facilities;

(b) Purchases of barrels and pallets used for the storage and aging of distilled spirits in maturing warehouses;

(c) Acquisition, construction, or installation of equipment for the use in the manufacture, bottling, or shipment of distilled spirits;

(d) Addition or replacement of access roads or parking facilities; and

(e) Construction, replacement, or remodeling of facilities to market or promote tourism, including but not limited to a visitor's center.

(3) The distilled spirits credit allowed under subsection (1) of this section:

(a) May be accumulated for multiple taxable years;

(b) Shall be claimed on the return of the taxpayer filed for the taxable year during
which the credits were used pursuant to subsection (2) of this section; and

(c) Shall not include:

1. Any delinquent tax paid to the Commonwealth; or

2. Any interest, fees, or penalty paid to the Commonwealth.

(4) (a) Before the distilled spirits credit shall be allowed on any return, the capital improvements required by subsection (2) of this section shall be completed and specifically associated with the credit allowed on the return.

(b) The amount of distilled spirits credit allowed shall be recaptured if the capital improvement associated with the credit is sold or otherwise disposed of prior to the exhaustion of the useful life of the asset for Kentucky depreciation purposes.

(c) If the allowed credit is associated with multiple capital improvements, and not all capital improvements are sold or otherwise disposed of, the distilled spirits credit shall be prorated based on the cost of the capital improvement sold over the total cost of all improvements associated with the credit.

(5) If the taxpayer is a pass-through entity, the taxpayer may apply the credit against the limited liability entity tax imposed by KRS 141.0401, and shall pass the credit through to its members, partners, or shareholders in the same proportion as the distributive share of income or loss is passed through.

(6) The department may promulgate an administrative regulation pursuant to KRS Chapter 13A to implement the allowable credit under this section, require the filing of forms designed by the department, and require specific information for the evaluation of the credit taken by any taxpayer.

(7) [Notwithstanding KRS 131.190, ] No later than September 1, 2016, and annually thereafter, the department shall report to the Interim Joint Committee on Appropriations and Revenue:

(a) The name of each taxpayer taking the credit permitted by subsection (1) of
this section;
(b) The amount of credit taken by that taxpayer; and
(c) The type of capital improvement made for which the credit is claimed.

Section 20. KRS 131.020 is amended to read as follows:

(1) The Department of Revenue, headed by a commissioner appointed by the secretary with the approval of the Governor, shall be organized into the following functional units:

(a) Office of the Commissioner, which shall consist of:

1. The Division of Protest Resolution, headed by a division director who shall report directly to the commissioner. The division shall administer the protest functions for the department from office resolution through court action; and
2. The Division of Taxpayer Ombudsman, headed by a division director who shall report to the commissioner. The division shall perform those duties set out in KRS 131.083;

(b) Office of Tax Policy and Regulation, headed by an executive director who shall report directly to the commissioner. The office shall be responsible for:

1. Providing oral and written technical advice on Kentucky tax law;
2. Drafting proposed tax legislation and regulations;
3. Testifying before legislative committees on tax matters;
4. Analyzing tax publications;
5. Providing expert witness testimony in tax litigation cases;
6. Providing consultation and assistance in protested tax cases; and
7. Conducting training and education programs;

(c) Office of Processing and Enforcement, headed by an executive director who shall report directly to the commissioner. The office shall be responsible for processing documents, depositing funds, collecting debt payments, and
coordinating, planning, and implementing a data integrity strategy. The office shall consist of the:

1. Division of Operations, which shall be responsible for opening all tax returns, preparing the returns for data capture, coordinating the data capture process, depositing receipts, maintaining tax data, and assisting other state agencies with similar operational aspects as negotiated between the department and the other agency;

2. Division of Collections, which shall be responsible for initiating all collection enforcement activity related to due and owing tax assessments, including protest resolution, and for assisting other state agencies with similar collection aspects as negotiated between the department and the other state agency; and

3. Division of Registration and Data Integrity, which shall be responsible for registering businesses for tax purposes, ensuring that the data entered into the department's tax systems is accurate and complete, and assisting the taxing areas in proper procedures to ensure the accuracy of the data over time;

(d) Office of Property Valuation, headed by an executive director who shall report directly to the commissioner. The office shall consist of the:

1. Division of Local Support, which shall be responsible for providing supervision, assistance, and training to the property valuation administrators and sheriffs within the Commonwealth;

2. Division of State Valuation, which shall be responsible for providing assessments of public service companies and motor vehicles, and providing assistance to property valuation administrators and sheriffs with the administration of tangible and omitted property taxes within the Commonwealth; and
3. Division of Minerals Taxation and Geographical Information System Services, which shall be responsible for providing geographical information system mapping support, ensuring proper filing of severance tax returns, ensuring consistency of unmined coal assessments, and gathering and providing data to properly assess minerals to the property valuation administrators within the Commonwealth;

(e) Office of Sales and Excise Taxes, headed by an executive director who shall report directly to the commissioner. The office shall administer all matters relating to sales and use taxes and miscellaneous excise taxes, including but not limited to technical tax research, compliance, taxpayer assistance, tax-specific training, and publications. The office shall consist of the:

1. Division of Sales and Use Tax, which shall administer the sales and use tax; and

2. Division of Miscellaneous Taxes, which shall administer various other taxes, including but not limited to alcoholic beverage taxes; cigarette enforcement fees, stamps, meters, and taxes; gasoline tax; bank franchise tax; inheritance and estate tax; insurance premiums and insurance surcharge taxes; motor vehicle tire fees and usage taxes; and special fuels taxes;

(f) Office of Income Taxation, headed by an executive director who shall report directly to the commissioner. The office shall administer all matters related to income and corporation license taxes, including technical tax research, compliance, taxpayer assistance, tax-specific training, and publications. The office shall consist of the:

1. Division of Individual Income Tax, which shall administer the following taxes or returns: individual income, fiduciary, and employer withholding; and
2. Division of Corporation Tax, which shall administer the corporation income tax, corporation license tax, pass-through entity withholding, and pass-through entity reporting requirements; and

(g) Office of Field Operations, headed by an executive director who shall report directly to the commissioner. The office shall manage the regional taxpayer service centers and the field audit program.

(2) The functions and duties of the department shall include conducting conferences, administering taxpayer protests, and settling tax controversies on a fair and equitable basis, taking into consideration the hazards of litigation to the Commonwealth of Kentucky and the taxpayer. The mission of the department shall be to afford an opportunity for taxpayers to have an independent informal review of the determinations of the audit functions of the department, and to attempt to fairly and equitably resolve tax controversies at the administrative level.

(3) The department shall maintain an accounting structure for the one hundred twenty (120) property valuation administrators' offices across the Commonwealth in order to facilitate use of the state payroll system and the budgeting process.

(4) Except as provided in KRS 131.190(4), the department shall fully cooperate with and make tax information available as prescribed under KRS 131.190(2) to the Governor's Office for Economic Analysis as necessary for the office to perform the tax administration function established in KRS 42.410.

(5) Executive directors and division directors established under this section shall be appointed by the secretary with the approval of the Governor.

Section 21. KRS 132.285 is amended to read as follows:

(a) Except as provided in subsection (3) of this section, any city may by ordinance elect to use the annual county assessment for property situated within the city as a basis of ad valorem tax levies ordered or approved by the legislative body of the city.
(b) Any city making such election provided in paragraph (a) of this subsection shall notify the department of Revenue and property valuation administrator prior to the next succeeding assessment to be used for city levies. In such event the assessment finally determined for county tax purposes shall serve as a basis of all city levies for the fiscal year commencing on or after the county assessment date.

(c) Each city which elects to use the county assessment shall annually appropriate and pay each fiscal year to the office of the property valuation administrator for deputy and other authorized personnel allowance, supplies, maps and equipment, and other authorized expenses of the office one-half of one cent ($0.005) for each one hundred dollars ($100) of assessment, except that sums paid shall not be:

1. Less than two hundred fifty dollars ($250); or

2. More than:

   a. Forty thousand dollars ($40,000) in a city having an assessment subject to city tax of less than two billion dollars ($2,000,000,000); or

   b. Fifty thousand dollars ($50,000) in a city having an assessment subject to city tax of more than two billion dollars ($2,000,000,000) or more, but less than three billion dollars ($3,000,000,000); or

   c. Sixty thousand dollars ($60,000) in a city having an assessment subject to city tax of three billion dollars ($3,000,000,000) or more.

(d) This allowance shall be based on the assessment as of the previous January 1.

(e) Each property valuation administrator shall file a claim with the city for the county assessment, which shall include the recapitulation submitted to the city.
pursuant to KRS 133.040(2).

(f) The city shall order payment in an amount not to exceed the appropriation authorized by this section.

(g) The property valuation administrator shall be required to account for all moneys paid to his or her office by the city and any funds unexpended by the close of each fiscal year shall carry over to the next fiscal year.

(h) Notwithstanding any statutory provisions to the contrary, the assessment dates for the city shall conform to the corresponding dates for the county, and the city may by ordinance establish additional financial and tax procedures that will enable it effectively to adopt the county assessment.

(i) The legislative body of any city adopting the county assessment may fix the time for levying the city tax rate, due and delinquency dates for taxes, and any other dates that will enable it effectively to adopt the county assessment, notwithstanding any statutory provisions to the contrary.

(j) Any such city may, by ordinance, abolish any office connected with city assessment and equalization.

(k) Any city which elects to use the county assessment shall have access to the assessment records as soon as completed and may obtain a copy of that portion of the records which represents the assessment of property within the city by additional payment of the cost thereof.

(l) Once any city elects to use the county assessment, that action cannot be revoked without notice to the department of Revenue and the property valuation administrator six (6) months prior to the next date as of which property is assessed for state and county taxes.

(2) In the event any omitted property is assessed by the property valuation administrator as provided by KRS 132.310, the assessment shall be considered as part of the assessment adopted by the city according to subsection (1) of this section.
For purposes of the levy and collection of ad valorem taxes on motor vehicles, cities shall use the assessment required to be made pursuant to KRS 132.487(5).

Notwithstanding the provisions of subsection (1) of this section, each city which elects to use the county assessment for ad valorem taxes levied for 1996 or subsequent years, and which used the county assessment for ad valorem taxes levied for 1995, shall appropriate and pay to the office of the property valuation administrator for the purposes set out in subsection (1) of this section an amount equal to the amount paid to the office of the property valuation administrator in 1995, or the amount required by the provisions of subsection (1) of this section, whichever is greater.

Section 22. KRS 132.590 is amended to read as follows:

The compensation of the property valuation administrator shall be based on the schedule contained in subsection (2) of this section as modified by subsection (3) of this section. The compensation of the property valuation administrator shall be calculated by the Department of Revenue annually. Should a property valuation administrator for any reason vacate the office in any year during his term of office, he shall be paid only for the calendar days actually served during the year.

The salary schedule for property valuation administrators provides for nine (9) levels of salary based upon the population of the county in the prior year as determined by the United States Department of Commerce, Bureau of the Census annual estimates. To implement the salary schedule, the department shall, by November 1 of each year, certify for each county the population group applicable to each county based on the most recent estimates of the United States Department of Commerce, Bureau of the Census. The salary schedule provides four (4) steps for yearly increments within each population group. Property valuation administrators shall be paid according to the first step within their population group for the first year or portion thereof they serve in office. Thereafter, each property valuation
administrator, on January 1 of each subsequent year, shall be advanced automatically to the next step in the salary schedule until the maximum salary figure for the population group is reached. If the county population as certified by the department increases to a new group level, the property valuation administrator's salary shall be computed from the new group level at the beginning of the next year. A change in group level shall have no affect on the annual change in step. Prior to assuming office, any person who has previously served as a property valuation administrator must certify to the Department of Revenue the total number of years, not to exceed four (4) years, that the person has previously served in the office. The department shall place the person in the proper step based upon a formula of one (1) incremental step per full calendar year of service:

**SALARY SCHEDULE**

<table>
<thead>
<tr>
<th>County Population by Group</th>
<th>Steps and Salary for Property Valuation Administrators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group I</td>
<td>Step 1   Step 2   Step 3   Step 4</td>
</tr>
<tr>
<td>0-4,999</td>
<td>$45,387  $46,762  $48,137  $49,513</td>
</tr>
<tr>
<td>Group II</td>
<td></td>
</tr>
<tr>
<td>5,000-9,999</td>
<td>49,513    50,888    52,263    53,639</td>
</tr>
<tr>
<td>Group III</td>
<td></td>
</tr>
<tr>
<td>10,000-19,999</td>
<td>53,639    55,014    56,389    57,765</td>
</tr>
<tr>
<td>Group IV</td>
<td></td>
</tr>
<tr>
<td>20,000-29,999</td>
<td>55,702    57,765    59,828    61,891</td>
</tr>
<tr>
<td>Group V</td>
<td></td>
</tr>
<tr>
<td>30,000-44,999</td>
<td>59,828    61,891    63,954    66,017</td>
</tr>
<tr>
<td>Group VI</td>
<td></td>
</tr>
<tr>
<td>45,000-59,999</td>
<td>61,891    64,641    67,392    70,143</td>
</tr>
<tr>
<td>Group VII</td>
<td></td>
</tr>
</tbody>
</table>
60,000-89,999

Group VIII

90,000-499,999

Group IX

500,000 and up

(3) (a) For calendar year 2000, the salary schedule in subsection (2) of this section shall be increased by the amount of increase in the annual consumer price index as published by the United States Department of Commerce for the year ended December 31, 1999. This salary adjustment shall take effect on July 14, 2000, and shall not be retroactive to the preceding January 1.

(b) For each calendar year beginning after December 31, 2000, upon publication of the annual consumer price index by the United States Department of Commerce, the annual rate of salary for the property valuation administrator shall be determined by applying the increase in the consumer price index to the salary in effect for the previous year. This salary determination shall be retroactive to the preceding January 1.

(c) In addition to the step increases based on service in office, each property valuation administrator shall be paid an annual incentive of six hundred eighty-seven dollars and sixty-seven cents ($687.67) per calendar year for each forty (40) hour training unit successfully completed based on continuing service in that office and, except as provided in this subsection, completion of at least forty (40) hours of approved training in each subsequent calendar year.

If a property valuation administrator fails without good cause, as determined by the commissioner of the Kentucky Department of Revenue, to obtain the minimum amount of approved training in any year, the officer shall lose all training incentives previously accumulated. No property valuation administrator shall receive more than one (1) training unit per calendar year.
nor more than four (4) incentive payments per calendar year. Each property
valuation administrator shall be allowed to carry forward up to forty (40)
hours of training credit into the following calendar year for the purpose of
satisfying the minimum amount of training for that year. This amount shall be
increased by the consumer price index adjustments prescribed in paragraphs
(a) and (b) of this subsection. Each training unit shall be approved and
certified by the Kentucky Department of Revenue. Each unit shall be available
to property valuation administrators in each office based on continuing service
in that office. The Kentucky Department of Revenue shall promulgate
administrative regulations in accordance with KRS Chapter 13A to establish
guidelines for the approval and certification of training units.

(4) Notwithstanding any provision contained in this section, no property valuation
administrator holding office on July 14, 2000, shall receive any reduction in salary
or reduction in adjustment to salary otherwise allowable by the statutes in force on

(5) Deputy property valuation administrators and other authorized personnel may be
advanced one (1) step in grade upon completion of twelve (12) months' continuous
service. The Department of Revenue may make grade classification changes
corresponding to any approved for department employees in comparable positions,
so long as the changes do not violate the integrity of the classification system.
Subject to availability of funds, the department may extend cost-of-living increases
approved for department employees to deputy property valuation administrators and
other authorized personnel, by advancement in grade.

(6) Beginning with the 1990-1992 biennium, the Department of Revenue shall prepare
a biennial budget request for the staffing of property valuation administrators'offices. An equitable allocation of employee positions to each property valuation
administrator's office in the state shall be made on the basis of comparative
assessment work units. Assessment work units shall be determined from the most current objective information available from the United States Bureau of the Census and other similar sources of unbiased information. Beginning with the 1996-1998 biennium, assessment work units shall be based on parcel count per employee. The total sum allowed by the state to any property valuation administrator's office as compensation for deputies, other authorized personnel, and for other authorized expenditures shall not exceed the amount fixed by the Department of Revenue. However, each property valuation administrator's office shall be allowed as a minimum such funds that are required to meet the federal minimum wage requirements for two (2) full-time deputies.

(7) Beginning with the 1990-1992 biennium each property valuation administrator shall submit by June 1 of each year for the following fiscal year to the Department of Revenue a budget request for his office which shall be based upon the number of employee positions allocated to his office under subsection (6) of this section and upon the county and city funds available to his office and show the amount to be expended for deputy and other authorized personnel including employer's share of FICA and state retirement, and other authorized expenses of the office. The Department of Revenue shall return to each property valuation administrator, no later than July 1, an approved budget for the fiscal year.

(8) Each property valuation administrator may appoint any persons approved by the Department of Revenue to assist him in the discharge of his duties. Each deputy shall be more than twenty-one (21) years of age and may be removed at the pleasure of the property valuation administrator. The salaries of deputies and other authorized personnel shall be fixed by the property valuation administrator in accordance with the grade classification system established by the Department of Revenue and shall be subject to the approval of the Department of Revenue. The Personnel Cabinet shall provide advice and technical assistance to the Department
of Revenue in the revision and updating of the personnel classification system, which shall be equitable in all respects to the personnel classification systems maintained for other state employees. Any deputy property valuation administrator employed or promoted to a higher position may be examined by the Department of Revenue in accordance with standards of the Personnel Cabinet, for the position to which he is being appointed or promoted. No state funds available to any property valuation administrator's office as compensation for deputies and other authorized personnel or for other authorized expenditures shall be paid without authorization of the Department of Revenue prior to the employment by the property valuation administrator of deputies or other authorized personnel or the incurring of other authorized expenditures.

(9) Each county fiscal court shall annually appropriate and pay each fiscal year to the office of the property valuation administrator as its cost for use of the assessment, as required by KRS 132.280, an amount determined as follows:

<table>
<thead>
<tr>
<th>Assessment Subject to County Tax of:</th>
<th>At Least</th>
<th>But Less Than</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000,000</td>
<td>----</td>
<td>$100,000,000</td>
<td>$0.005 for each $100 of the first $50,000,000 and $0.002 for each $100 over $50,000,000.</td>
</tr>
<tr>
<td>$100,000,000 - $150,000,000</td>
<td>$100,000,000</td>
<td>150,000,000</td>
<td>$0.004 for each $100 of the first $100,000,000 and $0.002 for each $100 over $100,000,000.</td>
</tr>
<tr>
<td>$150,000,000 - $300,000,000</td>
<td>150,000,000</td>
<td>300,000,000</td>
<td>$0.004 for each $100 of the first $150,000,000 and $0.003 for each $100 over $150,000,000.</td>
</tr>
<tr>
<td>$300,000,000 -</td>
<td>300,000,000</td>
<td>----</td>
<td>$0.004 for each $100.</td>
</tr>
</tbody>
</table>
(10) The total sum to be paid by the fiscal court to any property valuation administrator's office under the provisions of subsection (9) of this section shall not exceed the limits set forth in the following table:

<table>
<thead>
<tr>
<th>Assessed Value of Property Subject to County Tax of:</th>
<th>At Least</th>
<th>But Less Than</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$700,000,000</td>
<td>$25,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$700,000,000</td>
<td>$1,000,000,000</td>
<td>35,000</td>
<td></td>
</tr>
<tr>
<td>$1,000,000,000</td>
<td>$2,000,000,000</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>$2,000,000,000</td>
<td>$2,500,000,000</td>
<td>75,000</td>
<td></td>
</tr>
<tr>
<td>$2,500,000,000</td>
<td>$5,000,000,000</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>$5,000,000,000</td>
<td>$7,500,000,000</td>
<td>175,000</td>
<td></td>
</tr>
</tbody>
</table>

This allowance shall be based on the assessment as of the previous January 1 and shall be used for deputy and other personnel allowance, supplies, maps and equipment, travel allowance for the property valuation administrator and his deputies and other authorized personnel, and other authorized expenses of the office.

(11) Annually, after appropriation by the county of funds required of it by subsection (9) of this section, and no later than August 1, the property valuation administrator shall file a claim with the county for that amount of the appropriation specified in his approved budget for compensation of deputies and assistants, including employer's shares of FICA and state retirement, for the fiscal year. The amount so requested shall be paid by the county into the State Treasury by September 1, or paid to the property valuation administrator and be submitted to the State Treasury by September 1. These funds shall be expended by the Department of Revenue only for
compensation of approved deputies and assistants and the employer’s share of FICA and state retirement in the appropriating county. Any funds paid into the State Treasury in accordance with this provision but unexpended by the close of the fiscal year for which they were appropriated shall be returned to the county from which they were received.

(12) After submission to the State Treasury or to the property valuation administrator of the county funds budgeted for personnel compensation under subsection (11) of this section, the fiscal court shall pay the remainder of the county appropriation to the office of the property valuation administrator on a quarterly basis. Four (4) equal payments shall be made on or before September 1, December 1, March 1, and June 1 respectively. Any unexpended county funds at the close of each fiscal year shall be retained by the property valuation administrator, except as provided in KRS 132.601(2). During county election years the property valuation administrator shall not expend in excess of forty percent (40%) of the allowances available to his office from county funds during the first five (5) months of the fiscal year in which the general election is held.

(13) The provisions of this section shall apply to urban-county governments and consolidated local governments. In an urban-county government and a consolidated local government, all the rights and obligations conferred on fiscal courts or consolidated local governments by the provisions of this section shall be exercised by the urban-county government or consolidated local government.

(14) When an urban-county form of government is established through merger of existing city and county governments as provided in KRS Chapter 67A or when a consolidated local government is established through merger of existing city and county governments as provided by KRS Chapter 67C, the annual county assessment shall be presumed to have been adopted as if the city had exercised the option to adopt as provided in KRS 132.285, and the annual amount to be
appropriated to the property valuation administrator's office shall be the combined amount that is required of the county under this section and that required of the city under KRS 132.285, except that the total shall not exceed one hundred thousand dollars ($100,000) for any urban-county government or consolidated local government with an assessment subject to countywide tax of less than five billion [$5,000,000,000] one hundred seventy-five thousand dollars [$175,000] for an urban-county government or consolidated local government with an assessment subject to countywide tax between five billion [$5,000,000,000] and seventy-five thousand dollars [$75,000] for an urban-county government or consolidated local government with an assessment subject to countywide tax in excess of seven billion five hundred million dollars [$7,500,000,000]. For purposes of this subsection, the amount to be considered as the assessment for purposes of KRS 132.285 shall be the amount subject to taxation for full urban services.

(15) Notwithstanding the provisions of subsection (9) of this section, the amount appropriated and paid by each county fiscal court to the office of the property valuation administrator for 1996 and subsequent years shall be equal to the amount paid to the office of the property valuation administrator for 1995, or the amount required by the provisions of subsections (9) and (10) of this section, whichever is greater.

[Section 23. KRS 210.504 is amended to read as follows:]

(1) The commission created in KRS 210.502 shall meet as often as necessary to accomplish its purpose but shall meet at least quarterly or upon the call of either co-chair, the request of four (4) or more members, or the request of the Governor.
(2) The commission shall receive, integrate, and report the findings and recommendations of the regional planning councils established under KRS 210.506. The regional planning councils shall provide additional information or study particular issues upon request of the commission.

(3) The commission:

(a) May establish work groups to develop statewide recommendations from information and recommendations received from the regional planning councils;

(b) May establish work groups to address issues referred to the commission; and

(c) Shall ensure that the regional planning councils have an opportunity to receive, review, and comment on any recommendation or product issued by a work group established under this subsection before the commission takes any formal action on a recommendation or product of a work group.

(4) The commission shall serve in an advisory capacity to accomplish the following:

(a) Based on information provided under subsection (2) of this section:

1. Assess the needs statewide of individuals with mental illness, alcohol and other drug abuse disorders, and dual diagnoses;

2. Assess the capabilities of the existing statewide treatment delivery system including gaps in services and the adequacy of a safety net system; and

3. Assess the coordination and collaboration of efforts between public and private facilities and entities, including but not limited to the Council on Postsecondary Education when assessing workforce issues, and the roles of the Department for Behavioral Health, Developmental and Intellectual Disabilities and the regional community mental health centers, state hospitals, and other providers;

(b) Identify funding needs and related fiscal impact, including Medicaid
reimbursement, limitations under government programs and private insurance, and adequacy of indigent care;

(c) Recommend comprehensive and integrated programs for providing mental health and substance abuse services and preventive education to children and youth, utilizing schools and community resources;

(d) Develop recommendations to decrease the incidence of repeated arrests, incarceration, and multiple hospitalizations of individuals with mental illness, alcohol and other drug abuse disorders, and dual diagnoses;

(e) Recommend an effective quality assurance and consumer satisfaction monitoring program that includes recommendations as to the appropriate role of persons with mental illness, alcohol and other drug abuse disorders, and dual diagnoses, family members, providers, and advocates in quality assurance efforts; and

(f) Recommend improvements in identifying, treating, housing, and transporting prisoners in jails and juveniles with mental illness who reside in detention centers. Items to be reviewed include but are not limited to:

1. Recommendations for statutory and regulatory changes;

2. Training and treatment funding;

3. Cost-sharing proposals;

4. Housing and transportation costs;

5. Appropriate treatment sites; and

6. Training requirements for local jailers and other officers of the court who may come in contact with persons deemed mentally ill and who are incarcerated or in detention.

(5) The commission shall develop a comprehensive state plan that provides a template for decision-making regarding program development, funding, and the use of state resources for delivery of the most effective continuum of services in integrated
statewide settings appropriate to the needs of the individual with mental illness, alcohol and other drug abuse disorders, and dual diagnoses. The state plan shall also include strategies for increasing public awareness and reducing the stigma associated with mental illness and substance abuse disorders.

(6) The state plan shall advise the Governor and the General Assembly concerning the needs statewide of individuals with mental illness, alcohol and other drug disorders, and dual diagnoses and whether the recommendations should be implemented by administrative regulations or proposed legislation for the General Assembly.

(7) The commission shall develop a two (2) year work plan, beginning in 2003, that specifies goals and strategies relating to services and supports for individuals with mental illness and alcohol and other drug disorders and dual diagnoses and efforts to reduce the stigma associated with mental illness and substance abuse disorders.

(8) The commission shall review the plan and shall submit annual updates no later than October 1 to the Governor and the Legislative Research Commission.

Section 24. KRS 210.400 is amended to read as follows:

Subject to the provisions of this section and the policies and regulations of the secretary of the Cabinet for Health and Family Services, each community board for mental health or individuals with an intellectual disability shall:

(1) Review and evaluate services for mental health or individuals with an intellectual disability provided pursuant to KRS 210.370 to 210.460, and report thereon to the secretary of the Cabinet for Health and Family Services, the administrator of the program, and, when indicated, the public, together with recommendations for additional services and facilities;

(2) Recruit and promote local financial support for the program from private sources such as community chests, business, industrial and private foundations, voluntary agencies, and other lawful sources, and promote public support for municipal and county appropriations;
(3) Promote, arrange, and implement working agreements with other social service agencies, both public and private, and with other educational and judicial agencies;

(4) Adopt and implement policies to stimulate effective community relations;

(5) Be responsible for the development and approval of an annual plan and budget;

(6) Act as the administrative authority of the community program for mental health or individuals with an intellectual disability;

(7) Oversee and be responsible for the management of the community program for mental health or individuals with an intellectual disability in accordance with the plan and budget adopted by the board and the policies and regulations issued under KRS 210.370 to 210.480 by the secretary of the Cabinet for Health and Family Services; [and]

(8) Comply with the provisions of KRS 65A.010 to 65A.090; and

(9) Comply with the provisions of KRS 65A.010 to 65A.090; and

Deliver the training recommended by Section 23 of this Act to local jailers and other officers of the court who may come in contact with persons deemed mentally ill and who are incarcerated or in detention.

Section 25. KRS 164.013 is amended to read as follows:

(1) The Council on Postsecondary Education shall set the qualifications for the position of president of the council. Except for the first president appointed under subsection (2) of this section, the council shall employ a search firm and conduct a nationwide search for candidates. The search firm employed by the council shall consider, interview, and propose three (3) or more candidates for the position of president. The council may seek additional names from the search firm or from other sources.

(2) In the selection of candidates for the first president of the Council on Postsecondary Education, the Strategic Committee on Postsecondary Education shall serve as a search committee, employing a search firm for assistance. The committee shall recommend three (3) candidates to be considered by the council and shall repeat this process until it finds a satisfactory person to appoint as the first president of the
council.

(3) The president shall possess an excellent academic and administrative background, have strong communication skills, have significant experience and an established reputation as a professional in the field of postsecondary education, and shall not express, demonstrate, or appear to have an institutional or regional bias in his or her actions.

(4) The president shall be the primary advocate for postsecondary education and advisor to the Governor and the General Assembly on matters of postsecondary education in Kentucky. As the primary advocate for postsecondary education, the president shall work closely with the committee and the elected leadership of the Commonwealth to ensure that they are fully informed about postsecondary education issues and that the council fully understands the goals for postsecondary education that the General Assembly has established in KRS 164.003(2).

(5) The president may design and develop for review by the council new statewide initiatives in accordance with the strategic agenda.

(6) (a) The president shall be compensated on a basis in excess of the base salary of any president of a Kentucky public university. The council shall set the salary of the president at an amount no greater than the salary the president was receiving on January 1, 2012.

(b) The salary of the president shall be exempt from state employee salary limitations as set forth in KRS 64.640.

(7) The president shall be accorded a contract to serve for a term not to exceed five (5) years, which is renewable at the pleasure of the council.

(8) The president shall determine the staffing positions and organizational structure necessary to carry out the responsibilities of the council and may employ staff. All personnel positions of the Council on Higher Education, as of May 30, 1997, with the exception of the position of executive director, shall be transferred to the
Council on Postsecondary Education. All personnel shall be transferred at the same
salary and benefit levels. Notwithstanding the provisions of KRS 11A.040, any
person employed by the Council on Higher Education prior to May 30, 1997, may
accept immediate employment with any governmental entity or any postsecondary
education organization or institution in the Commonwealth and may carry out the
employment duties assigned by that entity, organization, or institution.

(9) The president shall be responsible for the day-to-day operations of the council and
shall report and submit annual reports on the strategic implementation plan of the
strategic agenda, carry out policy and program directives of the council, prepare and
submit to the council for its approval the proposed budget of the council, and
perform all other duties and responsibilities assigned by state law.

(10) With approval of the council, the president may enter into agreements with any state
agency or political subdivision of the state, any state postsecondary education
institution, or any other person or entity to enlist staff assistance to implement the
duties and responsibilities under KRS 164.020.

(11) The president shall be reimbursed for all actual and necessary expenses incurred in
the performance of all assigned duties and responsibilities.

Section 26. KRS 164.020 is amended to read as follows:

The Council on Postsecondary Education in Kentucky shall:

(1) Develop and implement the strategic agenda with the advice and counsel of the
Strategic Committee on Postsecondary Education. The council shall provide for and
direct the planning process and subsequent strategic implementation plans based on
the strategic agenda as provided in KRS 164.0203;

(2) Revise the strategic agenda and strategic implementation plan with the advice and
counsel of the committee as set forth in KRS 164.004;

(3) Develop a system of public accountability related to the strategic agenda by
evaluating the performance and effectiveness of the state's postsecondary system.
The council shall prepare a report in conjunction with the accountability reporting described in KRS 164.095, which shall be submitted to the committee, the Governor, and the General Assembly by December 1 annually. This report shall include a description of contributions by postsecondary institutions to the quality of elementary and secondary education in the Commonwealth;

(4) Review, revise, and approve the missions of the state's universities and the Kentucky Community and Technical College System. The Council on Postsecondary Education shall have the final authority to determine the compliance of postsecondary institutions with their academic, service, and research missions;

(5) Establish and ensure that all postsecondary institutions in Kentucky cooperatively provide for an integrated system of postsecondary education. The council shall guard against inappropriate and unnecessary conflict and duplication by promoting transferability of credits and easy access of information among institutions;

(6) Engage in analyses and research to determine the overall needs of postsecondary education and adult education in the Commonwealth;

(7) Develop plans that may be required by federal legislation. The council shall for all purposes of federal legislation relating to planning be considered the "single state agency" as that term may be used in federal legislation. When federal legislation requires additional representation on any "single state agency," the Council on Postsecondary Education shall establish advisory groups necessary to satisfy federal legislative or regulatory guidelines;

(8) Determine tuition and approve the minimum qualifications for admission to the state postsecondary educational system. In defining residency, the council shall classify a student as having Kentucky residency if the student met the residency requirements at the beginning of his or her last year in high school and enters a Kentucky postsecondary education institution within two (2) years of high school graduation. In determining the tuition for non-Kentucky residents, the council shall
consider the fees required of Kentucky students by institutions in adjoining states, the resident fees charged by other states, the total actual per student cost of training in the institutions for which the fees are being determined, and the ratios of Kentucky students to non-Kentucky students comprising the enrollments of the respective institutions, and other factors the council may in its sole discretion deem pertinent, _except the Kentucky Community and Technical College System may assess a mandatory student fee not to exceed eight dollars ($8) per credit hour to be used exclusively for debt service on amounts not to exceed seventy-five percent (75%) of the total projects cost of the Kentucky Community and Technical College System agency bond projects included in 2014 Ky. Acts ch. 117, Part II, J., 11._

(a) **The Kentucky Community and Technical College System mandatory fee established in this subsection shall only be used for debt service on agency bond projects.**

(b) **Any fee established as provided by this subsection shall cease to be assessed upon the retirement of the project bonds for which it services debt.**

(c) **Prior to the issuance of any bonds, the Kentucky Community and Technical College System shall certify in writing to the secretary of the Finance and Administration Cabinet that sufficient funds have been raised to meet the local match equivalent to twenty-five percent (25%) of the total project cost:**

(9) Devise, establish, and periodically review and revise policies to be used in making recommendations to the Governor for consideration in developing recommendations to the General Assembly for appropriations to the universities, the Kentucky Community and Technical College System, and to support strategies for persons to maintain necessary levels of literacy throughout their lifetimes including but not limited to appropriations to the Kentucky Adult Education Program. The council has sole discretion, with advice of the Strategic Committee on
Postsecondary Education and the executive officers of the postsecondary education system, to devise policies that provide for allocation of funds among the universities and the Kentucky Community and Technical College System;

(10) Lead and provide staff support for the biennial budget process as provided under KRS Chapter 48, in cooperation with the committee;

(11) (a) Except as provided in paragraph (b) of this subsection, review and approve all capital construction projects covered by KRS 45.750(1)(f), including real property acquisitions, and regardless of the source of funding for projects or acquisitions. Approval of capital projects and real property acquisitions shall be on a basis consistent with the strategic agenda and the mission of the respective universities and the Kentucky Community and Technical College System.

(b) The organized groups that are establishing community college satellites as branches of existing community colleges in the counties of Laurel, Leslie, and Muhlenberg, and that have substantially obtained cash, pledges, real property, or other commitments to build the satellite at no cost to the Commonwealth, other than operating costs that shall be paid as part of the operating budget of the main community college of which the satellite is a branch, are authorized to begin construction of the satellite on or after January 1, 1998;

(12) Require reports from the executive officer of each institution it deems necessary for the effectual performance of its duties;

(13) Ensure that the state postsecondary system does not unnecessarily duplicate services and programs provided by private postsecondary institutions and shall promote maximum cooperation between the state postsecondary system and private postsecondary institutions. Receive and consider an annual report prepared by the Association of Independent Kentucky Colleges and Universities stating the condition of independent institutions, listing opportunities for more collaboration
between the state and independent institutions and other information as appropriate;

(14) Establish course credit, transfer, and degree components as required in KRS 164.2951;

(15) Define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions. The council shall expedite wherever possible the approval of requests from the Kentucky Community and Technical College System board of regents relating to new certificate, diploma, technical, or associate degree programs of a vocational-technical and occupational nature. Without the consent of the General Assembly, the council shall not abolish or limit the total enrollment of the general program offered at any community college to meet the goal of reasonable access throughout the Commonwealth to a two (2) year course of general studies designed for transfer to a baccalaureate program. This does not restrict or limit the authority of the council, as set forth in this section, to eliminate or make changes in individual programs within that general program;

(16) Eliminate, in its discretion, existing programs or make any changes in existing academic programs at the state's postsecondary educational institutions, taking into consideration these criteria:

(a) Consistency with the institution's mission and the strategic agenda;

(b) Alignment with the priorities in the strategic implementation plan for achieving the strategic agenda;

(c) Elimination of unnecessary duplication of programs within and among institutions; and

(d) Efforts to create cooperative programs with other institutions through traditional means, or by use of distance learning technology and electronic resources, to achieve effective and efficient program delivery;

(17) Ensure the governing board and faculty of all postsecondary education institutions
are committed to providing instruction free of discrimination against students who
hold political views and opinions contrary to those of the governing board and
faculty;

(18) Review proposals and make recommendations to the Governor regarding the
establishment of new public community colleges, technical institutions, and new
four (4) year colleges;

(19) Postpone the approval of any new program at a state postsecondary educational
institution, unless the institution has met its equal educational opportunity goals, as
established by the council. In accordance with administrative regulations
promulgated by the council, those institutions not meeting the goals shall be able to
obtain a temporary waiver, if the institution has made substantial progress toward
meeting its equal educational opportunity goals;

(20) Ensure the coordination, transferability, and connectivity of technology among
postsecondary institutions in the Commonwealth including the development and
implementation of a technology plan as a component of the strategic agenda;

(21) Approve the teacher education programs in the public institutions that comply with
standards established by the Education Professional Standards Board pursuant to
KRS 161.028;

(22) Constitute the representative agency of the Commonwealth in all matters of
postsecondary education of a general and statewide nature which are not otherwise
delegated to one (1) or more institutions of postsecondary learning. The
responsibility may be exercised through appropriate contractual relationships with
individuals or agencies located within or without the Commonwealth. The authority
includes but is not limited to contractual arrangements for programs of research,
specialized training, and cultural enrichment;

(23) Maintain procedures for the approval of a designated receiver to provide for the
maintenance of student records of the public institutions of higher education and the
colleges as defined in KRS 164.945, and institutions operating pursuant to KRS 165A.310 which offer collegiate level courses for academic credit, which cease to operate. Procedures shall include assurances that, upon proper request, subject to federal and state laws and regulations, copies of student records shall be made available within a reasonable length of time for a minimum fee;

(24) Monitor and transmit a report on compliance with KRS 164.351 to the director of the Legislative Research Commission for distribution to the Health and Welfare Committee;

(25) (a) Develop in cooperation with each public university and the Kentucky Community and Technical College System a comprehensive orientation and education program for new members of the council and the governing boards and continuing education opportunities for all council and board members. For new members of the council and institutional governing boards, the council shall:

1. Ensure that the orientation and education program comprises six (6) hours of instruction time and includes but is not limited to information concerning the roles of the council and governing board members, the strategic agenda and the strategic implementation plan, and the respective institution's mission, budget and finances, strategic plans and priorities, institutional policies and procedures, board fiduciary responsibilities, legal considerations including open records and open meetings requirements, ethical considerations arising from board membership, and the board member removal and replacement provisions of KRS 63.080;

2. Establish delivery methods by which the orientation and education program can be completed in person or electronically by new members within one (1) year of their appointment or election;
3. Provide an annual report to the Governor and Legislative Research Commission of those new board members who do not complete the required orientation and education program; and

4. Invite governing board members of private colleges and universities licensed by the Council on Postsecondary Education to participate in the orientation and education program described in this subsection;

(b) Offer, in cooperation with the public universities and the Kentucky Community and Technical College System, continuing education opportunities for all council and governing board members; and

(c) Review and approve the orientation programs of each public university and the Kentucky Community and Technical College System for their governing board members to ensure that all programs and information adhere to this subsection;

(26) Develop a financial reporting procedure to be used by all state postsecondary education institutions to ensure uniformity of financial information available to state agencies and the public;

(27) Select and appoint a president of the council under KRS 164.013;

(28) Employ consultants and other persons and employees as may be required for the council's operations, functions, and responsibilities;

(29) Promulgate administrative regulations, in accordance with KRS Chapter 13A, governing its powers, duties, and responsibilities as described in this section;

(30) Prepare and present by January 31 of each year an annual status report on postsecondary education in the Commonwealth to the Governor, the Strategic Committee on Postsecondary Education, and the Legislative Research Commission;

(31) Consider the role, function, and capacity of independent institutions of postsecondary education in developing policies to meet the immediate and future needs of the state. When it is found that independent institutions can meet state
needs effectively, state resources may be used to contract with or otherwise assist
independent institutions in meeting these needs;

(32) Create advisory groups representing the presidents, faculty, nonteaching staff, and
students of the public postsecondary education system and the independent colleges
and universities;

(33) Develop a statewide policy to promote employee and faculty development in all
postsecondary institutions and in state and locally operated secondary area
technology centers through the waiver of tuition for college credit coursework in the
public postsecondary education system. Any regular full-time employee of a
postsecondary public institution or a state or locally operated secondary area
technology center may, with prior administrative approval of the course offering
institution, take a maximum of six (6) credit hours per term at any public
postsecondary institution. The institution shall waive the tuition up to a maximum
of six (6) credit hours per term;

(34) Establish a statewide mission for adult education and develop a twenty (20) year
strategy, in partnership with the Kentucky Adult Education Program, under the
provisions of KRS 164.0203 for raising the knowledge and skills of the state's adult
population. The council shall:

(a) Promote coordination of programs and responsibilities linked to the issue of
adult education with the Kentucky Adult Education Program and with other
agencies and institutions;

(b) Facilitate the development of strategies to increase the knowledge and skills
of adults in all counties by promoting the efficient and effective coordination
of all available education and training resources;

(c) Lead a statewide public information and marketing campaign to convey the
critical nature of Kentucky's adult literacy challenge and to reach adults and
employers with practical information about available education and training
opportunities;

(d) Establish standards for adult literacy and monitor progress in achieving the state's adult literacy goals, including existing standards that may have been developed to meet requirements of federal law in conjunction with the Collaborative Center for Literacy Development: Early Childhood through Adulthood; and

(e) Administer the adult education and literacy initiative fund created under KRS 164.041;

(35) Participate with the Kentucky Department of Education, the Kentucky Board of Education, and postsecondary education institutions to ensure that academic content requirements for successful entry into postsecondary education programs are aligned with high school content standards and that students who master the high school academic content standards shall not need remedial courses. The council shall monitor the results on an ongoing basis;

(36) Cooperate with the Kentucky Department of Education and the Education Professional Standards Board in providing information sessions to selected postsecondary education content faculty and teacher educators of the high school academic content standards as required under KRS 158.6453(2)(l);

(37) Cooperate with the Office for Education and Workforce Statistics and ensure the participation of the public institutions as required in KRS 151B.133;

(38) Pursuant to KRS 63.080, review written notices from the Governor or from a board of trustees or board of regents concerning removal of a board member or the entire appointed membership of a board, investigate the member or board and the conduct alleged to support removal, and make written recommendations to the Governor and the Legislative Research Commission as to whether the member or board should be removed; and

(39) Exercise any other powers, duties, and responsibilities necessary to carry out the
purposes of this chapter. Nothing in this chapter shall be construed to grant the Council on Postsecondary Education authority to disestablish or eliminate any college of law which became a part of the state system of higher education through merger with a state college.

Section 27. KRS 164.5805 is amended to read as follows:

(1) Effective July 1, 1998, the Kentucky Community and Technical College System shall be the legal successor to the postsecondary Kentucky Tech institutions and corresponding administrative units in the former Cabinet for Workforce Development and shall assume all assets and liabilities of this system, including without limitation all obligations, responsibilities, programs, staff, instructional supplies, equipment, real property, facilities, funds, and records. The Finance and Administration Cabinet shall execute the instruments necessary to transfer the real property relating to the operation of the postsecondary institutions in the Kentucky Tech System from the former Cabinet for Workforce Development to the Kentucky Community and Technical College System.

(a) The staff positions in the former Department for Technical Education and the former Cabinet for Workforce Development whose responsibilities include support for the postsecondary institutions in the Kentucky Tech System and the school-based positions shall be transferred to the Kentucky Community and Technical College System. Selected employees of the Kentucky Tech regional offices shall be transferred and reassigned within the Kentucky Community and Technical College System. Appropriate central office functions from the Department for Technical Education shall be assigned within the system to carry out the administrative and support functions with the approval of the board of regents for the Kentucky Community and Technical College System.

(b) All funds related to the costs of operating the Kentucky Tech postsecondary
institutions, including the administrative costs, shall be transferred to the board of regents for the Kentucky Community and Technical College System for carrying out the mission of the postsecondary technical institutions and colleges.

(c) Funds raised by a not-for-profit or nonprofit organization for a specific program or technical institution shall be for the exclusive use of the program or that technical institution.

(d) The following provisions shall apply to the employees who are transferred from the former Cabinet for Workforce Development to the Kentucky Community and Technical College System, effective July 1, 1998:

1. Accumulated sick leave, compensatory time, and annual leave as of June 30, 1998, shall be transferred with each employee;

2. Employees who have earned continuing status as defined in KRS 156.800 and employees who have earned classified status as merit system employees under KRS Chapter 18A shall be provided the same standing. Those employees who are transferred and are in the process of earning continuing status or classified status shall earn their standing based on the rules that were governing them on June 30, 1998, in their respective systems. New employees within the system shall earn status based on the new policies established by the board;

3. Employees shall transfer into the new system at a salary not less than their previous salary as of June 30, 1998;

4. Employees shall be provided retirement plans in the same system where they are currently enrolled: the Kentucky Teachers' Retirement System under KRS 161.220 or the Kentucky Employees Retirement System under KRS 61.525;

5. Employees shall be provided a health benefits package that is available
or equivalent to that provided to other state or university employees; and

6. Employees shall be provided life insurance coverage and optional
   insurance or investment programs.

(e) The board shall adopt rules that are the same as the administrative regulations
   under KRS Chapter 151B in effect on June 30, 1998, to govern the certified
   and equivalent employees who transfer from the former Cabinet for
   Workforce Development, except that the rules shall provide that all grievances
   and appeals shall be to the board of regents or to the board's designee. The
   board shall adopt rules that are the same as the administrative regulations
   under KRS Chapter 18A in effect on June 30, 1998, to govern the transferred
   classified employees, except that the rules shall provide that all grievances and
   appeals shall be to the board of regents or to the board's designee. A
   transferred employee shall have the option to elect to participate in the new
   Kentucky Community and Technical College personnel system in lieu of the
   rules under which the employee transferred. An employee who elects to accept
   this option may not return to the previous personnel policy. An employee shall
   have the right to exercise this option at any time.

(2) New employees hired after July 1, 1997, in the Kentucky Community and Technical
   College System shall be governed by the rules and regulations established by the
   board, except that no housing allowance shall be provided for the president of the
   Kentucky Community and Technical College System.

SECTION 28. A NEW SECTION OF KRS 153.210 TO 153.235 IS CREATED
TO READ AS FOLLOWS:

An entity involved in producing or financing arts on a local or statewide basis, since
the inception of fiscal year 2004-2005, which received a total of twenty-five thousand
dollars ($25,000) or less as a result of appropriations or grants from state or local
governmental units, shall be exempt from the requirements of:
(1) KRS 61.805 to 61.850; and

(2) KRS 61.870 to 61.884.

Section 29. KRS 151.611 is amended to read as follows:

(1) A Stream Restoration and Mitigation Authority may be established for any HUC 10 watershed in the Commonwealth. Each authority formed under this section shall be a public body corporate and politic with the authority to:

(a) Sue and be sued;

(b) Enter into contracts with public and private individuals and corporations and engage in cooperative agreements with federal, state, and local governments or agencies, utilities, special districts, and nonprofit organizations for the performance of its duties and functions under KRS 151.610 to 151.615;

(c) Employ personnel as needed, as its fiscal resources may allow, and use the services of volunteers individually or through agreement with governmental agencies, nonprofit organizations, or foundations;

(d) Receive and expend funds from any source, including but not limited to private donations, charitable contributions, public grants, 404 In-lieu Fee Program, and appropriations from the General Assembly; and

(e) Acquire, sell, and hold real interests in property.

(2) Nothing in KRS 151.610 to 151.615 shall be construed to empower or authorize an authority established under KRS 151.610 to 151.615 to exercise regulatory powers with respect to water resources or water quality. An authority established under KRS 151.610 to 151.615 shall not be vested with the power of eminent domain.

(3) It is the preference of the General Assembly that funds contributed by a permittee under a Section 404 Permit into an in-lieu fund for a project designed for stream restoration and mitigation be utilized within the watershed where the adverse effects occur. The General Assembly recognizes that conservation and protection of the water resources of the Commonwealth, including streams, rivers, wetlands, and
riparian habitats, may involve, in addition to restoration and enhancement of aquatic and riparian habitat, proper management of wastewater and stormwater, and abatement of pre-existing sources of pollution. Where an authority has been qualified by the USACE to manage an in-lieu fee or other compensatory mitigation arrangement that is approved after July 15, 2008, under Section 404, and to the extent that the USACE and the Mitigation Review Team has approved the use of such funds for elimination of pre-existing sources of pollution, the authority may expend a portion of the funds for those purposes, provided that the:

(a) Funds spent on water quality improvements are a component of a stream or wetland restoration plan for replacement of aquatic resource functions and values;

(b) Project has been reviewed and approved by the USACE and the Division of Water as being consistent with Sections 404 and 401 of the Clean Water Act;

(c) **In-lieu fees shall be available statewide, to all one hundred twenty (120) counties, subject to federal and state regulatory requirements.**

(4) Nothing in KRS 151.610 to 151.615 shall preclude the authority, when acting as an approved qualified organization managing an in-lieu fee arrangement approved after July 15, 2008, from combining funding from other sources with in-lieu fees in order to achieve efficiencies in stream restoration or mitigation.

Section 30. KRS 61.637 is amended to read as follows:

(1) A retired member who is receiving monthly retirement payments under any of the provisions of KRS 61.510 to 61.705 and 78.510 to 78.852 and who is reemployed as an employee by a participating agency prior to August 1, 1998, shall have his retirement payments suspended for the duration of reemployment. Monthly payments shall not be suspended for a retired member who is reemployed if he anticipates that he will receive less than the maximum permissible earnings as
provided by the Federal Social Security Act in compensation as a result of
reemployment during the calendar year. The payments shall be suspended at the
beginning of the month in which the reemployment occurs.

(2) Employer and employee contributions shall be made as provided in KRS 61.510 to
61.705 and 78.510 to 78.852 on the compensation paid during reemployment,
except where monthly payments were not suspended as provided in subsection (1)
of this section or would not increase the retired member's last monthly retirement
allowance by at least one dollar ($1), and the member shall be credited with
additional service credit.

(3) In the month following the termination of reemployment, retirement allowance
payments shall be reinstated under the plan under which the member was receiving
payments prior to reemployment.

(4) (a) Notwithstanding the provisions of this section, the payments suspended in
accordance with subsection (1) of this section shall be paid retroactively to the
retired member, or his estate, if he does not receive more than the maximum
permissible earnings as provided by the Federal Social Security Act in
compensation from participating agencies during any calendar year of
reemployment.

(b) If the retired member is paid suspended payments retroactively in accordance
with this section, employee contributions deducted during his period of
reemployment, if any, shall be refunded to the retired employee, and no
service credit shall be earned for the period of reemployment.

(c) If the retired member is not eligible to be paid suspended payments for his
period of reemployment as an employee, his retirement allowance shall be
recomputed under the plan under which the member was receiving payments
prior to reemployment as follows:

1. The retired member's final compensation shall be recomputed using
1 creditable compensation for his period of reemployment; however, the
2 final compensation resulting from the recalculation shall not be less than
3 that of the member when his retirement allowance was last determined;
4
5 2. If the retired member initially retired on or subsequent to his normal
6 retirement date, his retirement allowance shall be recomputed by using
7 the formula in KRS 61.595(1);
8
9 3. If the retired member initially retired prior to his normal retirement date,
10 his retirement allowance shall be recomputed using the formula in KRS
11 61.595(2), except that the member's age used in computing benefits shall
12 be his age at the time of his initial retirement increased by the number of
13 months of service credit earned for service performed during
14 reemployment;
15
16 4. The retirement allowance payments resulting from the recomputation
17 under this subsection shall be payable in the month following the
18 termination of reemployment in lieu of payments under subparagraph 3.
19 The member shall not receive less in benefits as a result of the
20 recomputation than he was receiving prior to reemployment or would
21 receive as determined under KRS 61.691; and
22
23 5. Any retired member who was reemployed prior to March 26, 1974, shall
24 begin making contributions to the system in accordance with the
25 provisions of this section on the first day of the month following March
26 26, 1974.
27
28 (5) A retired member, or his estate, shall pay to the retirement fund the total amount of
29 payments which are not suspended in accordance with subsection (1) of this section
30 if the member received more than the maximum permissible earnings as provided
31 by the Federal Social Security Act in compensation from participating agencies
32 during any calendar year of reemployment, except the retired member or his estate
may repay the lesser of the total amount of payments which were not suspended or
fifty cents ($0.50) of each dollar earned over the maximum permissible earnings
during reemployment if under age sixty-five (65), or one dollar ($1) for every three
dollars ($3) earned if over age sixty-five (65).

(6) (a) "Reemployment" or "reinstatement" as used in this section shall not include a
retired member who has been ordered reinstated by the Personnel Board under
authority of KRS 18A.095.

(b) A retired member who has been ordered reinstated by the Personnel Board
under authority of KRS 18A.095 or by court order or by order of the Human
Rights Commission and accepts employment by an agency participating in the
Kentucky Employees Retirement System or County Employees Retirement
System shall void his retirement by reimbursing the system in the full amount
of his retirement allowance payments received.

(7) (a) Effective August 1, 1998, the provisions of subsections (1) to (4) of this
section shall no longer apply to a retired member who is reemployed in a
position covered by the same retirement system from which the member
retired. Reemployed retired members shall be treated as new members upon
reemployment. Any retired member whose reemployment date preceded
August 1, 1998, who does not elect, within sixty (60) days of notification by
the retirement systems, to remain under the provisions of subsections (1) to
(4) of this section shall be deemed to have elected to participate under this
subsection.

(b) A retired member whose disability retirement was discontinued pursuant to
KRS 61.615 and who is reemployed in one (1) of the systems administered by
the Kentucky Retirement Systems prior to his or her normal retirement date
shall have his or her accounts combined upon termination for determining
eligibility for benefits. If the member is eligible for retirement, the member's
service and creditable compensation earned as a result of his or her reemployment shall be used in the calculation of benefits, except that the member's final compensation shall not be less than the final compensation last used in determining his or her retirement allowance. The member shall not change beneficiary or payment option designations. This provision shall apply to members reemployed on or after August 1, 1998.

(8) A retired member or his employer shall notify the retirement system if he has accepted employment or is serving as a volunteer with an employer that participates in the retirement system from which the member retired. The retired member and the participating employer shall submit the information required or requested by the systems to confirm the individual's employment or volunteer status.

(9) If the retired member is under a contract, the member shall submit a copy of that contract to the retirement system, and the retirement system shall determine if the member is an independent contractor for purposes of retirement benefits. The retired member and the participating employer shall submit the information required or requested by the systems to confirm the individual's employment or volunteer status.

(10) If a member is receiving a retirement allowance, or has filed the forms required for a retirement allowance, and is employed within one (1) month of the member's initial retirement date in a position that is required to participate in the same retirement system from which the member retired, the member's retirement shall be voided and the member shall repay to the retirement system all benefits received. The member shall contribute to the member account established for him prior to his voided retirement. The retirement allowance for which the member shall be eligible upon retirement shall be determined by total service and creditable compensation.

(11) (a) If a member of the Kentucky Employees Retirement System retires from a department which participates in more than one (1) retirement system and is
reemployed within one (1) month of his initial retirement date by the same
department in a position participating in another retirement system, the retired
member's retirement allowance shall be suspended for the first month of his
retirement and the member shall repay to the retirement system all benefits
received for the month.

(b) A retired member of the County Employees Retirement System who after
initial retirement is hired by the county from which the member retired shall
be considered to have been hired by the same employer.

(12) (a) If a hazardous member who retired prior to age fifty-five (55), or a
nonhazardous member who retired prior to age sixty-five (65), is reemployed
within six (6) months of the member's termination by the same employer, the
member shall obtain from his previous and current employers a copy of the
job description established by the employers for the position and a statement
of the duties performed by the member for the position from which he retired
and for the position in which he has been reemployed.

(b) The job descriptions and statements of duties shall be filed with the retirement
office.

(13) If the retirement system determines that the retired member has been employed in a
position with the same principal duties as the position from which the member
retired:

(a) The member's retirement allowance shall be suspended during the period that
begins on the month in which the member is reemployed and ends six (6)
months after the member's termination;

(b) The retired member shall repay to the retirement system all benefits paid from
systems administered by Kentucky Retirement Systems under reciprocity,
including medical insurance benefits, that the member received after
reemployment began;
(c) Upon termination, or subsequent to expiration of the six (6) month period from the date of termination, the retired member's retirement allowance based on his initial retirement account shall no longer be suspended and the member shall receive the amount to which he is entitled, including an increase as provided by KRS 61.691;

(d) Except as provided in subsection (7) of this section, if the position in which a retired member is employed after initial retirement is a regular full-time position, the retired member shall contribute to a second member account established for him in the retirement system. Service credit gained after the member's date of reemployment shall be credited to the second member account; and

(e) Upon termination, the retired member shall be entitled to benefits payable from his second retirement account.

(14) (a) If the retirement system determines that the retired member has not been reemployed in a position with the same principal duties as the position from which he retired, the retired member shall continue to receive his retirement allowance.

(b) If the position is a regular full-time position, the member shall contribute to a second member account in the retirement system.

(15) (a) If a retired member is reemployed at least one (1) month after initial retirement in a different position, or at least six (6) months after initial retirement in the same position, and prior to normal retirement age, the retired member shall contribute to a second member account in the retirement system and continue to receive a retirement allowance from the first member account.

(b) Service credit gained after reemployment shall be credited to the second member account. Upon termination, the retired member shall be entitled to benefits payable from the second member account.
(16) A retired member who is reemployed and contributing to a second member account shall not be eligible to purchase service credit under any of the provisions of KRS 16.505 to 16.652, 61.510 to 61.705, or 78.510 to 78.852 which he was eligible to purchase prior to his initial retirement.

(17) Notwithstanding any provision of subsections (1) to (7)(a) and (10) to (15) of this section, the following shall apply to retired members who are reemployed by an agency participating in one (1) of the systems administered by Kentucky Retirement Systems on or after September 1, 2008:

(a) Except as provided by paragraphs (c) and (d) of this subsection, if a member is receiving a retirement allowance from one (1) of the systems administered by Kentucky Retirement Systems, or has filed the forms required to receive a retirement allowance from one (1) of the systems administered by Kentucky Retirement Systems, and is employed in a regular full-time position required to participate in one (1) of the systems administered by Kentucky Retirement Systems or is employed in a position that is not considered regular full-time with an agency participating in one (1) of the systems administered by Kentucky Retirement Systems within three (3) months following the member's initial retirement date, the member's retirement shall be voided, and the member shall repay to the retirement system all benefits received, including any health insurance benefits. If the member is returning to work in a regular full-time position required to participate in one (1) of the systems administered by Kentucky Retirement Systems:

1. The member shall contribute to a member account established for him or her in one (1) of the systems administered by Kentucky Retirement Systems, and employer contributions shall be paid on behalf of the member by the participating employer; and

2. Upon subsequent retirement, the member shall be eligible for a
retirement allowance based upon total service and creditable compensation, including any additional service or creditable compensation earned after his or her initial retirement was voided;

(b) Except as provided by paragraphs (c) and (d) of this subsection, if a member is receiving a retirement allowance from one (1) of the systems administered by Kentucky Retirement Systems and is employed in a regular full-time position required to participate in one (1) of the systems administered by Kentucky Retirement Systems after a three (3) month period following the member's initial retirement date, the member may continue to receive his or her retirement allowance during the period of reemployment subject to the following provisions:

1. Both the employee and participating agency shall certify in writing on a form prescribed by the board that no prearranged agreement existed between the employee and agency prior to the employee's retirement for the employee to return to work with the participating agency. If an elected official is reelected to a new term of office in the same position and retires following the election but prior to taking the new term of office, he or she shall be deemed by the system as having a prearranged agreement under the provisions of this subparagraph and shall have his or her retirement voided. If the participating agency or employer fail to complete the certification, the member's retirement shall be voided and the provisions of paragraph (a) of this subsection shall apply to the member and the employer;

2. Notwithstanding any other provision of KRS Chapter 16, 61, or 78 to the contrary, the member shall not contribute to the systems and shall not earn any additional benefits for any work performed during the period of reemployment;
3. Except as provided by KRS 70.291 to 70.293 and 95.022 and except for any retiree employed as a school resource officer as defined by KRS 158.441, the employer shall pay employer contributions as specified by KRS 61.565 and 61.702 on all creditable compensation earned by the employee during the period of reemployment. The additional contributions paid shall be used to reduce the unfunded actuarial liability of the systems; and

4. Except as provided by KRS 70.291 to 70.293 and 95.022 and except for any retiree employed as a school resource officer as defined by KRS 158.441, the employer shall be required to reimburse the systems for the cost of the health insurance premium paid by the systems to provide coverage for the retiree, not to exceed the cost of the single premium. Effective July 1, 2015, Local school boards shall not be required to pay the reimbursement required by this subparagraph for retirees employed by the board for eighty (80) days or less during the fiscal year;

(c) If a member is receiving a retirement allowance from the State Police Retirement System or from hazardous duty retirement coverage with the Kentucky Employees Retirement System or the County Employees Retirement System, or has filed the forms required to receive a retirement allowance from the State Police Retirement System or from hazardous duty retirement coverage with the Kentucky Employees Retirement System or the County Employees Retirement System, and is employed in a regular full-time position required to participate in the State Police Retirement System or in a hazardous duty position with the Kentucky Employees Retirement System or the County Employees Retirement System within one (1) month following the member’s initial retirement date, the member’s retirement shall be voided, and the member shall repay to the retirement system all benefits received, including
any health insurance benefits. If the member is returning to work in a regular
time position required to participate in one (1) of the systems
administered by Kentucky Retirement Systems:
1. The member shall contribute to a member account established for him or
her in one (1) of the systems administered by Kentucky Retirement
Systems, and employer contributions shall be paid on behalf of the
member by the participating employer; and
2. Upon subsequent retirement, the member shall be eligible for a
retirement allowance based upon total service and creditable
compensation, including any additional service or creditable
compensation earned after his or her initial retirement was voided;
(d) If a member is receiving a retirement allowance from the State Police
Retirement System or from hazardous duty retirement coverage with the
Kentucky Employees Retirement System or the County Employees Retirement
System and is employed in a regular full-time position required to participate
in the State Police Retirement System or in a hazardous duty position with the
Kentucky Employees Retirement System or the County Employees Retirement
System after a one (1) month period following the member's initial retirement
date, the member may continue to receive his or her retirement allowance
during the period of reemployment subject to the following provisions:
1. Both the employee and participating agency shall certify in writing on a
form prescribed by the board that no prearranged agreement existed
between the employee and agency prior to the employee's retirement for
the employee to return to work with the participating agency. If an
elected official is reelected to a new term of office in the same position
and retires following the election but prior to taking the new term of
office, he or she shall be deemed by the system as having a prearranged
agreement under the provisions of this subparagraph and shall have his
or her retirement voided. If the participating agency or employer fail to
complete the certification, the member's retirement shall be voided and
the provisions of paragraph (c) of this subsection shall apply to the
member and the employer;

2. Notwithstanding any other provision of KRS Chapter 16, 61, or 78 to
the contrary, the member shall not contribute to the systems and shall
not earn any additional benefits for any work performed during the
period of reemployment;

3. Except as provided by KRS 70.291 to 70.293 and 95.022 **and except for**
any retiree employed as a school resource officer as defined by KRS
158.441, the employer shall pay employer contributions as specified by
KRS 61.565 and 61.702 on all creditable compensation earned by the
employee during the period of reemployment. The additional
contributions paid shall be used to reduce the unfunded actuarial liability
of the systems; and

4. Except as provided by KRS 70.291 to 70.293 and 95.022 **and except for**
any retiree employed as a school resource officer as defined by KRS
158.441, the employer shall be required to reimburse the systems for the
cost of the health insurance premium paid by the systems to provide
coverage for the retiree, not to exceed the cost of the single premium;

(e) Notwithstanding paragraphs (a) to (d) of this subsection, a retired member
who qualifies as a volunteer for an employer participating in one (1) of the
systems administered by Kentucky Retirement Systems and who is receiving
reimbursement of actual expenses, a nominal fee for his or her volunteer
services, or both, shall not be considered an employee of the participating
employer and shall not be subject to paragraphs (a) to (d) of this subsection if:
1. Prior to the retired member's most recent retirement date, he or she did not receive creditable compensation from the participating employer in which the retired member is performing volunteer services;

2. Any reimbursement or nominal fee received prior to the retired member's most recent retirement date has not been credited as creditable compensation to the member's account or utilized in the calculation of the retired member's benefits;

3. The retired member has not purchased or received service credit under any of the provisions of KRS 61.510 to 61.705 or 78.510 to 78.852 for service with the participating employer for which the retired member is performing volunteer services; and

4. Other than the status of volunteer, the retired member does not become an employee, leased employee, or independent contractor of the employer for which he or she is performing volunteer services for a period of at least twenty-four (24) months following the retired member's most recent retirement date.

If a retired member, who provided volunteer services with a participating employer under this paragraph violates any provision of this paragraph, then he or she shall be deemed an employee of the participating employer as of the date he or she began providing volunteer services and both the retired member and the participating employer shall be subject to paragraphs (a) to (d) of this subsection for the period of volunteer service; and

(f) Notwithstanding any provision of this section, any mayor or member of a city legislative body who has not participated in the County Employees Retirement System prior to retirement, but who is otherwise eligible to retire from the Kentucky Employees Retirement System or the State Police Retirement System, shall not be:
1. Required to resign from his or her position as mayor or as a member of the city legislative body in order to begin drawing benefits from the Kentucky Employees Retirement System or the State Police Retirement System; or

2. Subject to any provision of this section as it relates solely to his or her service as a mayor or member of the city legislative body.

Section 31. KRS 70.292 is amended to read as follows:

(1) A county police department or county sheriff's office in the Commonwealth of Kentucky may employ police officers who have retired under the State Police Retirement System, Kentucky Employees Retirement System, or the County Employees Retirement System as provided by KRS 70.291 to 70.293.

(2) An individual employed under KRS 70.291 to 70.293 shall have:

(a) Participated in the Law Enforcement Foundation Program fund under KRS 15.410 to 15.515; or

(b) Retired as a commissioned officer pursuant to KRS Chapter 16;

(c) Retired with at least twenty (20) years of service credit;

(d) Been separated from service for the period required by KRS 61.637 so that the member's retirement is not voided;

(e) Retired with no administrative charges pending; and

(f) Retired with no pre-existing agreement between the individual and the county police department or the sheriff's office prior to the individual's retirement for the individual to return to work for the county police department or the sheriff's office.

Section 32. KRS 70.293 is amended to read as follows:

(1) Individuals employed under KRS 70.291 to 70.293 shall:

(a) Serve for a term not to exceed one (1) year. The one (1) year employment term may be renewed annually at the discretion of the employing county police department.
**department or** sheriff's office;

(b) Receive compensation according to the standard procedures applicable to the employing **county police department or** sheriff's office; and

(c) Be employed based upon need as determined by the **county police department or** employing sheriff's office.

(2) Notwithstanding any provisions of KRS 16.505 to 16.652, 18A.225 to 18A.2287, 61.510 to 61.705, or 78.510 to 78.852 to the contrary:

(a) Individuals employed under KRS 70.291 to 70.293 shall continue to receive all retirement and health insurance benefits to which they were entitled upon retiring in the applicable system administered by Kentucky Retirement Systems;

(b) Individuals employed under KRS 70.291 to 70.293 shall not be eligible to receive health insurance coverage through the **county police department, the sheriff's office, or the fiscal court of the county police department or** sheriff's office;

(c) The **county police department, sheriff's office, or fiscal court of the county police department or** sheriff's office shall not pay any employer contributions or retiree health expense reimbursements to the Kentucky Retirement Systems required by KRS 61.637(17) for individuals employed under KRS 70.291 to 70.293; and

(d) The **county police department, sheriff's office, or fiscal court of the county police department or** sheriff's office shall not pay any insurance contributions to the state health insurance plan, as provided by KRS 18A.225 to 18A.2287, for individuals employed under KRS 70.291 to 70.293.

(3) Individuals employed under KRS 70.291 to 70.293 shall be subject to any merit system, civil service, or other legislative due process provisions applicable to the **county police department or** sheriff's office. A decision not to renew a one (1) year
appointment term under this section shall not be considered a disciplinary action or
depprivation subject to due process.

Section 33. KRS 161.569 is amended to read as follows:

(1) Any person electing to participate in the optional retirement plan shall be ineligible
for membership in the regular retirement plan of the Kentucky Teachers' Retirement
System for as long as the participant is employed in a position for which the
optional retirement plan is available, except as provided in KRS 161.568(1).

(2) Any person electing to participate in the optional retirement plan shall acknowledge
in writing that the benefits payable to participants are not the obligation of the
Commonwealth of Kentucky or the Kentucky Teachers' Retirement System, and
that these benefits and other rights of the optional retirement plan are the liability
and responsibility solely of the designated companies to which contributions have
been made.

(3) Benefits shall be payable to optional retirement plan participants or their
beneficiaries by the designated companies in accordance with the contracts issued
by each company and the retirement plan provisions adopted by each public
institution.

(4) Annuity contracts issued under the optional retirement plan and all rights of a
participant in the optional retirement plan shall be exempt from any state, local, or
municipal tax; assessment for the insolvency of any life, health, or casualty
insurance company; any levy or sale, garnishment, or attachment; or any process
whatsoever, and shall be unassignable except as otherwise specifically provided by
the contracts offered under the optional retirement plan adopted by the respective
public institutions of higher education. Except contracts issued and rights accrued in
the optional retirement plan on or after January 1, 1998, shall be subject to the tax
imposed by KRS 141.020, to the extent provided in KRS 141.010 and 141.0215.

(5) Each institution shall contribute for each payroll period of each fiscal year to the
Kentucky Teachers' Retirement System, an amount equal to five and one-tenth percent (5.1%) of the total salaries of all persons who elect or elected to participate in the optional retirement plan instead of the Kentucky Teachers' Retirement System. This payment shall continue to be made until **June 30, 2018**[July 1, 2018].

No contributions shall be payable on or after July 1, 2018, to the Kentucky Teachers' Retirement System for all persons who elect or elected to participate in the optional retirement plan instead of the Kentucky Teachers' Retirement System.

**SECTION 34.** A NEW SECTION OF KRS 160.1590 TO 160.1599 IS CREATED TO READ AS FOLLOWS:

1. A public charter school shall serve as a school of location within its local education agency.

2. Attendance for a student enrolled in a public charter school who resides within the boundaries of the local school district where the public charter school is located shall be included and reported in the local school district's superintendent's annual attendance report and any other reports used for enrollment and attendance purposes required to be submitted to the Kentucky Department of Education. This data shall be used to calculate funding for the local school district pursuant to KRS 157.360 and 157.440(1)(a).

3. (a) A local school district where a public charter school is located shall transfer the public charter school's portion of the local school district's funding calculated pursuant to KRS 157.360. The public charter school's portion shall be allocated in the same manner as the school allocation model used by the local school district based on applicable data provided by the public charter school. A report detailing the formula used for public charter schools and the local school district's non-charter schools shall be transmitted to the Kentucky Board of Education, the secretary of the
Education and Workforce Development Cabinet, the Legislative Research Commission, and the authorizer within thirty (30) days of its adoption by the local school board, after which the Kentucky Board of Education may find the formula used by the local school district for public charter schools deficient and request a revision thereof within ninety (90) days.

(b) The following funds shall not be included in the funds allocated to the public charter school:

1. Local capital outlay funds that are restricted in use pursuant to KRS 157.420(4), 157.440(1)(b), and 157.621, or other financing mechanisms for new construction and renovation projects for school facilities;

2. Local funds raised pursuant to KRS 157.440(2)(a);

3. Transportation funds calculated pursuant to KRS 157.360(2)(c), as outlined in subsection (4) of this section; and

4. Three percent (3%) of the total funding allocated in paragraph (a) of this subsection, which shall be retained by the authorizer if the authorizer is a local school district or transferred to the authorizer if the authorizer is not a local school district. If the Kentucky Board of Education approves a public charter school on appeal from another authorizer, the Kentucky Board of Education shall receive twenty-five percent (25%) of any authorizer fee during the period of the charter.

(4) If a local school district provides transportation to students attending a public charter school under terms agreed upon by the local school district and the public charter school in the charter contract, the local school district shall not be required to transfer the transportation funds described in subsection (3)(b)3. of this section. If a local school district does not provide transportation to students attending a public charter school, the transportation funds described in
subsection (3)(b)3. of this section shall be transferred to the public charter
school. The amount of funds transferred shall be calculated by multiplying the
total amount of transportation funds the local school district receives pursuant to
KRS 157.360(2)(c) by a fraction, the numerator of which equals the number of
students attending the public charter school who would otherwise be transported
by the local school district, and the denominator of which equals the total
number of students transported by the local school district.

(5) Public charter schools shall receive any education funds derived from
occupational license fees on a proportionate per-pupil basis.

(6) Funding for a public charter school that is authorized by a collaborative of one
(1) or more local school districts shall be determined by the collaborative
agreement. A copy of the collaborative agreement and the allocation formula
used for each participating local school district's non-charter schools shall be
transmitted to the Kentucky Board of Education, the secretary of the Education
and Workforce Development Cabinet, the Legislative Research Commission, and
the authorizer within thirty (30) days of its adoption by the local school board,
after which the Kentucky Board of Education may find the funding plan
contained in the collaborative agreement deficient and request a revision thereof
within ninety (90) days.

(7) A student enrolled in a public charter school that is a regional achievement
academy who resides outside the boundaries of the local school district where the
regional achievement academy is located but within the regional achievement
zone shall be included and reported in the local school district of residence's
superintendent's annual attendance report and any other reports used for
enrollment and attendance purposes required to be submitted to the Kentucky
Department of Education. This data shall be used to calculate funding for the
local school district of residence pursuant to KRS 157.360 and 157.440(1)(a).
(8) (a) A local school district that is located within a regional achievement zone shall transfer the public charter school's portion of the local school district's funding calculated pursuant to KRS 157.360. The public charter school's portion shall be allocated in the same manner as the school allocation model used by the local school district based on applicable data provided by the public charter school. A report detailing the formula used for public charter schools and the local school district's non-charter schools shall be transmitted to the Kentucky Board of Education, the secretary of the Education and Workforce Development Cabinet, the Legislative Research Commission, and the authorizer within thirty (30) days of its adoption by the local school board, after which the Kentucky Board of Education may find the formula used by the local school district for public charter schools deficient and request a revision thereof within ninety (90) days.

(b) The following funds shall not be included in the funds allocated to the regional achievement academy:

1. Local capital outlay funds that are restricted in use pursuant to KRS 157.420(4), 157.440(1)(b), and 157.621, or other financing mechanisms for new construction and renovation projects for school facilities;

2. Local funds raised pursuant to KRS 157.440(2)(a);

3. Transportation funds calculated pursuant to KRS 157.360(2)(c), as outlined in subsection (9) of this section; and

4. Three percent (3%) of the total funding allocated in paragraph (a) of this subsection, which shall be retained by the authorizer if the authorizer is a local school district, or transferred to the authorizer or authorizing collaborative and distributed to the participating local
school districts in the collaborative as determined by the collaborative agreement if the authorizer is a collaborative of two (2) or more local school districts, or transferred to the authorizer if the authorizer is not a local school district. If the Kentucky Board of Education approves a public charter school on appeal from another authorizer, the Kentucky Board of Education shall receive twenty-five percent (25%) of any authorizer fee during the period of the charter.

(9) Transportation for students in a public charter school located within a regional achievement zone shall be provided as determined by the authorizing local school district or collaborative as determined by the collaborative agreement. If a local school district that is a participant in the authorizing collaborative provides transportation to students attending a public charter school in a regional achievement zone under terms agreed upon by the local school district and the public charter school in the charter contract, the local school district shall not be required to transfer to the public charter school the transportation funds described in subsection (8)(b)3. of this section. If a local school district that is a participant in a collaborative does not provide transportation to students attending a public charter school, the transportation funds described in subsection (8)(b)3. of this section shall be transferred to the local school district providing the transportation, if applicable, or to the regional achievement academy if no local school district provides transportation. The amount of funds transferred shall be calculated by multiplying the total amount of transportation funds the local school district receives pursuant to KRS 157.360(2)(c) by a fraction, the numerator of which equals the number of students attending the public charter school who would otherwise be transported by the local school district, and the denominator of which equals the total number of students transported by the local school district. If a local school district is not a
participant in the collaborative authorizing the public charter school in a
regional achievement zone, the local school district shall not be required to
transfer to the public charter school the transportation funds described in
subsection (8)(b)3. of this section.

(10) Funds transferred for purposes of public charter schools shall be transferred
throughout the school year according to a schedule to be determined by the
Kentucky Board of Education. A failure to transfer required funds shall result in
a fine to the entity required to transfer the funds of not less than five percent (5%)
of the total funding per funding period for every five (5) days late on funds
transfers, which shall be transferred to the public charter school.

(11) Funds transferred pursuant to this section shall be transferred to:

(a) The public charter school if the local school district is the authorizer;
(b) The regional achievement academy if a regional achievement zone
    collaborative is the authorizer; or
(c) The authorizer if a local school district or regional achievement zone
    collaborative is not the authorizer of the public charter school.

(12) The Kentucky Board of Education shall promulgate administrative regulations
governing the transfer of funds between local school districts, authorizers, and
public charter schools, and the imposition of fines for late funds transfers.

(13) A public charter school shall be eligible for federal and state competitive grants
and shall not be excluded from an opportunity to participate as an independent
educational entity as long as the available grants align with the grade levels
included in the public charter school and the other criteria established for the
respective grants.

(14) A public charter school shall receive a proportionate share of moneys generated
under federal and state categorical aid programs for students that are eligible for
the aid and attending the public charter school. A local school district shall
ensure that a public charter school with rapidly expanding enrollment is treated equitably in the calculation and disbursement of all federal and state categorical aid program funding. Each public charter school that receives such aid shall comply with all reporting requirements to receive such aid.

(15) The commissioner of education shall apply for all federal funding that supports charter school initiatives for which a state must be the applicant and shall cooperate with a public charter school in its efforts to seek federal funding.

Section 35. KRS 161.141 is amended to read as follows:

(1) As used in this section, "public charter school," "local school board," and "local school district" have the same meanings as in KRS 160.1590.

(2) (a) Public charter school employees shall participate in the Teachers' Retirement System or the County Employees Retirement System, as determined by their eligibility for participation in the appropriate system and provided the public charter school satisfies the criteria set by the Internal Revenue Service to participate in a governmental retirement plan.

(b) Teachers and other certified personnel shall make any required employee contributions to the Teachers' Retirement System under KRS 161.220 to 161.716.

(c) Classified employees shall make any required employee contributions to the County Employees Retirement System under KRS 78.510 to 78.852.

(d) A public charter school shall make any required employer contributions to the Teachers' Retirement System under KRS 161.220 to 161.716 and the County Employees Retirement System under KRS 78.510 to 78.852 in the same manner and level as local school districts.

(3) A public charter school shall participate in the state-sponsored health insurance program on the same basis as a local school district.

(4) Any state appropriation for retirement, health, or life insurance benefits made on
behalf of a local public school employee shall also be made on behalf of a public
charter school employee.

(5) For the purposes of calculating sick leave credit under KRS 161.220 to 161.716,
teachers and other certified personnel shall not accumulate more days of sick
leave during their employment with a public charter school than they would have
otherwise accumulated as a certified employee of the local school district in
which the public charter school is located.

(6) (a) A public charter school employee shall not be required to be a member
of any collective bargaining agreement.
(b) A public charter school employee who enters into any collective bargaining
unit must do so as a separate unit from the local school district.

(7) (4) A local school board shall not require any employee of the local school district
to be employed in a public charter school or any student enrolled in the school
district to attend a public charter school.

(8) (5) A local school board shall not harass, threaten, discipline, discharge, retaliate,
or in any manner discriminate against any district employee involved directly or
indirectly with an application to establish a public charter school.

⇒ Section 36. Kentucky Agricultural Finance Corporation: Notwithstanding KRS 247.978(2), the total amount of principal which a qualified applicant may owe the Kentucky Agricultural Finance Corporation at any one time shall not exceed $5,000,000.

⇒ Section 37. Administrative Fee on Infrastructure for Economic Development Fund Projects: A one-half of one percent administrative fee is authorized to be paid to the Kentucky Infrastructure Authority for the administration of each project funded by the Infrastructure for Economic Development Fund for Coal-Producing Counties and the Infrastructure for Economic Development Fund for Tobacco Counties. These administrative fees shall be paid, upon inception of the project, out of the fund from which the project was allocated.
Section 38. **Child Victim’s Trust Fund License Plate Statutory Suspension:** Notwithstanding KRS 186.162(2)(v), any revenue received from the sale or renewal of Child Victims’ Trust Fund license plates in excess of actual costs incurred by the Transportation Cabinet related to the distribution of those plates shall be transferred to the Child Victims’ Trust Fund on an annual basis.

Section 39. **Settlement Funds:** Notwithstanding KRS 48.005(4), any funds or assets recovered by the Attorney General in connection with a lawsuit in which he or she is a party or has entered his or her appearance on behalf of the Commonwealth of Kentucky, including ex rel. or other types of actions, shall be paid directly to the Commonwealth and deposited in a distinct trust and agency account for each settlement. The Office of Attorney General may recover reasonable costs of litigation as determined by the court and approved by the Secretary of the Finance and Administration Cabinet. The amount of settlement funds used to recover costs of litigation for each settlement shall be reported to the Interim Joint Committee on Appropriations and Revenue. After recovering reasonable costs of litigation, any required consumer restitution or payments shall be made. No other funds or assets shall be disbursed from the trust and agency accounts unless appropriated by the General Assembly. Any disbursements from settlement funds placed within a trust and agency account shall be reported monthly to the Interim Joint Committee on Appropriations and Revenue.

Section 40. **Charges for Federal, State, and Local Audits and Reviews:** Any additional expenses incurred by the Auditor of Public Accounts for required audits or reviews of Federal Funds shall be charged to the government or agency that is the subject of the audit or review. The Auditor of Public Accounts receives General Fund appropriations for audits of the statewide systems of personnel and payroll, cash and investments, revenue collection, and the state accounting system. Any expenses incurred by the Auditor of Public Accounts for any other audits or reviews shall be charged to the agency that is the subject of such audit or review. The Auditor of Public Accounts shall
maintain a record of all time and expenses for each audit, review, or investigation.

Notwithstanding KRS 43.070(3), a county audited under KRS 43.070(1)(a)1. shall bear seventy-five percent (75%) of the actual expense of the audit. A county audited under KRS 43.070(1)(a)2. or (2)(a) shall bear the total actual expense of the audit. No county shall be required to bear the expense for more than one (1) audit of the same fund or office annually pursuant to KRS 43.070(1)(a)1. or 2., except as provided in KRS 64.810(4).

Section 41. Personnel Board Operating Assessment: Each agency of the Executive Branch with employees covered by KRS Chapter 18A shall be assessed each fiscal year the amount required for the operation of the Personnel Board. The agency assessment shall be determined by the Secretary of the Finance and Administration Cabinet based on the authorized full-time positions of each agency on July 1 of each year of the biennium. The Secretary of the Finance and Administration Cabinet shall collect the assessment.

Section 42. Water Withdrawal Fees: The water withdrawal fees imposed by the Kentucky River Authority shall not be subject to state and local taxes. Notwithstanding KRS 151.710(10), Tier I water withdrawal fees shall be used to support the operations of the Authority and for contractual services for water supply and quality studies.

Section 43. Urgent Needs School Assistance: If a school district receives an allotment for an Urgent Needs School authorized in 2014 Ky. Acts ch. 117, Part I, A., 28., (5), 2014 Ky. Acts ch. 117, Part I, C., 1., (19)(b), and 2016 Ky. Acts ch. 149, part I, A., 28., (4) and (5) and subsequently, as a result of litigation or insurance, receives funds for the original facility, the school district shall reimburse the Commonwealth an amount equal to that received for such purposes. If the litigation or insurance receipts are less than the amount received, the district shall reimburse the Commonwealth an amount equal to that received as a result of litigation or insurance less the district’s costs and legal fees in
securing the judgment or payment. Any funds received in this manner shall be deposited in the Budget Reserve Trust Fund Account (KRS 48.705).

**Section 44. Real Property Disposal:** There is hereby established within the Education and Workforce Development Cabinet the Office of Employment Training Building Proceeds Fund for the support of workforce operations. Notwithstanding KRS 45.229, any fund balance at the close of fiscal year 2018-2019 shall not lapse but shall be carried forward to the next fiscal year. Pursuant to KRS 45.229, any fund balance at the close of fiscal year 2019-2020 shall lapse to the surplus account of the General Fund. Notwithstanding KRS 45.777, up to $3,000,000 of proceeds from the disposal under KRS 45A.045 of any state-owned real property operated by the Office of Employment and Training shall be deposited in the Office of Employment Training Building Proceeds Fund.

**Section 45. Office of Procurement Services Administrative Costs:** Notwithstanding KRS 47.010(1), any revenue derived from the establishment of statewide contracts by the Office of Material and Procurement Services shall be credited to a trust and agency account and shall be used to administer the program.

**Section 46. Insurance Surcharge Rate:** Pursuant to KRS 136.392, the insurance surcharge rate shall be calculated at a rate to provide sufficient funds in the 2018-2020 fiscal biennium for the Firefighters Foundation Program Fund and the Kentucky Law Enforcement Foundation Program Fund. The calculation of sufficient funds for those programs shall include any Restricted Funds carried forward from fiscal years 2017-2018 and 2018-2019 as provided by the General Assembly.

**Section 47. Medicaid Copayments:** Notwithstanding KRS 205.6312, the Department for Medicaid Services may impose copayments for services rendered to Medicaid recipients, not to exceed the amounts permitted by federal law or waivers.

**Section 48. Medicaid and KCHIP Premiums and Cost-Sharing:** Notwithstanding KRS 205.6312 and 205.6485(1)(c), the Department for Medicaid
Services may utilize premiums and cost-sharing for services rendered to Medicaid and
KCHIP recipients not to exceed amounts permitted by federal law or waivers. KCHIP
premiums are suspended for the 2018-2020 biennium.

Section 49. **Assessment on Insurers:** Notwithstanding KRS 304.17B-021 or
any other provision of the Kentucky Revised Statutes to the contrary, for participating
insurers who offer Qualified Health Plans, as defined in 42 U.S.C. sec. 18021, being sold
on the Federal Exchange in the individual market segment, the assessment in KRS
304.17B-021(1)(a) 2. to 4. may be waived or assessed at any rate between zero and one
percent for the 2019 or 2020 Plan Year on any health benefit plan premium written by
that insurer in the individual market segment.

Section 50. **Pro Rata Assessment:** The Personnel Cabinet shall collect a pro
rata assessment from all state agencies, in all three branches of government, and other
organizations that are supported by the System. Those collections shall be deposited and
retained in a Restricted Funds account within the Personnel Cabinet.

Section 51. **Service Capacity Upgrade Fund:** Notwithstanding KRS
341.243(4) and (7), beginning July 1, 2018, seventy-five thousandths of one percent shall
be withheld from each rate established under KRS 341.270 and 341.272, only if the
Unemployment Insurance Trust Fund balance exceeds the balance of the trust fund as of
December 31, 2017, and shall be deposited in the Service Capacity Upgrade Fund and
used solely in accordance with KRS 341.243(2) and as provided by the General
Assembly. The Secretary of the Education and Workforce Development Cabinet may
exercise his or her discretion to reduce the percentage rate established in this subsection
or suspend required payments to the Service Capacity Upgrade Fund at any time.

Section 52. **Premium and Retaliatory Taxes:** Notwithstanding KRS 304.17B-
021(4)(d), premium taxes collected under KRS Chapter 136 from any insurer and
retaliatory taxes collected under KRS 304.3-270 from any insurer shall be credited to the
General Fund.
Section 53. Monthly Per Employee Health Insurance Benefits Assessment:
The Personnel Cabinet shall collect a benefits assessment per month per employee eligible for health insurance coverage in the state group for duly authorized use by the Personnel Cabinet in administering its statutory and administrative responsibilities, including but not limited to administration of the Commonwealth’s health insurance program.

Section 54. Surplus Property: Notwithstanding KRS 45.777, any funds received by the Commonwealth from the disposal of any surplus property at the Kentucky School for the Blind, the Kentucky School for the Deaf, and the FFA Leadership Training Center shall be deposited in a separate restricted account for each facility and shall not be expended without appropriation authority granted by the General Assembly.

Section 55. Publishing Requirements: Notwithstanding KRS 83A.060, 91A.040, and Chapter 424, a county containing a population of more than 90,000 or any city within a county containing a population of more than 90,000, as determined by the 2010 United States Census, may publish enacted ordinances, audits, and bid solicitations by posting the full ordinances, the full audit report including the auditor's opinion letter, or the bid solicitations on an Internet Web site maintained by the county or city government for a period of at least one year. If a county or city publishes ordinances, audits, or bid solicitations on an Internet Web site, the county or city shall also publish an advertisement, in a newspaper qualified in accordance with KRS 424.120, with a description of the ordinances, audits, or bid solicitations published on the Internet Web site, including the Uniform Resource Locator (URL) where the documents can be viewed.

Section 56. Personnel of the Teachers' Retirement System: Notwithstanding KRS 161.230, 161.340(2), or any statute to the contrary, the Teachers' Retirement System Board of Trustees shall authorize the Executive Secretary to appoint the employees deemed necessary to transact the business of the system. All employees of the system, except for the Executive Secretary, shall be subject to the state personnel system
established pursuant to KRS 18A.005 to 18A.204 and shall have their salaries determined by the Secretary of the Personnel Cabinet.

➤ Section 57. Severability of Provisions: If any section, any subsection, or any provision of this Act is found by a court of competent jurisdiction in a final, unappealable order to be invalid or unconstitutional, the decision of the court shall not affect or impair any of the remaining sections, subsections, or provisions.

➤ Section 58. Sections 36 to 48 and 50 to 56 of this Act are effective for and apply to the fiscal year beginning July 1, 2018, and ending June 30, 2019, and the fiscal year beginning July 1, 2019, and ending June 30, 2020, and shall expire at the end of June 30, 2020.

➤ Section 59. Section 45 of this Act is effective for and applies to the plan year beginning January 1, 2019, and ending December 31, 2019, and the plan year beginning January 1, 2020, and ending December 31, 2020, and shall expire at the end of December 31, 2020.

➤ Section 60. Whereas this Act applies to the balancing of the Executive Branch Budget, an emergency is declared to exist, and Section 1 to 33 and 36 to 59 of this Act take effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

➤ Section 61. Whereas the public school year begins on July 1, an emergency is declared to exist, and Sections 34 and 35 of this Act take effect July 1, 2018.