2013 Kentucky League of Cities LEGISLATIVE UPDATE

Bills Enacted by the 2013 Kentucky General Assembly of Interest to Kentucky Cities

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NOTE: The effective date of all legislation enacted by the 2013 Regular Session of the General Assembly is June 25, 2013, except for measures containing emergency or delayed effective date provisions. (OAG 13-005)

If a bill reported in this update becomes effective on a date other than June 25, 2013, it is noted in the summary of the bill.

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HB 221
LOCAL OPTION PRECINCT ELECTIONS

Sponsor: Representative Tommy Thompson (D-Owensboro)

HB 221 creates a new section of KRS Chapter 242 to exempt specified entertainment districts from application of a precinct vote prohibiting the sale of alcoholic beverages if the precinct is located within a "qualifying city." A "qualifying city" is defined as a city that contains a population of 12,000 or greater based on the most recent decennial census. Exemptions apply to any of the following projects or districts that existed in the precinct prior to a precinct vote in favor of prohibition:

1. An entertainment destination center project meeting the qualifications of KRS 148.853(2)(b);

2. A theme-restaurant destination attraction project meeting the qualifications of KRS 148.853(2)(c); or

3. A district of special interest created by the city pursuant to KRS 100.203(1)(e) designated as an entertainment district with a minimum direct investment by the city in infrastructure or other public space of at least $5 million.

The boundaries of a district of special interest may not be enlarged or modified to include any additional territory after submission of a petition for a precinct vote unless the voters of the precinct reject prohibition.

HB 315
BREWER'S LICENSE

Sponsor: Representative Robert Damron (D-Nicholasville)

HB 315 amends KRS 243.150 to permit a brewer of malt beverages to serve on the premises of its brewery complimentary samples of malt beverages produced at the brewery in an amount not to exceed 16 ounces per patron per day if the brewery is located in wet territory.

SB 13
ALCOHOLIC BEVERAGES

Sponsor: Senator John Schickel (R-Union)

SB 13 amends numerous provisions of KRS Chapters 241-244 relating to alcoholic beverage control pursuant to recommendations made by the Governor's Task Force on the Study of Kentucky's Alcoholic Beverage Control Laws in a report submitted to the Governor dated January 10, 2013. Many of the provisions of SB 13 focus on the types of licenses issued, the activities each license may authorize, local option election laws and public safety. Provisions of many statutes are rearranged in a more consistent manner.

The current outdated references to "prohibition" and "discontinuance of prohibition" in KRS Chapters 241-244 are replaced with the words "wet," "dry" and "moist" to describe the status of alcohol sales within a jurisdiction. "Moist" is defined as territory in which a majority of the electorate voted to permit limited alcohol sales by the drink by one or more special limited local option elections but in which the sale of package liquor is not permitted.

KRS 244.290 is amended by SB 13 to permit the sale of distilled spirits and wine during the hours polls are open on any primary, regular, local option or special election day in territories that permit some form of alcohol sales. However, the legislative body of a city of the first four classes or the fiscal court of a county containing a city of the first four classes may adopt an ordinance that either prohibits or limits the hours and times in which the sale of distilled spirits and wine may be sold within its jurisdictional boundaries during the hours the polls are open on any primary, regular, local option or special election day. An ordinance limiting the sale of distilled spirits and wine adopted by a county is inapplicable in a first through fourth class city within the county unless also adopted by the city.

New nonquota license categories designated as NQ1, NQ2, NQ3 and NQ4 are established to replace some existing categories for specialized facilities. An NQ1 retail drink license may be issued to a convention center, racetrack, railroad system, commercial airline or charter flight system. An NQ2 retail drink license replaces current limited drink licenses for restaurants and hotels. An NQ3 license may be issued to a private club or dining car. An NQ4 retail malt beverage drink license may be issued to the holder of a quota retail drink license, microbrewery license, small farm winery license or any other business wishing to sell malt beverages by the drink for consumption on the premises only.

The definition of "qualified historic site" in KRS 241.010 is expanded to include a not-for-profit facility listed on the National Register of Historic Places for purposes of obtaining a license permitting the sale of alcoholic beverages by the drink. A qualified historic site license includes distilled spirits, wine and malt beverages by the drink.

KRS 243.030, 243.060 and 243.070 relating to license fees imposed by the state Department of Alcoholic Beverage Control and local governments for the privilege of manufacturing and

trafficking in alcoholic beverages are amended to eliminate all fees based on city classification. KRS 243.070 relating to city license fees retains the current maximum rate for consolidated local governments and generally applies the maximum rate previously applicable to counties containing cities of the second class to license fees in all other cities. However, license fees effective January 1, 2013, below the maximum rates established by SB 13 may not be increased by more than five percent during any five-year period.

Among other provisions, SB 13 also:

1. Amends KRS 243.157 to permit microbreweries to sell malt beverages produced on the premises for on-premises purposes without having to transfer physical possession to a distributor if the microbrewery has a retail drink license and complies with reporting requirements; and

2. Creates a new section of KRS Chapter 244 to provide immunity from prosecution for alcohol intoxication and offenses related to possession of alcoholic beverages by a minor, or provision of alcoholic beverages to a minor, if a law enforcement officer has contact with a person because the person requests emergency medical assistance for himself or herself or another person who appears to be in need of emergency medical assistance due to alcohol consumption.

HB 1
SPECIAL PURPOSE GOVERNMENTAL ENTITIES

Sponsor: Representative Greg Stumbo (D-Prestonsburg)

HB 1 establishes KRS Chapter 65A as a new chapter of the Kentucky Revised Statutes to increase transparency and accountability of special purpose governmental entities. The legislation is the result of a report prepared by the Auditor of Public Accounts following a review of Kentucky's special taxing districts such as libraries, water districts and fire protection districts.

"Special purpose governmental entity" (SPGE) is defined by HB 1 to mean any agency, authority or entity created or authorized by statute that:

- Exercises less than statewide jurisdiction;
- Exists for the purpose of providing one or a limited number of services or functions;
- Is governed by a board, council, commission, committee, authority or corporation with policy-making authority that is separate from the state and the governing body of the city, county, or cities and counties in which it operates; and
- Has the independent authority to generate public funds or may receive and expend public funds, grants, awards or appropriations from the state or any agency or authority of the state, from a city or county, or from any other special purpose governmental entity.

The definition includes entities created or authorized by city and county governments, including those formed as nonprofit corporations or by interlocal agreements.

Cities, counties, school districts, private entities and utility cooperatives are not considered SPGEs. Additionally, any entity created by a local government that is a department of the local government by virtue of having its budget and financial information integrated with and included as part of the local government which created it is not considered a SPGE.

Registration of Special Purpose Governmental Entities

All SPGEs are required by HB 1 to register with the Department for Local Government (DLG) by December 31, 2013, in a form and format to be determined by DLG. Between the effective date of HB 1 and December 31, 2013, DLG must notify all SPGEs of which it is aware of the registration requirement and the consequences of failing to register in a timely manner. The Auditor of Public Accounts, Kentucky League of Cities, Kentucky Association of Counties and Area Development Districts are required by HB 1 to assist DLG with the notification process.

Beginning July 1, 2014, all SPGEs must annually submit to DLG administrative and financial information as required by DLG including the following:

Administrative Information

1. The name, address, and the term and appointing authority for each board member;
2. The fiscal year of the entity;
3. The date of establishment, establishing entity, and the statute or statutes under which the entity operates;
4. The mailing address, telephone number and, if applicable, the website address of the entity;
5. The operational boundaries and service area of the entity and services provided;
6. A listing of all taxes, fees or charges imposed and collected by the entity, including the rates and amounts charged for the reporting period and the statutory authority for the levy of the tax, fee or charge;
7. The primary contact for the entity for purposes of communication from DLG;
8. The code of ethics that applies to the entity and whether the entity has adopted additional ethics provisions;
9. A listing of all federal, state and local government entities that have oversight authority over the SPGE or to which the SPGE submits reports, data or information; and
10. Any other related administrative information required by DLG.

Financial Information

1. The most recently adopted budget of the entity;
2. After the close of each fiscal year, a comparison of the budget to actual revenues and expenditures for each fiscal year;
3. Completed audits or attestation engagements as required by HB 1;
4. The date the last independent audit of the entity was conducted; and
5. Other financial information oversight reports or information required by DLG.

All information must be submitted electronically except DLG may allow submission by alternate means if it assumes responsibility for converting the data to electronic format.

Beginning October 1, 2014, all information submitted by SPGEs must be publicly available on an online registry created and maintained by DLG. The registry must be in a searchable format to allow, at a minimum, a search by county, by SPGE and by type of entity. The registry must be updated at least monthly but may be updated more frequently at the discretion of DLG.

The necessary reporting and certification forms, online registry portal and online central registry must be made available by DLG for reporting on or before March 1, 2014.

Each SPGE must pay a registration fee to DLG on an annual basis to offset costs incurred in maintaining and administering the registry. The initial annual fee is tiered based on the amount of annual revenue received by the SPGE from all sources as follows: $25 for SPGEs with annual revenues from all sources of less than $100,000; $250 for SPGEs with annual revenues from all sources of at least $100,000 but less than $500,000; and $500 for SPGEs with annual revenues from all sources of $500,000 or greater.

If costs change over time, the fee and tiered structure may be adjusted one time by DLG by administrative regulation to a level no greater than a level expected to generate sufficient revenue to cover actual costs.

Failure to Submit Required Information

HB 1 provides sanctions for failure to submit required information to DLG in a timely manner or submission of noncompliant information.

Upon failure by a SPGE to submit required information or submission of noncompliant information, DLG must notify the SPGE and the city or county establishing the SPGE within 30 days after the due date that the SPGE has 30 days from the date of the notice to submit compliant information and that failure to comply will result in:

- Withholding of any funds due the SPGE in the possession of a state agency until the required information is submitted; and

- Publication of a notice of noncompliance in a newspaper having general circulation in the service area of the SPGE. Failure may also result in performance of an audit or special examination of the SPGE by the Auditor of Public Accounts at the expense of the entity.

If a SPGE fails to submit required information in response to the notice, DLG must within 15 days: (1) notify the Auditor of Public Accounts, the city or county establishing the SPGE, and any state agency having oversight authority for the SPGE; (2) notify the Finance and Administration Cabinet that any funds due the SPGE in the possession of any state agency must be withheld until further notice; and (3) cause a notice to be published in a newspaper having general circulation in the service area of the SPGE. The notice must include a statement that the SPGE failed to comply with reporting requirements, the names of the board members of the SPGE, and the name and contact information of the person identified as the primary contact for the SPGE. The cost for publication of the notice must be borne by the SPGE.

The Auditor of Public Accounts may thereafter initiate an audit or special examination of the SPGE at the expense of the SPGE. Upon receipt of all required information from a noncompliant

SPGE, DLG must notify the Auditor of Public Accounts, the establishing city or county, and the Finance and Administration Cabinet. The Cabinet must notify all state agencies that funds withheld may be distributed.

Any resident or property owner of the service area of a SPGE may bring an action in the Circuit Court to enforce the reporting requirements of HB 1.

Audits, Budgets and Financial Statements

HB 1 additionally establishes requirements relating to audits, budgets and financial statements.

- SPGEs with the higher of annual receipts from all sources or annual expenditures of less than $100,000 must annually prepare a financial statement and once every four years contract for the application of an attestation engagement as determined by DLG;

- SPGEs with the higher of annual receipts from all sources or annual expenditures equal to or greater than $100,000 but less than $500,000 must annually prepare a financial statement and once every four years contract for the provision of an independent audit; and

- SPGEs with the higher of annual receipts from all sources or annual expenditures equal to or greater than $500,000 must annually prepare a financial statement and contract for the provision of an independent audit.

The audit or attestation engagement must be completed no later than 12 months following the close of the fiscal year by a certified public accountant employed by the SPGE or pursuant to a contract with the Auditor of Public Accounts. If a SPGE is required by another provision of law to audit its funds more frequently or more stringently than required by HB 1, the SPGE must comply with the provisions of that law and submit the audit information in accordance with the provisions of HB 1.

DLG will review the information submitted by each SPGE to determine when each SPGE was last audited and notify the SPGE when each audit or attestation engagement is due under the standards and requirements of HB 1.

The governing body of each SPGE must additionally adopt a budget prior to the start of each fiscal year. In lieu of publication requirements of KRS 424.220, each SPGE must publish within 60 days after the close of each fiscal year the location where the adopted budget, financial statement and most recent audit or attestation report may be examined by the public.

A SPGE may not expend funds except in accordance with its adopted budget.

Report of Ad Valorem Taxes and Fees

Beginning July 1, 2014, any SPGE that adopts a new fee or ad valorem tax, increases the rate at which an existing fee or tax is imposed (other than an ad valorem tax) or adopts an ad valorem tax rate must report the fee or tax to the governing body of the city or county in which the largest number of citizens served by the SPGE reside. If the SPGE serves only the residents of a city, the report must be provided to the governing body of the city.

"Fee" is defined to mean any user charge, rental fee, assessment fee, schedule of rates, or tax, other than an ad valorem tax, imposed by a special purpose governmental entity. The definition excludes any fuel cost adjustment that is made pursuant to an agreement with a power supplier based on the variable cost of fuel and passed through to the consumer by the utility pursuant to the agreement between the utility and the power supplier.

The report must be submitted to the governing body at least 30 days before the date the fee or ad valorem tax will be effective. Testimony must be presented related to the fee or tax at a regularly scheduled meeting of the governing body at least 10 days prior to the date the fee or tax will be effective. Public notice of the scheduled presentation must be provided by the governing body.

The report is for informational purposes only. The governing body has no authority to adjust, amend or veto the fee or tax unless another provision of law provides greater authority to the governing body over fees or taxes imposed by a SPGE.

[Note: The section of HB 1 requiring a SPGE to report adoption of a new fee or ad valorem tax was amended after the effective date of HB 1 by the subsequent passage of HB 54 (2013). The amendments of HB 54 are reflected in the above summary.]

Code of Ethics

The board, officers and employees of a SPGE are subject to the code of ethics of the city or county establishing the SPGE in which its principal office is located. If the principal office of the SPGE is located within more than one of the establishing entities, the governing board of the SPGE must select which of the applicable codes will apply. The governing body of a SPGE may adopt ethics provisions that are more stringent than those of the city or county. If more stringent provisions are adopted, the governing body of the SPGE must provide a copy of the provisions to DLG and to the establishing city or county.

Education

DLG must provide or arrange for the provision of educational materials and programs for the governing bodies and employees of SPGEs to inform them of their duties and responsibilities under HB 1. DLG may consult with the Kentucky League of Cities and the Kentucky Association of Counties in developing the required materials and programs.

Dissolution of a Special Purpose Governmental Entity

There are two types of dissolution authorized by HB 1. A SPGE may be dissolved administratively or by general dissolution if there are no other statutory provisions for dissolution of the SPGE. Proceedings for dissolution may be initiated by DLG or by the city or county establishing the SPGE.

Administrative Dissolution

A SPGE may be dissolved administratively if:

- It has taken no action for two or more consecutive years;
- The chair of a SPGE certifies it has no functioning governing board or fails to respond to an inquiry by the entity seeking dissolution;
- The SPGE fails to register with DLG or fails to file required administrative or financial information with DLG for two or more consecutive years; or
- The SPGE or city or county establishing the SPGE adopts a resolution declaring the SPGE inactive.

An entity seeking administrative dissolution of a SPGE must post a notice of proposed administrative dissolution on the registry; publish a notice of proposed administrative dissolution in accordance with KRS Chapter 424; and mail a copy of the notice to the following persons or entities: (1) the person identified as the primary contact for the SPGE, if any; (2) any state agency having oversight authority for the SPGE; and (3) to DLG if the entity seeking dissolution is the establishing city or county or to the establishing city or county if the entity seeking dissolution is DLG.

The notice must include a statement that any objections to the proposed administrative dissolution must be filed in writing with the entity seeking to dissolve the SPGE within 30 days of publication of the notice, the address and process for submitting objections, and a statement that if no written objections are received within 30 days, the SPGE will be administratively dissolved.

Any resident living in or owning property in the area served by the SPGE for which dissolution is sought who is not a member of the governing body of the SPGE or an immediate family member of a member of the governing body may file a written objection to the dissolution.

If no objections are filed within 30 days, the SPGE will be deemed dissolved if all outstanding obligations of the SPGE are satisfied. If written objections are received, the dissolution process will be aborted and continued as a general dissolution if it is determined that dissolution should proceed and there are no other statutory provisions for dissolution of the SPGE.

General Dissolution

Dissolution of a SPGE not meeting the requirements for administrative dissolution and for which there are no other statutory provisions for dissolution may be initiated upon the affirmative vote of two-thirds of the members of the governing body of the SPGE and the adoption of an ordinance by the affirmative vote of two-thirds of the members of the governing body of the establishing entity; or by adoption of an ordinance by the affirmative vote of two-thirds of the members of the governing body of the establishing entity.

Following initiation of dissolution, a SPGE may not assume any new obligations or debt or levy new fees or taxes unless those items are included in a dissolution plan. The governing body initiating the dissolution must develop a dissolution plan that includes, as relevant, provisions addressing the continuation of services, the satisfaction of all liabilities and the distribution of assets of the SPGE.

A public hearing must be held in the city or county of the governing body initiating the dissolution to review the dissolution plan and receive feedback regarding the proposed dissolution. The plan must be made available for public review at least 30 days prior to the hearing. The time and location of the hearing and the location where a copy of the dissolution plan may be reviewed must be posted on the registry and advertised as provided in KRS 424.130. A copy of the notice must be mailed to DLG and to any state agency having oversight authority of the SPGE.

Dissolution must be finally approved or disapproved within 60 days of the public hearing. Approval requires the affirmative vote of two-thirds of the members of the governing body of the SPGE and adoption of an ordinance by the affirmative vote of two-thirds of the members of the governing body of the establishing entity; or by adoption of an ordinance by the affirmative vote of two-thirds of the members of the governing body of the establishing entity.

The dissolution of a SPGE will not be final until all obligations of the SPGE are satisfied or assumed by another entity.

Effective Date

An emergency is declared to exist. HB 1 became law on March 21 when signed by the Governor, except provisions with a delayed effective date of July 1, 2014, requiring a SPGE to report a new or changed fee or tax.

HB 338
CITY-OPERATED NATURAL GAS DISTRIBUTION SYSTEMS

Sponsor: Representative Dennis Horlander (D-Shively)

HB 338 creates a new section of KRS Chapter 96 to permit any city or any board, commission or agency of a city that owns and operates a municipal system for the acquisition, distribution or transmission of natural gas to extend the system and sell natural gas to persons or entities within or outside the boundaries of the city. A publicly, privately or municipally owned natural gas distribution system, including a system owned by a city in another state, may not extend its system for the purpose of selling natural gas to any person or entity currently served by another natural gas utility or to any person or entity when there is another natural gas utility in closer proximity unless the natural gas utility in closer proximity has declined to provide service.

A city extending a natural gas distribution system may install necessary apparatus to provide service and condemn or otherwise acquire rights-of-way in the same manner as a private utility.

HB 338 additionally permits any city other than a city of the first class or consolidated local government to acquire the entire plant of an existing natural gas distribution system by purchase or condemnation under the same process and limitations as provided in KRS 96.580 to 96.600 for acquisition of electric plants.

HB 8
ILLEGAL DRUGS

Sponsor: Representative John Tilley (D-Hopkinsville)

HB 8 expands legislation passed during the 2012 Regular Session of the General Assembly relating to synthetic drugs and drugs containing pseudoephedrine. The bill amends the following statutes:

1. KRS 218A.010 is amended to include additional chemical compounds within the definition of synthetic drugs;
2. KRS 218A.050 is amended to include additional substances in the definition of Schedule I controlled substances;
3. KRS 530.065 is amended to include knowingly inducing, assisting or causing a minor to engage in illegal synthetic drug activity within the offense of unlawful transaction with a minor in the second degree;
4. KRS 218A.1440 is amended to increase the time a person convicted of a methamphetamine-related offense is prohibited from possessing any compound used in the manufacture of methamphetamine from five to 10 years and to permanently prohibit a person convicted of the manufacture of methamphetamine from possessing any compound used in the manufacture of methamphetamine;
5. KRS 218A.1446 is amended to permit logging of sales of ephedrine-based drug products by a pharmacist in either written or electronic format; and
6. KRS 218A.020 is amended to preserve the prescriptive authority of licensed practitioners in the event hydrocodone or any drug containing hydrocodone is rescheduled from a Schedule III to a Schedule II controlled substance.

An emergency is declared to exist. HB 8 became law on March 19, 2013, when signed by the Governor.

HB 217
PRESCRIPTION DRUG ABUSE

Sponsor: Representative Greg Stumbo (D-Prestonsburg)

HB 217 amends components of HB 1 relating to improper or illegal prescribing or dispensing of controlled substances enacted by the 2012 Special Session of the General Assembly. The measure creates exemptions from compliance with some diagnostic and treatment protocols of HB 1 deemed to have low risk for abuse in response to practice concerns expressed by health care providers.

KRS 218A.172 is amended by HB 217 to:

- Remove the requirement for a physical examination in each case when a controlled substance is prescribed, and instead require physical or mental health examinations of a patient "as appropriate to the patient's medical complaint";
- Limit required checks of the state's prescription drug tracking system (KASPER) to the 12-month period immediately preceding a patient encounter rather than for all available data; and
- Exempt compliance with administrative and reporting requirements by licensees prescribing Schedule II or III drugs that contain hydrocodone in the following circumstances:
    1. Following an operation if medically related to the procedure and the medication does not extend beyond 14 days;
    2. For patients in hospitals and long-term care facilities if a KASPER check for the previous 12 months is completed within 12 hours of admission and a copy maintained in the medical record;
    3. For cancer treatment;
    4. For anxiety, pain or discomfort associated with a diagnostic test;
    5. For substitute medication within seven days of an initial prescription due to an adverse reaction; and
    6. For patients enrolled in a federally authorized research project.

A state licensing board may promulgate administrative regulations authorizing additional exemptions from administrative and regulatory requirements if, prior to exercising this authority, the licensing board makes a factual finding based on expert testimony and evidence that the exemption demonstrates a low risk of diversion or abuse; provides a copy of the proposed administrative regulation within one day of filing to the Office of Drug Control Policy with a request for comments; and submits a report of its actions to the Governor and Legislative Research Commission including a detailed explanation of the factual and policy basis underlying the board's action.

HB 217 additionally amends KRS 218A.202 to:

- Eliminate required reporting of Schedule II and Schedule III drugs containing hydrocodone to KASPER if administered directly to a person in a hospital, long-term care facility, institution or group home providing 24-hour care to children or adults; to a person in a correctional facility; or to a patient enrolled in a federally authorized research project; and

- Add chief medical officers of a hospital or long-term care facility and medical examiners engaged in a death investigation to persons authorized to access KASPER data.

KRS 219A.175 is also amended by HB 217 to clarify that a "grandfathered" non-physician owned pain management facility will not be permitted to continue operation if an administrative sanction or criminal conviction relating to controlled substances is imposed on an independent contractor or employee working at the facility.

An emergency is declared to exist. HB 217 became law on March 4, 2013, when signed by the Governor.

HB 366
PRESCRIPTION OF NALOXONE

Sponsor: Representative Tom Burch (D-Louisville)

HB 366 creates a new section of KRS 217.005 to 217.215 to exempt licensed health care providers, including physicians, emergency medical services personnel, nurses and pharmacists, from disciplinary or other adverse action for prescribing or dispensing naloxone to a patient who, in the judgment of the health care provider, is capable of administering the drug for an emergency opioid overdose.

HB 366 additionally allows a prescription for naloxone to include authorization for administration by a third party if the prescribing instructions indicate the need for the third party to immediately notify a local public safety answering point of any situation necessitating administration. A person acting in good faith who administers naloxone as a third party pursuant to HB 366 is immune from criminal and civil liability for administration of the drug.

HB 212
CLEAN AND ALTERNATIVE TRANSPORTATION FUELS

Sponsor: Representative Keith Hall (D-Phelps)

HB 212 amends KRS 154.20-400 to include local governments in the definition of "eligible company" to enable a local government to participate in the Kentucky Alternative Fuel and Renewable Energy Fund Program, codified as KRS 154.20-400 to 154.20-420. The program provides funding to Kentucky-based companies, research organizations and universities to undertake collaborative research and development projects and commercialization work in the area of alternative fuels and renewable energy to stimulate growth of alternative fuel and renewable energy enterprises within the state. An eligible company may submit an application for funding.

State-owned Passenger Vehicles

HB 212 additionally amends KRS 45A.625 to require the Finance and Administration Cabinet to develop strategies to:

1. Replace at least 50 percent of the state-owned passenger vehicles and light-duty trucks managed by the Division of Fleet Management as of January 1, 2014, with new qualified hybrid motor vehicles, new advanced lean-burn technology motor vehicles, new qualified fuel-cell motor vehicles or new qualified alternative-fuel motor vehicles as defined in 26 U.S.C. sec 30B; and
2. Increase the use of ethanol, cellulose, ethanol, biodiesel and other alternative transportation fuels to reduce state government's dependence on petroleum-based transportation fuels.

The Cabinet is required to report its strategy and projected timetable for transitioning to the required motor vehicles and increased use of alternative transportation fuels, including the targeted amounts and the dates by which the targets will be achieved, to the Legislative Research Commission on or before December 1 of each year beginning December 1, 2013.

Converted Motor Vehicles

HB 212 creates new sections of KRS Chapter 186 to require the owner of a motor vehicle converted to operate on compressed natural gas (CNG) or liquefied natural gas (LNG) to have the vehicle periodically inspected for compliance with relevant federal safety standards covering the use of CNG and LNG. Inspections must occur at the time of conversion; every three years or 36,000 miles after the conversion, whichever occurs first; and following any collision in which any vehicle involved is traveling at five miles per hour or greater.

The owner of a motor vehicle originally designed and manufactured to use compressed or liquefied natural gas as a fuel must have it inspected for safety following any collision in which any vehicle involved is traveling at five miles per hour or greater.

A person who performs the conversion of a motor vehicle to operate on CNG or LNG must certify to the owner of the motor vehicle and the Transportation Cabinet that the conversion does not tamper with, circumvent or otherwise affect any existing motor vehicle emissions or diagnostic systems except as necessary to complete the conversion.

The Transportation Cabinet may promulgate administrative regulations to:

1. Qualify persons to perform safety inspections on converted motor vehicles;
2. Modify or adopt for state use any federal safety standards, if necessary; and
3. Identify motor vehicles that have been converted to operate on clean transportation fuels and ensure compliance with applicable safety, emissions and efficiency requirements.

In promulgating administrative regulations, the cabinet must consider:

- Directing that inspections use equipment that is widely available in the state; and
- Creating a regulatory framework that encourages the conversion and sale of motor vehicles that operate on CNG, LNG or a bi-fuel system.

HB 378
IMPAIRED WATERS

Sponsor: Representative Fitz Steele (D-Hazard)

HB 378 creates a new section of Subtitle 70 of KRS Chapter 224 to require the Energy and Environment Cabinet to maintain on its website beginning July 1, 2014, a listing of all waters or portions of waters in Kentucky identified as "impaired" pursuant to Section 303(d) of the federal Clean Water Act and total maximum daily loads (TMDLs) established after the effective date of HB 378. Section 303(d) requires states to list impaired waters that do not fully support designated uses and develop a TMDL for each. The TMDL defines the maximum amount of a pollutant that can be released into a receiving water without exceeding water quality standards. The state must periodically update its list and the associated TMDLs and submit each to the federal Environmental Protection Agency for approval or disapproval.

The listing posted on the website of the Energy and Environment Cabinet must include a detailed summary of the basis for the listing and the location of all available data utilized in identification of the waters as impaired and calculation of the TMDL. The Cabinet must additionally maintain on its website a listing of local, state and federal resources available to communities to enhance compliance with applicable water quality standards.

Before adding a new body of water to the 303(d) list, the Cabinet must provide notice posted on the Cabinet's website indicating the county or counties in which the body of water is located, the location where additional information may be found, and offer the opportunity for review and public comment of no less than 60 days. Notice must also be provided electronically to all persons

who have requested to be notified of new waters added to the 303(d) list.

Before developing a TMDL after the effective date of HB 378, the Cabinet must offer the opportunity for public review and input throughout the TMDL development process. Notice may be provided electronically to all persons who have requested to be notified of TMDL development indicating the county or counties in which the body of water is located and the location were additional information may be found. If any body of water included on a 303(d) list subsequently meets water quality standards, the Cabinet must take all necessary measures pursuant to applicable laws and regulations to remove the listing and any associated TMDL requirements.

The Cabinet is directed by the General Assembly to provide a written report to the Interim Joint Committee on Natural Resources and Environment by December 31 of each year setting forth the Cabinet's plan for TMDL development for the following year. The report must additionally be made available to the public by posting on the Cabinet's website.

HB 54
MEETING ROOM CONDITIONS

Sponsor: Representative Tommy Thompson (D-Owensboro)

HB 54 amends KRS 61.840 to require public agencies holding public meetings to provide meeting room conditions that include adequate space, seating and acoustics to the extent feasible to allow effective public observation. The bill codifies the current legal interpretation of the open meetings requirement to hold public meetings in a "convenient" location.

HB 232
COLLECTION OF DEBTS OWED TO LOCAL GOVERNMENTS

Sponsor: Representative Gerald Watkins (D-Paducah)

HB 232 amends KRS 45.237, KRS 45.238 and KRS 45.241 to permit any local government to submit liquidated debts due and owing for more than 90 days to the Department of Revenue for collection. “Liquidated debt” is defined as “a legal debt for a sum certain which has been certified by a local government as final, due, and owing, all appeals and legal actions having been exhausted, including but not limited to any delinquent taxes or fees other than delinquent real and personal taxes.”

A local government referring liquidated debts to the Department of Revenue for collection must first submit the debts to the Department for review. Within 60 days of receipt, the Department must identify in writing the liquidated debts it can pursue in a cost effective manner. The local government must then officially refer the identified liquidated debts to the Department for collection. Any funds recovered will be returned to the local government after deduction of collection costs.

Debts referred to the Department of Revenue for collection are subject to:

1. Interest on the amount of the debt from the date the debt is referred to the Department until paid at the rate determined pursuant to KRS 131.183; and
2. A onetime 25 percent collection fee imposed on the amount of the debt plus all accruals authorized by law as of the date of referral.

HB 232 additionally amends KRS 44.001 to permit a liquidated debt of a local government to be paid from funds held by the state for payment to the debtor if the local government provides information concerning the liquidated debt to the State Treasurer. In the case of multiple claims, funds will first be credited to claims made by an agency of the state and then to the local government.

Likewise, a liquidated debt of the state may be paid from funds held by a local government for payment to a debtor of the state if the state provides information concerning the liquidated debt to

the local government. In the case of multiple claims, funds will first be credited to claims made by the local government and then to claims made by the state.

KRS 131.565 and KRS 131.570 are amended to permit a local government to make a claim against a state individual income tax refund for payment of a liquidated debt if there is an ordinance that provides appeal and hearing rights for the specific debt. A claim against an individual income tax refund may be made by notifying the Commissioner of the Department of Revenue in writing with sufficient information to identify the debt and refund to be withheld. Thirty days prior to submitting the claim, the local government must provide written notice to the debtor of its intent to submit the claim for setoff against the debtor's state individual income tax refund.

Upon determining that a pending individual income tax refund is subject to setoff, the Department of Revenue must notify the debtor in writing of the pending claim. The notice must provide the debtor 30 days from the date of the notice to request a hearing before the local government as provided by local ordinance, except that no issue previously litigated may be considered. The decision of the local government is subject to appeal and no funds may be transferred by the Department to the local government until all appeal rights have been exhausted.

HB 279
RELIGIOUS FREEDOM

Sponsor: Representative Robert Damron (D-Nicholasville)

HB 279 creates a new section of KRS Chapter 446 to prohibit a government from substantially burdening a person's right to act or refuse to act in a manner motivated by a sincerely held religious belief unless the government can prove by clear and convincing evidence that it has a compelling governmental interest and has used the least restrictive means to further that interest. A "burden" includes indirect burdens such as withholding benefits, assessing penalties, or excluding from programs or access to facilities.

HB 390
URBAN COUNTY GOVERNMENT CIVIL SERVICE

Sponsor: Representative Kelly Flood (D-Lexington)

HB 390 amends KRS 67A.240 relating to civil service examinations in an urban county government to expand the eligible list for each position to be filled from five applicants to all qualified applicants and to add veterans of the Persian Gulf War, Operation Iraqi Freedom and Operation Enduring Freedom to service personnel eligible for a hiring preference.

HB 390 additionally amends KRS 67A.270 to remove the limit on the number of times a person can be certified by the civil service commission as eligible for a position to the same appointing authority for the same or similar positions.

HB 11
FIRE PROTECTION DISTRICTS

Sponsor: Representative David Floyd (R-Bardstown)

HB 11 creates a new section of KRS Chapter 75 to resolve outstanding issues related to transfer of fire protection services previously provided by a fire protection district or volunteer fire department district to territory newly annexed or incorporated by a city. Cities that maintain a "regular fire department" as defined by KRS 95.010(3)(b) retain the primary right to provide fire protection services to newly annexed or incorporated territory previously served by a fire protection district or volunteer fire protection district if the annexing or incorporating city assumes its proportionate share of indebtedness incurred by the district while the annexed or incorporated territory was part of the district. A formula is created by HB 11 to determine the proportion of fire district indebtedness owed by the city.

The proportionate share of the fire district's debt attributable to annexed or newly incorporated territory is calculated based upon the ratio of the total value of taxable real property included within the annexed or newly incorporated territory to the total value of all taxable real property located within the entire fire district as it existed prior to annexation or incorporation by the city. The resulting quotient is multiplied by the fire district's total indebtedness to determine the amount of liability that the city is responsible for paying to the fire district.

Unless otherwise agreed to in writing by the city and the fire district, the city must pay the entire amount of the proportionate share of the indebtedness to the fire district prior to assuming service in the annexed or newly incorporated territory or pay the total amount in equal yearly installments over no more than three consecutive years, with the first installment due prior to the city assuming the provision of fire services. If a city meets these requirements, the annexed or newly incorporated territory will be stricken from the boundaries of the fire district and the fire district will no longer be authorized to collect taxes from property owners within the stricken territory.

A city may cede its primary right to provide fire services to annexed or newly incorporated territory located within a fire district if any circumstance exists where the fire district and city agree in writing that it is more appropriate and beneficial to the citizens and property owners within the annexed or incorporated territory for the fire district to continue the provision of fire services within the annexed or newly incorporated territory. The agreement entered into by the fire district and the city may contain any agreed-upon term, conditions and limitations.

HB 51
DISASTER RELIEF FUNDING

Sponsor: Representative John Will Stacy (D-West Liberty)

HB 51 creates a new section of KRS Chapter 273 relating to nonprofit corporations to require any entity organized for charitable purposes under Section 501(c)(3) of the Internal Revenue Code, other than a religious organization that is recognized as tax exempt under Section 501(c)(3), that solicits and receives contributions exceeding $25,000 for a charitable purpose related to a disaster in

Kentucky to file quarterly financial reports with the Secretary of State in a form and format determined by the Secretary of State until the funds are expended.

"Disaster" is defined as any natural, technological or civil emergency that causes damage of sufficient severity and magnitude to result in a declaration of a state of emergency by a county, the Governor or the President of the United States.

The report must contain at a minimum the amount of money received as a result of the solicitation at the time the report is filed, where the funds collected are spent and the amount of funds collected that are used for administrative costs. The first quarterly report must be filed no later than the last day of the third month following the commencement of solicitations.

An entity organized for charitable purposes under Section 501(c)(3), other than a religious organization that is recognized as tax exempt, that solicited and received contributions exceeding $25,000 for a charitable purpose related to a disaster in Kentucky between January 1, 2012, and the effective date of HB 51 must file a financial report with the Secretary of State in a form and format determined by the Secretary of State. The filing must contain at a minimum the amount of money received as a result of the solicitation, where the funds collected were spent and the amount used for administrative costs.

HB 69
SAFE CHILD DROP-OFF LOCATION

Sponsor: Representative John Tilley (D-Hopkinsville)

HB 69 creates a new section of KRS Chapter 403 relating to child custody to define "safe child drop-off location" to mean any public building owned, leased or occupied by the Commonwealth or by any city or county within the Commonwealth to which access is limited and security measures, including metal detectors, are in place. Public buildings meeting the above definition may allow access to spaces otherwise open to the public for use as a safe child drop-off location with no requirement to make any other accommodation.

Any separation agreement, decree of divorce, temporary custody order or post-decree order may require that exchanges of child custody take place in a safe child drop-off location at a point past the metal detectors and other security measures.

An emergency is declared to exist. HB 69 became law on March 22, 2013, when signed by the Governor.

SB 8
PUBLIC SCHOOL EMERGENCY PLAN

Sponsor: Senator Mike Wilson (R-Bowling Green)

SB 8 creates a new section of KRS Chapter 158 to require the school council or, if none exists, the principal in each public school building in its jurisdiction to adopt an emergency plan to include procedures to be followed in case of fire, severe weather, earthquake or a building lockdown as defined in KRS 158.164. A copy of the emergency plan and a diagram of the facility must be provided to appropriate first responders, defined as local fire, police and emergency medical personnel. The principal is required by SB 8 to discuss the emergency plan with all school staff prior to the beginning of each school year and document the time and date of any discussion.

As part of the emergency plan, the school council or, if none exists, the principal in each public school building must:

1. Establish primary and secondary evacuation routes for each room in the school building posted in each room beside any doorway used for evacuation;
2. Identify severe weather safe zones to be reviewed by the local fire chief or fire marshal and posted in each room; and
3. Develop practices to control access to each school, including but not limited to:
    - Control of outside access to exterior doors during the school day;
    - Control of the front entrance electronically or by means of a greeter;
    - Control of access to individual classrooms, including locked doors during instructional time if equipped with appropriate hardware;
    - Requiring all visitors to report to the front office of the building, provide valid identification and state the purpose of the visit; and
    - Providing a visitor's badge to be visibly displayed on a visitor's outer garment.

The local board of education must require the principal in each public school building in its jurisdiction to conduct, at a minimum, emergency response drills to include one severe weather drill, one earthquake drill and one lockdown drill within the first 30 days of each school year and again during the month of January. Required fire drills must be conducted according to administrative regulations adopted by the Department of Housing, Buildings and Construction. Whenever possible, emergency responders must be invited to observe emergency response drills.

The chief of police in each city and the sheriff in each county is encouraged by SB 8 to receive training on issues pertaining to school and student safety and must be invited to meet annually with local school superintendents to discuss emergency response plans and emergency response concerns. The emergency plan must be reviewed at the end of each school year by the school council, principal and first responders and revised as needed.

Note: A duplicate bill with the same provisions as SB 8 was enacted by the 2013 General Assembly as HB 354 sponsored by Representative Richard Henderson (D-Mount Sterling).

SB 66
PUBLIC SAFETY EMPLOYEE QUALIFICATIONS

Sponsor: Senator Bob Leeper (I-Paducah)

SB 66 amends KRS 95.440 to permit persons over age 50 to serve as a member of a police or fire department in a city of the second class or urban county government by removing current age restrictions.

SB 150
CONCEALED DEADLY WEAPONS

Sponsor: Senator Brandon Smith (R-Hazard)

SB 150 amends KRS 237.110 to remove the requirement that a person be a resident of the state for six months or longer immediately preceding the filing of an application for a license to carry a concealed deadly weapon. The bill also amends KRS 237.110 to reduce from 90 days to 60 days the length of time the Department of Kentucky State Police has to issue or deny an application for a concealed carry license following receipt of a completed application and accompanying items from the sheriff of the county in which the applicant resides.

RECLASSIFICATION

HB 179
RECLASSIFICATION OF PEMBROKE

Sponsor: Representative Myron Dossett (R-Pembroke)

HB 179 reclassifies the City of Pembroke in Christian County from a city of the sixth class to a city of the fifth class.

HB 252
RECLASSIFICATION OF BURNSIDE, EDDYVILLE, RYLAND HEIGHTS AND TAYLORSVILLE

Sponsor: Representative Will Coursey (D-Symsonia)

HB 252 reclassifies the following cities:

- The City of Burnside in Pulaski County from a city of the fifth class to a city of the fourth class;
- The City of Eddyville in Lyon County from a city of the fifth class to a city of the fourth class;
- The City of Ryland Heights in Kenton County from a city of the sixth class to a city of the fifth class; and
- The City of Taylorsville in Spencer County from a city of the fifth class to a city of the fourth class.

HB 430
URBAN COUNTY GOVERNMENT POLICEMEN'S AND FIREFIGHTERS' RETIREMENT FUND

Sponsor: Representative Ruth Ann Palumbo (D-Lexington)

HB 430 amends several sections of KRS Chapter 67A to reform Lexington's policemen's and firefighters' retirement fund. The legislation codifies an agreement between the city and its police and fire unions projected to reduce the unfunded liability of the fund from $260 million to $160 million over 30 years.

Pursuant to HB 430, the Lexington-Fayette Urban County Government will increase its annual contribution to the policemen's and firefighters' retirement fund from $11 million to $20 million beginning July 1, 2013, to fully fund the annual required contribution and pay down the unfunded liability over 30 years.

For active members of the policemen's and firefighters' retirement fund, employee contributions will be increased from 11 percent to 12 percent of pay. A minimum retirement age of 41 years is established with at least 20 years of service in the fund. The annual cost of living adjustment (COLA) on pension benefits for retirees is reduced and tiered to pension income as follows: 2.0 percent COLA on pension income up to $39,999; 1.5 percent COLA on income from $40,000 to $74,999; 1.0 percent from $75,000 to $99,000; and zero percent on pension income of $100,000 and above until January 1, 2016, when a COLA of 1.0 percent will be established. If the retirement fund exceeds an 85 percent funding level, the prior COLA rate of 2.0 to 5.0 percent may be reinstated by the board of the policemen's and firefighters' retirement fund, provided that the given COLA does not reduce the funding level below 85 percent. As active employees retire, they will not receive COLAs for five years or until age 50, whichever is sooner. HB 430 additionally makes various adjustments to minimum occupational disability benefit payments for current and future members of the policemen's and firefighters' retirement fund.

For new hires the legislation increases the number of years of service required for retirement from 20 to 25 years and the minimum retirement age from 41 to 50 years. The COLA is the same established for current employees except if the retirement fund exceeds an 85 percent funding level, a COLA rate up to 3.0 percent may be established by the board of the policemen's and firefighters' retirement fund provided that the COLA does not reduce the funding level below 85 percent. The current benefit multiplier of 2.5 percent is reduced to 2.25 percent for new hires. Additionally, new hires will not be able to purchase service credit except for active military service limited to no more than four years.

The board of the policemen's and firefighters' retirement fund is required by HB 430 to have an actuarial valuation of the fund completed every year rather than every two years and an actuarial experience study of the fund completed once every five years for reassessment of assumptions in the annual actuarial analysis.

An emergency is declared to exist. HB 430 became law on March 14, 2013, when signed by the Governor.

SB 2
KENTUCKY RETIREMENT SYSTEMS PENSION REFORM

Sponsor: Senator Damon Thayer (R-Georgetown)

SB 2 amends various sections of KRS Chapters 6, 16, 61 and 78 to make systemic changes to the state's retirement systems as part of comprehensive pension reform recommended by the bipartisan Task Force on Kentucky Public Pensions created by the 2012 Kentucky General Assembly to shore up the state's growing unfunded pension liability.

The changes apply to all new participants elected or appointed after January 1, 2014, in the legislative and judicial pension systems as well as the State Police Retirement System, Kentucky Employees Retirement System and County Employees Retirement System.

The package includes passage of a companion funding bill, HB 440 sponsored by Representative Larry Clark (D-Louisville), to fully fund the actuarially required annual contribution by the state to the Kentucky Employees Retirement System – estimated at $100 million per year beginning in Fiscal Year 2015. The funds will be generated by changes in state tax credits, technology and tax compliance to improve collections, and by recent changes to the federal tax code.

Pension System Changes

A hybrid cash balance plan is created for all new employees hired after January 1, 2014, in lieu of the traditional defined benefit plan. The hybrid plan guarantees a 4.0 percent investment return plus 75 percent of the five-year average investment returns above 4.0 percent based on investment performance. For non-hazardous duty employees, the hybrid plan requires employee contributions of 5.0 percent of pay and employer contributions of 4.0 percent of pay to the employee's pension account. For hazardous duty employees, the hybrid plan requires employee contributions of 8.0 percent of pay and employer contributions of 7.5 percent of pay to the employee's pension account. Employee contributions, non-accrued benefits, and retirement eligibility requirements may be subsequently changed.

Annual 1.5 percent cost-of-living adjustments (COLAs) are eliminated by SB 2 except in the following instances:

- The Board of Trustees of the Kentucky Retirement Systems determines that assets are greater than 100 percent of the actuarial liabilities and legislation authorizes the use of surplus funds for the COLA; or

- The General Assembly fully prefunds the COLA or directs the payment of funds in the year the COLA is provided.

The Board is required to advise the General Assembly prior to each biennium if surplus funds are available to fund a COLA without damaging the actuarial soundness of the systems and the amount of funds necessary to prefund an annual 1.5 percent COLA over the biennium.

The amortization period for payment of the unfunded liability is reset to a new 30-year period

beginning with Fiscal Year 2015. Resetting will reduce the amount required to be paid each year by employers for actuarial liabilities.

To prevent abuse of the system, employers must pay the actuarial cost of increases in compensation greater than 10 percent earned by an employee during the last five fiscal years of employment if the increase is not due to a "bona fide promotion or career advancement." A "bona fide promotion or career advancement" is defined by SB 2 to mean a professional advancement in substantially the same line of work held by the employee in the four years immediately prior to the final five fiscal years preceding retirement or a change in position based on training, skills, education or expertise that imposes a significant change in job duties to justify the increased compensation. It does not include any circumstance where an elected official takes a position of employment with a different employer participating in any of the state-administered retirement systems.

Governance, Transparency and Oversight

Membership of the Board of Trustees of the Kentucky Retirement Systems will expand from nine to 13 members with three new members appointed by the Governor from a list of three each submitted by the Kentucky League of Cities, Kentucky Association of Counties and the Kentucky School Boards Association. The fourth new member will be elected by participants in the County Employees Retirement System.

In order to improve transparency SB 2 requires the Kentucky Retirement Systems to post on its website and make available on request information regarding the systems' financial and actuarial condition in a manner that is easily available and understood by the members, retired members and the public.

SB 2 additionally requires creation of a 13-member Public Pension Oversight Board of the Kentucky General Assembly to review and analyze for the General Assembly the benefits, administration, investments, funding, laws, administrative regulations and any legislative proposals relating to the Kentucky Retirement Systems. The Board will be composed of six legislators appointed by House and Senate leadership, three chartered financial analysts, the State Budget Director, Auditor of Public Accounts, Attorney General and one person with at least 10 years of experience in retirement or pension plan management. The Board must meet monthly and publish an annual report covering the Board's evaluation and recommendations with respect to the operations of the Kentucky Retirement Systems.

Effective Date

The Act takes effect July 1, 2013. The hybrid cash balance plan begins January 1, 2014.

TAX INCREMENT FINANCING

HB 260
SIGNATURE TIF PROJECTS

Sponsor: Representative Ruth Ann Palumbo (D-Lexington)

HB 260 amends KRS 154.30-050 to allow the Kentucky Economic Development Finance Authority to reduce the minimum capital investment required for a Signature Tax Increment Financing (TIF) Project from $200 million to $150 million upon application of the sponsoring agency under the following conditions:

1. The project was approved after January 1, 2008, but before January 1, 2013, with a pledge at the time of approval to make the minimum capital investment of $200 million; and
2. The project had a consultant report prepared pursuant to KRS 154.30-030(6).

The reduction in the required minimum capital investment is subject to a corresponding adjustment of the maximum incremental tax revenue available for recovery by the sponsoring agency.

HB 431
MIXED-USE TIF PROJECTS

Sponsor: Representative Ruth Ann Palumbo (D-Lexington)

HB 431 amends KRS 65.7043 and KRS 65.7049 to expand development projects eligible for tax increment financing within a mixed-use development project to include significant public stormwater or sanitary sewer facilities designed to comply with a community-wide court decree mandating corrective action by the local government.

HB 173
MOTOR VEHICLES LEASED BY GOVERNMENTAL ENTITIES

Sponsor: Representative Hubert Collins (D-Wittensville)

HB 173 amends KRS 186.060 relating to issuance of official license plates upon registration of motor vehicles owned or leased by a governmental entity to require the owner of a vehicle leased by a governmental entity to, upon termination of the lease agreement, surrender the official plate and apply for registration of the vehicle under the provisions of KRS 186.050 if ownership of the vehicle does not revert to an entity permitted by KRS 186.060 to use an official plate.

HB 273
OPERATION OF MINI-TRUCKS

Sponsor: Representative Bart Rowland (R-Tompkinsville)

HB 273 creates a new section of KRS Chapter 189 to permit a person with a valid operator's license to operate a mini-truck on a two-lane public highway under the following conditions:

1. The operator is engaged in snow removal, construction, road maintenance, or farm or agricultural-related activities; or
2. To cross the highway if crossed as close to a 90-degree angle as is practical and safe for no more than two-tenths of a mile.

A mini-truck operating under the above conditions must have at least two headlights and two taillights illuminated at all times and operate only in daylight hours unless engaged in snow removal or emergency road maintenance.

"Mini-truck" is defined by HB 273 to mean a lightweight Japanese kei-class utility vehicle. A city or county government or the Transportation Cabinet may designate public highways or segments of public highways and adjoining rights-of-way under its jurisdiction where mini-trucks may be operated. Except as provided by HB 273, a person may not operate a mini-truck upon any public highway or the right-of-way of any public highway.

HB 441

TOLL ADMINISTRATION

Sponsor: Representative Larry Clark (D-Louisville)

HB 441 amends KRS 175B.015 to authorize the Kentucky Public Transportation Infrastructure Authority to promulgate administrative regulations establishing collection and enforcement procedures for the payment of tolls for use of a project developed by the Authority. The regulations must include a hearing process by which a person may contest a violation of any administrative regulation.

HB 441 additionally amends KRS 175B.040 to require every person utilizing a project developed and tolled by the Kentucky Public Transportation Infrastructure Authority to pay the appropriate toll. Upon receipt of notice of a toll violation, the Transportation Cabinet must suspend or withhold the annual registration of a vehicle used in the commission of the violation until the fine, charge or assessment is paid or the violation is determined not to have occurred. Contracts relating to toll collection for a project developed and tolled by the Authority must ensure the confidentiality of all toll collection customer account information

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