

2017

— KENTUCKY LEAGUE OF CITIES —

**LEGISLATIVE
» UPDATE »**



KLC.ORG

from KLC's legislative team



Dear members and friends of KLC:

As we look back over the 2017 legislative session, the legislative team at the Kentucky League of Cities is reminded of all we accomplished this session and of the challenges still ahead. The Kentucky General Assembly passed 190 bills, including nine KLC legislative initiatives. KLC supported another 100 bills, and the General Assembly passed 36 percent of those. Not a single bill opposed by KLC became law. We couldn't have seen such success if not for the help of our members, the support of dedicated lawmakers, and the hard work of our staff. All new bills passed in 2017 that affect cities are included on the following pages for your review.

Kentucky cities can be encouraged by the impact the state's new right-to-work law is already having on our communities. We are pleased the state now has pension spiking reform, cities have better alcohol regulations, and there is more peace of mind about the cost of training new law enforcement officers. Those were just some of the KLC initiatives passed this session. Thank you to every city official who reached out to legislators this year to help make it happen.

Now, as we begin the work of looking to the 2018 legislative session, we are also preparing for a possible special session in 2017. Governor Bevin has said he plans to call a special session to address pension reform. KLC is working with other stakeholders to ensure separation of the County Employees Retirement System (CERS) is included in the special session. The KLC Board of Directors is also in the process of establishing the 2018 Legislative Agenda. If you have an issue that you would like the Board of Directors to consider, please contact us at 1-800-876-4552.

The success of the entire KLC legislative team is always dependent on the involvement of our members. We can't thank you enough for all you do. Remember to stay in contact with your legislators throughout the interim as we prepare for another session in 2018.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Steiner".

KLC Executive Director/CEO

A handwritten signature in black ink, appearing to read "James D. Chaney".

KLC Deputy Executive Director

A handwritten signature in black ink, appearing to read "Bryanna Carroll".

KLC Governmental Affairs Manager



JONATHAN STEINER



J.D. CHANEY



BRYANNA CARROLL

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NOTE

The effective date of all legislation enacted by the 2017 Regular Session of the General Assembly is June 29, 2017, except for measures containing emergency or delayed effective date provisions. (OAG 17-007)

If a bill reported in this update becomes effective on a date other than June 29, 2017, it is noted in the summary of the bill.

Photos are attributed to KLC Legislative Advocacy and LRC Public Information.
For information about this and other KLC publications, please contact Michele Hill at mhill@klc.org.

1. ALCOHOLIC BEVERAGES

HB 100 DISTILLED SPIRITS

Sponsor: Representative Chad McCoy (R-Bardstown)



HB 100 creates a new section of KRS Chapter 243 to permit a person holding a license to sell distilled spirits by the drink or by the package at retail to sell vintage distilled spirits purchased from a nonlicensed person, such as a private collector, upon written notice to the Department of Alcoholic Beverage Control in accordance with administrative regulations promulgated by the department effective January 1, 2018. Vintage distilled spirits may be resold only by the drink by a person holding a license to sell distilled spirits by the drink; and by the package by a person holding a license to sell distilled spirits by the package.

Vintage distilled spirit is defined to mean a package or packages of distilled spirits that: (1) are in their original manufacturer's unopened container; (2) are not owned by a distillery; and (3) are not otherwise available for purchase from a licensed wholesaler within the state.

KRS 243.0305 is amended to permit a distiller to sell alcoholic beverages by the drink containing spirits distilled or bottled on the premises of the distillery to consumers at fairs, festivals and other similar types of events in wet territory.

HB 183 ALCOHOLIC BEVERAGE CONTROL

Sponsor: Representative Adam Koenig (R-Erlanger)



HB 183 makes numerous changes to the alcoholic beverage control statutes in KRS Chapters 241 to 244. Some of the changes are substantive. Other changes are made to language across the four chapters to provide more consistency in terms and phrases and eliminate redundancies.

Advisory Opinions

KRS 241.020 is amended to authorize the Department of Alcoholic Beverage Control to issue advisory opinions and declaratory rulings related to KRS Chapters 241 to 244 and administrative regulations promulgated under those chapters.

Local Government ABC Administrators

KRS 241.110, 241.170, and 241.230 are amended to require a county, city and urban county alcoholic beverage control administrator to take the constitutional oath of office before entering upon official duties. Bond requirements are repealed.

KRS 241.160 is amended to prohibit a city with a population of less than 3,000 located in a county containing a consolidated local government to create the office of city alcoholic beverage control administrator. Any city that created the office of city alcoholic beverage control and appointed a person to that office prior to August 1, 2014, is exempt.

KRS 243.450 is amended to clarify a state license shall be denied if an applicant has not first obtained approval from the local alcoholic beverage control administrator for a county or city license.

Local Option Elections

KRS 242.030 is amended to permit a local option election to be held on the same day as a primary or regular election up to 150 days after the petition is filed.

KRS 242.123, 242.124, 242.1241, and 242.1244 are amended to update local option election provisions for a state park lodge or golf course, small farm winery, small farm winery Sunday sales, and restaurant sales, respectively.

NQ2 License

KRS 243.084 is amended to abolish the 50-seat minimum requirement for issuance of an NQ2 retail drink license to applicants operating a restaurant or hotel dining facility.

An NQ2 retail drink license may be issued to an applicant operating as a distiller or in a business located within, or adjacent to, the licensed premises of an entertainment destination center.

City Population Requirement

KRS 243.230 is amended to remove the city population requirement for issuance of a quota retail drink license if the city maintains an adequate police force.



Representative Adam Koenig (R-Erlanger) to the left of Representative Chad McCoy (R-Bardstown) in the House. Rep. Koenig sponsored HB 183, a bill that contained several KLC initiatives related to alcoholic beverage control.



ALCOHOLIC BEVERAGES

Ordinance Preventing Retail Drink License

KRS 243.230 is also amended to prohibit issuance of a retail drink license to premises located within a city or county that has enacted an ordinance preventing the issuance of a retail drink license within the jurisdiction of the city or county.

Sampling

A new section of KRS Chapter 243 is created to establish the details of a sampling license. A sampling license may be issued to the holder of a quota retail drink license, quota retail package license, NQ1 license, NQ2 license or distiller's license. The license allows customers of the licensee to sample, free of charge, distilled spirits and wine under the following conditions: (1) sampling is permitted only on licensed premises during regular business hours; and (2) a licensee must limit a customer to one ounce of distilled spirits samples and six ounces of wine samples per day. Retailers holding a sampling license must notify the Department of Alcoholic Beverage Control at least seven days prior to conducting a free sampling event and limit a sampling event to a period not to exceed four consecutive hours between 12:00 noon and 8:00 p.m.

In addition to free sampling, a quota retail package licensee holding a sampling license may also sell sample distilled spirits and wine under certain conditions.

Small Farm Wineries

The definition for small farm winery in KRS 241.010 is amended to change the production capacity from not more than 100,000 gallons in a calendar year to not less than 250 gallons and not greater than 100,000 gallons.

KRS 231.124 is amended to extend authority to hold a local option election for the limited sale of alcoholic beverages, not just wine, in a dry or moist city or county precinct containing a small farm winery, currently permitted for Sunday sales at a small farm winery under KRS 242.1241.

Auctions and Raffles

KRS 243.036 is amended to extend to nonprofit organizations, in addition to charitable organizations, the ability to conduct an auction or raffle of alcoholic beverages with a special temporary alcoholic beverage auction license.

Prohibition on County License or Fee in City

KRS 243.060 is amended to prohibit a county from issuing a county alcoholic beverage license or imposing a county alcoholic beverage license fee on any person who holds a city alcoholic beverage license.

License Fees

KRS 243.070 is repealed and reenacted to restructure the city license and fee schedule. A local alcoholic beverage license and fee of \$1,030 is established for a qualified historic site. KRS 243.060 is likewise amended to establish a county alcoholic beverage license and fee of \$1,030 for a qualified historic site.

ALCOHOLIC BEVERAGES

Economic Hardship

KRS 243.072 is repealed eliminating the necessity for an economic hardship determination before a wet city with a population equal to or greater than 3,000 but less than 8,000, or county containing a wet city meeting the same population requirements, may license hotels, motels, inns, or restaurants in the city or county for the sale of alcoholic beverages by the drink.

Venue

KRS 243.550 is amended to change the venue for an appeal from a final order of the Alcoholic Beverage Control Board from the Franklin Circuit Court to the circuit court of the county in which the appealing party resides or the licensed premises are located.

Prohibited Sales

KRS 244.080 is amended to prohibit the sale of alcoholic beverages to a person who appears to a reasonable person to be actually or apparently under the influence of alcoholic beverages, controlled substances, other intoxicating substances, or any of these substances in combination, to the degree that the person may endanger any person or property, or unreasonably annoy persons in the vicinity.

Sales Hours and Days

KRS 244.290 and 244.480 are amended to clarify a licensee authorized to sell distilled spirits and wine or malt beverages at retail is permitted to sell and deliver distilled spirits and wine or malt beverages on Sunday during the hours and times permitted by local ordinance. A local ordinance may not prohibit the sale or delivery of distilled spirits or wine between 6:00 a.m. and midnight on any day except Sunday.



Representative Adam Koenig (R-Erlanger) watches as HB 183 receives final passage in the Senate. From left: Rep. Phillip Pratt (R-Georgetown), Rep. Walker Thomas (R-Hopkinsville) and Rep. Koenig.



2. CONSOLIDATED LOCAL GOVERNMENTS

HB 246 SOLID WASTE MANAGEMENT



Sponsor: Representative Jerry Miller (R-Louisville)

HB 246 amends several statutes in KRS Chapter 109 relating to local solid waste management to preserve the authority of cities within a county containing a consolidated local government to conduct solid waste recovery and disposal within their jurisdictions and to reconstitute the waste management district board in a consolidated local government.

KRS 109.041 is amended to prohibit a county containing a consolidated local government or a waste management district within a county containing a consolidated local government to:

1. Restrict materials recovery by any city located within the geographic area of the county or waste management district;
2. Directly or indirectly hinder any city or its contractors and agents from using any solid waste management facility for the disposal of solid waste if a city within a county containing a consolidated local government is in conformity with all state and federal statutes and administrative regulations applicable to the collection, management, and treatment of solid waste and materials recovery; and
3. Charge a city within the county or the city's contractors and agents, directly or indirectly, any fee that is based, directly or indirectly, on the composition of the solid waste stream of that city if the solid waste stream is in conformity with state and federal laws for the use of the solid waste management facility receiving the waste.

KRS 109.115 is amended to reconstitute the waste management district board in a consolidated local government by requiring the mayor of a consolidated local government to appoint, with approval of the legislative body, a board of directors composed of the following seven members: (1) three residents, one from each of the three commissioner's districts in the county; (2) one resident of the county who must reside within and represent the urban services district within the consolidated local government; (3) one resident of the county submitted by the organization representing the largest amount of cities within the county that does not have statewide membership; (4) one resident of the county who does not reside within a city or the urban services district in the county; and (5) one resident of the county submitted by the association representing the largest number of waste management entities operating within the county.

Except for the initial board, each director will serve a term of two years and no more than three consecutive terms. The initial board will consist of three directors appointed for one year and four directors appointed for two years. The offices of current board members are declared vacant. The mayor of the consolidated local government must fill the vacant positions within 90 days of the effective date of HB 246.

KRS 109.120 is amended to:

1. Require all rules and regulations of the solid waste management district enacted from adoption of the most recent solid waste management plan prior to the effective date of HB 246 to continue in effect until the later of August 31, 2017, or the date on which a new solid waste management plan is approved by the state Department for Environmental Protection;

CONSOLIDATED LOCAL GOVERNMENTS

2. Require the reconstituted board to adopt such rules and regulations as are necessary to carry out the purposes for which the waste management district was created and necessary for management of solid waste in an adequate manner to protect the public health. Rules adopted by the board are not enforceable within a city until approved by the legislative body, or if outside a city, by the legislative body of the consolidated local government. A city is required to approve any rule or regulation if rejecting it would cause the city to be in violation of its approved solid waste management plan.

3. Require a solid waste management district in a consolidated local government to electronically make available all notices, meeting agendas and meeting minutes on a website operated by the consolidated local government.

KRS 224.43-340 is amended to provide that cities within a consolidated local government are considered to be participating in the solid waste management plan adopted by the waste management district unless a city, by ordinance, specifically opts out of the plan. A city opting out of the plan must comply with all requirements of KRS Chapter 224 relating to solid waste and corresponding administrative regulations. The Energy and Environment Cabinet is prohibited from disapproving a solid waste management plan for a city within a consolidated local government if the plan complies with the provisions of KRS Chapter 224.

An emergency is declared. HB 246 became law on March 21, 2017, when signed by the Governor.

HB 330 TAX INCREMENT FINANCING



Sponsor: Representative David Osborne (R-Prospect)

HB 330 amends KRS 65.490 and creates a new section of KRS 65.490 to 65.499 to amend the definition of pilot program relating to tax increment financing in counties containing a city of the first class to permit the duration of a tax increment financing pilot program created by an agency within a consolidated local government to be extended from a period of 20 years to a period not to exceed an additional 25 years in connection with the issuance of a new bond by the Kentucky Economic Development Finance Authority, upon amendment of the pilot program agreement to include provisions requiring the borrower to use all excess revenues to redeem the bond financing the project prior to the stated maturity date. If it is the position of the borrower that the application of all excess revenues to redemption of the bond prior to the stated maturity date jeopardizes the project, the borrower must present an alternative payment plan to the Capital Projects and Bond Oversight Committee for approval.

The borrower is additionally required by HB 330 to submit a report to the Governor and the Capital Projects and Bond Oversight Committee on or before November 1, 2018, and annually thereafter regarding the operations and financial condition of the borrower.

The purpose of the legislation is to permit restructuring of the debt of the Yum! Center by extending the time the Yum! Center can receive a portion of state tax revenues generated from within the tax increment financing district that surrounds and includes the Yum! Center.

An emergency is declared. HB 330 became law on April 11, 2017, when signed by the Governor.



CONSOLIDATED LOCAL GOVERNMENTS

SB 222 LOCAL GOVERNMENT ADMINISTRATION

Sponsor: Senator Dan Seum (R-Fairdale)

SB 222 amends various provisions of KRS Chapter 67C to increase the authority of the legislative council in a consolidated local government.

KRS 67C.103 is amended to:

1. Reduce the number of required regular council meetings from two to one meeting per month;
2. Expand the authority of the council to conduct audits and investigations to include any board or commission that is composed of members who are appointed by the mayor and approved by the legislative council or has a budget equal to or greater than \$1 million;
3. Authorize the council to establish a Government Oversight and Audit Committee composed of members from each of the two largest political caucuses in the legislative council appointed by the chairs of the respective caucuses in the same ratio as the membership of each caucus is in relation to the total membership of the legislative council; and
4. Authorize the council to remove an appointee to a board or commission upon the recommendation of the Government Oversight and Audit Committee.

The Government Oversight and Audit Committee may compel testimony and the submission of work papers or documents, issue subpoenas to compel any officer or appointee to a board or commission or any department or division of the consolidated local government to appear before the committee, petition the appropriate circuit court to compel obedience by proceedings for contempt, administer oaths, and recommend the removal of any appointee to a board or commission.

KRS 67C.105 is amended to require the mayor to: (1) submit any written contracts, agreements or obligations exceeding \$20,000 to the legislative council for approval or disapproval unless the council, by ordinance, establishes a different threshold amount; (2) appoint a deputy mayor within seven days of taking the oath of office; and (3) keep the office of deputy mayor filled throughout his or her term of office.

If the office of mayor becomes vacant by reason of death, resignation or removal, the deputy mayor shall become the temporary mayor for no more than 30 days until the council, by a majority vote of the members of the council, elects a resident of the consolidated local government to serve as mayor.

KRS 67C.115 is amended to authorize the council to retain its own legal counsel solely for advice and consultation should they choose to do so. KRS 67C.131 is amended to allow the two largest political caucuses within the legislative council to hire staff persons to meet the staffing needs of the caucus.

KRS 67C.139 is amended to establish guidelines for appointments to statutory agencies, boards and commissions. The mayor is required to fill a vacancy within 90 days of the expiration of a term. All appointments should reflect the political, geographic, gender, age and racial diversity within the consolidated local government.

3. CONTROLLED SUBSTANCES

If the mayor fails to make an appointment within 90 days, the legislative council of the consolidated local government shall make the appointment within 30 days after the expiration of the 90-day period. KRS 67C.143 is amended to require a vote of two-thirds of the total number of legislative council members to remove an appointee to a board or commission.

KRS 65.003 is amended to authorize a simple majority of the legislative council of a consolidated local government to delegate its subpoena power to the person or group responsible for enforcement of the consolidated local government's code of ethics.

HB 158 SCHEDULING OF CONTROLLED SUBSTANCES

Sponsor: Representative Kimberly Moser (R-Taylor Mill)



HB 158 amends KRS 218A.020 to require any substance designated as a controlled substance under the federal Controlled Substances Act to be controlled by administrative regulation at the state level in the same numerical schedule corresponding to the federal schedule. However, the Cabinet for Health and Family Services is permitted to file an amendment to administrative regulations to control a substance in a more restrictive numerical schedule than the federal schedule. KRS 218A.030, 218A.050, 218A.070, 218A.090, 218.110 and 218A.130 relating to the previous controlled substance scheduling system—Schedules I through V—are repealed

HB 314 CONTROLLED SUBSTANCE MONITORING

Sponsor: Representative Danny Bentley (R-Russell)



HB 314 amends KRS 218A.202 to:

1. Require every practitioner or pharmacy that dispenses a controlled substance to a person in Kentucky, or to a person at an address in Kentucky, to report to the Cabinet for Health and Family Services any Schedule II controlled substance dispensed at a facility licensed by the Cabinet;
2. Require every practitioner or pharmacy that dispenses a controlled substance to a person in Kentucky, or to a person at an address in Kentucky, to report to the Cabinet for Health and Family Services any Schedule II through Schedule IV controlled substance regardless of dosage when dispensed by the emergency department of a hospital to an emergency department patient;
3. Require a Kentucky-licensed acute care hospital or critical access hospital to report to the Cabinet all positive toxicology screens performed by the hospital's emergency department to evaluate the patient's suspected drug overdose;
4. Authorize the Cabinet to provide Kentucky All Schedule Prescription Electronic Reporting (KASPER) data to federal prosecutors; and
5. Permit a medical practitioner to review KASPER data on controlled substances that have been reported for the birth mother of an infant currently being treated by the practitioner for neonatal abstinence syndrome or has symptoms that suggest prenatal drug exposure.



CONTROLLED SUBSTANCES

HB 333 FENTANYL AND FENTANYL DERIVATIVES



Sponsor: Representative Kimberly Moser (R-Taylor Mill)

HB 333 amends KRS 218A.050 to schedule fentanyl, carfentanil and fentanyl derivatives as Schedule I controlled substances. Related statutes are amended to provide elevated penalties.

1. KRS 218A.1410 is amended to make knowingly and unlawfully importing any quantity of fentanyl, carfentanil or fentanyl derivatives into Kentucky by any means with the intent to sell or distribute a Class C felony subject to enhanced penalties requiring half of the sentence imposed to be served prior to eligibility for parole.
2. KRS 218A.1412 is amended to include knowingly and unlawfully trafficking in any quantity of fentanyl, carfentanil or fentanyl derivatives in the offense of trafficking in a controlled substance in the first degree, a Class C felony for a first offense and a Class B felony for a second or subsequent offense, subject to enhanced penalties requiring half of the sentence imposed to be served prior to eligibility for parole.
3. KRS 218A.142 is amended to include knowingly and unlawfully trafficking in 28 grams or more of fentanyl or 10 grams or more of carfentanil or fentanyl derivatives in the offense of aggravated trafficking in a controlled substance in the first degree, a Class B felony subject to enhanced penalties requiring half of the sentence imposed to be served prior to eligibility for parole.
4. A new section of KRS Chapter 218A is created to establish the offense of trafficking in a misrepresented controlled substance. A person is guilty of trafficking in a misrepresented controlled substance when he or she knowingly and unlawfully sells or distributes any Schedule I controlled substance, carfentanil or fentanyl while misrepresenting the identity of the Schedule I controlled substance, carfentanil or fentanyl being sold or distributed as a legitimate pharmaceutical product. Trafficking in a misrepresented controlled substance is a Class D felony, punishable as a separate offense in addition to violations of other provisions of KRS Chapter 218A occurring during the same course of conduct.

Prescriptions for Schedule II Controlled Substances

KRS 218A.205 is amended to require state licensing boards for licensees authorized to prescribe or dispense controlled substances to, in consultation with the Office of Drug Control Policy, promulgate administrative regulations limiting prescriptions for Schedule II controlled substances to a three-day supply if the prescription is intended to treat pain as an acute medical condition with certain exceptions.

Exceptions include prescriptions for Schedule II controlled substances for hospice and inpatient care, treatment of chronic pain, pain associated with a cancer diagnosis, pain following major surgery or significant trauma, and as part of a narcotic treatment program.

Quarterly Review of KASPER Data

KRS 218A.202 is amended to require the Office of Inspector General in the Cabinet for Health and Family Services to conduct quarterly reviews of KASPER data to identify patterns of potential improper, inappropriate, or illegal prescribing or dispensing of a controlled substance.

CONTROLLED SUBSTANCES

The Office may independently investigate potential improper or illegal prescribing or dispensing and submit findings and recommendations to the appropriate boards of licensure or other reporting agencies.



Senator C.B. Embry (R-Morgantown) congratulates Representative Kimberly Moser (R-Taylor Mill) upon the final passage of legislation she sponsored. The legislation, HB 333, will strengthen penalties for trafficking heroin and fentanyl.

SB 32 TRACKING OF DRUG CONVICTIONS



Sponsor: Senator Danny Carroll (R-Paducah)

SB 32 amends KRS 218A.202 to require the Administrative Office of the Courts before July 1, 2018, to forward data regarding any felony or Class A misdemeanor conviction that involves the trafficking or possession of a controlled substance or other prohibited acts under KRS Chapter 218A for the previous five calendar years to the Cabinet for Health and Family Services for inclusion in the KASPER electronic monitoring system. The Cabinet must incorporate the data received into the system in a manner that a query by patient name indicates any prior drug conviction. On or after July 1, 2018, the data must be forwarded by the Administrative Office of the Courts to the Cabinet on a continuing basis.



4. CRIMES AND PUNISHMENTS

HB 14 HATE CRIMES

Sponsor: Representative Kevin Bratcher (R-Louisville)



HB 14 amends KRS 532.031 to expand hate crimes to include, in addition to crimes motivated by race, religion, sexual orientation or national origin, crimes intentionally committed against a person because of the person's actual or perceived employment as a state, city, county or federal peace officer; member of an organized fire department; or emergency medical services personnel. A finding that a hate crime was a primary factor in the commission of a specified crime by a defendant may be utilized by the sentencing judge to deny probation or by the Parole Board to delay or deny parole. Offenses that may be considered hate crimes include assault, menacing, wanton endangerment, criminal damage to property, arson, harassment and disorderly conduct.

Emergency medical services personnel is defined by HB 14 to mean persons certified or licensed to provide emergency medical services. A member of an organized fire department or emergency medical services personnel includes volunteers if the crime occurs while the volunteer is performing duties with an organized fire department or as emergency medical services personnel.



House Majority Whip Kevin Bratcher (R-Louisville) in committee to discuss HB 14.

CRIMES AND PUNISHMENTS

SB 120 CRIMINAL JUSTICE REFORM

Sponsor: Senator Whitney Westerfield (R-Hopkinsville)



SB 120 is criminal justice reform legislation contributed to by the work of the Criminal Justice Policy Assessment Council appointed in 2016 by Governor Bevin.

Court Costs

KRS 453.190, 23A.205, 24A.175, 534.020, 534.060 and 534.070 are amended to address nonpayment of court costs and fees by indigent and other defendants. KRS 453.190 is amended to define poor person to mean: (1) a person who has an income at or below 100 percent on the sliding scale of indigency established by rule of the Supreme Court of Kentucky; or (2) is unable to pay the costs and fees of the proceeding in which he is involved without depriving himself or his dependents of the necessities of life, including food, shelter or clothing. If the circuit or district court determines the defendant meets the definition of poor person and is unable to pay court costs in the foreseeable future, payment of court costs will be waived.

If a defendant does not meet the standard but is unable to pay the full amount of court costs, fees or fines at the time of sentencing, the court may establish an installment payment plan. If the court establishes an installment payment plan, the defendant must be given written notice on a form provided by the Administrative Office of the Courts of the total amount due, the payment frequency and the date by which all payments must be made. All payments must be applied first to court costs, then to restitution, then to fees and last to fines. The notice must additionally include a statement if the defendant has not complied with the installment payment plan by the scheduled date, he or she shall appear on that date to show good cause why the obligation has not been satisfied.

If a defendant appears at a show cause hearing, the court must determine whether the defendant's default in payment is: (1) excusable due to an inability to pay, and if so, the court may enter an order allowing additional time for payment, reducing the amount of each installment or modifying the manner of payment in any other way; or (2) willful and not due to an inability to pay, and if so, the court may order the defendant to jail on the condition that the defendant be released upon payment or completion of daily credit.

If a defendant fails to appear at a show cause hearing, the court may issue a warrant for the defendant's arrest. Any warrant for arrest must include a notice to the jailer that the defendant shall be released upon payment or completion of daily credit.

A defendant sentenced to jail for failure to pay shall receive credit against the court costs, fines or fees owed for each day the defendant spends in jail at the following rate: (1) \$50 per day if the defendant does not work at a community service or community labor program; or (2) \$100 per day if the defendant works eight hours per day at a community service or community labor program.

Supervised Compliance Credit

KRS 439.345 is amended to provide for supervised compliance credit for persons on supervised parole for a Class D or Class C felony not charged with a violent or sexual offense, under certain conditions.



CRIMES AND PUNISHMENTS

After one year of being substantially compliant with supervision, a supervised individual on parole for a Class D felony that did not result from conviction of assault in the third degree of a peace officer and does not qualify the offender as a violent or sexual offender is eligible to receive 30 days of supervised compliance credit toward his or her sentence for every full calendar month he or she is substantially compliant with the terms of his or her case plan, has no new arrests and makes scheduled monthly payments for restitution, if any.

After two years of being substantially compliant with supervision, a supervised individual on parole for a Class C felony that did not result from conviction of trafficking, importing or cultivating a controlled substance and who is not classified as a persistent felony offender is eligible to receive 30 days of supervised compliance credit toward his or her sentence for every full calendar month he or she is substantially compliant with the terms of his or her case plan, has no new arrests and makes scheduled monthly payments for restitution, if any.

Discretionary Detention for Probation or Parole Violators

KRS 439.3108 is amended to: (1) increase the number of days in a calendar year from 30 to 60 that a supervised individual who is on probation who violates the conditions of community supervision may be placed in a state or local correctional or detention facility or residential center; and (2) to permit the Department of Corrections or Parole Board to place a supervised individual serving a period of parole or post-release supervision from prison or jail who violates the conditions of community supervision to be placed in a state or local correctional or detention facility or residential center for a period of not more than 30 consecutive days and not more than 60 days in a calendar year. The designated period for placement in a state or local correctional or detention facility may be extended for the period of time a supervised individual awaits admission to a residential alcohol or substance use treatment center.

The Department of Corrections must reimburse a local correctional or detention facility or residential center for the costs of incarceration of persons who violate conditions of community supervision.

Sex Offender Registry

KRS 17.510 requires a person registered as a sex offender in another state who relocates to Kentucky to register as a sex offender in Kentucky. KRS 17.510 is amended to provide a juvenile adjudication exception if an adjudication in Kentucky would not create a duty to register.

Reentry Drug Supervision Pilot Program

New sections of KRS Chapter 439 are created to require the Department of Corrections to implement by March 2018 a reentry drug supervision pilot program with the goal of reducing recidivism through oversight and behavior modification. The pilot program will last four years and be administered by a reentry team consisting of a department hearing officer, a parole officer, a reentry liaison from the Division of Probation and Parole, a social worker, a public defender or designated representative who may or may not be an attorney, and a representative from a community mental health center who will provide substance use disorder treatment to participants composed of inmates or parolees placed in the pilot program. The hearing officer will serve as team leader. The Administrative Office of the Courts shall provide training to team members.

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Inmates or parolees may be referred to the Parole Board as candidates for the pilot program by the Department of Correction's Division of Substance Abuse Programming or by department hearing officers. Candidates for the program are inmates or parolees: (1) who have been convicted of or pleaded guilty to a Class C or D felony that is a drug offense or an offense arising from a substance use disorder; (2) who are not violent or sexual offenders; (3) whose offense did not result in death or serious physical injury to a victim; or (4) whose probation or parole was revoked due to a substance use disorder or those with a history of substance use disorder.

After receiving a referral, the Parole Board will determine whether to place an inmate or parolee into the reentry drug supervision pilot program after considering the following: (1) criminal convictions; (2) current criminal charges, if any; (3) results of the substance abuse assessment completed by the Department of Corrections; (4) treatment plan; (5) information regarding the victims, if any; (6) trial court's recommendation to participate in the pilot program, if any; (7) an inmate's or parolee's willingness to participate; and (8) any other relevant information identified by the Department of Corrections.

If the Parole Board decides to place:

1. An inmate in the reentry drug supervision pilot program, the inmate will immediately be paroled into the pilot program with the only conditions being to adhere to the reentry team's requirements and conditions; pay restitution, if applicable; and have no contact with victims, if applicable.
2. A parolee in the reentry drug supervision pilot program, the parolee will immediately be entered into the pilot program with the only conditions being to adhere to the reentry team's requirements and conditions and any special conditions established by the Parole Board.

Participants in the reentry program will remain on parole until sentence completion unless the reentry team determines to terminate or administratively discharge the participant from the pilot program. If terminated from the pilot program, the reentry team must refer the participant to the Parole Board for revocation of parole.

The pilot program will consist of two phases. The first phase is an education phase that requires the participant to: (1) provide at least three random drug screens per week; (2) attend as many group therapy sessions per week as determined necessary by a community mental health center; (3) attend one drug supervision session per week; (4) obtain and maintain full-time employment, training or education approved by the reentry team; (5) obtain and maintain housing approved by the reentry team; (6) make arrangements for payment of court obligations and any probation and parole fees required by the department; (7) show an appropriate understanding of recovery principles; (8) attend self-help programs; and (9) remain drug-free for 90 consecutive days in the first phase before consideration for promotion to the second phase.

The second phase is a self-motivation phase that requires the participant to: (1) provide at least two random drug screens per week; (2) attend as many group therapy sessions per week as determined necessary by a community mental health center; (3) attend two drug supervision sessions every two weeks; (4) maintain full-time employment, training or education approved by the reentry team; (5) maintain housing approved by the reentry team; (6) continue paying court obligations and any probation



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and parole fees required by the department; (7) indicate an appropriate understanding of recovery lifestyle; (8) continue to attend self-help programs; and (9) remain drug-free for 90 consecutive days in the second phase.

Participants may be ordered during any phase to comply with additional requirements, including but not limited to employment, school or home visits by the pilot program staff; domestic violence counseling or other types of counseling; curfews as established by the reentry team; and medical or mental health referrals and subsequent treatment recommendations.

After successful completion of the second phase, if a participant has not yet completed his or her sentence, the participant will be moved from the pilot program to regular parole.

The Department of Corrections is required to monitor and evaluate the pilot program to determine: (1) the number of participants who complete the program; (2) the number of participants who complete the program who later have their parole revoked and for what offense or, if no longer on parole, the number who commit new offenses and a description of the offenses; (3) the number of participants terminated from the pilot program, the reason for termination and the length of participation in the pilot program prior to termination; and (4) any savings associated from placing participants in the pilot program versus keeping participants incarcerated.

By January 1 of each year for a period of seven years, the Department of Corrections must provide an annual report to the Legislative Research Commission and to the Interim Joint Committee on Judiciary with the above data for each year the pilot program is in operation and for the following three years.

Angel Initiative Program

A new section of KRS Chapter 15 is created to authorize a law enforcement agency to create a program to refer persons to treatment for substance use who voluntarily seek assistance from the law enforcement agency. A person is eligible to participate in the program if he or she: (1) has an outstanding arrest warrant; (2) has been convicted of three or more drug-related offenses; or (3) is under the age of 18 without the consent of a parent or guardian.

A person who voluntarily seeks assistance shall: (1) not be placed under arrest or prosecuted for the possession of any controlled substance, paraphernalia or other item; (2) immediately be paired with a volunteer mentor; and (3) immediately be referred to a community mental health center, medical provider or other entity for substance use treatment. Items surrendered to the law enforcement agency, if any, must be recorded by the law enforcement agency and destroyed. Programs created by law enforcement agencies may be called an Angel Initiative Program.

Prison Industry Enhancement Certification Program (PIECP)

A new section of KRS Chapter 197 is created to authorize the Department of Corrections to administer a Prison Industry Enhancement Certification Program (PIECP) involving the lease of labor within state prison facilities by a private employer for the production of nonagricultural goods for sale to both public and private buyers under the following conditions: (1) the department shall not lease the labor of a prisoner who does not consent in writing; (2) the department must supply appropriate security and custody services without cost to the private employer leasing the labor; (3) the prisoner must be paid

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wages at a rate not less than that paid for work of a similar nature in the location of the prison and never less than the federal minimum wage; (4) prisoners may not engage in labor that would result in the displacement of employed workers in the location of the prison or in a skill, craft or trade in which there is a surplus of labor for the skill, craft or trade in the location of the prison; (5) prisoners may not perform leased construction work inside or outside prison facilities; and (6) the department must have written documentation of consultation with any local business or labor union that could be economically impacted by a leased labor project.

The final decision on the appropriate wage will be made by the Labor Cabinet.

A private employer leasing or applying to lease prison labor must provide workers' compensation coverage and agree in writing to not displace any of its nonprisoner employees with leased prisoner labor.

A prisoner participating in a Prison Industry Enhancement Certification Program must agree to the following deductions from the prisoner's earnings: (1) not less than 50 percent for court-ordered support of a dependent, if applicable; (2) 20 percent to the crime victim's compensation fund established in KRS 346.185; (3) applicable federal, state and local taxes; and (4) reasonable room and board fees established by the Department of Corrections. Total deductions from a prisoner's gross wages may not exceed 80 percent.

A new section of KRS 196.700 to 196.735 is created to require the Kentucky State Corrections Commission to: (1) develop a statewide strategic plan for the development and implementation of goals, objectives and criteria for PIECPs; (2) conduct a statewide assessment of business opportunities for the Kentucky Correctional Industries; (3) conduct an assessment of any private businesses that apply to partner with PIECPs; (4) review any information provided to the commission by companies, organized labor, the Department of Corrections, or any agency of state government in regard to the program; (5) provide technical assistance and support to potential partners; (6) advise the Governor and the commissioner concerning PIECPs' policies and programs; and (7) promulgate administrative regulations.

The Kentucky State Corrections Commission is additionally required to submit an annual report no later than September 1 of each year to the commissioner of the Department of Corrections, the Governor and the General Assembly that shall include at least the following information: the status of implementation of the statewide strategic plan, the effectiveness of the commission in achieving the goals of the strategic plan, and an accounting of the distribution of profits and losses for the fiscal year.

Professional Licensure

KRS 335B.030 is amended to prohibit a hiring or licensing authority to disqualify an individual from pursuing, practicing or engaging in any occupation for which a license is required solely because of the individual's prior conviction of a crime, unless the authority notifies the individual in writing: (1) that the authority has determined the prior conviction may disqualify the person; (2) demonstrates the connection between the prior conviction and the license being sought; and (3) affords the individual an opportunity to be personally heard before the board.

If the license is denied after the individual is afforded an opportunity to be heard, the hiring or licensing authority must notify the individual in writing of the following: (1) the grounds and reasons for the



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denial or disqualification; (2) the individual's right to a hearing if a written request is made within 10 days after service of notice; (3) the earliest date the person may reapply for a license; and (4) that evidence of rehabilitation may be considered upon reapplication.

If an individual's prior conviction was for a Class A or Class B felony, or any felony offense that would qualify the individual as a registered sex offender, there is a rebuttable presumption that a connection exists between the prior conviction and the license being sought. If an individual's prior conviction is for any other offense, the hiring or licensing authority shall carry the burden of proof in any hearing or civil litigation on the question of whether the prior conviction directly relates to the position of employment sought or the occupation for which the license is sought. Any party aggrieved by a final order issued by a hiring or licensing authority after a hearing may appeal the order to the Franklin Circuit Court.

Work Release

KRS 532.100 is amended to permit Class D felons serving time in a local jail, and not otherwise restricted, to participate in an approved community work program or other form of work release, upon authorization by the jailer and approval of the commissioner of the Department of Corrections. The jailer may require an inmate participating in the program to pay a fee not to exceed the lesser of \$55 per week or 20 percent of the prisoner's weekly net pay earned from work release participation. In addition, the inmate may be required to pay for any drug testing required for work release participation.

Local Day Reporting Program

A new section of KRS Chapter 533 is created to authorize county jails to establish day reporting programs defined to mean a community-based structured-sentencing program operated by a county jail that combines enhanced community supervision with resources and services tailored to meet identified offender needs.

A court may sentence an eligible defendant, as part of an alternative sentencing plan or as a sentence for contempt, to a local day reporting program for a period not to exceed the defendant's maximum potential period of incarceration. In determining program eligibility, a day reporting program must utilize, whenever possible, a validated screening tool to identify an individual's likelihood of reoffending and his or her treatment needs. If the program agrees to accept the defendant, the defendant must agree in writing to comply with the program's written terms and conditions and agree to be subject to electronic monitoring if required by the court or the program.

A day reporting program must provide a weekly report to the sentencing court, prosecutor and defendant of all violations of the program's terms and conditions for each program participant. A court may alter or revoke a defendant's participation in a day reporting program if written notice of the grounds for alteration or revocation is given to the defendant and a hearing is conducted at which the defendant is represented by counsel.

Reentry Centers

New sections of KRS Chapter 441 are created to authorize a local correctional facility, county jail or regional jail to operate, with the approval of the Department of Corrections, a supervised community residential facility as a reentry center.

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A person is eligible for placement in a reentry center if he or she: (1) has less than 12 months until the expected expiration of his or her sentence and is a state inmate eligible for placement in a local jail; (2) is a Class B felon who is classified as low risk by the Department of Corrections; or (3) is a county inmate in the jail operated by the political subdivision that operates the reentry center.

A reentry center must: (1) employ a program coordinator responsible for oversight of the reentry center; (2) offer residents at least one vocational training program approved by the Department of Corrections; (3) offer residents at least two other evidence-based programs approved by the Department of Corrections; (4) review each participant's case with a certified alcohol and drug counselor; (5) require residents to participate in family outreach and community involvement programs; (6) require residents to seek or maintain employment in the community; and (7) report data as required by the Department of Corrections for evaluation of the effectiveness of the center in reducing recidivism and promoting community engagement.

Residents may be assigned to a reentry center by: (1) administrative classification by the Department of Corrections; (2) administrative decision of the jailer for inmates of the jail; (3) the court, as an alternative sentence; or (4) the Parole Board, as a condition of parole or as a sanction for violation of conditions of parole.

The Department of Corrections shall, by administrative regulation, establish standards for the operation of reentry centers and utilize data reported by the reentry centers to analyze the effectiveness of the reentry centers in reducing recidivism and increasing engagement of residents in employment and the community. Placement of inmates in reentry centers by the Department of Corrections or the Parole Board must be prioritized based on performance evaluations as determined by the Department of Corrections.

KRS 533.010 is amended to require a defendant sentenced to a reentry center to: (1) be employed in the community or working in a vocational program at the reentry center; (2) be enrolled in a treatment program; (3) pay restitution, fees and fines during the term of probation; and (4) comply with other conditions as specified.

Criminal Justice Council

KRS 15A.075 is amended to add six at-large members appointed by the Governor to the Criminal Justice Council as follows: (1) one District Judge and one Circuit Judge nominated by the Chief Justice of the Kentucky Supreme Court; (2) one member representing law enforcement; (3) one member of the County Attorneys' Association; (4) one member of the Commonwealth Attorneys' Association; and

(5) one member representing community-based organizations, whether for-profit or nonprofit, with experience in programs such as substance abuse prevention and treatment, case management, mental health or counseling.

Criminal Justice Reinvestment Fund

New sections of KRS Chapter 196 are created to establish the criminal justice reinvestment fund. Beginning with the close of the 2017-2018 fiscal year and each fiscal year thereafter, the Department of Corrections is required to measure and document cost savings based on an ending balance created as



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a result of enactment of SB 120. Measured and documented savings must be deposited in the Criminal Justice Reinvestment Fund administered by the Department of Corrections.

All funds in the Criminal Justice Reinvestment Fund must be appropriated 90 days after the close of the fiscal year as follows: (1) 20 percent to the Department of Corrections for expanding and enhancing evidence-based substance use disorder treatment programs for inmates; (2) 20 percent to the Office of Drug Control Policy for expanding and enhancing evidence-based substance use disorder treatment programs, including but not limited to treatment for neonatal abstinence syndrome; (3) 20 percent to the crime victim's compensation fund; (4) 20 percent to the Department of Corrections for reentry services, including but not limited to vocational training; and (5) 20 percent to the Community Corrections Fund established in KRS 196.732. Moneys appropriated shall not be used to replace any other state or county appropriations that the programs would have received if not for the appropriation from the Criminal Justice Reinvestment Fund.

HB 93 ASSAULT ON A SERVICE ANIMAL

Sponsor: Representative Diane St. Onge (R-Lakeside Park)

HB 93 amends KRS 525.200 to redefine elements of the offense of assault on a service animal in the first degree. A person is guilty of assault on a service animal in the first degree when, without legal justification or lawful authority, he or she: (1) intentionally kills or causes serious physical injury to a service animal; (2) intentionally causes physical injury to a service animal by means of a deadly weapon or dangerous instrument; or (3) wantonly causes serious physical injury to a service animal by means of a deadly weapon or dangerous instrument.

Assault on a service animal in the first degree is a Class D felony. Under prior Kentucky law, assaulting a service animal was a felony only if the service animal dies or is injured to the extent that the animal becomes physically incapable of returning to work. Otherwise, the offense was a misdemeanor.

Service animal is defined to include patrol dogs; bomb, accelerant and narcotic detection dogs; tracking dogs; search and rescue dogs; cadaver dogs; and police horses. Service animal does not include assistance dogs.

SB 42 ARREST WITHOUT A WARRANT

Sponsor: Senator John Schickel (R-Union)



SB 42 amends KRS 431.005 to permit a peace officer to make an arrest without a warrant when a violation of KRS 508.030, assault in the fourth degree, has occurred in a hospital without the officer's presence if the officer has probable cause to believe the person being arrested violated KRS 508.030. As used in SB 42, hospital includes any property owned or used by a hospital, including a parking lot or parking garage.

The legislation expands the current provisions of KRS 431.005 that permit an arrest without a warrant when an assault in the fourth degree occurs in the emergency room of a hospital without the officer's presence if probable cause exists.

5. ECONOMIC DEVELOPMENT

HB 156 KENTUCKY COAL FIELDS ENDOWMENT FUND



Sponsor: Representative Chris Fugate (R-Chavies)

HB 156 creates a new section of KRS 42.450 to 42.495 to establish the Kentucky Coal Fields Endowment Authority as a public corporation, governmental agency and instrumentality of the Commonwealth to support through funding efforts diversification of the economy of the coal fields of Kentucky.

Projects that may be funded by the authority shall be:

1. Nonrecurring investments in: (a) economic development; (b) public infrastructure, water and wastewater; (c) public health and safety; or (d) information technology development and access; and
2. Selected by the authority based on economic impact, job creation, workforce development, community benefit, available partnerships, project readiness and the ability for a project to be self-sustaining.

Of the severance and processing taxes on coal collected annually, \$7.5 million shall be transferred from the General Fund to the Kentucky Coal Fields Endowment Authority. The transfers shall be made in quarterly amounts of \$1,875,000 at the same time as transfers to the Local Government Economic Development Fund are made. Moneys transferred to the authority shall not be appropriated or transferred by the General Assembly for any other purpose.

The Kentucky Coal Fields Endowment Authority shall consist of seven persons selected as follows: (1) two persons appointed by the Governor from counties located within the Eastern Coal Field; (2) two persons appointed by the Governor from counties located within the Western Coal Field; (3) two persons appointed by the Governor who possess experience and expertise in business or finance; and (4) the commissioner of the Department for Local Government or the commissioner's designee.

HB 482 BIENNIAL BUDGET AMENDMENT



Sponsor: Representative Michael Meredith (R-Brownsville)

HB 482 amends the 2016-2018 executive branch biennial budget to appropriate up to \$15 million for an undisclosed economic development project. The legislation appropriates \$641,000 of supplemental General Fund moneys in fiscal year 2017-2018 for new debt service to support up to \$15 million in new bonds for the Kentucky Economic Development Finance Authority Loan Pool.

At the discretion of the Kentucky Economic Development Partnership, in lieu of bond funds, funds in an amount not to exceed \$15 million may be appropriated from the General Fund Surplus Account or the Budget Reserve Trust Fund Account. Funds must be used to support programs administered by the Kentucky Economic Development Finance Authority for the sole purpose of facilitating a private sector investment of not less than \$1 billion in one or more locations in the commonwealth. The authorization expires on June 30, 2018, if the private sector investment has not commenced prior to June 30, 2018.

An emergency is declared. HB 482 became law on April 11, 2017, when signed by the Governor.



ECONOMIC DEVELOPMENT

HB 388 TAX INCREMENT FINANCING



Sponsor: Representative Richard Heath (R-Mayfield)

HB 388 amends KRS 65.7043 to permit the development of previously undeveloped land as a development area for purposes of tax increment financing if the project proposed for the development area is a mixed-use development that includes a tract of previously undeveloped land that is bounded on one side by a four-lane U.S. highway and was owned by a liberal arts educational institution within four years prior to the effective date of HB 388. No more than 50 percent of the previously undeveloped land shall be used for qualified mixed uses.

KRS 154.30-060 is amended to expand the definition of mixed-use to allow provisions restricted to urban county and consolidated local governments to be available to all counties.



Representative Richard Heath (R-Mayfield) looks on as Senator Stan Humphries (R-Cadiz) presents HB 388, an act relating to tax increment financing, in the Senate Appropriations and Revenue Committee.

ECONOMIC DEVELOPMENT

As amended, KRS 154.30-060 defines mixed-use as follows:

Mixed-use means a project: (1) that includes at least two qualified uses, each of which comprises at least 20 percent of the total finished square footage of the proposed project or represents at least 20 percent of the total capital investment; or (2) that includes at least three qualified uses:

(a) one of which comprises at least 20 percent of the total finished square footage of the proposed project or represents at least 20 percent of the total capital investment; and

(b) the remaining uses, when combined, jointly comprise at least 20 percent of the total finished square footage of the proposed project or represent at least 20 percent of the total capital investment.

The provisions of HB 388 apply to applications for which a tax incentive agreement has not been approved prior to the effective date of HB 388.

An emergency is declared. HB 388 became law on April 10, 2017, when signed by the Governor.

HB 390 LOCAL GOVERNMENT PUBLIC-PRIVATE PARTNERSHIPS



Sponsor: Representative Melinda Prunty (R-Belton)

HB 390 amends several statutes relating to state agency and local government public-private partnerships. KRS 65.028 relating to local government public-private partnerships is amended to:

1. Allow members of the Kentucky Local Government Public-Private Partnership Board appointed by the Kentucky League of Cities and the Kentucky Association of Counties to send designees with similar experience to meetings for which they are unavailable;
2. Exempt agreements with a value less than 30 percent of the local government's general fund revenues from submission to the Kentucky Local Government Public-Private Partnership Board for evaluation;
3. Extend the time for review by a local government of an unsolicited proposal from 30 to 90 days;
4. Provide for a period of not less than 30 days and no more than 90 days for submission of competing proposals to an unsolicited proposal, if a local government elects to consider further action on an unsolicited proposal; and
5. Require an unsolicited proposal to be deemed rejected if no written response is received from the local government within 90, rather than 60, days after submission.

An emergency is declared. HB 390 became law on March 27, 2017, when signed by the Governor.



6. ELECTIONS

HB 319 LOCAL OPTION ELECTIONS



Sponsor: Representative Kenny Imes (R-Murray)

HB 319 amends KRS 242.020 to require any person or group of persons seeking a local option election for the sale of alcoholic beverages to file a statement of intent to circulate a petition for a local option election with the county clerk, along with a copy of the unsigned petition, prior to circulation of the petition.

A petition must include the signature, legibly printed name and year of birth of each voter, in addition to the voter's address, the date the petition was signed and the date of the local option election. After a petition has received the required number of qualified signatures, it must be filed with the county clerk. If the election is to be held on any day other than a primary or regular election day, the person or group of persons seeking the local option election must post a bond with the Circuit Court within five days after the signed petition is filed to cover all costs of the election.

The county judge/executive must: (1) determine the cost of the election and the bond amount if the election is to be held on a day other than a primary or regular election day; and (2) enter an order directing the question be placed on the ballot for the next primary or regular election to be held in the territory, unless the election date stated in the petition is a date other than a primary or regular election day.

KRS 242.030 is amended to require a local option election to be held not earlier than 60 and not later than 150 days after the date a qualified petition is filed with the county clerk and to permit an election to be held on the same day as a primary or regular election. In order for the local option election to be held on the day fixed by law for holding a primary, the petition must be filed not earlier than the first Wednesday after the first Monday in November of the year preceding the day on which the primary is to be held and not later than the last Tuesday in January preceding the day fixed by law for holding the primary. In order for the local option election to be held on the day fixed by law for a regular election, the petition must be filed not later than the second Tuesday in August preceding the day fixed by law for holding the regular election.

Local Option Elections in Merged Governments

KRS 242.1242 is amended to permit an urban county government, charter county, consolidated local government and unified local government in which a qualified historic site is located to have a local option election for the limited sale of alcoholic beverages by the drink in the precinct where the historic site is located.

KRS 242.022 is likewise amended to permit an urban county government, charter county, consolidated local government and unified local government in which a state park is located to have a local option election for the limited sale of alcoholic beverages by the drink in the precinct where the state park's qualifying lodge or golf course is located.

KRS 242.1244 is amended to permit an urban county government, charter county, consolidated local government and unified local government to have a local option election for the limited sale of alcoholic

beverages by the drink at restaurants and dining facilities that seat a minimum of 50 persons or a minimum of 100 persons and derive a minimum of 70 percent of their gross receipts from the sale of food.

Absentee Voting

KRS 117.075 and 117.085 are amended to permit a voter who, on account of age, disability or illness, is not able to appear at the polls on election day to vote either by mail-in absentee ballot or by in-person absentee voting conducted in the county clerk's office during normal business hours for at least 12 working days prior to an election.

An emergency is declared. HB 319 became law on April 11, 2017, when signed by the Governor.

SB 75 CAMPAIGN FINANCE

Sponsor: Senator Damon Thayer (R-Georgetown)



SB 75 amends provisions of KRS Chapter 121 relating to campaign finance reports and campaign contributions.

Campaign Finance Reports

KRS 121.180 is amended in relation to campaign finance reports required to be filed with the Kentucky Registry of Election Finance to:

1. Increase the exemption from \$1,000 to \$3,000 if a candidate will not accept or expend contributions in excess of \$3,000 in any one election;
2. Change the date for filing of executive committee and caucus campaign committee campaign finance reports from five days after the 30th day following a primary or regular election, to semi-annual reports filed by January 31 and July 31. The January report will cover the period July 1 to December 31, and the July report from January 1 to June 30;
3. Change the date for all candidates, slates of candidates, campaign committees, political issues committees and registered fundraisers not exempt from filing campaign finance reports to the 60th day preceding a regular election, including all previous contributions and expenditures, and for any election on the 30th and 15th days preceding the date of the election;
4. All reports will be deemed timely filed if received by the Registry of Election Finance within five days of each filing deadline; and
5. Permit candidates, committees, registered fundraisers and persons making independent expenditures not previously required to file campaign finance reports in electronic format the option to file reports in either paper or electronic format.



ELECTIONS

Campaign Contributions

KRS 121.150 is amended to:

1. Increase the contribution limit from \$50 to \$100 for a contribution to a campaign by an anonymous donor, with a \$2,000, rather than \$1,000, cap in the aggregate for anonymous donations in any one election;
2. Increase the limit for cash contributions to a campaign from \$50 to \$100 in the aggregate for each contributor in any one election;
3. Increase the campaign contribution limit for any person, permanent committee or contributing organization from \$1,000 to \$2,000 in any one election, indexed for inflation;
4. Reduce the contribution limit from \$5,000 to \$2,000 for contributions by a person to a permanent committee or contributing organization in any one year;
5. Increase the contribution limit from \$2,000 to \$5,000 for any contribution by a person to the state executive committee of a political party in any one year;
6. Limit contributions to a subdivision or affiliate of a state political party to \$5,000 in any one year;
7. Increase the contribution limit from \$2,500 to \$5,000 for any contribution by a person to a caucus campaign committee in any one year;
8. Repeal limits on personal loans by a candidate to his campaign committee for any office;
9. Permit a candidate, slate of candidates or a campaign committee to solicit and accept contributions after the date of a primary, regular or special election for repayment of debts and obligations owed by the campaign; and
10. Permit contributions from corporations if designated to a state executive committee's building fund.

State Executive Committee Building Fund Account

A new section of KRS Chapter 121 is created to permit a state executive committee of a political party to establish and accept unlimited contributions to a building fund account. A building fund account shall be used solely for expenditures related to the purchase, construction, maintenance, renovation and repair of the state executive committee's main headquarters facility. Funds cannot be used to advocate for or against the election or defeat of a clearly identified candidate or a ballot measure or for issue advocacy.

A state executive committee must establish a separate bank account for all contributions to a building fund account and no other contributions may be commingled with building fund account contributions. The Registry of Election Finance is required to promulgate administrative regulations necessary to administer political party building fund accounts. All contributions to and expenditures from a building fund account must be reported to the registry on a quarterly basis.

7. LABOR ORGANIZATIONS

HB 1 RIGHT-TO-WORK

Sponsor: Representative Jeff Hoover (R-Jamestown)



KRS 336.130 is amended to prohibit any employee from being required to, as a condition of employment or continuation of employment:

1. Become or remain a member of a labor organization;
2. Pay any dues, fees, assessments or other similar charges of any kind or amount to a labor organization; or
3. Pay to any charity or other third party, in lieu of these payments, any amount equivalent to or pro rata portion of dues, fees, assessments or other charges required of a labor organization.

The term employee is defined to mean any person employed by or permitted to work for a public or private employer. The term employer is defined to mean all persons, firms, associations, corporations, public employers, public school employers, public colleges, universities, institutions and education agencies.

The Secretary of the Labor Cabinet is required by KRS 336.130, as amended, to investigate complaints of violations or threatened violations of KRS 336.130 and may initiate enforcement by causing a complaint to be filed with the appropriate local prosecutor. Any labor organization, employer or other person who directly or indirectly violates the provisions of KRS 336.130 shall be guilty of a Class A misdemeanor.

A new section of KRS Chapter 336 is created to specify the provisions of KRS 336.130 apply to any new contract or an extension or renewal of any existing agreement entered into on or after the effective date of HB 1 and do not apply to any agreement between employers or employees or labor organizations entered into before the effective date. The provisions of KRS 336.130, as amended, also do not apply to federal employers and employees.

KRS 336.130 is additionally amended to prohibit public employees, collectively and individually, to engage in a strike or work stoppage. However, public employees may associate collectively for self-organization and designate collectively representatives of their own choosing to negotiate the terms and conditions of their employment.

A new section of KRS Chapter 336 is created to permit any person aggrieved as a result of a violation or threatened violation of KRS 336.130 to seek abatement of the violation or threatened violation by petitioning a court of competent jurisdiction for injunctive relief. Any person injured as a result of any violation or threatened violation of KRS 336.130 may recover all damages resulting from the violation or threatened violation and be entitled to costs and reasonable attorney fees if he or she prevails in the action.

A new section of KRS Chapter 65 is created to prohibit the legislative body of a local government to adopt or enforce any ordinance, policy or resolution in conflict with the provisions of KRS 336.130. A new section of KRS Chapter 336 is created to prohibit a public employer or a labor organization



LABOR ORGANIZATIONS

representing public employees from deducting membership dues of an employee organization, association or union from the wages or compensation of a public employee without the express written consent of the public employee. Consent must be provided prior to any deduction and may be revoked by the public employee at any time by written notice to the employer.

The Act may be cited as the Kentucky Right to Work Act. An emergency is declared. HB 1 became law on January 9, 2017, when signed by the Governor.

SB 6 UNION MEMBERSHIP

Sponsor: Senator Robert Stivers (R-Manchester)

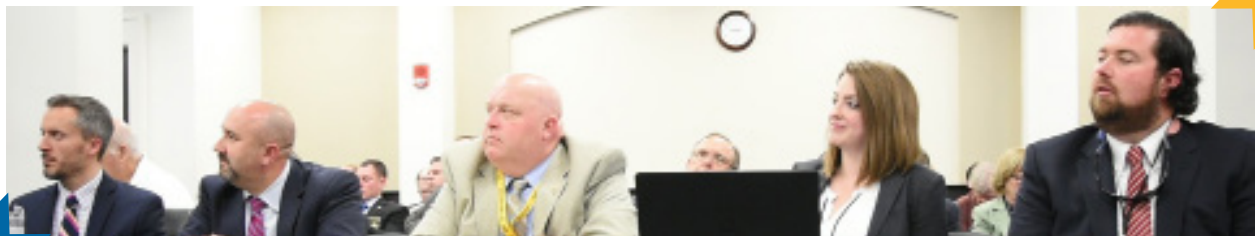
SB 6 creates a new section of KRS Chapter 336 to prohibit: (1) enrollment of an employee of a public or private employer as a member of a labor organization unless the employee has affirmatively requested membership in writing; and (2) withholding of sums from the earnings of any employee for the purpose of paying union dues or other fees paid by members of a labor organization or employees who are nonmembers except upon the written or electronic authorization of the employee member or employee nonmember.

As used in SB 6, employee means any person employed by a public or private employer except any person covered by the Federal Railway Labor Act or the National Labor Relations Act. The requirements of the act cannot be waived or required to be waived as a condition of employment.

SB 6 additionally requires labor organizations to maintain financial records substantially similar to, and no less comprehensive than, financial records required to be maintained by labor organizations under federal labor laws. The records must be kept in a searchable electronic format, provided to every represented employee, and retained for a period of at least five years.

SB 6 does not apply to labor agreements between employers and employees or labor organizations entered into before the effective date of SB 6. Any labor agreement entered into, opted in, renewed, or extended on or after the effective date that violates the provisions of SB 6 shall be unlawful and void. Any labor organization that violates the provisions of SB 6 shall be assessed a civil penalty of not less than \$100 nor more than \$1,000 for each offense.

An emergency is declared. SB 6 became law on January 9, 2017, when signed by the Governor.



From left: Eric Kennedy (Kentucky School Boards Association), J.D. Chaney (KLC), Chris Bartley (Kentucky Professional Firefighters), Bryanna Carroll (KLC) and JC Young (Kentucky Magistrates and Commissioners Association) presenting initiatives for the 2017 Regular Session.

8. LAW ENFORCEMENT

HB 67 AUTOPSY RECORDS

Sponsor: Representative James Tipton (R-Taylorsville)



HB 67 creates a new section of KRS Chapter 72 to limit distribution of autopsy photographs, other visual images, video recordings or audio recordings related to an autopsy by the Office of the State Medical Examiner, a coroner or other public official in lawful possession of autopsy records to the following persons or agencies: (1) the spouse, children, surviving parents and personal representative of the decedent; (2) any law enforcement agency, county attorney, commonwealth's attorney, public health officer or coroner having a bona fide interest in the case; (3) an attorney in a matter arising out of the decedent's death; (4) a beneficiary under an insurance policy for the purpose of processing a claim related to the decedent's death; (5) an insurance company with the written permission of the decedent's spouse or personal representative for the purpose of processing a claim related to the decedent's death; and (6) to medical, legal or law enforcement professionals for teaching purposes if identifying data or features are redacted or obscured.

No autopsy photograph, other visual image, video recording or audio recording shall be open to the public unless the spouse or personal representative of the decedent provides an express waiver and authorization to the state medical examiner, coroner or other public official in lawful possession of the records.

Any person may petition the Circuit Court of the county where the decedent resided or, if the decedent was not a resident of the state, the county in which autopsy records are located to review the records. Upon a showing of good cause, the court may enter an order allowing review and prescribe any restrictions or stipulations that the court deems appropriate. In all cases, review of autopsy photographs, other visual images, video recordings or audio recordings related to an autopsy shall be under the direct supervision of the custodian of the records. The spouse or personal representative of the decedent shall be given notice of the petition and the opportunity to be present and heard at any hearing on the matter.

In determining good cause, the court shall consider: (1) whether disclosure is necessary for the public evaluation of governmental performance; (2) whether the disclosure is the least intrusive means available; and (3) whether similar information is available in other public records.

When the purpose for the use of an autopsy photograph, other visual image, video recording or audio recording has been achieved, the material must be destroyed by the person to whom it was made available.

HB 215 VEHICLE ACCIDENT REPORTS

Sponsor: Representative Bart Rowland (R-Tompkinsville)



KRS 189.635 permits the Department of Kentucky State Police to make vehicle accident reports available to news-gathering organizations for the purpose of publishing or broadcasting the news and for no other purpose. HB 215 amends KRS 189.635 to define news-gathering organization to mean a newspaper or periodical if it:



LAW ENFORCEMENT

1. Is published at least 50 of 52 weeks during a calendar year;
2. Contains at least 25 percent news content in each issue or no more than 75 percent advertising content in any issue in a calendar year; and
3. Contains news of general interest to its readers that can include news stories, editorials, sports, weddings, and birth and death notices.

For purposes of KRS 189.635, news-gathering organization does not include any product or publication:

1. Intended primarily for members of a particular profession or occupational group; or
2. With the primary purpose of distributing advertising or of publishing names and other personal identifying information concerning parties to motor vehicle accidents that may be used to solicit for payment of basic reparation benefits under Subtitle 39 of KRS Chapter 304.

A request by a news-gathering organization for a vehicle accident report must be made on a Kentucky State Police form that includes the name and address of the requester, the news-gathering organization the requester represents, and a statement that the request is accurately and truthfully made in compliance with the criteria for qualification as a news-gathering organization.

HB 337 EMPLOYMENT CONTRACTS

Sponsor: Representative Steven Rudy (R-Paducah)



HB 337 amends KRS 70.290 to modify reimbursement criteria for costs incurred by a local law enforcement agency for training of a peace officer participating in the Law Enforcement Foundation Program Fund who has entered into an employment contract with a law enforcement agency and subsequently accepts employment as a peace officer with another law enforcement agency prior to expiration of the employment contract.

KRS 70.290 currently permits city and county law enforcement agencies to, as a condition of employment, require a newly appointed peace officer who will participate in the Kentucky Law Enforcement Foundation Program Fund to enter into an employment contract for a period of no longer than three years from the date of graduation from the Department of Criminal Justice Training. Reimbursement of training costs is required if a peace officer who has entered into a contract accepts employment as a peace officer with another law enforcement agency before the contract expires. The amount of reimbursement is required to be prorated based upon the percentage of time the peace officer has completed of his or her employment contract.



HB 337 was led by Representative Steven Rudy (R-Paducah) pictured middle. The bill was an initiative for KLC this session.

HB 337 amends KRS 70.290 to require full payment of training costs incurred to be paid to the law enforcement agency that initially hired the peace officer for contracts entered into on or after the effective date of HB 337, as currently required by the Department of Kentucky State Police pursuant to KRS 16.050 if a state police officer accepts employment with a local law enforcement agency within three years of completing basic training.

HB 417 CONCEALED CARRY

Sponsor: Representative Robert Benvenuti (R-Lexington)



HB 417 amends KRS 237.137 which permits off-duty peace officers authorized to do so by the government employing the officer and retired peace officers certified under KRS 237.138 to 237.142 to carry concealed firearms at any location within the state where an on-duty peace officer is permitted to carry firearms. The amendment adds a penalty provision that makes it unlawful for any person to prevent or attempt to prevent an off-duty peace officer or retired peace officer authorized to carry a concealed firearm pursuant to KRS 237.137 from carrying a concealed firearm where an on-duty peace officer is permitted to carry firearms. Any person found guilty of violating the provision shall be guilty of a violation. A person guilty of a violation shall be subject to a fine of \$500 for a first offense, \$1,000 for a second offense, and \$2,500 for a third or any subsequent offense. A citation for the violation may be issued to an individual or an establishment where the violation occurs.

KRS 237.128 and KRS 237.132 are amended to remove the requirement for a firearms instructor to provide hands-on training in firearm cleaning and instead require the instructor to demonstrate firearm maintenance and cleaning procedures.

An emergency is declared. HB 417 became law on April 11, 2017, when signed by the Governor.

SB 197 DEPARTMENT OF CRIMINAL JUSTICE TRAINING

Sponsor: Senator Joe Bowen (R-Owensboro)



SB 197 creates a new section of KRS Chapter 15A to transfer certain contract employees of Eastern Kentucky University - those who are engaged in providing instructional and support services to the mission of the Department of Criminal Justice Training - to the Department of Criminal Justice Training within the Justice and Public Safety Cabinet effective May 1, 2017, along with the funding associated with the employees. Employees transferred shall participate in the Kentucky Employees Retirement System as nonhazardous members.

The Personnel Cabinet is directed to assist in implementing the transfer. All records shall be transferred, including accumulated annual leave, sick leave, compensatory time and service credit for each affected employee. No employee shall suffer any penalty in the transfer.

Law Enforcement Training

KRS 15.440 is amended to authorize the Kentucky Law Enforcement Council, through the promulgation of administrative regulations, to approve basic training credit for: (1) basic training completed in another state; and (2) years of service credit as a law enforcement officer with previous service in another state.

An emergency is declared. SB 197 became law on March 21, 2017, when signed by the Governor.



9. LEGAL AND ADMINISTRATIVE PROCEEDINGS

HB 50 ADMINISTRATIVE REGULATIONS

Sponsor: Representative Kenny Imes (R-Murray)

A new section of KRS Chapter 13A is created to provide a process for expiration of administrative regulations unless renewed by the administrative body that promulgated the regulations. If an administrative body does not want an administrative regulation to expire, the administrative body must:

1. Review the administrative regulation in its entirety for compliance with current law governing the subject matter of the administrative regulation and with the requirements of KRS Chapter 13A relating to administrative regulations; and
2. Prior to the expiration date, file a certification letter with the Legislative Research Commission on the administrative body's official letterhead in a format prescribed by the regulations compiler. The certification letter must include the following information: (a) the name of the administrative body; (b) the number and title of the administrative regulation; (c) a statement whether the administrative regulation will be amended by the administrative body or remain in effect without amendment; and (d) a brief statement in support of the position.

If the certification letter states the administrative regulation will be amended, the administrative body must file an amendment with the Legislative Research Commission within 18 months of the date the certification letter was filed. If an amendment is filed as required, an administrative regulation will not expire unless the amendment is withdrawn or the regulations review process otherwise ceases. When the amendment becomes effective, the regulations compiler will update the last effective date for the administrative regulation.

If an administrative body certifies an administrative regulation will remain in effect without amendment, the regulations compiler must update the administrative regulation's history line to state that a certification letter was received and change the last effective date of the administrative regulation to the date the certification letter was filed. Each certification letter received by the regulations compiler must be published in the Administrative Register of Kentucky in summary form or in its entirety.

KRS 13A.010 is amended to define last effective date to mean: (1) the most recent date an ordinary administrative regulation became effective without including the date of any technical amendment; or (2) the date a certification letter was filed with the regulations compiler if the letter stated the administrative regulation will remain in effect without amendment. KRS 13A.040 is amended to require the administrative regulations compiler to maintain a list of all administrative regulation numbers and the corresponding last effective date, based on the information included in the history of each administrative regulation.

A new section of KRS Chapter 13A is created to require an ordinary administrative regulation with a last effective date on or after July 1, 2012, to expire seven years after its last effective date, except as provided by the certification process. An ordinary administrative regulation with a last effective date before July 1, 2012, will expire on July 1, 2019, except as provided by the certification process.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

Within three months of the effective date of HB 50 and at least once every six months thereafter, the regulations compiler must publish a list of existing administrative regulations and their corresponding last effective dates. For all administrative regulations that expire, the regulations compiler must delete them from the Kentucky Administrative Regulations Service, add them to a list of ineffective administrative regulations and, beginning on January 1, 2020, and at least once every six months thereafter, publish a list of administrative regulations that have expired since the previous publication of expired regulations.

HB 72 APPEAL BOND



Sponsor: Representative Jerry Miller (R-Louisville)

HB 72 creates a new section of KRS Chapter 100 to require any party that appeals a final decision of a Circuit Court in a legal challenge to land use under KRS Chapter 100 to, upon motion of a nonappealing party, file an appeal bond if directed by the Circuit Court following a hearing.

Within 30 days after a notice of appeal is filed in the Circuit Court, a nonappealing party may file a motion requesting posting of an appeal bond. If a motion is filed, the Circuit Court must conduct a hearing within 30 days to determine the amount of a bond. In determining the amount, the court must consider if the appeal is presumptively frivolous, including but not limited to whether the appeal is of a ministerial or discretionary decision and whether there is a reasoned interpretation supporting the appeal.

If the Circuit Court determines an appeal is presumptively frivolous, the court must consider in setting a bond all of the costs, economic loss, and damages that the nonappealing party may suffer or incur during the pendency of the appeal, including attorney fees and court costs, up to a maximum bond amount of \$250,000.

If the Circuit Court determines an appeal is not presumptively frivolous, the court must consider the costs that the nonappealing party may incur during the pendency of the appeal, including but not limited to attorney fees and court costs, plus interest payable on land acquisition or development loans, up to a maximum bond amount of \$100,000.

If an appeal bond is required by the Circuit Court but not posted within 15 days of the court's determination of the bond amount, the appeal will be dismissed.

Following a final decision on the appeal by the appellant court, either party may make a motion to the Circuit Court requesting a hearing to determine the actual costs and damages to be paid under an appeal bond. The court must hold the hearing within 30 days of the request and issue findings of fact within an additional 30 days. Costs and damages awarded must be limited to the amount of the appeal bond.

Governmental entities, including municipal corporations, and any person challenging the creation or expansion of a landfill are specifically exempted from filing an appeal bond.

An emergency is declared. HB 72 became law on April 11, 2017, when signed by the Governor.



LEGAL AND ADMINISTRATIVE PROCEEDINGS

HB 223 INTEREST

Sponsor: Representative Joseph Fischer (R- Fort Thomas)



HB 223 reduces the interest rates payable on unpaid workers' compensation benefits under KRS Chapter 342 and on civil judgments for money under KRS Chapter 360.

Unpaid Workers' Compensation Benefits

KRS 342.040 is amended to reduce the interest payable on unpaid workers' compensation benefits owed to a claimant by an employer from 12 percent to 6 percent and reduce from 18 percent to 12 percent the maximum interest a judge can award for workers' compensation benefits denied, delayed or terminated without reasonable foundation. The rates apply to all workers' compensation orders entered into or settlements approved on or after the effective date of HB 223.

Judgments

KRS 360.040 is amended to reduce from 12 percent to 6 percent the interest due on a judgment, including a judgment for prejudgment interest, with three exceptions. The interest rate on a judgment for unpaid child support payments remains at 12 percent compounded annually from the date the judgment is entered; a judgment on a contract, promissory note or other written obligation will bear interest at the rate established in the written document; and interest due on a judgment for unliquidated damages is reduced from 12 percent to 6 percent, but may bear interest at a rate less than 6 percent if the court rendering the judgment is satisfied, after a hearing, that the rate of interest should be less than 6 percent. The rates apply to all judgments entered by a court on or after the effective date of HB 223.



HB 223, related to unpaid workers' compensation benefits, was sponsored by Representative Joseph Fischer (R-Fort Thomas) here pictured next to Representative Addia Wuchner (R-Florence) in the House.

10. LOCAL GOVERNMENT ADMINISTRATION

HB 3 PREVAILING WAGE AND MINIMUM WAGE



Sponsor: Representative Jeff Hoover (R-Jamestown)

HB 3 amends and repeals various Kentucky statutes relating to wages and hours to abolish prevailing wage requirements and the state Prevailing Wage Board. Prior to enactment of HB 3, prevailing wage was required to be paid to construction workers on public construction projects estimated to cost \$250,000 or more.

The repeal applies to any public works project or portion thereof for which bids have not been awarded as of the effective date of the Act. For bids that have been requested but not awarded prior to the effective date, the public authority may elect to request a resubmission of bids to conform to the provisions of HB 3.

HB 3 additionally creates a new section of KRS Chapter 65 to prohibit the legislative body of any local government to require an employer to pay to an employee a certain wage, minimum wage or fringe benefit other than as determined by the employer.

An emergency is declared. HB 3 became law on January 9, 2017, when signed by the Governor.



KLC Executive Director Jon Steiner (right) and President Claude Christensen (left) testifying before Senate Appropriations and Revenue Committee on HB 3.



LOCAL GOVERNMENT ADMINISTRATION

HB 189 AREA DEVELOPMENT DISTRICTS



Sponsor: Representative Jim DeCesare (R-Bowling Green)

HB 189 includes accountability and transparency measures applicable to area development districts.

Personnel

KRS 147A.070 is amended to include several provisions related to personnel:

The board of directors in each district may hire an executive director and a deputy executive director. The executive director shall perform such functions and duties assigned by the board. The deputy executive director shall perform such functions and duties assigned by the executive director.

On or after the effective date of HB 189, an open position for the executive director or deputy executive director must be advertised by the board of directors in a manner designed to provide adequate notice of the opening and sufficient time for interested applicants to apply.

Bonuses, awards, onetime or special salary adjustments, or severance pay that does not constitute a permanent change in an employee's compensation shall not be made or awarded to any employee.

Financial Information

A new section of KRS Chapter 147A is created to include provisions relating to disclosure of financial information:

Beginning in 2017, the Cabinet for Health and Family Services and the Education and Workforce Development Cabinet must prepare and submit to the Legislative Research Commission and area development district board members by December 31 of each year a report detailing the total amount of state and federal funds distributed to each area development district during the fiscal year broken down by funding source and program from the preceding fiscal year.

Each area development district must by December 31 of each year beginning in 2017 prepare and submit a report to the Legislative Research Commission and area development district board members that includes the following financial information from the preceding fiscal year:

1. The total amount of state or federal funds received;
2. A description of expenditures made for or allocated to administrative costs, direct expenditures and indirect expenditures;
3. Funds not expended and the reason not expended;
4. The total amount of reserves carried forward, the source of the reserves and an explanation why the funds are carried forward; and
5. For each program: (a) a list of direct services provided; (b) a list of service providers contracted by the district and the services provided by each; (c) the number of persons eligible for, served by and on

LOCAL GOVERNMENT ADMINISTRATION

a waiting list, if any, for each program; and (d) the performance measures required by each contract for evaluation of services provided.

Upon receipt of the report prepared by each area development district, the Legislative Research Commission must distribute the report to the appropriate interim joint committee and to the budget review subcommittee that has jurisdiction over the Cabinet for Health and Family Services or the Education and Workforce Development Cabinet.

Transparency

A new section of KRS Chapter 147A.050 to 147A.140 is created to require each area development district and any board, committee or other entity created by an area development district to, by January 1 of each year:

1. Comply with the provisions of Kentucky's open meetings and open records laws;
2. Comply with state and federal procurement statutes and administrative regulations, as applicable;
3. Adopt a code of ethics or abide by an applicable code of ethics pursuant to KRS 65A.070;
4. Adopt policies to address conflicts of interest for employees and board members that include a prohibition on employees and board members having an interest in any contract entered into by the district or an agency created by the district;
5. Be subject to whistleblower provisions of KRS 61.101- 61.103;
6. Adopt, implement and maintain a detailed and equitable compensation policy for employees; and
7. Establish and maintain an independent process to receive, analyze, investigate and resolve concerns relating to the area development district. If the process finds a reasonable likelihood that a violation exists, the alleged violation must be reported to the Department for Local Government, the Auditor of Public Accounts and the Attorney General.

By July 1, 2020, each area development district and each board, committee or other entity created by an area development district must provide and maintain a website that allows public internet access to substantial and substantive financial data about expenditures of the district and affiliated entities in compliance with the provisions of KRS 65.312(4).

Audits

A new section of KRS Chapter 147A.050 to 147A.140 is created to specify requirements for audits of area development districts effective July 1, 2018. An area development district shall not enter into any contract with a certified public accountant or firm to perform an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within 30 days of receipt of a written request to perform the audit. Any contract with a certified public accountant or firm to perform an audit must require the certified public accountant to forward a copy of the audit report and



LOCAL GOVERNMENT ADMINISTRATION

management letters to the Auditor of Public Accounts for review. The Auditor of Public Accounts may review the work papers of the certified public accountant before and after release of the audit.

HB 310 LAND BANK AUTHORITIES



Sponsor: Representative Joni L. Jenkins (D-Shively)

HB 310 amends provisions of KRS 65.350 to 65.315 relating to land bank authorities. KRS 65.355 is amended to expand the properties that may be acquired by a land bank authority to include, in addition to tax delinquent properties, properties that have become blighted or deteriorated as defined by KRS 99.705 and properties that have local government liens filed against them, defined to mean any lien established by or in favor of a local government under KRS Chapter 65, 82, 91,91A, or 134.

KRS 65.370 is amended to authorize a land bank authority to retain all proceeds from the sale or disposal of property held by the authority, except for property acquired by a land bank authority by order of a court following a tax sale when certain costs must be paid by the authority upon reconveyance of the property.

HB 65.370 is additionally amended by HB 310 to require, for the first five years following conveyance of property by a land bank authority to an owner that is subject to ad valorem property taxes, 50 percent of the ad valorem property taxes collected from the property by all parties to the interlocal agreement establishing the land bank authority, except school districts, to be remitted to the authority.

HR 11 INTERLOCAL AGREEMENTS



Sponsor: Representative Steve Riggs (D-Jeffersontown)

House Resolution 11, adopted by the House of Representatives, urges the Kentucky League of Cities, Kentucky Department for Local Government, the Kentucky Association of Counties, and the Kentucky County Judge/Executive Association to conduct annual dedicated training for local officials and employees on the benefits and best practices of interlocal agreements during each of their annual conferences and at other times and locations when tangible benefits from the training may be realized. The Clerk of the House of Representatives is directed to transmit a copy of the resolution to the commissioner of the Department for Local Government and to the respective presidents of the Kentucky League of Cities, Kentucky Association of Counties and Kentucky County Judge/Executive Association.

SB 8 FUNDING OF FAMILY PLANNING SERVICES



Sponsor: Senator Max Wise (R-Campbellville)

SB 8 amends KRS 311.715 to prohibit state and local public agency funds from being directly or indirectly used, granted, paid or distributed to any nonpublic entity or organization that directly provides only family planning services rather than all basic health services.

11. LOCAL GOVERNMENT PROCEDURES

HB 318 LOCAL CODE ENFORCEMENT



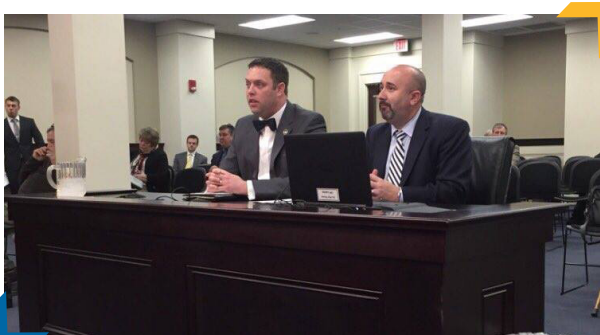
Sponsor: Representative Michael Meredith (R-Brownsville)

HB 318 amends three statutes relating to local code enforcement board procedures. It follows passage of HB 422 by the 2016 General Assembly relating to local code enforcement boards.

KRS 65.8811 is amended to require a joint code enforcement board comprised of two or more participating local governments to be established by an interlocal agreement. Two or more participating local governments may share an appointment or appointments to the code enforcement board by agreement of the executive authorities and approval of the legislative bodies. Joint appointments may be reappointed upon approval of the legislative bodies. Any vacancy in a joint appointment requires an agreement of the executive authorities and approval of the legislative bodies in filling the vacancy.

KRS 65.8825 is amended to modify procedures for service of process upon alleged violators of local government ordinances by permitting service solely by mailing a copy by regular first-class mail to the last known recorded mailing address of the alleged violator instead of by personal service or leaving or posting a copy of the citation on the premises. Notice of a final order must be provided to a cited violator by regular first-class mail; certified mail, return receipt requested; personal delivery; or by leaving a copy with a person 18 years of age or older at the person's usual place of residence.

KRS 65.8836 is amended to require the local government to update final order information on its website at the same time electronic mail notification of a final order is sent to registered lienholders, instead of within 10 days after entry of a final order.



Representative Michael Meredith (R-Brownsville) and J.D. Chaney (KLC Deputy Executive Director) speak on HB 318 in committee.

SB 182 LOCAL GOVERNMENT PROCUREMENT



Sponsor: Senator Wil Shroder (R-Wilder)

SB 182 amends KRS 45A.380 to allow a local public agency to contract through noncompetitive negotiation when a contract is with a private real estate developer and the contract contains a requirement that the developer increase the size or otherwise improve the collection capacity of the sanitary sewer or storm water pipe serving the private real estate development, with the local public agency required to pay only the proportional cost of increasing the size or otherwise improving the collection capacity of the sanitary sewer or storm water pipe over the original collection capacity.



12. MOTOR VEHICLES

HB 74 MOTOR VEHICLE EQUIPMENT

Sponsor: Representative Donna Mayfield (R-Winchester)



HB 74 amends three statutes relating to motor vehicle equipment. KRS 189.950 is amended to prohibit a motor vehicle to be equipped with or use any blue light while operating on a public highway except an emergency vehicle. Nonhalogen headlamps that have a slight blue tint and any blue light on a motorcycle that is not affixed to the front of the motorcycle are also exempt.

KRS 189.993 is amended to require any person who illuminates a blue light affixed to the front of a motor vehicle while operating the motor vehicle on a highway to be fined \$100 for the first offense, \$200 for a second offense and \$1,000 for each subsequent offense.

KRS 189.040 is amended to require headlamps on motor vehicles, motorcycles and mopeds to meet United States Department of Transportation regulations and emit only white light. Nonhalogen headlamps may emit a slight blue tint if the headlamps were installed by the vehicle manufacturer as original equipment. A motor vehicle, motorcycle or moped shall not be retrofitted with a headlamp that appears to emit a solid color of light other than white or a headlamp cover or film that changes the light emitted from the headlamp to a color other than white. Visible rear lights on a motor vehicle must be white, amber or red unless installed as original equipment by the manufacturer.

HB 404 COMMERCIAL PARCEL DELIVERY

Sponsor: Representative Sal Santoro (R-Florence)



A new section of KRS Chapter 189 is created to permit commercial delivery personnel to operate low-speed vehicles, golf carts or utility vehicles solely for the purpose of delivering express envelopes and packages if: (1) the operator has a valid operator's license in his or her possession; (2) the vehicles are operated only in residential areas and on public roadways with a posted speed limit of 35 miles per hour or less; (3) the local government having jurisdiction over the public roadways has not enacted an ordinance prohibiting commercial delivery personnel from operating on the roadways; (4) the size of the combined length and girth of packages does not exceed 130 inches and the weight of the packages does not exceed 180 pounds; and (5) the vehicles are operated between sunrise and sunset or a time period specified by local ordinance.

Low-speed vehicles, golf carts and utility vehicles operated by commercial delivery personnel must: (1) be titled in accordance with KRS Chapter 186A; (2) be registered as a motor vehicle in accordance with KRS 186.050(3)(a); (3) be insured in compliance with KRS 281.655; (4) meet the federal motor vehicle safety standards for low-speed vehicles set forth in 49 C.F.R. sec. 571.500; (5) be marked in a conspicuous manner with the name of the delivery service; (6) bear an identifying sticker or tag with a unique identification issued by the Transportation Cabinet; and (7) comply with vehicle standards established by administrative regulation by the Transportation Cabinet.

The governing body of a local government may, by local ordinance, regulate commercial delivery vehicles operating on any public roadway under its jurisdiction by specifying: (1) each roadway that is prohibited for use by commercial delivery vehicles; and (2) the time period during which vehicles may operate.

A local government may not assess fees or set vehicle equipment requirements.

At least 60 days prior to commencing the operation of low-speed vehicles, golf carts or utility vehicles in residential areas within a local government, a commercial delivery service must provide notice to the local government of its intent to operate on roadways under the local government's jurisdiction. Notification shall not be required for local governments that have adopted a golf cart ordinance pursuant to KRS 189.286.

The Transportation Cabinet may promulgate administrative regulations to establish requirements and set forth standards for vehicles used by commercial delivery personnel, including but not limited to issuance of an identification sticker or tag.

SB 73 AUTOCYCLES

Sponsor: Senator C.B. Embry (R-Morgantown)

SB 73 amends KRS Chapter 189 to establish a separate and distinct category for an autocycle as a type of motor vehicle. KRS 186.010 is amended to define autocycle to mean any motor vehicle that:

1. Is equipped with a seat that does not require the operator to straddle or sit astride it;
2. Is designed to travel on three wheels in contact with the ground;
3. Is designed to operate at a speed that exceeds 40 miles per hour as certified by the manufacturer;
4. Is designed so the operator and passenger ride either side-by-side or in tandem in a seating area that may be enclosed with a removable or fixed top;
5. Is equipped with a three-point safety belt system and anti-lock brakes;
6. May be equipped with manufacturer-installed air bags or a roll cage;
7. Is designed to be controlled with a steering wheel and pedals; and
8. Is not an alternative-speed motorcycle, defined by KRS 186.010(17) as a vehicle similar to an autocycle but designed to operate at a speed not to exceed 40 miles per hour.

A new section of KRS Chapter 189 is created to outline provisions for the operation of an autocycle on a highway. An autocycle operating on a highway is considered to be a motorcycle and must be insured in compliance with KRS 304.39-110, titled in accordance with KRS Chapter 186A and registered as a motorcycle in accordance with KRS 186.050(2). A person operating an autocycle must have a valid driver's license. A motorcycle license is not required.

For purposes of traffic reports, KRS 189.635 is amended to require an autocycle to be listed as its own distinct category and not considered a motor vehicle or a motorcycle for purposes of traffic reports. KRS 190.010 is amended to authorize motorcycle dealers and used car dealers to sell autocycles but not new car dealers.

13. PUBLIC HEALTH AND SAFETY

HR 12 E-COMMERCE SAFETY ZONES



Sponsor: Representative Dennis Keene (D-Wilder)

House Resolution 12 was adopted by the House of Representatives to encourage local governments to designate easily accessible areas within their jurisdictions for the safe conduct of in-person transactions facilitated by internet websites. The areas may be known as E-Commerce Safety Zones.

HJR 56 SMALL WASTEWATER TREATMENT PLANTS



Sponsor: Representative Russell Webber (R-Shepherdsville)

House Joint Resolution 56 directs the Kentucky Division of Water in the Energy and Environment Cabinet to conduct a study related to the operation and sustainability of small wastewater treatment plants to:

1. Identify privately owned and operated small wastewater treatment plants in Kentucky;
2. Identify indicators for assessment of risks of financial failure, technical failure, structural failure or abandonment of privately owned and operated small wastewater treatment plants;
3. Identify potential emergency intervention methods to respond to plant failures in a collaborative manner between state and local entities to provide continuity of service; and
4. Identify legislative changes that may assist to mitigate the failure or abandonment of small wastewater treatment plants.

In conducting the study, the Division of Water is directed to confer with the following persons or entities: Kentucky League of Cities, Kentucky Municipal Utilities Association, Kentucky Association of Counties, Kentucky Infrastructure Authority, Kentucky Public Service Commission, Kentucky Department for Public Health, Kentucky Rural Water Association, Kentucky Rural Community Assistance Partnership, Kentucky Council of Area Development Districts, Kentucky Water and Wastewater Operators Association, American Council of Engineering Companies – Kentucky, Kentucky Attorney General’s Office of Rate Intervention, one member of the Senate appointed by the President of the Senate, one member of the House appointed by the Speaker of the House, and any other entity or individual whose involvement is deemed necessary by the Division to accomplish the goals of the study.

The Division of Water is additionally directed to present a status report to the Legislative Research Commission by July 31, 2017, for referral to the Interim Joint Committee on Natural Resources and the Interim Joint Committee on Local Government that includes a summary of the research gathered to date and a planned timeline for the remaining work. A final report must be presented to the Legislative Research Commission for referral to the Interim Joint Committee on Natural Resources and Environment and the Interim Joint Committee on Local Government by December 1, 2017.

An emergency is declared. The House Joint Resolution became effective on March 27, 2017, when signed by the Governor.

SR 38 FIRST RESPONDER TRAINING



Sponsor: Senator C.B. Embry (R-Morgantown)

Senate Resolution 38 was adopted by the Kentucky Senate to urge first responders, including state police, city police, county sheriffs and deputies, firefighters and emergency medical services personnel to receive training on autism spectrum disorders. The Clerk of the Senate is directed to transmit a copy of the resolution to the commissioner of the Department of Kentucky State Police, the executive director of the Kentucky Board of Emergency Medical Services, and to each local police department, county sheriff's office and local fire department.



Senator C.B. Embry (R-Morgantown) sponsored SR 38, related to first responder training on autism spectrum disorders. He is pictured on the floor of the Senate.



14. RETIREMENT

SB 2 RETIREMENT SYSTEMS OVERSIGHT



Sponsor: Senator Joe Bowen (R-Owensboro)

SB 2 seeks to bring increased transparency and oversight to the state's retirement systems, including the Kentucky Retirement Systems, Teachers Retirement System and Judicial Form Retirement System. KRS 61.445, 61.650, 7A.220 and 7A.255 are amended to make structural and operational changes to the Kentucky Retirement Systems, with similar changes made to statutes governing the Teachers Retirement System and Judicial Form Retirement System.

Amendments to KRS 61.645

1. The Board of Trustees of the Kentucky Retirement Systems is expanded from 13 to 17 trustees by adding four additional gubernatorial appointees for a total of 10 gubernatorial appointees. All gubernatorial appointees are subject to Senate confirmation. Of the 10 trustees appointed by the Governor, six must have at least 10 years of investment experience.
2. In the event of a vacancy in an elected position on the Board of Trustees, the Kentucky Retirement Systems must notify members of the system in which the vacancy occurs of the vacancy and opportunity to be considered for the vacant position. Any vacancy must be filled within 90 days of the position becoming vacant by appointment by a majority vote of the remaining elected trustees with a person selected from the system in which the vacancy occurs.
3. All employees of the Kentucky Retirement Systems, except for the executive director, are subject to the state personnel system with salaries determined by the Secretary of the Personnel Cabinet.
4. Beginning July 1, 2017, the Kentucky Retirement Systems must post on its website: (a) all fees and commissions paid to each individual manager or partnership for each fund administered by the board updated on a quarterly basis; (b) the dollar value of any profit sharing, carried interest or any other partnership incentive arrangements received by or paid to each manager or partnership; (c) the name and address of all managers or partners in all funds in which system assets are invested; and (d) all contracts or offering documents for services, goods or property purchased or utilized by the systems.
5. If public disclosure of contracts or investment fees and commissions would result in a competitive disadvantage, disclosure is not required, except all contracts and investment fees and commissions must be made available for review by the Board of Trustees, Auditor of Public Accounts and the Government Contract Review Committee.
6. No funds of the Kentucky Retirement Systems may be used to pay fees and commissions to placement agents defined to mean a third-party individual who is not an employee or firm wholly or partially owned by the entity being hired.
7. The rate paid by the Kentucky Retirement Systems for legal services is capped at the Government Contract Review Committee maximum hourly rate.

Amendments to KRS 61.650

1. The six trustees with investment experience appointed by the Governor will also serve as members of the Board's investment committee.
2. All individuals associated with the investment and management of retirement system assets, including contracted investment advisors, Board members and employees of the Kentucky Retirement Systems, are required to adhere to The Code of Ethics and Standards of Professional Conduct, the Asset Manager Code of Professional Conduct if the individual is managing retirement system assets, and the Code of Conduct for Members of a Pension Scheme Governing Body if the individual is a Board member.
3. The Board is required to develop and adopt an investment procurement policy for the investment or management of assets in lieu of compliance with state procurement codes. On or before July 1, 2017, the Board must consult with the Secretary of the Finance and Administration Cabinet to develop an investment procurement policy that meets best practices in investment management procurement. Following adoption, the Board must tender the final investment procurement policy to the Secretary of the Finance and Administration Cabinet for certification whether the investment procurement policy meets best practices for investment management procurement.
4. The Model Procurement Code shall apply to contracts and offerings established or contracts or offerings renewed on or after July 1, 2017.

Amendment to KRS 7A.220

Membership of the Public Pension Oversight Board is increased from 13 to 19 members as follows:

1. Members of the General Assembly appointed by the Speaker of the House of Representatives are increased from two to four members, one of whom must be the chair or a vice chair of the House Standing Committee on Appropriations and Revenue;
2. Members of the General Assembly appointed by the President of the Senate are increased from two to four members, one of whom must be the chair or a vice chair of the Senate Standing Committee on Appropriations and Revenue; and
3. Members of the General Assembly appointed by the Minority Floor Leader of the House and the Minority Floor Leader of the Senate are increased from one to two each.

Amendment to KRS 7A.255

KRS 7A.255 is amended to require all state-administered retirement systems to, on or before November 15 following the close of each fiscal year: (1) report to the Public Pension Oversight Board the percentage of system assets paid as fees and commissions to managers or partners in all funds in which system assets are invested on or after July 1, 2017; and (2) tender to the Oversight Board a copy of their board-adopted investment procurement policy, with certification from the Secretary of the Finance and Administration Cabinet whether the investment procurement policy meets or does not meet best practices for investment management procurement.

An emergency is declared. SB 2 became law on March 10, 2017, when signed by the Governor.



RETIREMENT



SB 104 RETIREMENT BENEFIT SPIKING

Sponsor: Senator Chris McDaniel (R-Taylor Mill)

SB 104 amends provisions of SB 2 (2013) related to payment by a participating employer for additional actuarial costs incurred by a state-administered retirement system resulting from annual increases in an employee's creditable compensation greater than 10 percent over the employee's last five years of employment, sometimes referred to as pension spiking, that are not the direct result of a bona fide promotion or career advancement or other specified exception.

The bill establishes criteria for determination of creditable compensation for calculation of monthly pension benefits for members of the Legislators' Retirement Plan, Judicial Form Retirement System, Kentucky Employees Retirement System, County Employees Retirement System and the State Police Retirement System while preserving the provisions of SB 2 (2013) that prohibit abuse.

For employees retiring from the Kentucky Employees Retirement System, County Employees Retirement System or State Police Retirement System on or after January 1, 2018, the retirement systems must identify any fiscal year within the last five fiscal years of employment in which the creditable compensation increased at a rate of 10 percent or more annually over the immediately preceding fiscal year's creditable compensation. Except as otherwise specified, any amount of increase in creditable compensation for a fiscal year that exceeds 10 percent more than the employee's creditable compensation from the immediately preceding fiscal year shall not be included in the creditable compensation used to calculate the retiring employee's monthly pension benefit.

If the creditable compensation of the retiring employee is reduced, the retirement systems must refund the employee contributions and interest attributable to the reduction in creditable compensation but shall not refund the employer's contribution. The employer's contribution must instead be used to pay the unfunded liability of the pension fund in which the retiring employee participated.

In order to ensure the prospective application of the limitations on increases in creditable compensation, only the creditable compensation earned by a retiring employee on or after July 1, 2017, will be subject to reduction. Creditable compensation earned by the retiring employee prior to July 1, 2017, shall not be subject to reduction.

For members of the Kentucky Employees Retirement System, County Employees Retirement System and the State Police Retirement System, reduction requirements do not apply to:

1. A bona fide promotion or career advancement;
2. A lump-sum payment for compensatory time paid to an employee upon termination of employment;
3. A lump-sum payment made pursuant to an alternative sick leave program under KRS 78.616(5) that is paid to an employee upon termination of employment;
4. Increases in creditable compensation in a fiscal year over the immediately preceding fiscal year where in the immediately preceding fiscal year the employer reported the employee as being on leave without pay for any reason, including but not limited to maternity leave, Family Medical Leave Act (FMLA) leave, and any period of time where the employee received workers' compensation benefit payments that were not reported to the plan as creditable compensation;

5. Increases in creditable compensation directly attributable to an employee's receipt of compensation for overtime hours worked while serving as a participating employee under any state or federal grant; and
6. Increases in creditable compensation directly attributable to an employee's receipt of compensation for overtime performed during a state of emergency declared by the Governor or President of the United States.

Due to enactment of SB 104, local governments will no longer receive bills for spiking charges. Instead the pension benefit of the employee will be reduced by the sum not considered a bona fide promotion or career advancement.

Election to Participate in Hybrid Cash Balance Plan

SB 104 additionally creates new sections of KRS 21.345 to 21.580 and KRS 61.510 to 61.705 permitting members of the Legislators' Retirement Plan, Judicial Form Retirement System, Kentucky Employees Retirement System, County Employees Retirement System and State Police Retirement System to opt out of the traditional defined-benefit plan and elect to participate in the hybrid cash balance plan. If a member elects to participate in the hybrid cash balance plan, the value of the member's accumulated contributions on the member's effective election date, less any interest, will be deposited into the member's hybrid cash balance account and be considered part of the member's accumulated account balance.

Before accepting an election, the Judicial Form Retirement System or Kentucky Retirement Systems must provide the member with information detailing the consequences of the member's election. A member will not be eligible to make an election until the Judicial Form Retirement System or Kentucky Retirement Systems receives a favorable private letter ruling from the Internal Revenue Service approving an election under the provisions of SB 104. If the IRS denies the request for a private letter ruling, a member shall not be eligible to make an election. An election to participate in the hybrid cash balance plan is irrevocable.



Senate President Robert Stivers (R-Manchester) listens to Senator Chris McDaniel (R-Taylor Mill) in the Senate. Senator McDaniel sponsored one of KLC's initiatives, SB 104, which was signed into law on March 27, 2017.



RETIREMENT

SB 126 CALCULATION OF FINAL COMPENSATION

Sponsor: Senator Christian McDaniel (R-Taylor Mill)

SB 126 amends KRS 16.505, 61.510 and 78.510 to permit state and county employees who entered the retirement systems on or after September 1, 2008, but prior to January 1, 2014, to use partial fiscal years, which may contain less than 12 months of service credit, to reach a final compensation calculation that is at least 60 months for nonhazardous employees and at least 36 months for hazardous employees. Prior to passage of SB 126, KRS 16.505, 61.510 and 78.510 required each fiscal year used to determine final compensation for state and county employees who entered the retirement systems on or after September 1, 2008, but prior to January 1, 2014, to contain 12 months of service credit.

HB 173 KENTUCKY RETIREMENT SYSTEMS

Sponsor: Representative Jerry Miller (R-Louisville)



HB 173 amends various provisions of KRS Chapter 61 and KRS Chapter 78 relating to the Kentucky Employees Retirement System and the County Employees Retirement System.

The definition of creditable compensation in KRS 61.510 and KRS 78.510 is amended to include within the definition: (1) lump-sum payments or nonrecurring payments paid by an employer that will be classified as a lump-sum bonus and averaged over the employee's total service with the system in which it is recorded; and (2) lump-sum payments paid as a result of an order of a court of competent jurisdiction or by administrative litigation that will be credited to the fiscal year during which the wages were earned or should have been paid by the employer.

For employees who began participation on or after September 1, 2008, KRS 61.510 and KRS 78.510 are amended to exclude from the definition of creditable compensation lump sum compensatory time payments.

KRS 78.510 is amended to include within the definition of regular full-time positions probationary positions defined as positions of employment with a participating employer that do not exceed 12 months and are used uniformly by the participating agency for new employees who would otherwise be eligible for participation in the system. Probationary positions are not renewable by the participating employer for the same employee unless the employee has not been employed with the participating employer for a period of at least 12 months.

KRS 61.555 is amended relating to service credit for employees called to active duty military service. KRS 61.555 currently requires participating employees on leave of absence after being called to active duty military service to be credited for retirement purposes with service credit and creditable compensation for his or her period of active military duty not to exceed six years without cost to the employee if the employee returns to work within two years after completion of active duty military service. KRS 61.555 is amended to: (1) limit the benefit to persons whose right to the benefit has not been terminated under the federal Uniformed Services Employment and Reemployment Rights Act (USERRA); and (2) require the employer to remit to the retirement systems the employer contributions that would have been due for service credit and group medical insurance under KRS 61.565 and 61.702 during the period of active duty military service.

15. SEX OFFENDERS

HB 38 SEX OFFENDER REGISTRANTS



Sponsor: Representative Kim King (R-Harrodsburg)

HB 38 amends KRS 17.545(2) to prohibit registered sex offenders from the premises of a publicly owned playground without the advance written permission of the local legislative body with jurisdiction over the publicly owned playground. Local legislative body is defined to mean the chief governing body of a local government that has legislative powers.

Pursuant to KRS 17.990(4), anyone who violates KRS 17.545(2) is guilty of a Class A misdemeanor. KRS 17.545(1) currently prohibits registered sex offenders from residing within 1,000 feet of a publicly owned playground.



Representative Kim King (R-Harrodsburg) and Bryanna Carroll (KLC Governmental Affairs Manager) in committee for HB 38, an act relating to sex offender registrants.

SB 236 BACKGROUND CHECKS FOR YOUTH PROGRAMS

Sponsor: Senator Julie Raque Adams (R-Louisville)

SB 236 creates new sections of KRS Chapter 194A relating to the Cabinet for Health and Family Services to prohibit a youth camp that receives public funds from employing, contracting or utilizing as a volunteer in any position that involves supervisory or disciplinary power over a minor any person who: (1) has been convicted of or entered a guilty plea to a sex crime or criminal offense against a minor; (2) is a violent offender; or (3) has been found by the Cabinet for Health and Family Services or a court to have abused or neglected a child effective July 1, 2018.

Youth camp is defined to mean: (1) any program offered, whether free or for a fee, for recreational, educational, sports training, or vacation purposes to children under 18 years of age that a child attends outside the presence of his or her parent or legal guardian; and (2) any camp required by the Cabinet for Health and Family Services to obtain a permit to operate pursuant to KRS 211.180. The definition likely broadly includes parks and recreation programs offered by local governments and youth sports programs.



SEX OFFENDERS

The following entities are specifically exempted from application of SB 236: (1) public school districts; (2) private schools; (3) child-care centers; (4) child-caring and child-placing agencies; (5) foster care, relative caregiver services and adoptive homes governed by KRS Chapter 199; and (6) babysitting or child-care arrangements made by a child's parent or guardian occurring within a private home.

Prior to employing, contracting with or allowing volunteer work, each youth camp that receives public funds must:

1. Obtain from the Justice and Public Safety Cabinet a national and state criminal background check of the applicant, contractor or volunteer prior to the individual's presence at the camp or involvement in any program of the camp; and
2. Require applicants to obtain a letter from the Cabinet for Health and Family Services stating the individual is clear to hire based on no findings of substantiated child abuse or neglect found through a background check of child abuse and neglect records maintained by the Cabinet for Health and Family Services.

Each employment application form provided to an applicant or volunteer by a youth camp that receives public funds shall in a prominent place and large font conspicuously state the following: State law requires a national and state criminal background check and a letter from the Cabinet for Health and Family Services stating the employee is clear to hire based on no findings of substantiated child abuse or neglect found through a background check of child abuse and neglect records as a condition of employment or involvement in this program.

Any request to the Justice and Public Safety Cabinet for records must be on a form approved by the Cabinet available on the Cabinet's website. The Cabinet may charge a fee to be paid by the applicant in an amount no greater than the actual cost of processing the request.

Any person who owns or operates a youth camp that receives public funds and who knowingly allows an individual to serve or continue to serve as an employee, contractor or volunteer who has been convicted of or has entered a guilty plea to a sex crime or criminal offense against a minor, who is a violent offender, or who has been found by the Cabinet for Health and Family Services or a court to have abused or neglected a child shall be guilty of a Class A misdemeanor for the first offense and a Class D felony for each subsequent offense.

SB 236 has a delayed effective date of July 1, 2018.

HB 119 SOLID WASTE MANAGEMENT

Sponsor: Representative Jim Gooch (R-Providence)



HB 119 creates a new section of KRS Chapter 109 to establish procedures to be followed by a local government, except an urban county government, if it desires to commence solid waste management services or award a franchise that would have the effect of prohibiting a service company from continuing to provide the services that it was providing prior to commencement of services or award of a franchise by the local government. Service company is defined to mean any person or entity duly authorized by an agency of the Commonwealth for the provision of solid waste management services.

Procedural Requirements

If a local government desires to commence solid waste management services or award a franchise for solid waste management services where no franchise currently exists, the local government must comply with the following procedural requirements:

1. Provide written notification by certified mail to all service companies providing solid waste management services within the solid waste management area where the change in solid waste management services is proposed to occur not less than 180 days prior to making a final determination to take an action;
2. The notification must include a description of the proposed action; provide the date, time and location of the required public hearing; and designate a responsible official within the local government to be available for personal communication with any service company regarding the details of and rationale for the proposed action;
3. Hold a public hearing not sooner than 45 days and not later than 180 days following the written notice for the purpose of describing the proposed action, including economic and employment consequences of the plan;
4. Accept written and verbal comments from the public and service companies regarding the proposed action at the hearing and for no less than 30 days following the public hearing; and



Representative Jim Gooch (R-Providence) sits in committee - pictured middle. Rep. Gooch sponsored HB 119, one of KLC's initiatives this year.



16. SOLID WASTE

5. Prepare and mail by certified mail a summary of all comments and the response of the local government to each comment to any service company that submitted comments.

If the local government decides to proceed, a final determination must be made within 365 days from the date of the written notice. If the local government makes a final determination to commence solid waste management services or award a franchise for solid waste management services, service may not begin sooner than 18 months following the final determination or sooner than 12 months following a final determination to award a franchise for solid waste management services.

The required procedures do not apply to the renewal of an existing contract according to its terms or the replacement of an existing franchise upon its expiration. The procedures also do not apply if: (1) waived by the parties; (2) conditions exist that threaten the health or safety of the residents of the community; (3) there is a material breach of a contract with the local government for waste management services after the service company has been given written notice and the opportunity to cure the breach; and (4) an action by a local government would result in the service company's loss of 50 or fewer residential customers.



Representative Jim Gooch (R-Providence) speaks in the Senate Natural Resources and Energy Committee. Rep. Gooch sponsored HB 119, one of KLC's initiatives this year.

The procedures additionally do not apply to the expansion or extension of urban services related to residential waste management services for single family or two-family dwelling units by an urban county government so long as the urban county government:

1. Holds at least one public hearing and provides written notice to all service companies registered within the urban county government no later than 10 days prior to the scheduled public hearing; and
2. Provides written notice to all service companies registered with the urban county government no later than 10 days after making a final determination on a petition to extend urban services.

Additional Provisions

KRS 224.43-315 is amended by HB 119 to require any agreement that the county enters into for the collection of solid waste in a city that is not a designated city within the solid waste management area to include both the county and the city. Designated cities are cities formerly classified as cities of the second class.

KRS 224.45-345 is amended by HB 119 to require nondesignated cities located within a solid waste management area, and not located within a consolidated local government, to be represented on the area advisory committee composed of local residents and business and industry representatives.

HB 144 SOLID WASTE COLLECTION VEHICLES



Sponsor: Representative Sal Santoro (R-Florence)

HB 144 creates a new section of KRS Chapter 189 to require the operator of a motor vehicle approaching a solid waste collection service vehicle that is giving a visual signal by alternatively displaying flashing yellow, red, white or amber lights to yield the right-of-way to the solid waste collection service vehicle or any collection service employees by: (1) reducing to, and maintaining, a safe speed for weather, road conditions and vehicular or pedestrian traffic; and (2) proceeding with due care and caution.

Solid waste collection service vehicle is defined as a vehicle used by a solid waste collection service provider registered with a county pursuant to KRS 224.43-315(2).

HB 246 SOLID WASTE COLLECTION FEES



Sponsor: Representative Jerry Miller (R-Louisville)

KRS 109.310 is amended to prohibit fines or fees from being assessed on a residential property or lien placed on a residential property due to the failure of an occupant of the residential property to enter into a contract for solid waste collection services or failure to pay solid waste pick-up fees if: (1) the residential property owner does not occupy the residential property and (2) there is no valid agreement for the residential property owner to pay for or otherwise provide for solid waste collection services on behalf of the occupant. A fine or fee may be assessed against the occupant of the residential property or lien placed on the personal property of the occupant when the occupant has failed to enter into a contract for solid waste collection services or has failed to pay solid waste pick-up fees.



17. TOURISM

HB 156 KENTUCKY MOUNTAIN REGIONAL RECREATION AUTHORITY

Sponsor: Representative Chris Fugate (R-Chavies)



HB 156 creates new sections of KRS Chapter 148 to establish the Kentucky Mountain Regional Recreation Authority (KMRRRA) as an independent political subdivision of the Commonwealth attached to the Tourism, Arts and Heritage Cabinet for administrative purposes only.

The purpose of the authority is to establish, maintain and support a recreational trails system throughout the Kentucky Mountain Recreational Area (KMRA) to increase economic development, tourism and outdoor recreation for Kentucky residents and visitors. Significant portions of the trail system will be located on private property made available for use through lease, easement or other appropriate legal form by willing landowners.

The authority shall be governed by a board of directors consisting of representatives from participating counties and the Commonwealth. The authority and board will become operational when 16 target counties become participating counties upon adoption of a resolution or ordinance specifically approving the county's participation. Target counties are Bell, Breathitt, Clay, Floyd, Harlan, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Magoffin, Martin, Morgan, Owsley, Perry, Pike, Powell and Wolfe.

The KMRRRA Board of Directors shall consist of the following members or their designees: (1) Secretary of the Tourism, Arts and Heritage Cabinet; (2) Commissioner of the Department for Local Government; (3) the county judge/executive of each participating county; (4) the executive director of the authority; and (5) one landowner selected by participating landowners. After the KMRRRA and Board become operational, any county that is not a target county and is contiguous to a target county may become a participating county through an application process developed by the KMRRRA.

The KMRRRA shall supervise the design and construction of trail systems within the KMRA and provide for all management functions for the trails and for any other property built, acquired or leased for trail-related activities. The KMRRRA shall additionally promote the growth and development of the trail system, tourism, and the hotel, restaurant and entertainment industries within the KMRA. To assist in accomplishing these purposes, the KMRRRA may establish a fee-based system of permits, user registrations or other fees for access to and use of the trails, parking facilities, visitor centers, or other trail-related facilities or activities or as an admission to an event.

A participating landowner who has a contractual agreement with the KMRRRA for use of private land as part of the KMRA does not waive any protection granted to the landowner by KRS 411.190 related to recreational use.

HB 360 AGRITOURISM



Sponsor: Representative Suzanne Miles (R-Owensboro)

HB 360 creates a new section of KRS Chapter 198B relating to housing, building and construction to exempt an agritourism building built prior to December 31, 2016, from compliance with the seismic requirements within the Kentucky Building Code. It additionally exempts agritourism buildings built prior to December 31, 2016, with a capacity of 400 persons or 6,000 square feet or less in size from any requirement to employ the services of a licensed architect.

KRS 247.801 is amended to define agritourism building to mean any building or structure or any portion thereof that is used for one or more agritourism activities. The definition of agritourism activity is amended to include ceremonial activities, including but not limited to weddings and ancillary events in activities carried out on a farm, ranch, agricultural operation, horticultural operation or agribusiness operation.

HB 390 KENTUCKY TOURISM, ARTS AND HERITAGE CABINET



Sponsor: Representative Melinda Prunty (R-Belton)

HB 390 amends KRS 148.850 and 153.215 to reorganize the Tourism Development Finance Authority and the Kentucky Arts Council.

Tourism Development Finance Authority

KRS 148.850 is amended to reorganize the Tourism Development Finance Authority within the Tourism, Arts and Heritage Cabinet. Membership of the Authority is increased from seven to nine members appointed by the Governor. At least one member must represent the film industry, and one member must have professional experience in financial management or economic development.

Kentucky Arts Council

KRS 153.215 is amended to reorganize the Kentucky Arts Council within the Tourism, Arts and Heritage Cabinet. Membership of the Council is reduced from 16 to 15 members who have an interest in the arts, the ability and experience to provide broad expertise in operation of the Council, and who reflect the diverse interests of the arts community to the extent such diversity is possible. At least one member must represent each of the following: education, economic development and workforce development. Members of the Council shall serve a term of four years and be appointed by the Governor who shall also appoint a chair and vice chair from the membership to serve at the pleasure of the Governor. The Council will meet at the call of the chair not less than three times during a calendar year. The executive director of the Council must be confirmed by majority vote of the Council.

Executive Orders 2016-210 and 2016-824 are confirmed to the extent they are not otherwise confirmed or superseded by HB 390.



18. TRANSPORTATION

HB 174 OVERWEIGHT VEHICLES

Sponsor: Representative Richard Heath (R-Mayfield)

HB 174 amends KRS 189.222 to permit vehicles engaged exclusively in the transportation of feed for livestock or poultry to exceed the gross weight provisions set forth in KRS 189.222(1)(c) for travel on state highways by a weight tolerance of 10 percent except on the interstate highway system. Following enactment on February 22, 2017, HB 174 was amended on March 17, 2017, by HB 184.

HB 184 OVERWEIGHT AND OVERDIMENSIONAL VEHICLES

Sponsor: Representative Suzanne Miles (R-Owensboro)

KRS 184 creates a new section of KRS Chapter 189 to require the Department of Highways to promulgate administrative regulations governing the issuance of annual and single-trip overweight permits effective until June 30, 2020, for the operation of motor vehicles transporting metal commodities with a minimum gross weight of 80,001 pounds and a maximum gross weight of 120,000 pounds in divisible or nondivisible loads to or from a facility manufacturing metal commodities in this state or a facility used for storage of metal commodities.

Metal commodities is defined to mean output products from metal-producing industries that are transported in their most basic and original form from a mill or storage facility to market for processing. Metal commodities does not include manufactured parts being transported from a manufacturer or supplier to another customer.

Until June 30, 2020, a motor carrier transporting metal commodities as described may apply for an annual or single-trip overweight permit specific to a single truck and valid 24 hours a day. Permit costs shall be \$1,250 for an annual permit and \$100 for a single-trip permit. Permits must contain a website hyperlink or other method to provide the motor carrier with routes that are approved by the department. Upon renewal of an annual permit, the permit holder must report to the Transportation Cabinet the number of trips made and total miles driven under the permit during the previous year.

A new section of KRS Chapter 189 effective July 1, 2020, is created to provide guidelines for administrative regulations if promulgated by the Department of Highways governing the issuance of annual permits for the operation of motor vehicles transporting steel products or steel materials in divisible or nondivisible loads to or from a facility manufacturing products in this state, or a facility used for storage of those products, whose gross weight exceeds prescribed weight limits. The movement of the products or materials shall be limited to no more than 150 miles within the state with a maximum gross weight not to exceed 120,000 pounds. The cost of the annual permit shall be \$250 effective July 1, 2020.

KRS 189.222 is amended to: (1) provide a 10 percent weight tolerance for vehicles exclusively transporting forest products, meats or agricultural crop products originating from a farm to first market, or livestock or poultry from point of origin to first market; and (2) allow a height limit of 14 feet for vehicles transporting motor vehicles. KRS 189.990 is amended to set fines for overweight violations and violations of permit requirements.

Overweight and Overdimensional Vehicle Study

The Legislative Research Commission's Interim Joint Committee on Transportation is directed by HB 184 to conduct a study of the effect that overweight and overdimensional vehicles have on the state's roadways and railroad infrastructure. The study will: (1) Identify major routes traveled by vehicles that operate under overweight or overdimensional permits; (2) Obtain from the Transportation Cabinet an assessment of sections of roadways that show possible damage from vehicles operating under an overweight or overdimensional permit; (3) Obtain from the rail industry an assessment of sections of regularly damaged rails at railroad crossings; (4) Analyze the data to determine whether there is any correlation between overweight or overdimensional vehicles and roadway or rail damage; (5) Examine issues of modal parity by determining if an increase in the allowable weight of motor carriers, by permit, has an impact on the diversion of this same freight from other modes; and (6) Determine whether fees for overweight permits and taxes paid by motor carriers are at an appropriate level to properly compensate for any increased damage to roadways.

The results of the study must be transmitted to the Legislative Research Commission by September 30, 2019. KRS 189.2715 relating to annual overweight permits for transporting steel products or materials is repealed.

HB 265 OVERDIMENSIONAL VEHICLE LOADS

Sponsor: Representative Walker Thomas (R-Hopkinsville)

The Secretary of the Kentucky Transportation Cabinet is authorized pursuant to KRS Chapter 189 to issue permits for the movement of motor vehicles with divisible or nondivisible loads exceeding legal weights or dimensions for operation on state highways. HB 265 amends KRS 189.010 to define the term nondivisible load as it pertains to overdimensional vehicle loads on state highways that are not part of the national truck network to mean a load or vehicle that if separated into smaller loads or vehicles: (1) compromises the intended use of the vehicle making it unable to perform the function for which it was intended; (2) destroys the value of the load or vehicle making it unusable for its intended purpose; or (3) requires more than four work hours to dismantle and reassemble using appropriate equipment.

The amendment changes the prior definition of nondivisible load in administrative regulation 601 KAR 1:018 that required more than eight work hours to dismantle and reassemble a load for qualifications as a nondivisible load.

An emergency is declared. HB 265 became law on March 20, 2017, when signed by the Governor.

HB 388 VEHICLE AXLE WEIGHT

Sponsor: Representative Richard Heath (R-Mayfield)



KRS 189.2301 currently exempts from axle weight provisions of KRS Chapter 189 vehicles that have a declared gross vehicle weight of 79,999 pounds or less, including any towed unit, when operating on any state-maintained highway that is classified as a AAA highway. HB 388 amends KRS 189.2301 to exclude from the axle weight exception any vehicle operating on an interstate highway or operating on any highway where the vehicle would exceed any posted bridge weight limit.



19. UTILITIES

SB 10 RETAIL PHONE SERVICE

Sponsor: Senator Paul Hornback (R-Shelbyville)

SB 10 amends KRS 278.5435 to remove regulatory authority of the Public Service Commission over retail phone service in all exchanges not previously deregulated. Regulatory authority over retail phone service for exchanges with 15,000 or more housing units was deregulated in 2015. Tariffs that are in effect on September 1, 2017, for all exchanges will remain binding until they are withdrawn by the telephone utility.

SB 11 NUCLEAR POWER

Sponsor: Senator Danny Carroll (R-Paducah)



SB 11 eliminates the current state moratorium on construction of nuclear power facilities by amending KRS 278.600 to authorize the Public Service Commission to certify a nuclear power facility if it finds the facility and plan for storage, rather than permanent disposal, of the facility's high-level nuclear waste have been approved by the Nuclear Regulatory Commission.

Plan for storage of high-level nuclear waste means a method for storage in accordance with federal laws and regulations. Storage means the retention of high-level nuclear waste or spent nuclear fuel with the intent to recover the waste or fuel for subsequent use, processing or disposal. Currently KRS 278.605 prohibits construction of a nuclear power facility until the Public Service Commission finds that the Nuclear Regulatory Commission has identified and approved a demonstrable technology for the disposal of high-level nuclear waste.

The application of KRS 211.852 is limited by SB 11 to the construction of low-level, rather than high-level, nuclear waste disposal sites in Kentucky. Low-level nuclear waste means items that have become contaminated with radioactive material or have become radioactive through exposure to neutron radiation.

The Energy and Environment Cabinet and Public Service Commission are directed by SB 11 to review existing state administrative regulations and regulatory processes in order to identify what, if any, changes to state permitting and state utility procedures are advisable in order to assure that the costs and environmental consequences associated with construction, operation, waste management and decommissioning of nuclear power facilities are fully considered during the permitting and certification processes. The Cabinet and Commission are required to report their recommendations to the Legislative Research Commission by December 1, 2017.



Senator Danny Carroll (R-Paducah) presents SB 11, a bill relating to nuclear power, in the Senate Natural Resources and Energy Committee.



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