Kentucky League of Cities

2014 LEGISLATIVE UPDATE

Bills Enacted by the 2014 Kentucky General Assembly
of Interest to Kentucky Cities

KLC
Kentucky League of Cities

klc.org

NOTE: The effective date of all legislation enacted by the 2014 Regular Session of the General Assembly is July 15, 2014, except for measures containing emergency or delayed effective date provisions. (OAG 14-001)

If a bill reported in this update becomes effective on a date other than July 15, 2014, it is noted in the summary of the bill.

KLC
Kentucky League of Cities

TABLE OF CONTENTS

2014 KLC LEGISLATIVE UPDATE

TABLE OF CONTENTS

TABLE OF CONTENTS

2014 KLC LEGISLATIVE UPDATE

HOUSE BILLS

TABLE OF CONTENTS

SENATE BILLS

HB 415
ALCOHOL REGULATORY FEES

Sponsor: Representative Dennis Keene (D-Wilder)

KRS 243.075 currently authorizes cities previously classified as cities of the third or fourth class and counties containing a city previously classified as a city of the third or fourth class to impose a regulatory license fee upon gross receipts from the sale of alcoholic beverages at each establishment within the city or county licensed to sell alcoholic beverages. HB 415 amends KRS 243.075 to place limitations on the imposition of regulatory license fees.

After the effective date of HB 415, any regulatory license fee currently authorized pursuant to KRS 243.075 must be established at a rate that will generate revenue that does not exceed the total of the reasonable expenses actually incurred by the city or county in the previous fiscal year for the additional cost, as demonstrated by reasonable evidence, of policing, regulation and administration as a result of the sale of alcoholic beverages within the city or county. Revenue received from imposition of a regulatory license fee must be deposited into a segregated fund of the city or county; spent only for additional expenses incurred for policing, regulation and administration as a result of the sale of alcoholic beverages; and audited annually.

Any new regulatory license fee authorized after the effective date of HB 415 by reason of a local option election or ordinance enacted pursuant to KRS 243.072 must be enacted by the city or county within two years from the date of the local option election or enactment of an ordinance pursuant to KRS 243.072.

The Kentucky Department of Alcoholic Beverage Control is required by HB 415 to promulgate administrative regulations which set forth the process by which a city or county, for the first year following the discontinuation of prohibition, may estimate any additional expenses by a city or county directly and solely related to the discontinuance of prohibition. After promulgation of the regulation, any initial regulatory license fee established by a city or county following a local option election or enactment of an ordinance pursuant to KRS 243.072 must be calculated in accordance with the regulation. After the first year, the regulatory license fee for each subsequent year will be based on the reasonable expenses actually incurred by the city or county in the previous fiscal year for the additional cost of policing, regulation and administration as a result of the sale of alcoholic beverages within the city or county.

If a city or county is found by a court to have violated the provisions of HB 415, the city or county must provide a refund to any licensee that has been harmed in an amount equal to its prorated portion of the excess revenues collected by the city or county. If the violation is determined to be intentional and willful, the city or county must additionally pay the attorney fees directly incurred by a party to the litigation in an amount ordered by the court. Upon the finding of a second intentional and willful violation, a city or county will lose the ability to impose a regulatory license fee for a period of five years and, upon a finding of a third intentional and willful violation, forfeit the right to impose a regulatory license fee. If a city or county is found by a court not to have violated the provisions of HB 415, the party bringing the action against the city or county must pay the attorney fees incurred by the city or county in an amount determined by the court.

HB 475
LOCAL OPTION STATE PARK PRECINCT ELECTIONS

Sponsor: Representative Larry Clark (D-Louisville)

HB 475 creates a new section of KRS Chapter 242 to authorize a local option election for the limited sale of alcoholic beverages by the drink in a state park that has a nine or 18 hole golf course or a full-service lodge and dining room, or both, to be held in the precinct of a dry or moist city or county where the park's lodge or qualifying golf course is located. The proposition to be voted upon shall state, "Are you in favor of the sale of alcoholic beverages by the drink at the state park located in the (name of precinct)?" When a majority of the votes cast are in favor of establishing moist territory, the entire state park will become moist.

An NQ1 retail drink license may be issued to any qualifying applicant within a state park if the state park is located in wet territory or in a precinct that has authorized the sale of alcoholic beverages by the drink pursuant to HB 475. Any licensee holding an NQ1 retail drink license located in a qualifying state park may purchase, receive, possess and sell distilled spirits, wine and malt beverages at retail by the drink for consumption on the licensed premises without additional supplemental licenses. All purchases of alcoholic beverages by the licensee must be from licensed wholesalers or distributors.

SB 83
ALCOHOLIC BEVERAGE CONTROL

Sponsor: Senator John Schickel (R-Union)

SB 83 continues revision of various provisions of KRS Chapters 241, 243 and 244 relating to alcoholic beverage control initiated in 2013 by passage of SB 13. Selected amendments include the following:

- KRS 243.033 is amended to clarify that a caterer's license may be issued in any moist territory that authorizes the sale of alcoholic beverages by the drink in restaurants seating 50 or 100 persons by local option election held pursuant to KRS 242.1244.

- KRS 243.072 is amended to permit hotels and restaurants in any wet city previously designated as a city of the fourth class or county containing a city previously designated as a city of the fourth class having dining facilities for not less than 50 persons to qualify for issuance of a Nonquota type 2 (NQ2) retail drink license authorizing the sale of all types of alcoholic beverages. The city or county may provide for the issuance of any licenses permitted by KRS 243.060 or 243.070.

- KRS 243.075 is amended to permit the levy of a regulatory license fee upon the gross receipts of a limited restaurant located in a city previously designated as a city of the third or fourth class or county containing a city previously designated as a city of the third or fourth class where prohibition has been discontinued by virtue of a local option election.

- KRS 243.084 is amended to permit a hotel in any wet city or county having dining facilities

for not less than 50 persons to qualify for issuance of a Nonquota type 2 (NQ2) retail drink license authorizing the sale of all types of alcoholic beverages if the hotel can demonstrate that gross receipts of the dining facility from the sale of food for consumption on the premises is not less than 50% of the total food and alcoholic beverage receipts of the dining facility.

SB 213
SUNDAY SALES AT SMALL FARM WINERIES

Sponsor: Senator Tom Buford (R-Nicholasville)

SB 213 amends KRS 244.290 and creates a new section of KRS Chapter 242 to provide two methods for authorization of sales on Sunday of alcoholic beverages on the licensed premises of a small farm winery. A county may by ordinance or limited sale precinct election permit Sunday sales on the licensed premises of small farm wineries from 1:00 p.m. until the time otherwise established by the legislative body of the county for sale on Sunday of distilled spirits and wine at retail by the drink or by the package.

If a limited sale precinct election is held, the proposition to be voted on shall state, "Are you in favor of the sale of alcoholic beverages on Sunday at a licensed small farm winery or wineries located in (name of precinct) between the hour of 1:00 p.m. and the prevailing time for that locality?" A limited sale precinct election may be held less than three years after a local option election is held authorizing the sale of wine at the small farm winery.

CLASSIFICATION OF CITIES

HB 331
MUNICIPAL CLASSIFICATION

Sponsor: Representative Steve Riggs (D-Jeffersontown)

HB 331 is a KLC initiative creating a new section of KRS Chapter 81 and amending other statutes to organize cities into two classes based on the form of government instead of the current six classes based on population. The legislation is effective January 1, 2015.

Prior to 1994, Section 156 of the Kentucky Constitution (now repealed) established the population-based classification system for cities. Section 156a of the Constitution was ratified in 1994 authorizing the General Assembly to provide for the classification of cities as it deems necessary based on population, tax base, form of government, geography or any other reasonable basis, and to enact legislation relating to the classifications. In HB 331, the General Assembly has acted to change the population-based classification system in effect since 1891.

The two classes of cities established by HB 331 are:

1. Cities of the first class, which include cities organized and operating under the mayor-alderman plan of government in accordance with KRS Chapter 83; and

2. Home rule class, which includes any city organized and operating under the city manager plan of government in accordance with KRS 83A.150; mayor-council plan of government in accordance with KRS 83A.130; or commission plan of government in accordance with KRS 83A.140.

In order to update city incorporation records in the office of the Secretary of State, every city must file with the Secretary of State before January 1, 2015, a document listing the name of the city, the year of incorporation, form of government and the classification assigned the city by HB 331.

HB 331 largely maintains the current authority and privileges of first through sixth class cities as of August 1, 2014 as the status quo for first class and home rule cities. Nothing in HB 331 impacts the authority and privileges of urban-county governments.

In some instances the legislation replaces class distinctions with population criteria determined based on the most recent decennial census. Once a city meets a population criteria established by HB 331, the city will not thereafter lose the ability to exercise the related powers and duties because of a subsequent increase or decrease in population. Population distinctions referenced in the legislation largely relate to taxes, alcohol regulation and labor issues in order to maintain the status quo as it exists on August 1, 2014.

To assist in maintaining the status quo, the Department for Local Government and the Department of Education are required by HB 331 to create and maintain a registry of cities that, as of August 1, 2014, were classified as cities of the first through fifth class. The registry must be made available to the public by publication on the websites of the respective agencies on or before January 1, 2015.

HB 331 takes effect on January 1, 2015.

HB 398
RECLASSIFICATION OF CITIES

Sponsor: Representative Will Coursey (D-Symsonia)

HB 398 reclassifies the following cities:

- The City of Kuttawa in Lyon County from a city of the fifth class to a city of the fourth class;
- The City of Booneville in Owsley County from a city of the sixth class to a city of the fourth class;
- The City of Clarkson in Grayson County from a city of the sixth class to a city of the fifth class;
- The City of Russell Springs in Russell County from a city of the fifth class to a city of the fourth class;
- The City of Columbus in Hickman County from a city of the fifth class to a city of the sixth class;
- The City of Crestwood in Oldham County from a city of the fifth class to a city of the fourth class;
- The City of Louisa in Lawrence County from a city of the fifth class to a city of the fourth class;
- The City of Wayland in Floyd County from a city of the sixth class to a city of the fourth class; and
- The City of Williamstown in Grant County from a city of the fifth class to a city of the fourth class.

HB 17
ECONOMIC DEVELOPMENT PROGRAM REPORTS

Sponsor: Representative Larry Clark (D-Louisville)

HB 17 creates a new section of Subtitle 12 of KRS Chapter 154 to require the Cabinet for Economic Development to maintain a searchable electronic database on its website containing information on the cost and status of 14-named economic incentive programs. The database must include all projects approved by each program during the last five years and, where applicable, the following information:

1. The name of the program, the recipient or participant, the type of project and the location by county;

2. Approved costs for each project or investment and the amount of incentives or other benefits authorized;

3. Project status and the date and nature of the most recent activity;

4. For the Kentucky Business Investment Program and the Kentucky Enterprise Initiative Act, the amount of incentives or other benefits actually recovered as self-reported by the recipient;

5. For the Kentucky Business Investment Program and the Kentucky Enterprise Initiative Act, the number of new jobs estimated and the number of new jobs actually created, with related wage information; and

6. Any other comparable data or information necessary to achieve transparency and accountability for the specified programs.

HB 17 additionally requires the cabinet to submit an annual report by November 1 of each year to the Governor and the Legislative Research Commission that includes the above information for each program, all projects approved in the preceding fiscal year and summary evaluations of the activity and effectiveness of each program. The annual report must also include the same information for the following programs not included on the searchable database: state participation tax increment financing projects; Kentucky Investment Fund Act; Tourism Development Act; and Film Production Industry Incentives.

HB 208
ENDOW KENTUCKY TAX CREDITS

Sponsor: Representative Rocky Adkins (D-Sandy Hook)

KRS 141.438 currently permits a taxpayer providing an endowment gift to a permanent endowment fund of a qualified community foundation certified under KRS 147A.325 to claim a credit against individual, corporate or limited liability entity taxes.

HB 208 increases the total amount of tax credits that may be awarded by the Department of Revenue in each fiscal year from $500,000 to $1 million in each fiscal year beginning on or after July 1, 2016.

HB 445
ECONOMIC DEVELOPMENT TAX CREDITS

Sponsor: Representative Rick Rand (D-Bedford)

HB 445 includes several tax incentives for business as part of a revenue bill that accompanied the state's two-year budget.

Angel Investor Tax Credit

HB 445 creates new sections of Subchapter 20 of KRS Chapter 154 to establish an angel investor tax credit program administered by the Kentucky Economic Development Finance Authority (KEDFA) to provide tax credits to angel investors who invest in technology, science or knowledge-based small businesses showing a potential for rapid growth.

The total amount of tax credit that may be awarded by KEDFA in each calendar year is $3 million for all qualified investors and $200,000 for an individual qualified investor. The credit equals 40% of the amount of the investment if the principal place of business of the qualified small business is outside an "enhanced incentive area" as defined by KRS 159.32-010 or 50% of the amount of the investment if the principal place of business of the qualified small business is in an "enhanced incentive area." The total amount of tax credits available to all qualified investors is capped at $40 million.

A qualified investment must be a cash investment of at least $10,000 by a person who does not hold more than a 20% ownership interest and who is not employed by the qualified business prior to making the investment. To be certified as a qualified small business, the business must demonstrate to KEDFA that it is an entity which, at the time the small business requests certification: 1) has a net worth of $10 million or less or net income after federal income taxes for each of the two preceding fiscal years of $3 million or less; 2) is actively and principally engaged in a qualified activity within Kentucky or will be actively and principally engaged in a qualified activity within Kentucky after the receipt of a qualified investment by a qualified investor; 3) has no more than 100 full-time employees; 4) has more than 50% of its assets, operations, and employees located in Kentucky; and 5) has not received an aggregate amount of qualified investments allowing qualified investors to receive more than one $1 million in angel investor credits.

The Authority must maintain a website including a list of all qualified small businesses and qualified investors certified by KEDFA, the total amount of credit it has awarded and the total amount of available credit remaining.

New Markets Development Program Tax Credit

HB 445 amends KRS 141.432-141.434 relating to the New Markets Development Program tax credit established in 2010 to operate in conjunction with the federal New Markets tax credit program. Currently a prospective recipient of New Markets tax credits must be certified by the Community Development Financial Institutions Fund within the federal Treasury Department as a qualified community development entity (CDE) before submitting an application to the Kentucky Department of Revenue for a tax credit allocation. The Department of Revenue may allocate New Markets tax credits, currently capped at $5 million annually, to CDEs which then offer them to investors in return for equity capital. For the Kentucky tax credit, a private investor who is a resident of Kentucky may invest in the CDE in return for the right to claim up to 39% of his or her investment over a period of five years as a tax credit on the investor's Kentucky individual or corporate income tax return. The CDE must use the investment money received to invest in small businesses in federally designated low income areas to facilitate economic and community development.

HB 445 amends provisions of KRS Chapter 141 to: 1) increase the cap on the amount of tax credits that may be awarded each year from $5 million to $10 million; 2) increase from 85% to 100% the cash purchase price of a qualified equity investment which must be used by a CDE to make investments in qualified small businesses in federally designated low income areas by the first anniversary of the initial credit allowance date; 3) require all entities submitting applications for tax credits on or after January 1, 2014 to include a refundable performance fee to help ensure compliance with program requirements; and 4) permit the recapture of tax credits if an entity fails to invest the relevant minimum amount of money in qualified low-income businesses.

Certified Historic Structure Tax Credit

HB 445 creates a new section of KRS 171.396 to 171.399 to allow a taxpayer completing a certified rehabilitation to a certified historic structure a credit against individual or corporate income taxes or the limited liability entity tax for taxable years beginning on or after January 1, 2014 if: 1) the certified historic structure is located within the jurisdiction of a consolidated local government or urban-county government; 2) the amount of qualified rehabilitation expense exceeds $15 million; 3) the certified historic structure is located within one-half mile of a tax increment financing development area; and 4) substantial rehabilitation of the certified historic structure begins prior to July 1, 2015.

The credit applies to the first $30 million of qualified rehabilitation expenses. The maximum credit which may be claimed in a taxable year cannot exceed 25% of the total approved credit available over a period of four years.

“Certified historic structure" is defined by KRS 171.396 to mean a structure that is listed on the National Register of Historic Places or located in a historic district listed on the National Register of Historic Places and certified by the Kentucky Heritage Council as contributing to the historic significance of the district. "Certified rehabilitation" is defined by KRS 171.396 to mean a

completed substantial rehabilitation of a certified historic structure certified by the Kentucky Heritage Council as meeting the United States Secretary of the Interior's Standards for Rehabilitation.

HB 542
TAX INCREMENT FINANCING

Sponsor: Representative Bob DeWeese (R-Louisville)

HB 542 amends KRS 154.30-060 relating to the Commonwealth Participation Program for Mixed-Use Redevelopment to expand the criteria for qualification as a mixed-use redevelopment project for purposes of tax increment financing in a consolidated local government or urban-county government. The program currently requires a mixed-use redevelopment project to include at least two qualified uses that individually comprise at least 20% of the total finished square footage of the proposed project or 20% of the total capital investment in order to qualify for state participation. A "qualified use" means retail, residential, office, restaurant or hospitality. HB 542 amends the criteria to permit a mixed-use redevelopment project in a consolidated local government or urban-county government to instead include at least three qualified uses, one of which must comprise at least 20% of the total finished square footage of the proposed project or represent 20% of the total capital investment. The other uses, when combined, must jointly comprise at least 20% of the total finished square footage of the proposed project or represent 20% of the total capital investment.

SB 36
RIGHT OF REDEMPTION

Sponsor: Senator Tom Buford (R-Nicholasville)

KRS 426.530 currently permits a defendant in an action for the sale of real property pursuant to a judgment or order of a court to redeem the property within one year of the day of sale if the property does not bring 2/3 of its appraised value by paying the original purchase money and interest of 10% per annum to the clerk of the court in which the judgment was entered or the order of sale was made.

SB 36 amends KRS 426.530 to reduce the redemption period from one year to six months and requires a defendant who wishes to redeem property to pay, in addition to the original purchase money and interest, any reasonable costs incurred by the purchaser after the sale for maintenance or repair of the property, including but not limited to utility expenses, insurance, association fees, taxes and costs to conform the property to the minimum standards of local nuisance codes or ordinances.

SB 153
BONDS FOR ENERGY EFFICIENCY

Sponsor: Senator Ernie Harris (R-Prospect)

SB 153 creates a new section of KRS 103.200-103.285 relating to revenue bonds for city and county projects to authorize the issuance of bonds by any city, county, air board, riverport authority or the Kentucky Economic Development Finance Authority to assist a small or medium-sized manufacturer improve its manufacturing facilities and the energy efficiency of the facilities through the use of a guaranteed energy savings contract.

A guaranteed energy savings contract is defined by SB 153 to mean a contract for the evaluation, recommendation and implementation of one or more energy, water or wastewater conservation measures. A project undertaken through a guaranteed energy savings contract must be designed and implemented by a qualified provider as defined in KRS 45A.345 and include a guarantee that the project will achieve a reduction in energy consumption that is measurable and verifiable and will result in cost savings that are equal to or greater than the cost of the project within seven years.

Industrial Revenue Bond Information Clearinghouse

SB 153 additionally creates a new section of KRS Chapter 24A to authorize the Department for Local Government to establish an industrial revenue bond information clearinghouse, to the extent resources are available, to serve as a central statewide point of contact for the dissemination of information and guidance relating to the issuance and use of industrial revenue bonds by units of local government, including identification of best practices; model ordinances and resolutions; proper issuance procedures; examples of possible uses of industrial revenue bond proceeds; and other guidelines.

The Finance and Administration Cabinet, the Cabinet for Economic Development and the Energy and Environment Cabinet must assist the department, as needed, in development of the clearinghouse. Information provided through the clearinghouse must be published on a website accessible to the general public to assist private sector businesses, nonprofit organizations and others that may benefit from the issuance of industrial revenue bonds. A link to the website must also be made available on the state's one-stop business portal.

HB 105
LAW ENFORCEMENT FEES FOR FINGERPRINTING AND PHOTOGRAPHS

Sponsor: Representative Gerald Watkins (D-Paducah)

HB 105 creates new sections of KRS Chapters 16, 65 and 70 to permit the Department of Kentucky State Police, sheriffs and local governments to charge a fee of $10 per set of fingerprint impressions taken and $5 per photograph taken or copied when those services are requested by a person for professional, trade, or commercial purposes or for personal use.

If the actual cost of processing fingerprinting and photograph requests rises above the fee amounts, the Department of Kentucky State Police may set new fees through administrative regulations. If the Department of Kentucky State Police sets new fees, sheriffs and local governments may increase fingerprinting and photograph fees to equal the fess established by the Department of Kentucky State Police.

HB 179
LAW ENFORCEMENT OFFICER SERVICE WEAPONS

Sponsor: Representative Jimmie Lee (D-Elizabethtown)

HB 179 amends KRS 65.041 to permit a police department, sheriff's office or other agency or unit of local government to sell a firearm to the officer to whom the firearm was issued upon his or her retirement if the following provisions are satisfied: 1) the firearm was issued to the officer as his or her primary service weapon; 2) the officer is otherwise authorized by law to own or possess the firearm; and 3) the sale price of the firearm is the fair market value of the firearm, not to exceed the actual cost of the firearm to the unit of local government.

HB 364
REEMPLOYMENT OF RETIRED POLICE OFFICERS

Sponsor: Representative Denver Butler (D-Louisville)

HB 364 creates new sections of KRS Chapter 70 to permit a sheriff's office to employee police officers who have retired under the Kentucky Employees Retirement System or the County Employees Retirement System if the retired police officer meets the following criteria: 1) participated in the Law Enforcement Foundation Program fund under KRS 15.410 to 15.515; 2) retired with at least 20 years of service credit; 3) has been separated from service for the period required by KRS 61.637; 4) retired with no administrative charges pending; and 5) retired with no preexisting agreement between the police officer and the sheriff's office prior to the police officer's retirement for the police officer to return to work for the sheriff's office.

Individuals employed pursuant to HB 364 may serve for a term not to exceed one year which may

be renewed annually at the discretion of the employing sheriff's office. The retired officer must be subject to any merit system, civil service or other legislative due process provisions applicable to a sheriff's office, except that a decision not to renew a one-year appointment cannot be considered a disciplinary action or deprivation subject to due process. Compensation of the officer must be consistent with standard procedures of the sheriff's office.

Additional requirements relating to retirement benefits:

1. The retired officer must continue to receive all retirement and health insurance benefits to which he or she is entitled upon retirement in the applicable retirement system;

2. The retired officer shall not be eligible to receive health insurance coverage through the sheriff's office or county fiscal court; and

3. The sheriff's office and county fiscal court shall not pay any employer contributions or retiree health expense reimbursements to the Kentucky Retirement Systems or any contribution to the state health insurance plan for individuals employed pursuant to HB 364.

HB 405
EMERGENCY SERVICES

Sponsor: Representative Dennis Horlander (D-Shively)

Law Enforcement Telecommunicators

HB 405 permits law enforcement agencies to require newly appointed law enforcement telecommunicators (dispatchers) to, as a condition of employment, enter into an employment contract for a period not to exceed three years from the date of graduation from the Department of Criminal Justice Training or other training approved by the Kentucky Law Enforcement Council.

If a law enforcement telecommunicator who has entered into a contract begins employment as a telecommunicator with another law enforcement agency during the contractual period, that law enforcement agency or the law enforcement telecommunicator must reimburse the law enforcement agency that initially hired the telecommunicator for the actual costs incurred and expended associated with the initial hiring, including but not limited to the application process, training costs, equipment costs and salary from the time of the telecommunicator's initial application until graduation from the Department of Criminal Justice Training or other approved training program. The provision is a KLC initiative.

Unified Local Emergency Management Agency

HB 405 additionally amends various sections of KRS Chapter 39B relating to local emergency management programs to permit two or more contiguous county governments, including or excluding the cities within the counties, to jointly create a single, unified local emergency

management agency to serve the counties and participating cities within the counties in lieu of creating individual and separate local agencies, provided the joint agency meets all state and local emergency management program requirements as determined by the director of the Division of Emergency Management.

The supervision of a unified local emergency management agency must be established by agreement or ordinance approved by the legislative body of each county. A local emergency operations plan must be adopted incorporating the joint decision-making process for incident response set out in KRS 39A.230.

SB 45
SEARCH WARRANTS

Sponsor: Senator Whitney Westerfield (R-Hopkinsville)

SB 45 creates a new section of KRS Chapter 455 to permit the Kentucky Supreme Court to develop a process authorizing a search warrant to be applied for and issued electronically if the process complies with constitutional safeguards, requires the production of a paper copy at the time it is served, and otherwise complies with requirements for search warrants generally, including requirements pertaining to filing, execution and return.

SB 192
SPECIAL LAW ENFORCEMENT OFFICERS

Sponsor: Senator R.J. Palmer (D-Winchester)

SB 192 amends KRS 16.220 to include school districts that employ special law enforcement officers with other law enforcement entities authorized to apply for grants from the Kentucky Office of Homeland Security for the purchase of firearms, ammunition, body armor and electronic control devices.

HB 5
SECURITY OF PERSONAL INFORMATION HELD BY PUBLIC AGENCIES

Sponsor: Representative Denver Butler (D-Louisville)

HB 5 creates new sections of KRS Chapter 64 to require any public or nonaffiliated third party that maintains or otherwise possesses personal information, regardless of the form in which is maintained, to implement, maintain and update security procedures and practices, including any appropriate corrective action, to protect and safeguard against security breaches effective January 1, 2015.

Definitions

"Public agency" includes the executive branch of state government, every unit of local government, every special purpose governmental entity, every public school district and every public college, university and institution of postsecondary education.

A "nonaffiliated third party" refers to any person that has a contract or agreement with a public agency and receives personal information from the public agency pursuant to the contract or agreement.

"Personal information" means an individual's first name or first initial and last name in combination with one or more of the following: 1) an account number, credit card number, or debit card number that, in combination with any required security code, access code, or password, would permit access to an account; 2) a Social Security number; 3) a taxpayer identification number that incorporates a Social Security number; 4) a driver's license number, state identification card number, or other individual identification number issued by any agency; 5) a passport number or other identification number issued by the United States government; or 6) individually identifiable health information.

"Security breach" means: 1) the unauthorized acquisition, distribution, disclosure, destruction, manipulation or release of unencrypted or unredacted records or data that compromises or the agency or nonaffiliated third party reasonably believes may compromise the security, confidentiality or integrity of personal information and result in the likelihood of harm to one or more individuals; or 2) the unauthorized acquisition, distribution, disclosure, destruction, manipulation or release of encrypted records or data containing personal information along with the confidential process or key to unencrypt the records or data that compromises or the agency or nonaffiliated third party reasonably believes may compromise the security, confidentiality or integrity of personal information and result in the likelihood of harm to one or more individuals.

Procedures and Practices

Reasonable security and breach investigation procedures and practices established and implemented by units of local government and special purpose governmental entities must be in accordance with policies established by the Department for Local Government, in consultation with local governments in the development of policies establishing reasonable security and breach investigation procedures and practices for units of local government.

If a public agency is subject to any additional requirements under state or federal law protocols, or agreements relating to the protection and privacy of personal information, the agency must additionally comply with those requirements.

On or after January 1, 2015, any public agency that contracts with a nonaffiliated third party and that discloses personal information to the nonaffiliated third party must require, as part of the agreement, that the nonaffiliated third party implement, maintain and update security and breach investigation procedures that are appropriate to the nature of the information disclosed and that are at least as stringent as the security and breach investigation procedures and practices established and implemented by the public agency. The agreement must include how the cost of compliance with notification and investigation requirements will be apportioned if a security breach is sustained by the public agency or nonaffiliated third party.

A nonaffiliated third party that sustains a security breach of personal information maintained on behalf of a public agency must notify the public agency as soon as possible, but within 72 hours of determination that a breach occurred.

Local government agencies that sustain or are notified of a security breach relating to personal information maintained by the agency or by a nonaffiliated third party on behalf of the agency must notify the following as soon as possible, but within 72 hours of determination or notification that a breach occurred: 1) Commissioner of the Kentucky State Police; 2) Auditor of Public Accounts; 3) Attorney General; and 4) Commissioner of the Department for Local Government.

The local government agency must additionally initiate a prompt investigation in accordance with established security and investigation procedures and practices to determine whether the security breach has resulted in or is likely to result in the misuse of personal information.

If the local government agency determines that a breach has occurred that has resulted in or is likely to result in the misuse of personal information, the local government agency must notify the previously notified officials and the Commissioner of the Department for Libraries and Archives within 48 hours of completion of the investigation. All individuals impacted by the security breach must be notified by the local government agency within 35 days of determination or notification that a breach occurred. If the number of individuals to be notified exceeds 1,000, the local government agency must notify the Department for Local Government and consumer credit reporting agencies included on a list maintained by the Office of the Attorney General.

Notice to individuals must include:1) conspicuous posting on the local government agency website; 2) notification of local, regional and statewide media depending on the scope of the breach; and 3) personal communication to the impacted individuals.

If a local government agency determines that misuse of personal information has not occurred and is not likely to occur, the agency is not required to give notice, but must maintain records that reflect the basis of its decision and notify the previously notified officials that misuse of personal information has not occurred.

Notices required under HB 5 may be delayed if a law enforcement agency notifies the local government agency at any time that notification will impede a criminal investigation.

HB 176
LOCAL GOVERNMENT PROCEDURES

Sponsor: Representative Rita Smart (D-Richmond)

HB 176 is a KLC initiative amending four statutes.

1. KRS 65.055 is amended to: a) permit distribution by electronic means of required open meetings, open records and records management materials by mayors and county judge/executives, or their designees, to elected officers and members of local government boards, commissions, authorities and committees; and b) permit distribution of the above materials to members elected or appointed after the most recent distribution of materials within 60 days of the day their term of office begins, rather than within 60 days of their election or appointment.

2. KRS 83A.060 is amended to specify the procedure for deleting text when amending a city ordinance to require identification of text to be deleted by an opening bracket and a closing bracket and the text between the brackets stricken with a single solid line rather than a single broken line.

3. KRS 91A.040 is amended to permit required audit reports and financial statements prepared by cities to be submitted to the Department for Local Government, and in turn by the Department for Local Government to the Legislative Research Commission, in either paper or electronic format.

4. KRS 424.330 is amended to permit cities to add a fee equal to the prorated cost of publication of delinquent taxes per taxpayer per publication as publication costs, instead of adding a $5 fee per taxpayer per publication.

HB 183
CITY CIVIL SERVICE

Sponsor: Representative Adam Koenig (R-Erlanger)

HB 183 is a KLC initiative amending two statutes relating to city civil service. KRS 90.310 is amended to prohibit adoption of an ordinance creating a city civil service commission during the months of November or December in any even-numbered year in cities previously designated as cities of the second or third class. KRS 95.761is similarly amended to prohibit adoption of a civil service system in cities previously designated as cities of the fourth or fifth class during the months of November or December in any even-numbered year.

Both KRS 90.310 and KRS 95.761 are also amended to:

1. Permit any city that creates a civil service commission to repeal or amend the ordinance creating the commission at the discretion of the city legislative body; and

2. Prohibit repeal by the legislative body of any provisions of an ordinance creating a civil service commission governing maintenance of a pension fund.

KRS 95.761 is additionally amended to permit cities previously designated as cities of the fourth or fifth class to: 1) establish a civil service system for police and fire personnel under either KRS 95.761 to 95.766 or KRS 90.300 to 90.420; and 2) establish a civil service commission under KRS 90.300 to 90.420 for municipal employees who are not police or fire personnel.

HB 192
SPECIAL PURPOSE GOVERNMENTAL ENTITIES

Sponsor: Representative Brent Yonts (D-Greenville)

HB 192 amends several provisions of KRS 65A.010-65A.100 enacted by the 2013 General Assembly as HB 1 relating to special purpose governmental entities to clarify language and provide more flexibility in complying with reporting requirements. KRS 65A.020 and 65A.100 are amended to further refine and define the type of taxes and fees that must be reported by special purpose governmental entities. KRS 65A.020 initially required special purpose governmental entities to annually submit to the Department for Local Government a listing of all fees imposed and collected by the entity during each fiscal year. HB 192 amends KRS 65A.020 to instead require a listing of the most significant taxes or fees imposed and collected by the special purpose governmental entity during the fiscal year. "Most significant taxes and fees" is defined to mean the five taxes or fees levied by the entity that produce the most tax and fee revenue for the entity. If the top five revenue-producing taxes and fees do not produce at least 85% of all tax and fee revenues received, additional taxes and fees must be listed.

KRS 65A.100 is amended to clarify and reduce the type of taxes and fees that must be reported by a special purpose governmental entity to the governing body of the city or county that established the entity. KRS 65A.100 currently requires special purpose governmental entities to report the adoption of a new fee or ad valorem tax, increase in the rate of an existing fee or tax or adoption of an ad valorem tax rate to the establishing entity at least 30 days prior to the date the tax or fee will become effective. KRS 65A.100 is amended by HB 192 to clarify that reporting requirements do not apply to the following:

1. Rental fees, admission fees or fees established by contractual arrangement;
2. Charges to recover costs incurred by a special purpose governmental entity for the connection, restoration, relocation or discontinuation of any service requested by any person;
3. Any penalty, interest, sanction or other charge imposed by a special purpose governmental entity for a failure to pay a charge or fee, or for the violation, breach or failure to pay or perform as agreed pursuant to a contractual agreement;
4. Amounts charged to customers or contractual partners for nonessential services provided on a voluntary basis;
5. Fees or charges authorized under federal law that pursuant to federal law may not be regulated by state or local governments;
6. Purchased water or sewage treatment adjustments, as authorized by KRS 278.015, made by a special purpose governmental entity as a direct result of a rate increase by its

wholesale water supplier or wholesale sewage treatment provider;

7. Any new fee or fee increase for which a special purpose governmental entity must obtain prior approval from the Public Service Commission pursuant to KRS Chapter 278; or
8. Other charges or fees imposed by a special purpose governmental entity for the provision of any service that is also available on the open market.

An establishing entity may by ordinance or interlocal agreement require a more stringent reporting process than that established by KRS 65A.100 for any special purpose governmental entity or category of special purpose governmental entities provided that the requirements do not conflict with reporting requirements established by other state law.

HB 192 additionally provides more flexibility for how financial information is reported to the Department for Local Government by municipal electric utilities. KRS 65A.020 and 65A.030 are amended to allow a federally regulated municipal utility governed by the TVA Act and a public utility established pursuant to KRS 96.740 relating to electric plants to use alternative methods for reporting financial and audit information to the Department for Local Government. In lieu of budget and financial documents required pursuant to KRS 65A.020, a federally regulated municipal utility may submit at the close of each fiscal year the monthly balance, revenue and expense report required by the federal regulator. A public utility established pursuant to KRS 96.740 that is not a federally regulated municipal utility may alternatively submit at the close of each fiscal year a report that includes the same information in the same format as is required for federally regulated municipal utilities.

A federally regulated municipal utility may comply with the audit requirements of KRS 65A.030 for the public power component of its operation by submitting an audit that conforms to the requirements imposed by the federal agency with which it maintains a wholesale power contract. A public utility established pursuant to KRS 96.740 that is not a federally regulated municipal utility may comply with the audit requirements of KRS 65A.030 for the public power component of its operations by submitting a copy of its annual audit performed pursuant to KRS 96.840.

KRS 91A.390, 91A.372, 91A.380 and 91A.394 are also amended by HB 192 to require tourist and convention commissions to be audited as required by KRS 65A.030.

The provisions of HB 192 apply retroactively beginning January 1, 2014. An emergency is declared. HB 192 became law on March 19, 2014 when signed by the Governor.

HB 276
INCOMPATIBLE OFFICES

Sponsor: Representative Ken Upchurch (R-Monticello)

HB 276 amends KRS 61.060 relating to incompatible offices to prohibit a person from filling at the same time:

1. Any two appointed offices of special purpose governmental entities, as defined in KRS 65A.010, if both offices have the authority to levy taxes; and

2. Any state office and an appointed office of a special purpose governmental entity that has the authority to levy taxes, unless a state statute requires a person holding a state office to serve in an appointed office of a special purpose governmental entity that has the authority to levy taxes.

HB 367
NONPARTISAN ELECTIONS IN WARDS

Sponsor: Representative Ryan Quarles (R-Georgetown)

HB 367 is a KLC initiative amending KRS 83A.100 to permit nonpartisan primary elections in cities that have elected the ward system. Pursuant to KRS 83A.100, the legislative body of a city may by ordinance divide the city into the same number of wards as the number of legislative body members. A candidate for office must reside in the ward he or she seeks to represent. Unless otherwise provided by ordinance, persons seeking nomination for the office of legislative body member in a nonpartisan election where a primary is conducted in a ward system must be voted upon at-large by the voters of the city and the two candidates receiving the highest number of votes cast in each ward will be deemed to be nominated from that ward.

Cities that have elected the ward system may, instead, require by ordinance that persons seeking nomination for the office of legislative body member in a nonpartisan election where a primary is conducted be voted upon exclusively by the eligible voters of the ward in which the person resides and seeks to represent.

Any effort by a city to enact or amend an ordinance to establish or abolish wards, modify ward boundaries or establish the manner of ward elections must be completed within 240 days preceding a regular election and a copy forwarded to the county clerk or county clerks of the county or counties in which the city is located.

HB 367 additionally:

1. Amends KRS 83A.047 and 83A.170 to require voters in any city that conducts nonpartisan elections to be instructed to vote for one candidate, except when there is more than one candidate for which voters may vote, the instruction, "Vote for up to ___ candidates" must be included on the ballot;

2. Repeals KRS 83A.110 to abolish staggered terms for city legislative body members.

HB 291
CONSTRUCTION OF UNREGULATED ELECTRIC GENERATION FACILITIES

Sponsor: Representative Mike Denham (D-Maysville)

HB 291 amends KRS 278.700 and 278.704 related to siting of electric generation and transmission facilities to include wind and solar electric generation facilities within the definition of "merchant electric generating facility" subject to siting oversight by the Kentucky State Board of Electric Generation and Transmission attached to the Public Service Commission.

A merchant electric generating facility is defined to mean a facility or facilities capable of operating at an aggregate capacity of 10 megawatts or more that sell the electricity they produce in the wholesale market at rates and charges not regulated by the Public Service Commission.

As with other merchant electric generating facilities, wind and solar electricity generating facilities must be located at least 1,000 feet from the property boundary of any adjoining property owner and 2,000 feet from any residential neighborhood, school, hospital or nursing home, or at any location otherwise determined by a local zoning commission.

If requested by a city or county governmental entity or by the Public Service Commission, a merchant electric generating entity considering construction of a facility for the generation of electricity must hold a public meeting in any county where acquisition of real estate is being considered to inform landowners and other interested parties of the nature and extent of the proposed project and the projected time line. A meeting, if requested, must be held within 30 days of the date of the request. Notice of the time, subject and location of the meeting must be provided at least two weeks prior to the meeting by newspaper publication and posting on designated websites. Owners of real estate known to be included in the project and any person whose property adjoins at any point any property to be included in the project must be personally notified by mail.

Any entity that began acquisition of real estate for construction of a merchant electric generating facility prior to the effective date of HB 291 that has not received a construction certificate to proceed must hold a public meeting that complies with the provisions of HB 291 within 30 days of the effective date of the legislation.

HB 291 additionally creates a new section of KRS Chapter 96 to require any city-owned or controlled electric generating entity considering acquisition of any interest in real estate for construction of a wind-based electric generating facility to hold a public meeting in any county where acquisition of real estate is being considered in the same manner as required of a merchant electric generating entity considering construction of a facility for the generation of electricity. Any city-owned or controlled electric generating entity that began acquisition of real estate for construction of a wind-based electric generating facility prior to the effective date of HB 291 must similarly hold a public meeting that complies with the provisions of HB 291 within 30 days of the effective date of the legislation.

An emergency is declared. HB 291 became law on April 10, 2014 when signed by the Governor.

SB 144
PLANNING COMMISSIONS AND BOARDS OF ADJUSTMENT

Sponsor: Senator David Givens (R-Greensburg)

Zoning Map Amendments

KRS 100.211 currently requires a proposal for a zoning map amendment to be referred to the planning commission to make findings of fact and a recommendation of approval or disapproval before adoption of the proposed amendment by the legislative body that created the planning commission. SB 144 is a KLC initiative amending KRS 100.211 to require the planning commission to make its recommendation within 60 days of the date of receipt of an administratively complete proposed amendment unless waived by the person or entity seeking the amendment.

If the planning commission fails to make a recommendation within 60 days of receipt of an administratively complete proposal for a zoning map amendment, and the time has not been waived, the application for the proposed amendment must be forwarded to the local legislative body without a recommendation of approval or disapproval.

In the alternative, the legislative body of the jurisdiction that created the planning commission may by ordinance require the planning commission to make its recommendation within 90 or 120 days, rather than 60 days, of the date of receipt of an administratively complete proposed zoning map amendment.

In a consolidated local government, SB 144 requires a planning commission to make its recommendation of approval or disapproval within 120 days of the date of receipt of an administratively complete proposed zoning map amendment. If the planning commission of a consolidated local government fails to make a recommendation within 120 days, and the time has not been waived, the application for the proposed amendment must be forwarded to the legislative body of the consolidated local government without a recommendation of approval or disapproval.

Boards of Adjustment

SB 144 additionally amends KRS 100.237 relating to boards of adjustment. If an applicant for a conditional use permit submits a modified plan to regulatory authorities in order to comply with relevant housing, building or other code requirements that expands the previously established geographic boundaries of the conditional use permit, the modified plan must be resubmitted to the board of adjustment within 14 days of submission to regulatory authorities for review of the expanded geographic boundaries of the modified plan. The board may deny the applicant's conditional use permit for the expanded geographic area. Failure to provide notification to the board is grounds for the board to revoke the conditional use permit following a hearing before the board.

HB 260
ALL-TERRAIN VEHICLES

Sponsor: Representative Ken Upchurch (R-Monticello)

HB 260 amends KRS 189.515 to permit the operator of an all-terrain vehicle 16 years of age or older to cross a public roadway with a posted speed limit of 55 miles per hour or less without protective headgear. The operator must cross at as close to a 90-degree angle as is practical and safe and travel on the roadway for no more than two-tenths of a mile.

HB 430
UNDERGROUND FACILITY PROTECTION

Sponsor: Representative Steve Riggs (D-Jeffersontown)

HB 430 amends various provisions of KRS 367.4903-357.4917 of the Underground Facility Damage Prevention Act to:

1. Change the name of the protection notification center from “One-Call Center" to “Kentucky Contact Center”;
2. Expand the definition of “damage” to an underground facility to include rendering an underground facility permanently inaccessible by the placement of a permanent structure having one or more stories;
3. Expand the definition of “emergency” to include an imminent danger to health or the environment or the blockage of public transportation facilities;
4. Exclude from the definition of “excavation” the driving of wooden stakes by use of hand tools to a depth of six inches or less below existing grade;
5. Exclude from the definition of “routine road maintenance” installation of signs, posts and guardrails;
6. Expand the definition of “routine road maintenance” to include the replacement of signs, posts, and guardrails at the exact same location when no additional penetration of grade is necessary; and
7. Include fire prevention agencies in entities that may issue citations and recover fines for failure to comply with any provision of the Underground Facilities Damage Prevention Act.

HB 430 additionally changes the definition of “design information request” to “design locate request” and requires the request to be made by a person providing professional services in preparation for bidding, preconstruction engineering or other advance planning efforts. An entity owning or operating an underground facility must respond to a design information request within 10 business days.

In responding to a design information request, the operator must:

1. Designate with temporary underground facility markers the location of all underground facilities owned by the operator within the area of the design information request;
2. Provide to the person making the design information request a description of all underground facilities owned by the operator in the area of the design information request and the location of the facilities, which may include drawings marked with reference points for underground utilities already built in the area or other facility records that are maintained by the operator; or
3. Allow the person making the design information request to inspect the drawings or other records for all underground facilities within the proposed area of excavation at a location that is acceptable to the operator.

An operator may reject a design information request based upon security considerations or if producing the information will place the operator at a competitive disadvantage pending the operator obtaining additional information confirming the legitimacy of the notice. If rejecting a request, the operator must notify the person making the request.

HB 430 additionally expands the duties of the Kentucky Contact Center in relation to design information requests to require the center to: 1) adopt policies and procedures for processing design information requests; 2) provide to a person making a design information request a list of entities owning or operating underground facilities in the designated area; and 3) notify operators of the information request.

SB 47
DRUG-DEPENDENT NEWBORNS

Sponsor: Senator Whitney Westerfield (R-Hopkinsville)

SB 47 amends KRS 211.678 to require the Department for Public Health to publish on at least an annual basis de-identified statistical data on the number of reports made to the Department as required by KRS 211.676 of neonatal abstinence syndrome, also referred to as neonatal withdrawal syndrome, diagnosed among Kentucky newborns as a result of exposure to addictive illegal or prescription drugs prior to birth. The report may segregate the statistical data into reporting blocks no smaller than the regional or county level.

SB 109
SALE OF TOBACCO RELATED PRODUCTS TO MINORS

Sponsor: Senator Paul Hornback (R-Shelbyville)

SB 109 amends provisions of KRS 438.305 to 438.340 that prohibit the retail sale of tobacco products to minors and the purchase, possession or use of tobacco products by minors to additionally prohibit the retail sale of "alternative nicotine products" and "vapor products" to minors and the purchase, possession or use of alternative nicotine products or vapor products by minors.

"Alternative nicotine product" is defined to mean a noncombustible product containing nicotine that is intended for human consumption, whether chewed, absorbed, dissolved or ingested by any other means.

"Vapor product" is defined to mean any noncombustible product that employs a heating element, battery, power source, electronic circuit, or other electronic, chemical, or mechanical means, regardless of shape or size and including the component parts and accessories thereto that can be used to deliver vaporized nicotine or other substances to users inhaling from the device. "Vapor product" includes but is not limited to electronic cigarettes and any vapor cartridge intended for use with or in an electronic cigarette.

SB 109 requires each owner of a retail establishment selling or distributing alternative nicotine products or vapor products to notify each person employed as a sales clerk by the establishment that the sale of alternative nicotine products and vapor products to any person under the age of 18 and the purchase of alternative nicotine products or vapor products by any person under the age of 18 is prohibited and that proof of age is required if the sales clerk has reason to believe a prospective buyer is under the age of 18. Enforcement activities related to the retail sale of alternative nicotine products or vapor products to minors will be the same as current enforcement activities related to the sale of tobacco products to minors.

SB 109 additionally prohibits distribution of alternative nicotine products and vapor products by wholesalers, retailers or manufacturers of alternative nicotine products and vapor products to minors as samples or free of charge and the sale of alternative nicotine products and vapor products dispersed through a vending machine to any person under the age of 18.

An emergency is declared. SB 109 became law on April 10, 2014 when signed by the Governor.

SB 228
UNDERGROUND FACILITY PROTECTION

Sponsor: Senator Ernie Harris (R-Prospect)

SB 228 amends KRS 367.4917 to establish a fine for violation of any provision of the Underground Facility Damage Prevention Act that results in damage to a facility containing flammable, toxic, corrosive or hazardous material or results in the release of flammable, toxic, corrosive or hazardous material. Any person who violates the provisions of SB 228 is subject to a fine not to exceed $1,000 for each offense. The penalty is in addition to civil damages for personal injury or property damage.

SB 228 also includes fire prevention agencies in entities that may issue citations and recover fines for failure to comply with any provision of the Underground Facilities Damage Prevention Act.

HB 170
INSURANCE PREMIUM LICENSE FEES

Sponsor: Representative Kelly Flood (D-Lexington)

HB 170 amends KRS 91A.080 to exempt from payment of an insurance premium license fee any premiums paid to insurance companies or surplus lines brokers by nonprofit self-insurance groups or self-insurance entities whose membership consists of cities, counties, charter county governments, urban-county governments, consolidated local governments, school districts or any other political subdivisions of the state.

HB 236
OCCUPATIONAL LICENSE FEES

Sponsor: Representative Rick Rand (D-Bedford)

HB 236 enacts three temporary provisions relating to the collection of occupational license fees effective through June 30, 2016.

1. Any set-off or credit of city license fees against county license fees that exists between a city and county as of the effective date of SB 236 must remain in effect as it is through June 30, 2016, regardless of whether an agreement between a city or county related to the sharing of revenues from a license fee is set to expire prior to June 30, 2016. Any city and county subject to these provisions may enter into an interlocal agreement to establish a revenue-sharing arrangement that differs from these requirements.
2. In any situation where the levy of occupational license fees by a county was in effect on the effective date of HB 236 and a city within the county has levied but not collected an occupational license fee as of the effective date of HB 236, the following applies:
   a. From July 1, 2014, through June 30, 2015, the credit established by KRS 68.197 shall apply only to the first 0.10 % of the tax rate imposed by the county within the corporate limits of the city.
   b. From July 1, 2015, through June 30, 2016, the credit established by KRS 68.197 shall apply only to the first 0.20% of the tax rate imposed by the county within the corporate limits of the city.
   c. A city and county subject to the provisions may enter into an interlocal agreement to establish a revenue-sharing agreement that differs from these requirements.
3. In any situation where a county enacted an occupational license fee pursuant to KRS 63.083 at a rate greater than 1% prior to reaching a population of 30,000 and the county has an agreement with the largest city in the county to share revenues from the occupational license fee levied by the county, the county may increase the occupational license fee rate above the rate that was imposed at the time the population of the county grew beyond 30,000 if the county and the largest city within the county enter into an agreement approving the rate increase and the distribution of revenues from the

increased rate. Other cities within the county may be parties to the agreement if agreed to by all parties.

HB 301
PROPERTY EXEMPT FROM LOCAL TAXATION

Sponsor: Representative Ruth Ann Palumbo (D-Lexington)

KRS 132.200 currently exempts from local taxation certain classes of property subject to taxation for state purposes only. HB 301 amends KRS 132.200 to exempt recreational vehicles held for sale in a retailer's inventory from taxation by a city, county, school or other local taxing district.

HB 401
TRANSIT ROOM TAXES

Sponsor: Representative Darryl Owens (D-Louisville)

HB 401 amends KRS 91A.390 to authorize a consolidated local government to levy a special transit room tax not to exceed 1% for the purpose of financing the renovation or expansion of a government-owned convention center located in the central business district of the consolidated local government. The revenue derived from the levy cannot be used to meet operating expenses of a convention center until any debt issued for financing the renovation or expansion is retired. Effective August 1, 2014.

100 East Vine Street, Suite 800 ◆ Lexington, KY 40507 ◆ klc.org