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# 2023 LEGISLATIVE UPDATE

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If a bill reported in this update becomes effective on a date other than June 29, 2023, it is noted in the summary of the bill.



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# 1) Alcoholic Beverages



## **HB 237: ENTERTAINMENT DESTINATION CENTERS**

*Sponsor: Representative Michael Meredith (R-Oakland)*

House Bill 237, a KLC initiative, amends KRS 243.020 to provide, with the written permission of a licensed entertainment destination center:

1. A retail drink licensee located wholly within a licensed entertainment destination center or that has a storefront sharing a physical boundary with the licensed entertainment destination center may allow persons on the licensee's premises to possess and drink alcoholic beverages that were purchased from another retail drink licensee located wholly within, or that has a storefront sharing a physical boundary with, the licensed entertainment destination center; and
2. A non-licensed place of business that is located wholly within a licensed entertainment destination center or that has a storefront sharing a physical boundary with the licensed entertainment destination center may allow persons on its property to possess and drink alcoholic beverages that were purchased from a retail drink licensee located wholly within, or that has a storefront sharing a physical boundary with, the licensed entertainment destination center.

A city with an entertainment destination center may hold an entertainment alcoholic beverage control license authorized pursuant to KRS 243.030(21) that allows carrying alcoholic beverages in public spaces within set boundaries and times.



Representative Michael Meredith (R-Oakland) testifies for House Bill 237 before the Senate Licensing and Occupations Committee on March 14.



## **SB 28: SMALL FARM WINERIES**

*Sponsor: Senator Mike Wilson (R-Bowling Green)*

Senate Bill 28 amends KRS 243.155 to allow a small farm winery to sell and deliver up to 12,000 gallons of wine produced by it annually to any retail license holder as long as (1) any products sold and delivered that are not already registered by a licensed wholesaler shall be registered with the Department of Alcoholic Beverage Control by the small farm winery; (2) the small farm winery is responsible for payment of wine wholesale sales taxes and reporting of self-distributed wines in accordance with KRS 243.884; and (3) the small farm winery may extend credit on wine sold to retail licensees for a period not to exceed 30 days from the date of an invoice, with the date of the invoice included in the total number of days.

KRS 243.155 is additionally amended to limit wine purchased between small farm wineries to 500 gallons per year per small farm winery. KRS 243.355 is amended to add a wholesaler license and small farm winery license to the list of licensees that can obtain a distilled spirits and wine storage license.

Senate Bill 28 contained an emergency clause. The bill became law on March 17, 2023, when signed by the governor.





## 2) Controlled Substances



### **HB 353: DRUG PARAPHERNALIA**

*Sponsor: Representative Kimberly Moser (R-Taylor Mill)*

House Bill 353, a KLC initiative, amends KRS 218A.500 to exclude from the definition of “drug paraphernalia” narcotic drug testing products, including fentanyl test strips, utilized in determining whether a controlled substance contains a synthetic opioid or its analogues, except that a narcotic drug testing product that is utilized in conjunction with the importation, manufacture, or selling of fentanyl or a fentanyl analogue shall continue classification as drug paraphernalia.

Possession of a narcotic drug testing product utilized only in determining whether a controlled substance contains a synthetic opioid or its analogues that contain residual or trace amounts of a synthetic opioid or an analogue shall not be prosecuted as possession of a controlled substance under any provision of KRS Chapter 218A.

The Cabinet for Health and Family Services, in coordination with the Justice and Public Safety Cabinet, shall conduct or have conducted a fentanyl education and awareness campaign. The campaign shall begin no later than 90 days after the Act’s effective date.



Kentucky Office of Drug Control Policy Executive Director Van Ingram, Representative Kimberly Moser (R-Taylor Mill), and Frankfort Police Chief Dustin Bowman testify on March 29 for the passage of House Bill 353.



## **HB 544: REGULATION OF HEMP-DERIVED PRODUCTS**

*Sponsor: Representative Rebecca Raymer (R-Morgantown)*

House Bill 544 directs the Cabinet for Health and Family Services to immediately begin the process of regulating delta-8 tetrahydrocannabinol (THC) products to ensure the protection of the public, similar in manner to regulation by the Cabinet for Health and Family Services of hemp-derived cannabidiol (CBD) products under 902 KAR 45:190. THC is derived from cannabidiol through further processing.

The cabinet shall promulgate an emergency administrative regulation by August 1, 2023, with applicability to any product containing THC or any other hemp-derived substance identified by the Cabinet for Health and Family Services as having intoxicating effects on consumers.

The regulations shall: (1) prohibit the sale, gift, or other transfer of possession of covered products to a person who has not reached the age of 21; (2) prohibit the possession of covered products by a person who has not reached the age of 21; (3) require retailers to keep covered products behind the counter in order to prevent theft or easy access by children; (4) establish a laboratory testing and approval process for contaminants and phytochemicals in a covered product; (5) prohibit a covered product to be sold or distributed in Kentucky unless it has been approved after laboratory testing; (6) require each covered product manufactured, marketed, sold, or distributed in Kentucky to be packaged and labeled in accordance with KRS 217.037; (7) require each covered product container to have a tamper-evident security seal; and (8) prohibit covered product packaging, labeling, or advertising material from bearing any implicit or explicit health claims stating that the covered product can diagnose, treat, cure, or prevent any disease.



## **SB 47: MEDICAL MARIJUANA**

*Sponsor: Senator Stephen West (R-Paris)*

Senate Bill 47 establishes a comprehensive state law permitting the cultivation, production, processing, dispensation, and use of medicinal cannabis by qualified patients in Kentucky beginning January 1, 2025. The legislation excludes medicinal cannabis from the definition of “marijuana” for the purposes of criminal law and creates the basic requirements for the operation of businesses, qualifying medicinal conditions, and processes and procedures for dispensing and possessing medicinal cannabis. The law gives additional regulatory authority to the Cabinet for Health and Family Services for additional refinement of laws governing medicinal cannabis through the promulgation of regulations.

Qualified patients who receive written certification from a medicinal cannabis practitioner and obtain a registry identification card from the Cabinet for Health and Family Services are authorized to possess and use authorized quantities and use medicinal cannabis for qualifying medicinal conditions, which include the following:

- Any type or form of cancer, regardless of its stage;

- Chronic, severe, intractable, or debilitating pain;
- Epilepsy or any other intractable seizure disorder;
- Multiple sclerosis, muscle spasms, or spasticity;
- Chronic nausea or cyclical vomiting syndrome that has proven resistant to other conventional medicinal treatments;
- Post-traumatic stress disorder; and
- Any other medicinal condition or disease for which the Kentucky Center for Cannabis determines that sufficient scientific data and evidence exists that medicinal cannabis would provide medicinal, therapeutic, or palliative benefits for treating.

Registered patients are not subject to arrest, prosecution, denial of a right or privilege, civil penalty, or disciplinary action by a court of occupational licensing or professional board if they possess only the amount of medicinal cannabis permitted by the Cabinet as established in a regulation it must promulgate under the provisions of Senate Bill 47. Possession of amounts in excess of that allowed by the regulation or if the possession is unrelated to medicinal use would be subject to forfeiture.

The law prohibits the use of medicinal cannabis:

- While operating, navigating, while in physical control of any vehicle, vessel, or other device powered by machinery that is used to transport individuals while under the influence of medicinal cannabis;
- While undertaking any task while under the influence of medicinal cannabis that would constitute negligence or professional malpractice;
- While on the grounds of a school unless in accordance with policies that permit its use to qualified students and on the grounds of any correctional facility or federal government property; and
- By smoking marijuana.

On matters governing the employer-employee relationship, Senate Bill 47 provides:

- That nothing in the law requires employers to permit or accommodate medicinal cannabis-related activities in the workplace;
- Employers are not prohibited from terminating or disciplining an employee for use or being under the influence of medicinal cannabis in the workplace if the employer has a policy addressing the subject;
- That the law shall not be interpreted to permit a cause of action against an employer for wrongful discharge or discrimination;
- That the law shall not be interpreted to prohibit an employer from establishing and enforcing a drug testing policy, drug-free workplace, or zero-tolerance drug policies;
- That nothing in the law shall impede an employer from exercising his or her ability to determine the impairment of an employee who is a cardholder; and
- That employees discharged from employment for consuming medicinal cannabis in the workplace, working while under the influence of medicinal cannabis, or testing positive for a controlled substance shall not be eligible to receive unemployment benefits if those actions are in violation of an employment contract of an established personnel policy.



Senator Stephen West (R-Paris), center, testifies before a packed committee room on Senate Bill 47. Photo courtesy: LRC

Cities, urban county governments, consolidated local governments, and counties are permitted under Senate Bill 47 to take the following actions regarding the operation of cannabis businesses within their jurisdiction:

- Enact ordinances to regulate the time, place, and manner of cannabis business operations, except that any ordinances shall not impose an undue burden or otherwise make cannabis business operations unreasonable or impractical;
- Enact an ordinance that prohibits cannabis business operations within its territory; or
- Enact resolutions directing the question of prohibiting cannabis businesses within the territory be submitted to the voters.

If a county has enacted an ordinance prohibiting cannabis business operations, any city in the county may either approve the operations within the city or enact a resolution to submit the question to the voters to allow such operations within the city.

If a local government has prohibited the operation of cannabis business operations within its jurisdiction through the enactment of an ordinance, a public question initiated by a petition may be submitted to the voters to propose allowing the operations of cannabis businesses within the jurisdiction. If the petition is signed by 5% of the registered voters in the jurisdiction, the question will be submitted to the voters. If approved by a majority in the election, cannabis business operations will be permitted in the jurisdiction.

If a county or a consolidated local government prohibits cannabis business operations within the county and the city allows the business operations, a county may assess an additional reasonable fee on the business to compensate it for any additional corrections impact caused by the operations occurring within the city or cities where it is authorized. Any fee shall not exceed the impact of the additional corrections caused by the allowance of the operations within the county.

If both the county and the city have allowed cannabis business operations to occur within both jurisdictions, businesses shall only pay the reasonably established local government fees of either the city or the county. The fee shall be established, assessed, collected, and shared between the city and county in a manner determined between the city and the county.

# 3) Economic Development & Tourism



## **HB 9: GOVERNMENT RESOURCES ACCELERATING NEEDED TRANSFORMATION PROGRAM**

*Sponsor: Representative Richard Heath (R-Mayfield)*

House Bill 9 creates new sections of KRS Chapter 147A to support the priority communities in Kentucky designated by the Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization established by Presidential Executive Order 14008 issued on January 27, 2021. “Priority community” means areas impacted by concentrated, direct coal-related job losses from mine and power plant closures in recent years.

The legislation establishes the Government Resources Accelerating Needed Transformation Program within the Department for Local Government to enable priority communities to access federal funding for projects that are in the public interest and for a public purpose. The department shall determine the terms, conditions, and requirements for applications for grant funds. The commissioner of the department shall have the authority to hire staff, contract for services, and operate the normal business activities of the Government Resources Accelerating Needed Transformation Program.

“Eligible grant recipient” means a grant applicant that is a public agency as defined in KRS 61.805 or a nonprofit entity engaged in public benefit improvements to priority communities. “Eligible project” means a public benefit project in a priority community or benefiting a priority community with available matching funds that satisfies evaluation criteria. The project must be initiated on: (1) publicly owned property; (2) property to be acquired, which comes with either a legally binding option for sale to an eligible grant recipient or an agreement for sale to an eligible grant recipient; or (3) private property that is in the public interest and for a public purpose that benefits a priority community.

The Kentucky Council of Area Development Districts and local area development districts shall assist priority communities in identifying available grant opportunities and preparing Government Resources Accelerating Needed Transformation Program applications. Nothing prevents any public agency or nonprofit entity, including local universities, from assisting priority communities in identifying and preparing Government Resources Accelerating Needed Transformation Program applications.

There is established in the State Treasury a trust and agency account to be known as the Government Resources Accelerating Needed Transformation Program fund. The fund shall be administered by the department and consist of money received from state appropriations, federal funds, gifts, and grants. Amounts deposited in the fund shall be used for awarding matching fund grants to applicants of the Government Resources Accelerating Needed Transformation Program and for the administration of the program.

The Department for Local Government shall prepare an annual report for submission to the Governor and the Interim Joint Committee on Economic Development and Workforce Investment on or before December 1, 2023, and annually thereafter to December 1, 2026. The report shall additionally be made available on the website of the Department for Local Government.



The report shall include but not be limited to (1) a summary of grant applications received and grants awarded, including the name of the applicant, award amount, and the purpose of the funding; (2) a detailed report of expenditures for administration of the program; (3) the current balance of the Government Resources Accelerating Needed Transformation Program fund; (4) recommendations regarding appropriations to the Government Resources Accelerating Needed Transformation Program fund for the upcoming fiscal year; and (5) recommendations for legislation or policy actions needed to facilitate greater receipt of grant funding to priority communities.

The Government Resources Accelerating Needed Transformation Program shall sunset on December 31, 2026, unless authorized by the General Assembly to continue its work for a specified period.

**Appropriation.** There is appropriated General Fund money in the amount of \$2,000,000 in Fiscal Year 2023-2024 to the Government Resources Accelerating Needed Transformation Program fund for administration of the program in accordance with the Act.



Representative Richard Heath (R-Mayfield) presented House Bill 9, an act relating to economic relief for local communities, to the House Appropriations and Revenue Committee. Photo courtesy: LRC



**HB 303: WAGE ASSESSMENT CALCULATIONS**

*Sponsor: Representative Josh Branscum (R-Russell Springs)*

House Bill 303 amends KRS 154.25-040 and KRS 154.32-090 to change the wage assessment calculation applicable to economic development tax incentives under the Kentucky Jobs Retention Act Program and the Kentucky Business Investment Program to address recent reductions in state income tax rates.

The revised wage assessment calculation shall be equal to up to 80% of the individual income tax rate imposed by KRS 141.020 if the economic development project is located in a local jurisdiction where (1) no local occupational license fee is imposed; (2) a local occupational fee greater than or equal to 20% of the individual income tax rate in KRS 141.020 is imposed, and the local jurisdiction agrees to forgo the local wage assessment of at least 20% of the individual income tax rate imposed under KRS 141.020 via credits against the local occupational license fee for the affected employees; or (3) a local occupational license fee less than 20% of the individual income tax rate in KRS 141.020 is imposed and the local jurisdiction agrees to forgo the total amount of the local occupational license fee as the local wage assessment.

In the alternative, the revised wage assessment calculation shall be up to 4 times the forgone local wage assessment rate if the project is located in a local jurisdiction where (1) a local occupational license fee greater than or equal to 20% of the individual income tax rate in KRS 141.020 is imposed, and the local jurisdiction agrees to forgo an amount of the local occupational license fee that is less than 20% of the individual income tax rate imposed by KRS 141.020 as the local wage assessment, or (2) a local occupational license fee less than 20% of the individual income tax rate in KRS 141.020 is imposed and the local jurisdiction agrees to forgo only a portion of the total amount of the local occupational license fee as the local wage assessment.

**HB 313: KENTUCKY PRODUCT DEVELOPMENT INITIATIVE**

*Sponsor: Representative Adam Bowling (R-Middlesboro)*



House Bill 313 amends statutes relating to the Kentucky Product Development Initiative established within the Cabinet for Economic Development in partnership with the Kentucky Association for Economic Development to provide grant funds for eligible economic development projects. The measure redefines eligibility requirements for grant funds and revises allocation, matching, and funding provisions for receipt of grant funds.

KRS 154-21-015 is amended to redefine “eligible use” to include building construction or renovation as an authorized use for which grant money can be used. The definition of “eligible project” is amended to require matching funds for any project on a dollar-for-dollar basis that is initiated either on publicly owned property or those in which the project’s eligible use includes property acquisition or a due diligence study – in which case the property shall come with either a sale agreement or a legally binding option for sale to an eligible grant recipient. An eligible grant recipient is a grant applicant that is a local government or an economic development authority in an economic development district that is engaged in an eligible project.

KRS 154.21-020 is amended to base program eligibility on census population. For all counties except Jefferson County, the percentage of the fund each county is eligible to receive shall be determined by each county's proportion of the state's population based on the most recent decennial census instead of, as previously required, the percentage of the state population that the county's total population makes up, then multiplied by 2. For Jefferson County, the percentage of the fund it is eligible to receive shall be determined by the county's proportion of the state's population based on the most recent decennial census and then discounted by 50% instead of no discounting, as previously required. The maximum funding available for an approved development project is \$2 million per county except if funds are pooled for a regional project.

## **HJR 49: KENTUCKY WOMEN'S HISTORY TRAIL**

*Sponsor: Representative Deanna Frazier Gordon (R-Richmond)*



House Joint Resolution 49 is a joint resolution directing the Tourism, Arts, and Heritage Cabinet to develop a Kentucky Women's History Trail after consultation with the Transportation Cabinet and other relevant state and local agencies. The trail must encompass all geographic areas of the state and be designated by historical markers. The Cabinet is directed to develop: (1) criteria for an application process for nominations of accomplished Kentucky women to be honored along the trail; and (2) a system of placing historical markers designating the areas in which each honoree will be recognized.

The Tourism, Arts, and Heritage Cabinet must report strategies for implementation of the trail to the Interim Joint Committee on Tourism, Small Business, and Information Technology by November 1, 2023. The Cabinet shall appropriate needed funds for the project in the 2025-2026 biennial budget subject to the approval of the General Assembly.



## 4) Emergency Services

### **HB 56: FIREFIGHTERS FOUNDATION PROGRAM FUND**



*Sponsor: Representative Danny Bentley (R-Russell)*

House Bill 56 amends KRS 95A.220 to revise the scope of coverage for a stress injury sustained in the course of employment or service by a firefighter or volunteer firefighter under the Firefighters Foundation Program Fund. The statute previously defined a stress injury as a post-traumatic stress injury or post-traumatic stress disorder as defined by the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders. A revised edition of the manual creates an umbrella definition referred to as Trauma and Stress-Related Disorders, which includes post-traumatic stress injury, post-traumatic stress disorder, and other stressor-related disorders. The amended statute defines "stress injury" to mean (1) post-traumatic stress injury, (2) post-traumatic stress disorder, (3) acute stress disorder, or (4) other specified stress-related disorders as set out in the most recent edition of the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders.

The event or an accumulation of events that have occurred in the course and scope of employment as a career or volunteer firefighter leading to a diagnosis of a stress injury by a psychiatrist, psychologist, or professional counselor shall extend from the date of the firefighter's initial employment or service to the date a stress injury is diagnosed.

The limit on out-of-pocket costs incurred by a firefighter for treatment of a stress injury eligible for reimbursement by the Firefighters Foundation Program Fund, previously limited to 12 months, is amended to provide no limit except that a lifetime cap on the benefits may be imposed.

### **HB 157: URBAN SEARCH AND RESCUE PROGRAM**



*Sponsor: Representative Mark Hart (R-Falmouth)*

House Bill 540 creates a new section of KRS Chapter 39A to establish the Kentucky Urban Search and Rescue Program under the Division of Emergency Management to develop, coordinate, and provide resources to respond to man-made or natural disasters and to conduct other operations within the state, or in coordinated response with other states or the federal government. The program will function in addition to and not in place of other state disaster and emergency response efforts. There is established in the State Treasury a restricted fund to be known as the Kentucky Urban Search and Rescue Program fund administered by the Division of Emergency Management as a funding source for the program.

A noncodified section requires the Division of Emergency Management to prepare and submit a report to the Interim Joint Committee on Appropriations and Revenue prior to December 1, 2023, that contains draft language of proposed policies, procedures, and administrative regulations relating to the operation of the Urban Search and Rescue Program. The Division of Emergency Management shall be required to provide staffing, office space, and facilities for the program when money is made available in the restricted fund. The division may phase-in provisions of the Act as funding is available.

Representative Mark Hart (R-Falmouth) speaks with Representative Ken Fleming (R-Louisville) at the House clerk's desk as they filed bills for the 2023 legislative session. Photo courtesy: LRC



## **HJR 38: EMERGENCY MEDICAL SERVICES**

*Sponsor: Representative Jared Bauman (R-Louisville)*



House Joint Resolution 38 is a joint resolution directing the Cabinet for Health and Family Services to take actions to improve emergency medical services as follows: (1) apply for a Medicaid waiver to permit the coverage of triage, treatment, and transport of patients by emergency ambulance services; and (2) submit a state Medicaid plan amendment to cover treatment in place without transportation for emergency ambulance services. The Cabinet is additionally urged by the resolution to increase Medicaid reimbursement rates for ambulance services as funds become available.

The Cabinet shall report to the Interim Joint Committee on Health, Welfare, and Family Services by August 1, 2023, regarding any actions taken and any necessary legislative action that may be needed to obtain a Medicaid waiver to permit the coverage of triage, treatment, and transport of patients by emergency ambulance services and to obtain approval for a state Medicaid plan amendment to cover treatment in place without transportation for emergency ambulance services.

HJR 38 contained an emergency clause. The bill became law on March 31, 2023, when signed by the governor.



## 5) Energy



### **HB 4: MERCHANT ELECTRIC GENERATING FACILITIES**

*Sponsor: Representative Josh Branscum (R-Russell Springs)*

House Bill 4 amends several sections of KRS Chapter 278 relating to electric generation and transmission siting of a merchant electric generating facility. A merchant electric generating facility is a non-utility power plant composed of multiple linked solar panels for the generation of electrical energy on a large scale that may occupy 10 acres or more of land.

KRS 278.706 establishes an application process with the Kentucky State Board on Electric Generation and Transmission Siting to obtain a certificate for the construction of a merchant electric generating facility. The statute is amended to require the application to include, in addition to other requirements, a decommissioning plan describing how the facility will be decommissioned and dismantled following the end of its useful life. The decommissioning plan shall, at a minimum, include plans to:

1. Remove all above-ground facilities unless otherwise requested by the landowner;
2. Remove any underground components and foundations of above-ground facilities to a depth of 3 feet below the surface grade of the land in or on which the components were installed unless otherwise requested by the landowner;
3. Return the land to a substantially similar state as it was prior to commencement of construction;
4. Leave any interconnection or other facilities in place for future use at the completion of the decommissioning process unless otherwise requested by the landowner;
5. Secure a bond or similar security to assure the financial performance of the decommissioning obligation;
6. Communicate with each affected landowner at the end of the merchant electric generating facility's useful life so that any requests of the landowner that are in addition to the minimum requirements may, at the sole discretion of the applicant or its successor, be accommodated; and
7. Incorporate the decommissioning requirements of the statute into any lease of the applicant with a landowner.

The amended statute additionally includes detailed requirements for bonds or similar securities to assure financial performance of the decommissioning obligation with the amount of the proposed bond or similar security either: (1) an amount determined by an independent, professional engineer who is experienced in the decommissioning of solar electric generating facilities; or (2) the amount required by a county or municipal government that has established a decommissioning bond in the county or municipality where the merchant electric generating facility will be located. If the merchant electric generating facility will be located in a county or municipality that has not established a decommissioning bond, the bond or other similar security shall name the county or municipality as a secondary beneficiary.

KRS 278.704 is amended to provide if a merchant electric generating facility is proposed to be located in a county or a municipality with planning and zoning, the planning and zoning commission may establish setback requirements from a property boundary, residential neighborhood, school, hospital, or nursing home facility as well as decommissioning requirements. Any setback or decommissioning requirements

established by a planning and zoning commission for a facility in an area over which it has jurisdiction shall have primacy over the setback requirements in KRS 278.704 and decommissioning requirements in KRS 278.706.

KRS 278.718 is amended to provide an ordinance, permit, or license issued by a local government shall have primacy over decommissioning provisions in KRS Chapter 278 and any conflict between an order of the Kentucky State Board on Electric Generation and Transmission Siting and a local ordinance, permit, or license shall be resolved in favor of the local government.

After completion of the construction of a merchant electric generating facility, the authority of the Board on Electric Generation and Transmission Siting to enforce any conditions of the construction certificate shall end, and the secretary of the Energy and Environment Cabinet shall monitor and enforce the construction certificate.



Representative Josh Branscum (R-Russell Springs) confers with Representative William Lawrence (R-Maysville) on the House floor. Photo Courtesy: LRC

## **SJR 79: NUCLEAR ENERGY DEVELOPMENT WORKING GROUP**

*Sponsor: Senator Danny Carroll (R-Paducah)*



Senate Joint Resolution 79 is a joint resolution of the General Assembly establishing the Nuclear Energy Development Working Group attached to the Energy and Environment Cabinet to advise the General Assembly on the establishment of a permanent nuclear energy commission in state government to provide professional expertise necessary to foster the development and deployment of nuclear power generation resources in Kentucky. The General Assembly lifted a prior moratorium on nuclear power generation in 2017 with the passage of Senate Bill 11.

The working group shall consist of 23 members including state officials and representatives of the utility and nuclear industries as follows: (1) executive director of the Office of Energy Policy who shall serve as chair; (2) executive director of the Public Service Commission; (3) director of the University of Kentucky Center for Applied Energy Research; (4) a representative from each of the four investor-owned electric

utilities operating in the state to be designated by the president of each investor-owned electric utility; (5) chief operating officer of the Kentucky Association of Electric Cooperatives; (6) executive director of the Kentucky Municipal Utilities Association; (7) executive director of Kentucky Industrial Utility Customers; (8) chief nuclear officer of the Tennessee Valley Authority; (9) executive director of the United States Nuclear Industry Council; (10) executive director of the Kentucky Conservation Committee; (11) a representative from a national nuclear educational nonprofit organization; (12) a representative from a United States Department of Energy National Laboratory with expertise in nuclear energy policy issues; (13) director of business services for the Four Rivers Nuclear Partnership; (14) a representative from each of the two cooperative electric generation and transmission utilities operating in Kentucky to be designated by the president of each cooperative; (15) a representative of the Nuclear Energy Institute to be designated by the president of the Nuclear Energy Institute; (16) two members of the Senate who shall serve as ex officio nonvoting members designated by the president of the Senate; and (17) two members of the House of Representatives who shall serve as ex officio nonvoting members designated by the speaker of the House.

The working group's first meeting shall be no later than September 1, 2023, with at least three meetings required prior to the submission of a report. The group shall:

1. Identify barriers to deploying nuclear power generation resources and other related technologies in Kentucky, including but not limited to regulatory, statutory, financial, social, environmental, workforce, and educational barriers;
2. Develop recommendations for how a permanent nuclear energy commission could address the barriers and other related technologies in Kentucky;
3. Consult with any federal, state, or local agencies, nonprofit organizations, private industry, or other impacted stakeholders on what the role of a permanent nuclear energy commission should be; and
4. Develop recommendations for the report required to be submitted to the governor and Legislative Research Commission.

The Nuclear Energy Development Working Group shall submit a report to the governor and Legislative Research Commission on or before December 1, 2023, with recommendations for the creation of a permanent nuclear energy commission in state government, including recommendations regarding placement of the commission in the organization of state government, staffing needs of the commission, a mission statement, short-term and long-term goals of the commission, and the role the commission can play in fostering the development of a nuclear power industry in Kentucky.

## 6) Environmental Protection

### **HB 222: HAZARDOUS WASTE MANAGEMENT FUND**

*Sponsor: Representative Jim Gooch, Jr. (R-Providence)*

House Bill 222 amends KRS 224.46-580 to extend the levy of the hazardous waste management assessment charged against generators of hazardous waste scheduled to sunset on June 30, 2024, to June 30, 2032. The assessment is imposed upon every person engaged within the state in generating hazardous waste and determined according to the quantity by weight of hazardous waste generated. The annual assessment is reported and paid to the Energy and Environment Cabinet on January 1.

### **SB 213: REGULATION OF BIOSOLIDS**

*Sponsor: Senator Jimmy Higdon (R-Lebanon)*



Senate Bill 213 creates a new section of Subchapter 50 of KRS Chapter 224 to require biosolid generated from wastewater treatment at a publicly owned wastewater treatment facility to be: (1) designated a special waste and (2) regulated in conformance with the most recent version of 40 C.F.R. pt. 503 relating to the use or disposal of sewage sludge.

“Biosolids” means nutrient-rich, organic, residual material that results from the treatment of domestic sewage or sewage sludge in a treatment facility which can be recycled and applied as a fertilizer to improve and maintain productive soils.

Within 60 days of the Act’s effective date, the Energy and Environment Cabinet shall promulgate administrative regulations that conform with 40 C.F.R. pt. 503 regarding siting criteria and permitting conditions necessary to regulate the disposal of biosolids.

### **SB 226: ENVIRONMENTAL PERMITTING**

*Sponsor: Senator Johnnie Turner (R-Harlan)*

Senate Bill 226 amends Subchapters 10 and 16 of KRS Chapter 224 in an effort to speed up environmental permitting applications under the Clean Water Act and Surface Mining Control and Reclamation Act. The measure establishes time periods for the Kentucky Energy and Environment Cabinet to act on permit applications. Failure by the Cabinet to adhere to established time periods for certification may be considered a waiver by the Cabinet of certification requirements.

# 7) Gaming

## **HB 551: SPORTS WAGERING**

*Sponsor: Representative Michael Meredith (R-Oakland)*

House Bill 551 authorizes sports wagering in Kentucky. The legislation establishes a system of sports wagering under the jurisdiction of the Kentucky Horse Racing Commission. Sports wagering may only be offered by a licensed track or a professional sports venue under the jurisdiction of the Horse Racing Commission or by an online application available only to people who have registered at a rack or professional sports venue. Any simulcast facility may also provide sports wagering through an agreement with a track by using the track's service providers. An initial license to offer sports wagering is required, with an initial licensing fee of \$500,000 and an annual renewal fee of \$50,000.

The legislation prohibits participants in a sporting event from placing wagers on that sporting event. Participants include players, coaches, referees, owners, their spouses, and close family members. House Bill 551 also makes it a crime to tamper with the outcome of the sporting event, which includes interacting with a participant to alter the event's outcome.

All sports wagering facility employees engaged in sports wagering operations are required to apply to the Horse Racing Commission for an occupational license and to submit fingerprints and background checks. Individuals that have an occupational license are prohibited from placing wagers with their employer or service provider that maintains an agreement with their employer.

A state excise tax on sports wagers of 9.75% is on the adjusted gross of wagers placed at a licensed race track, and a state tax of 14.25% is placed on the adjusted gross revenues of wagers placed through off-site technology. These taxes are in lieu of all other state and local taxes and fees imposed on the operation of, or the proceeds from, the operation of sports wagering.

## **HB 594: REGULATION OF GAME MACHINES**

*Sponsor: Representative Killian Timoney (R-Nicholasville)*

House Bill 594 amends KRS 528.010 to establish machines referred to as "skill games" by some and "gray machines" by others as illegal gambling devices. The definition of "gambling" is amended to include playing or offering for play any game, contest, or competition utilizing a gambling device. The definition of "gambling device" is amended to include "any electronic, computerized, or mechanical contrivance, terminal, machine, or other devices that: (1) requires the direct or indirect payment of consideration which may include and shall not be limited to the insertion of a coin, currency, ticket, token, or similar object, or by depositing funds with the operator or owner of the device, to operate, play, or activate a game; and (2) offers games the outcomes of which are determined by any element of skill of the player and may deliver or entitle the person playing or operating the device to receive cash, cash equivalents, or gift cards or vouchers, billets, tickets, tokens, or electronic credits to be exchanged for cash or to receive merchandise or something of value, whether the payoff is made automatically from the device or manually."



KRS 528.100 relating to forfeiture is amended to provide, in addition to any other penalty, any person who conducts, finances, manages, supervises, directs, or owns a gambling device intended for use in the commonwealth shall be subject to a civil penalty not to exceed \$25,000 for each device, payable to the county in which the device was operated.

KRS 528.100 is additionally amended to provide the attorney general or the commonwealth's attorney or county attorney for any locality may cause an action in equity to be brought in the name of the commonwealth or of the locality, as applicable, to (1) enjoin the operation of a gambling device in violation of KRS 528.100; (2) request an attachment against all such devices and any money within those devices pursuant to KRS 500.090; and (3) recover the civil penalty not to exceed \$25,000 per device.

## 8) Housing

### **HB 2: BOWLING GREEN VETERANS CENTER**

*Sponsor: Representative Michael Meredith (R-Oakland)*



House Bill 2 appropriates General Fund money in the amount of \$16,630,000 in Fiscal Year 2022-2023 from the Budget Reserve Trust Fund to the Kentucky Department of Veterans Affairs for the construction of the Bowling Green Veterans Center. The Veterans Center will be a skilled nursing facility for veterans in the Kentucky Transpark in Bowling Green. The City of Bowling Green donated the land for the facility.

House Bill 2 contained an emergency clause. The bill became law on February 15, 2023, when signed by the governor.

### **HB 248: CERTIFICATION OF RECOVERY RESIDENCES**

*Sponsor: Representative Samara Heavrin (R-Leitchfield)*



House Bill 248 creates new sections in KRS Chapter 222 to establish a process for certifying recovery residences. "Recovery residence" is defined to include any type of recovery home or sober living residence for unrelated individuals that promotes substance use disorder recovery through abstinence from intoxicating substances and does not provide any clinical, behavioral health, or substance use treatment services for which a license is otherwise required by the state.

No individual or entity is permitted to establish, operate, or maintain a recovery residence or any similarly named or identified residence after July 1, 2024, without obtaining a certification from a certifying organization and providing proof of certification to the Cabinet for Health and Family Services.



KLC Executive Director/CEO James D. Chaney spoke to Representative Samara Heavrin (R-Leitchfield) before testifying on House Bill 248.



Certifying organizations include the Kentucky Recovery Housing Network, the National Alliance for Recovery Residences, the Oxford House, and any other organization recognized and approved by the Cabinet for Health and Family Services. Any residence that fails to comply with the requirements of the law may be shut down by the Cabinet or local government in which it operates.

Recovery residences operated under the Recovery Kentucky Program administered by the Kentucky Housing Corporation or residences affiliated with a bona fide religious institution that do not accept Medicare or Medicaid funds are exempted from the certification requirements of the Act.

House Bill 248 further requires all recovery residences in operation to:

- Have truth in advertising and disclose (1) that it is not a treatment facility, (2) a list of services offered by the residence, and (3) notification if it is exempt from certification requirements.
- Require its residents to abstain from alcohol, illicit drugs, and other intoxicating substances.
- Require residents to participate in recovery support services.
- Allow individuals receiving medication for addiction treatment to continue to receive that treatment as directed by a licensed prescriber.
- Not directly provide medical or clinical services, including on-site medication administration. This prohibition does not apply to the self-administration of medication as directed by a licensed prescriber within his or her scope of practice, the verification of abstinence, or the receipt of services in the residence, including via telehealth, by a resident as long as the licensed provider is not employed or contracted by the recovery residence, or the recovery residence has not required or otherwise induced a resident to receive it from a specific provider.

State agencies, state contracted vendors, political subdivisions, health care providers, and behavioral health providers licensed in Kentucky shall only refer individuals to a recovery residence that has provided proof of its certification to the Cabinet for Health and Family Services or homes in the Recovery Kentucky Program. In addition, when courts make orders or recommendations that an individual under its supervision receives recovery residency services, they shall give first consideration to certified recovery residences or homes in the Recovery Kentucky Program.

Nothing in House Bill 248 shall be interpreted or construed to alter, amend, or otherwise infringe upon a local government's authority to regulate the use of property through properly enacted land use laws, rental property regulations, or any other local government authority provided under the law.



The Senate Families and Children Committee unanimously passed House Bill 248 on March 13 after testimony from Elizabethtown Mayor Jeff Gregory, Police Chief Jeremy Thompson, and Representative Samara Heavrin (R-Leitchfield).

## **HB 360: RURAL HOUSING TRUST FUND**

*Sponsor: Representative Jason Petrie (R-Elkton)*



House Bill 360 creates new sections within KRS Chapter 198A to establish the Rural Housing Trust Fund within the Kentucky Housing Corporation to make loans and grants to moderate-income individuals or families for housing in rural areas. Monies from the trust are intended to be a new funding source or supplement existing or available revenue.

Local governments and local government housing authorities are eligible to receive funding from the trust, in addition to nonprofits, regional or statewide housing assistance organizations, and business organizations that undertake new construction or rehabilitation of rural housing units for moderate-income individuals.

Requires rental housing using money from the trust to be deed restricted for 30 years and single-family units to be deed restricted for a minimum of 10 years. Projects cannot result in the displacement of moderate-income individuals or families unless the project pays all reasonable relocation costs.

Funding prioritization shall be given in the following order:

- Applications for projects located in a federally declared disaster area or to assist individuals displaced by a federally declared disaster area;
- Applications by local governments or nonprofits for new rural housing construction;
- Applications for projects using existing privately owned housing stock;
- Applications for projects using existing publicly owned housing stock; and

- Applications from local governments for projects that demonstrate effective zoning, conversation, or demolition controls for single-room occupancy units.

House Bill 360 contained an emergency clause, and the provisions regarding the Rural Housing Trust Fund became effective on March 24, 2023, when signed by the governor.

## **SB 120: PLANNED COMMUNITIES**

*Sponsor: Senator Phillip Wheeler (R-Pikeville)*



Senate Bill 120 creates new sections of KRS Chapter 381 to establish a uniform framework for operating and managing planned communities in Kentucky. A planned community is defined to mean a group of residential dwellings, excluding condominiums, composed of individual lots for which a deed, common plan, or declaration requires that: (1) all owners become members of a homeowners' association; (2) owners or the homeowners' association hold or lease property or facilities for the benefit of all owners; or (3) owners support by membership fees property or facilities for all owners to use. All planned communities created and located in Kentucky after the effective date of the Act are subject to the Act.

A planned community shall be established by filing and recording a declaration for the planned community in the office of the county clerk of the county or counties in which the planned community is located. Declaration means any instrument, however denominated, including but not limited to covenants, conditions, or restrictions, and any amendment or supplement to the declaration that either: (1) creates the authority in a homeowners' association to impose on lots, the owners or occupants of lots, or any other entity, an assessment in connection with the provision of maintenance or services for the benefit of some or all of the lots, the owners, or occupants of the lots or the common areas; or (2) imposes on a homeowners' association restrictions, covenants, conditions, maintenance, or operational responsibilities for any common area.

A declarant shall establish an association no later than the date upon which the first lot in the planned community is conveyed to a purchaser for fair market value. The association shall be organized as a nonprofit corporation pursuant to KRS Chapter 273 or as an unincorporated nonprofit association pursuant to KRS Chapter 273A, composed of lot owners in the planned community responsible for the administration, governance, maintenance, and upkeep of the planned community.

Owners shall elect a board with at least three directors who shall take office upon election no later than the termination of any declarant control period. The initial board of directors shall promulgate the initial bylaws of the association.

A declaration shall provide a declarant control period and specify the time and manner in which the declarant control period ends. A declarant may surrender the right to appoint and remove officers and directors of the board and relinquish management and control of the association before termination of a declarant control period.



Unless otherwise provided in the declaration or bylaws, a homeowners' association, through its board, shall:

1. Annually adopt and amend a budget for revenues and expenditures;
2. Collect assessments for common expenses from the owners;
3. Obtain and maintain insurance;
4. Keep financial records supporting payment for common expenses and charges received from owners or paid to contractors, suppliers, and service providers; and
5. Keep minutes of meetings of the homeowners' association and board and records of the names and mailing addresses of the owners. The association shall have a financial report prepared for the preceding fiscal year no later than 180 days after the end of each fiscal year or annually on a date provided in the declaration or bylaws.

All owners, residents, tenants, and other persons lawfully in possession and control of any part of an ownership interest shall comply with any covenant, condition, and restriction set forth in any recorded document to which they are subject and with the bylaws, rules, and regulations of the association, including as lawfully amended.

A lien charged and properly recorded against property within a planned community is (1) valid unless it is sooner released or satisfied in the same manner provided by law for the release and satisfaction of mortgages on real property; and (2) prior to any other lien, except liens for real estate taxes and liens for other governmental charges, penalties, or assessments, including but not limited to liens filed by a local government pursuant to KRS 65.8835 and any mortgage, liens, or encumbrances recorded prior to the lien.





## 9) Juvenile Justice



### **HB 3: JUVENILE DETENTION**

*Sponsor: Representative Kevin Bratcher (R-Louisville)*

House Bill 3 appropriates General Fund money to the Department of Juvenile Justice for renovating and reopening two former juvenile detention centers in Jefferson County, where the closure of the facilities resulted in the transfer of juveniles to detention centers in other counties. \$15,400,000 is appropriated in Fiscal Year 2023-2024 for design work, the first phase of renovation, and operating costs for the partial reopening of the former Jefferson County Youth Detention Center in Louisville, contingent upon completion of the transfer of the property by deed to the Commonwealth.

\$4,500,000 is appropriated to the Department of Juvenile Justice in Fiscal Year 2023-2024 for security upgrades and the full reopening of the Jefferson Regional Juvenile Detention Facility.

House Bill 3 additionally amends KRS 610.265 to require, beginning July 1, 2024, any child older than 10 who is accused of committing a public offense that would be considered a violent felony offense as defined in KRS 532.200 to be detained in a secure juvenile detention facility for a period not to exceed 48 hours, exclusive of weekends and holidays, pending a detention hearing, unless the detention hearing can be sooner held within the time allotted to peace officers to retain custody of a child pursuant to KRS 610.200 or 610.220.



Representative Kevin Bratcher (R-Louisville) presents House Bill 3 to the House Judiciary Committee on February 15. Photo Courtesy: LRC





## **SB 162: JUVENILE JUSTICE REFORM**

*Sponsor: Senator Danny Carroll (R-Paducah)*

Senate Bill 162 appropriates millions of dollars for the reorganization of the Department of Juvenile Justice within the Justice and Public Safety Cabinet. New requirements for operating the statewide juvenile detention program include:

- Implementing a regional model for juvenile detention;
- Contracting with mental health professionals to provide necessary care for youths in custody;
- Raising the starting pay of security officers in juvenile detention centers;
- Creating additional staff positions;
- Reemploying retired youth workers;
- Implementing a data tracking system; and
- Upgrading facility security, including emergency response training and equipment.

KRS 15A.305 is amended to require each detention center to (1) conduct monthly documented training related to emergency response; (2) ensure that appropriate staff working with detained youth have controlled access to and proper training in the use of defensive equipment comparable to that utilized by the Department of Corrections; (3) establish a specially trained emergency response team within each facility; (4) enter into a memorandum of understanding with local law enforcement for emergency response and include those agencies in emergency response training; and (5) equip each facility with an alarm that directly communicates an emergency to the local dispatch center.

General Fund money in the amount of \$250,000 is appropriated in Fiscal Year 2022-2023 to the Department of Juvenile Justice for transportation costs for female youth detained by the Department of Juvenile Justice to be used until the juvenile detention system returns to a regional model. Such transportation costs shall be on a cost-reimbursement basis to the local law enforcement agency providing transport which shall certify the actual cost on a form provided by the Finance and Administration Cabinet. Reimbursement for the transport of male youth detained by the department may also be made in the same manner as females only upon court order and only when the department cannot accommodate the transport. Reimbursement for transport of male youth shall only be made to the local law enforcement agency if it is to a juvenile justice facility other than the regional juvenile detention center in the area.

An emergency is declared. Senate Bill 162 became law on March 27, 2023, when signed by the governor.

# 10) Law Enforcement

## **HB 144: ACCESS TO PRIVATE OPEN LAND**

*Sponsor: Representative John Hodgson (R-Fisherville)*

House Bill 144 creates a new section of KRS Chapter 15 to prohibit an officer from entering or accessing private open land for any covert surveillance or installation of surveillance devices without a search warrant unless the officer: (1) has received the permission of the property owner, lessee, or lawful occupant; (2) upon probable cause, is responding to an exigent circumstance, including a life-threatening emergency or an immediate threat to public safety that was either reported to or personally observed by the officer; (3) is dispatching crippled, distressed, dangerous, or invasive wildlife that the officer has personally observed; or (4) is unable to reasonably identify the unmarked and unfenced boundaries and ownership of unimproved, uninhabited rural land. “Officer” means any local, state, or federal officer employed or contracted by a governmental agency in Kentucky. “Private open land” means land, including open fields, but excluding any homes or buildings and the area immediately surrounding the home or building.

Upon entering private open land, the officer shall immediately notify the landowner, lessee, or lawful occupant if notice can reasonably be made unless the officer is in possession of a search warrant allowing surveillance or surveillance-related activities. If an officer is equipped with a body-worn camera or another visual or audio recording device while entering private open land, the body-worn camera or another visual or audio recording device shall be activated and recording in accordance with the standard policy of the officer’s agency.

The provisions of the Act do not apply to a conservation officer executing duties described in KRS 150.090, who shall have the authority to access private open lands to conduct compliance checks or surveillance based upon a reasonable suspicion without a duty to notify the landowner, lessee, or lawful occupant.

## **HB 153: PROHIBITION ON ENFORCEMENT OF FEDERAL FIREARMS BANS**

*Sponsor: Representative Josh Bray (R-Mt. Vernon)*

House Bill 153 creates a new section of KRS Chapter 237 to prohibit: (1) a law enforcement agency, law enforcement officer, employee of a law enforcement agency, public agency, public official, employee of a public agency, or employee of a local government to enforce, assist in the enforcement of, or otherwise cooperate in the enforcement of a federal ban on firearms, ammunition, or firearm accessories, or participate in any federal enforcement action implementing a federal ban on firearms, ammunition, or firearm accessories; (2) a law enforcement agency, local government, or public agency to adopt a rule, order, ordinance, or policy under which the entity enforces, assists in the enforcement of, or otherwise cooperates in a federal ban on firearms, ammunition, or firearm accessory; and (3) a local government, employee of a local government, public official, public agency, or employee of a public agency to expend public funds or allocate resources for the enforcement of a federal ban on firearms, ammunition, or firearm accessories.

“Federal ban” is defined to mean a federal law, executive order, rule, or regulation that is enacted, adopted, or becomes effective on or after January 1, 2021, or a new and more restrictive interpretation of a law that existed on January 21, 2021, that infringes upon, calls into question, prohibits, restricts, or requires individual licensure for or registration of the purchase, ownership, possession, transfer, or use of any firearm, ammunition, or firearm accessory.

Nothing in the Act prohibits or otherwise limits a law enforcement agency, law enforcement officer, employee of a law enforcement agency, public agency, public official, employee of a public agency, or employee of a local government from cooperating, communicating, or collaborating with a federal agency if the primary purpose is not (1) law enforcement activity related to a federal ban on firearm, ammunition, or firearm accessories or (2) the investigation of a violation of a federal ban on firearm, ammunition, or firearm accessories.

Retroactive to January 1, 2021. House Bill 153 contained an emergency clause. The bill became law on March 28, 2023, without the governor’s signature.

## **HB 164: JAIL STANDARDS**

*Sponsor: Representative Samara Heavrin (R-Leitchfield)*

House Bill 164 amends KRS 441.055 to require minimum standards for jails to permit the appointment or employment of persons who have attained the age of 18 or older who have a high school diploma or high school equivalency diploma, and who are otherwise qualified to serve in the position in which they are appointed or employed, to work inside the secure perimeter of a jail.

No person under the age of 21 shall be employed as a deputy jailer, possess or exercise peace officer powers, or function in a role similar to that of a deputy jailer, nor shall an individual under the age of 21 be employed in a position that involves supervision over inmates or persons yet to be booked into the jail.

The provisions of House Bill 164 are applicable to jails that hold and do not hold state prisoners.

## **HB 535: CRIMINAL JUSTICE DATA**

*Sponsor: Representative Stephanie Dietz (R-Edgewood)*

House Bill 535 amends KRS 15.280 to require the Criminal Justice Statistical Analysis Center within the Kentucky Justice and Public Safety Cabinet to (1) collect, request, process, and preserve any criminal justice and public safety data, information, and records within the possession, custody, or control of any agency of the federal, state, or local government, or from a private entity and (2) design, implement, and maintain a Criminal Justice Statistical Analysis Center records information system.



## **SB 80: SEX OFFENDER REGISTRANTS**

*Sponsor: Senator Danny Carroll (R-Paducah)*

Senate Bill 80 amends KRS 17.545 to prohibit any registered sex offender, including persons residing outside of Kentucky who would be required to register if he or she resided in Kentucky, to be on or loiter within 1,000 feet of the clearly defined grounds of a high school, middle school, elementary school, preschool, publicly owned or leased playground, licensed daycare facility, publicly owned or leased swimming pool or splash pad, or to work in or operate any mobile business, without the advance written permission of the appropriate entity. Measurement shall be taken in a straight line from the nearest property line. The prohibition shall not operate retroactively.

“Loiter” includes remaining in or about the clearly defined grounds of a prohibited location while not having any reason or relationship involving custody of or responsibility for a minor or any other specific legitimate reason for being there. “Mobile business” means any business that operates from a motor vehicle or wheeled cart that can be operated, pushed, or pulled on a sidewalk, street, or highway where food, goods, or services are prepared, processed, sold, or dispensed to the public.

KRS 17.510 relating to sex offender registration is amended to establish registration requirements for sex offenders who do not have a fixed residence. If a registrant does not have a fixed residence of regular return, he or she shall report in person no less than every 30 days to the local probation and parole office in the county in which he or she is present and register the approximate area where he or she can be located. If the registrant changes his or her location to a new county, the person shall notify his or her current local probation and parole office of the new location on or before the date of the change of location. The registrant shall also report in person to the appropriate local probation and parole office in the county of his or her new location no later than five working days after the date of the change of location. The provisions shall apply to any person required to register on or after the Act’s effective date. Any person required to register who knowingly provides false, misleading, or incomplete information is guilty of a Class D felony for the first offense and a Class C felony for each subsequent offense.



Senator Danny Carroll (R-Paducah) testifies before the Senate Judiciary Committee on Senate Bill 80. Photo Courtesy: LRC



# 11) Local Government Administration

## **HB 191: COUNCIL VACANCIES IN A CONSOLIDATED LOCAL GOVERNMENT**

*Sponsor: Representative Jared Bauman (R-Louisville)*

House Bill 191 amends KRS 67C.103 to revise the procedure for filling an unexpired term in the case of a vacancy by reason of death, resignation, or removal on the council of a consolidated local government. The legislation requires an election to fill an unexpired term with the county clerk responsible for administering the election rather than election by a majority vote of the membership of the council as previously required. The presiding officer of the council shall declare the position vacant and issue a writ of election within 24 hours of the occurrence of the vacancy. The writ shall designate the day for holding the election, be signed by the presiding officer, and delivered to the sheriff.

Candidates for the unexpired term shall file petitions of nomination with the county clerk not later than 10 days following the declaration of a vacancy. The election shall be held 60 days after the declaration of a vacancy on the next Tuesday which is not a federal holiday or on a date otherwise designated in the Act. The nomination petition shall contain the signatures of two registered voters of the council district. If the candidate is a registered member of a political party, the candidate shall be designated as such on the election ballot. If the candidate is not a registered member of a political party, the candidate shall be designated as “independent.” The candidate elected to fill the unexpired term shall take office immediately upon certification of the election.

## **SB 62: PRIVACY OF CONTRIBUTIONS TO NONPROFIT CORPORATIONS**

*Sponsor: Senator Whitney Westerfield (R-Hopkinsville)*

Senate Bill 62 creates new sections of KRS Chapter 61 to prohibit any public agency from collecting or disclosing personal information that directly identifies a person as a donor of financial or in-kind support to a nonprofit organization. “Public Agency” has the same meaning as in KRS 61.870(1).

In the event a public agency has personal information that directly identifies a person as a donor of financial or in-kind support to a nonprofit organization, exemptions to the prohibition include:

1. Any report required by campaign finance laws under KRS Chapter 121;
2. A response to any lawful warrant for personal information issued by a court of competent jurisdiction;
3. A response to a lawful request for discovery of personal information in litigation;
4. Admission of personal information as relevant evidence in a court of law;
5. Information voluntarily released by the person or nonprofit organization to the public;
6. Information required to be filed with the Secretary of State by a nonprofit organization, except information that directly identifies a person as a donor of financial or in-kind support to a nonprofit organization, shall not be collected or disclosed;

7. Disclosure of personal information derived from a donation to a nonprofit organization affiliated with a public agency as a condition of receiving matching grant funds if the person has not previously requested anonymity from the nonprofit organization;
8. Disclosures, reports, or investigations required pursuant to Legislative and Executive Branch ethics laws;
9. Disclosure of investigation work under statutory authority granted to the Office of Attorney General under the Consumer Protection Act; and
10. Disclosure of audit or investigation work under statutory authority granted to the Office of the Auditor of Public Accounts, a certified public accountant under contract with the Auditor of Public Accounts, or pursuant to an engagement declined by the Auditor of Public Accounts.

A person alleging a violation of the Act may bring a civil action for injunctive relief, money damages, costs, and attorney fees. A person who knowingly violates the Act is guilty of a Class B misdemeanor and may be subject to a fine of not more than \$1,000.

## **SB 75: URBAN COUNTY GOVERNMENT MOTOR VEHICLE PARKING AUTHORITIES**

*Sponsor: Senator Damon Thayer (R-Georgetown)*

Senate Bill 75 creates a new section of KRS Chapter 67A to require a parking authority in an urban county government to submit any budget, budget amendment, new fee or rate, or fee or rate that is higher than a fee or rate then in effect to the legislative body of the urban county government no later than 45 days prior to the implementation of the budget, budget amendment, or proposed fee or rate. No budget, budget amendment, new fee or rate, or fee or rate that is higher than a fee or rate then in effect shall be implemented without the approval of the legislative body of the urban county government.

The governing body of the urban county government shall have 30 days from the date of submission to (1) approve or fail to act on a proposed fee or rate, in which case the proposed fee or rate may be implemented by the authority; (2) approve a fee or rate in an amount less than the amount of the proposed fee or rate, in which case the approved fee or rate amount may be implemented by the authority; or (3) disapprove the entire proposed fee or rate by a majority vote of the governing body, in which case if a proposed increase of an existing fee or rate is disapproved, any fee then in existence shall remain unchanged, and the authority shall not seek to increase the fee again for at least one year from the date of submission of the disapproved fee or rate. If a proposed new fee or rate is disapproved, the authority shall not seek to impose the fee or rate again for at least one year from the date of submission of the proposed new fee or rate.

**SB 111: PUBLIC HEALTH DEPARTMENTS**

*Sponsor: Senator Amanda Mays Bledsoe (R-Lexington)*

Senate Bill 111 amends several statutes relating to requirements to serve as a director or commissioner of a public health department. KRS 212.240 relating to directors of health in a consolidated local government is amended to remove the requirement that the director be a physician. The director may be a physician or nonphysician with a minimum of a master's degree in public health or a related field and at least five years of experience in a management capacity with a health department. The mayor shall appoint the director of health.

KRS 212.635 relating to commissioners of a department of health in an urban county government is amended to remove the requirement that the commissioner be a physician. The commissioner may be a physician qualified as a public health administrator licensed or eligible for licensure as a medical practitioner in Kentucky or a nonphysician with a minimum of a master's degree in public health or a related field and at least five years of experience in public health or a related field. The commissioner shall be appointed by the urban county board of health and serve as the chief administrative officer of the department.

KRS 212.790 relating to the district director of an independent district department of health established pursuant to KRS 212.782 is amended to require the district director to be a physician qualified as a public health administrator and licensed or eligible for licensure as a medical practitioner in Kentucky, or a nonphysician with a minimum of a master's degree in public health or related field and at least five years of experience in a management capacity in a health department.

**SB 190: ELECTED OFFICIALS**

*Sponsor: Senator Robby Mills (R-Henderson)*



Senate Bill 90 makes several amendments to city statutes related to election procedures, changing the number of council members and the manner of city official resignations. In addition, the bill was amended to clarify the ability of local governments to grant subpoena authority.

KRS 83A.030 is amended to provide that any ordinance enacted by a city operating under the mayor-council form of government to change the number of council seats must be enacted by no later than the first Wednesday after the first Monday in November of the year preceding the election in which the council offices will appear on the ballot. The change in number will not be effective until January 1 following the election. This provision prevents a city council from changing the number of seats during a current term and requires the number of council seats to be established prior to the beginning date that individuals may file for council offices.

KRS 83A.040 is amended to clarify that an elected official can resign through email if the email is sent from the official's email address and includes the official's handwritten signature. It also provides that the resignation becomes effective at the first regular or special meeting of the legislative body occurring on or after the date specified in the written letter of resignation. If a resignation date is not specified, the resignation will become effective at the first regular or special meeting of the legislative body occurring on or after the receipt of the written notice from the official.

KRS 83A.045 is amended to require a city that enacts an ordinance eliminating or re-establishing a primary election to do so no later than the first Wednesday after the first Monday in November of the year preceding the election in which the election will be held. This requirement ensures that the city makes a determination about the conduct of primary elections before the beginning of the first day that individuals may file for city offices.

KRS 83A.100 is amended to ensure that the creation, modification, or abolition of wards used in city elections occurs no later than the first Wednesday after the first Monday in November of the year preceding the year in which city legislative offices will appear on the ballot. This requirement ensures that final decisions are made regarding wards prior to the first day that individuals may file for city legislative offices. w

Senate Bill 190 also creates a new section of KRS Chapter 12 which prohibits units of local governments from attempting to grant subpoena authority through contract, agreement, or consent decree to any person, agency, or authority if such ability is not specifically or explicitly permitted by Kentucky Revised Statutes.



The House Local Government Committee passed Senate Bill 190 on March 15 after testimony from Senator Robby Mills (R-Henderson) and KLC Director of Public Affairs Bryanna L. Carroll.

# 12) Local Government Fiscal Matters



## **HB 5: BOURBON BARREL TAX PHASE-OUT**

*Sponsor: Representative Jason Petrie (R-Elkton)*

House Bill 5 provides a 20-year phase-out of the local property tax on aging barrels of distilled spirits to provide a complete exemption effective January 1, 2023.

Beginning in tax year 2026, the percentage of the ad valorem tax rate applicable to distilled spirits will begin to be reduced by a percentage each year until it is eliminated in 2043. The scheduled phase-out will occur as follows:

- 96% of the otherwise applicable tax rate for tax assessments made on January 1, 2026;
- 92% of the otherwise applicable tax rate for tax assessments made on January 1, 2027;
- 88% of the otherwise applicable tax rate for tax assessments made on January 1, 2028;
- 84% of the otherwise applicable tax rate for tax assessments made on January 1, 2029;
- 80% of the otherwise applicable tax rate for tax assessments made on January 1, 2030;
- 76% of the otherwise applicable tax rate for tax assessments made on January 1, 2031;
- 72% of the otherwise applicable tax rate for tax assessments made on January 1, 2032;
- 68% of the otherwise applicable tax rate for tax assessments made on January 1, 2033;
- 61% of the otherwise applicable tax rate for tax assessments made on January 1, 2034;
- 54% of the otherwise applicable tax rate for tax assessments made on January 1, 2035;
- 44% of the otherwise applicable tax rate for tax assessments made on January 1, 2036;
- 38% of the otherwise applicable tax rate for tax assessments made on January 1, 2037;
- 32% of the otherwise applicable tax rate for tax assessments made on January 1, 2038;
- 24% of the otherwise applicable tax rate for tax assessments made on January 1, 2039;
- 20% of the otherwise applicable tax rate for tax assessments made on January 1, 2040;
- 15% of the otherwise applicable tax rate for tax assessments made on January 1, 2041; and
- 8% of the otherwise applicable tax rate for tax assessments made on January 1, 2042.

House Bill 5 allows the local government ad valorem tax rate applicable as of January 1, 2023, to continue to apply to bonded warehouses financed in whole or in part by one or more series of industrial bonds issued prior to January 1, 2024. This provision for local governments that issued industrial revenue bonds also expires on January 1, 2043.

School districts, fire districts, and emergency services districts created under KRS Chapter 75 will receive revenues from the Department of Revenue from the imposition of a replacement tax. This provision is not applicable to city and county governments.



House Bill 5 also creates an additional option for a refundable tax credit for distillers who make investments equal to or greater than \$20,000,000 and creates at least 10 jobs within an LMI, which is defined as a county with a low- to moderate-income population that is less than 80% of the state median family income.



Bardstown Mayor Dick Heaton, Loretto Commissioner Josh Ballard, and Marion County Judge/Executive David Daugherty warned members of the Senate Appropriations and Revenue Committee about the dire impact of House Bill 5.

## **SB 7: PROHIBITED PAYROLL DEDUCTIONS**

*Sponsor: Senator Robby Mills (R-Henderson)*

Senate Bill 7 amends KRS 336.134 to prohibit deduction by a public employer from the wages, earnings, or compensation of a public employee any dues, fees, assessments, or other charges to be held for, transferred to, or paid over to a labor organization or for political activities associated with a labor organization.

A new section of KRS Chapter 336 is created to additionally prohibit a public employer from assisting directly or indirectly any labor organization, person, or other legal entity with the collection of dues, fees, assessments, or other charges for political activities associated with a labor organization or collection of personal information related to those activities. Exempted are deductions from a public employee's wages, compensation, or earnings made by a public employer in accordance with any joint wage agreement or collective bargaining contract entered into, modified, renewed, or extended prior to the effective date of the Act. However, any joint wage agreement or collective bargaining contract entered into, modified, renewed, or extended after the Act's effective date shall comply with the provisions of the Act.

KRS 366.990 is amended to provide any public employer or labor organization that violates the Act shall be assessed a civil penalty of not less than \$100 or more than \$1,000 for each offense.

Senate Bill 7 contained an emergency clause. The bill became law on March 29, 2023, when delivered to the Secretary of State.

**SB 112: LOCAL TAX INFORMATION REQUESTED FOR AUDIT PURPOSES**

*Sponsor: Senator Chris McDaniel (R-Ryland Heights)*

Senate Bill 112 amends KRS 67.790 relating to the confidentiality of tax information submitted to a tax district by a business entity or an employer on a return for payment of gross receipts or net profits tax to provide an exception to permit the disclosure of information to another tax district for audit purposes.

Senator Chris McDaniel (R-Ryland Heights) testifies for passage of Senate Bill 112.

**SB 141: COLLECTION OF CODE ENFORCEMENT LIENS**

*Sponsor: Senator Amanda Mays Bledsoe (R-Lexington)*

Senate Bill 141 creates a new section of KRS 65.8801 to 65.8839 to permit a city that collects its own property taxes pursuant to KRS 91A.070 to include the amounts of any unpaid code enforcement lien on the property tax bills that it prepares. A city electing to include these liens must state the amount separately on the property tax bill, and the amount shall not be considered part of the property tax liability. Any late payment of the code enforcement lien shall remain enforceable under the code enforcement statutes but shall not be enforced as a delinquent property tax lien.

Senate Bill 141 also permits city governments to use the Mass Foreclosure Act (KRS 91.481 to 91.527) to foreclose and collect upon unpaid code enforcement liens in the same manner the process may be used by all cities for foreclosures on properties with delinquent property taxes.

Senate Bill 141 contained an emergency provision is became effective on March 29, 2023, when it became law without the governor's signature.

# 13) Local Government Procedures

## **HB 393: PROCUREMENT AND PROPERTY DISPOSITION**



*Sponsor: Representative Jonathan Dixon (R-Henderson)*

Amends KRS 45A.490 to 45A.494 to remove local governments from the requirements to participate in the state residential bidder preference statutes. Currently, cities are required to make the provisions of the statutes on residential bidder preference part of the solicitation or advertisement for bids.

Amends KRS 82.083 to clarify that a city may dispose of property that has no value as garbage or trash without first going through the surplus declaration procedure and also permits surplus property determined to be of negligible value by an independent appraisal to be sold for scrap, disposed of as garbage in a manner consistent with the public interest.

KRS 82.083 is also amended to permit city governments to dispose of surplus property for its fair market value or greater if it has been independently appraised at a value of \$10,000 or less. Previously, this exemption was capped at \$5,000.

Permits a city to give a retired service animal to the animal's primary handler or trainer without going through the disposition process if the animal is to be retired or is no longer capable of performing service to the city by adding the exception to KRS 82.083.

Creates a new exemption in KRS Chapter 82 to provide an exemption for bidding under KRS 424.260 (the general bidding statute) and KRS 45A.345 to 45.460 (the local government model procurement code) for cities, urban county governments, and consolidated local governments for the following:

- For products and services when there is a single source of the product or service within a reasonable geographic area;
- For replacement parts needed for personal property or equipment where the need cannot be reasonably anticipated and it is not feasible to maintain an inventory of the replacement parts;
- For products and services provided by entities recognized by the Office of Vocational Rehabilitation under KRS Chapter 163 that operate programs for the rehabilitation of the blind and visually impaired;



KLC Director of Public Affairs Bryanna L. Carroll, Representative Jonathan Dixon (R-Corydon), and Senate President Robert Stivers (R-Manchester) testify on House Bill 393.

- For products and services provided by agencies serving individuals with severe disabilities under KRS 45A.465;
- For products and services provided under a qualified veterans' workshop operated by the United States Department of Veterans Affairs;
- For products or services provided by a nonprofit organization, employee services organizations, and other private businesses that have operations in the city with the main purpose of serving individuals with disabilities by offering transitional or supported employment services and rehabilitative programs, including serving those with severe mental or physical disabilities or those recovering from substance abuse disorder; and
- For products or services provided by a nonprofit community service organization that operates within the city if there is an official determination on the record that the purchase of the product or service would mutually benefit the city and organization. If two or more organizations meet these qualifications in the city and offer the same product and service, a contract would be subject to the normal bidding process.

### **HB 522: PROCUREMENT THRESHOLD AMOUNT**

*Sponsor: Representative William Lawrence (R-Maysville)*

House Bill 522, a KLC initiative, amends KRS 424.260 relating to procurement by local governments to increase from \$30,000 to \$40,000 the amount at which a newspaper advertisement for bids is not required to be published prior to the purchase of goods and services.

Likewise, KRS 45A.385 of the Kentucky Model Procurement Code is amended to increase the amount from \$30,000 to \$40,000 when a local public agency may use small purchase procedures without competitive bidding to purchase goods and services.

### **HB 534: DIGITAL PUBLICATION OF LEGAL ADVERTISEMENTS**

*Sponsor: Representative Stephanie Dietz (R-Edgewood)*



House Bill 534 amends KRS 424.145 to permit a local government to publish legally required notices or notices directing the public to the notice website of the local government for cities authorized to use alternative posting in counties with a population of more than 80,000 on the website of a digital newspaper in lieu of publication in a printed newspaper if the digital newspaper meets qualifications specified in KRS 424.120.

A legal advertisement may be made in a digital newspaper if the digital newspaper (1) maintains an active news-gathering office in the publication area; (2) has been actively publishing for at least one year and is updated on at least a weekly basis; (3) has as its primary purpose reporting on matters of import to the public, including regular reporting regarding local and community issues in the publication area; (4) is easily accessible to the public through common Internet search engines; (5) contains conspicuous links or headings on its landing page that direct members of the public to public notices; and (6) distributes or has an ownership interest in another entity that distributes newspapers printed in Kentucky and is capable of circulating printed newspapers throughout the publication area.



For purposes of satisfying publication requirements of KRS Chapter 424, an advertisement is deemed to be published on the date that it is posted on the website of the digital newspaper. Any other statute requiring newspaper publication that contains requirements related to the physical dimensions, typesetting, font, or other aspects particular to a printed newspaper is not applicable where the advertisement is made in a qualified digital newspaper.

The Senate State and Local Government Committee passed House Bill 534 on March 13.



## **SB 141: TEMPORARY ANNEXATION MORATORIUM**

*Sponsor: Senator Amanda Mays Bledsoe (R-Lexington)*

Senate Bill 141 was amended in the final days of the legislative session to include provisions related to the implementation of a statewide annexation moratorium. The final version of the legislation contains several exceptions and will remain in effect until July 1, 2024. Senate Bill 141 does not apply in Jefferson and Fayette Counties.

Any city that has initiated either a consensual or nonconsensual annexation through the first reading of an ordinance prior to March 1, 2023, is permitted to complete the annexation without having to meet the conditions established in Senate Bill 141 unless the annexation involves property owned by a school board. If the annexation involves school property, the city is required to obtain the consent of the school board and fiscal court of the county in which the annexation occurs.

On or after March 1, 2023, a city will only be permitted to complete annexations that were started but not completed prior to March 29, 2023, or initiate any new annexations prior to July 1, 2024, if the annexation meets the following criteria:

- An opportunity for substantial economic development would be impeded if a parcel of land is not annexed. The language provides that a demonstration of this type could be made in instances where it is necessary to extend city services to the land for the business or other development and there is evidence that the business or other development will not locate on the land if city services are not provided;
- An annexation of a parcel of land would directly facilitate the delivery of new or substantially improved services that cannot be provided by the city or subunit of the city in the absence of the annexation or that lack of annexation will result in the substantial loss of service;
- If the annexation was started on or after March 1, 2023, and a contract associated with the annexation let prior to March 29, 20023, would be voided by the provisions of Senate Bill 141;



- The property owner has requested the annexation of property that is contiguous to the existing city boundary and the city provides written notice to the fiscal court at least 45 days prior to enacting the final ordinance annexing the property to the fiscal court of the county;
- The fiscal court has concurred in the annexation; or
- The provisions of Senate Bill 141 would void, alter, or otherwise impede the continuation of any provision of an interlocal agreement executed by the county and one or more cities within the county involving occupational license fees or insurance premium taxes.

Whenever a city completes an annexation under Senate Bill 141, the city shall send written notification to the county judge/executive of the county in which the annexation occurred.

In addition to parties that would currently have standing under statute or common law to challenge the legality of an annexation, Senate Bill 141 gives county governments the ability to bring an action in Circuit Court to challenge annexations that occur between March 1, 2023, and July 1, 2024. Any challenge of an annexation occurring while Senate Bill 141 is in effect must be filed no later than 45 days following the publication of the ordinance finally annexing the territory into the city.

In addition, Senate Bill 141 establishes the Task Force on Local Government Annexation that is charged to investigate and make recommendations on the present statutory methods of annexation and the benefits and negative consequences of annexation on economic development, taxation, provision of utility services, and public safety services from the perspective of local governments and their residents.

The task force will be composed of four senators and four representatives and will meet monthly prior to making a report of its findings and recommendations to the Legislative Research Commission by November 1, 2023.

Senate Bill 141 contained an emergency provision is became effective on March 29, 2023, when it became law without the governor's signature.



KLC Executive Director|CEO James D. Chaney testified on Senate Bill 141.

# 14) Peace Officers

## **HB 64: PEACE OFFICER CERTIFICATION AFTER SEPARATION OF SERVICE**



*Sponsor: Representative Wade Williams (R-Earlinton)*

House Bill 64 amends KRS 15.400 to extend the period of time that a peace officer employed as a peace officer as of December 1, 1998, may be separated from service before losing his or her certification status from 100 days to 365 days.

House Bill 64 contained an emergency clause. The bill became law on April 4, 2023, when signed by the governor.

## **HB 207: LAW ENFORCEMENT WELLNESS PROGRAMS**



*Sponsor: Representative Kevin Bratcher (R-Louisville)*

House Bill 207 creates a new section of KRS Chapter 15 to allow law enforcement agencies to create wellness programs to support the mental health and wellbeing of employees. Programs may include but are not limited to an early intervention system, access to mental health counseling, and crisis counseling. Any law enforcement agency that creates its own wellness program must establish written policies and procedures for the program.

All records arising from any aspect of a wellness program shall be confidential and privileged from disclosure regardless of who possesses the records. The participating officer or telecommunicator is the holder of the privilege.

The privilege shall not apply (1) to the disclosure of relevant information in response to a claim made by the holder of the privilege against a law enforcement agency related to programs or services provided by a wellness program or (2) when an officer's or telecommunicator's communication contains (a) an explicit threat of suicide rather than suicidal thoughts; (b) an explicit threat by a participant of imminent and serious physical injury and bodily harm or death to a clearly identified or reasonably identifiable victim; (c) information related to the abuse or neglect of a child, older adult, or vulnerable individual; (d) an admission of criminal conduct; or (e) other information which is required by law to be disclosed.

KRS 61.878 is amended to include records confidentially maintained by a law enforcement agency in accordance with a wellness program to the list of records not subject to an open records request.

## **HB 373: PEACE OFFICER CERTIFICATION**

*Sponsor: Representative John Blanton (R-Salyersville)*



House Bill 373 amends numerous statutes relating to peace officer certification.

KRS 15.380 is amended to remove court security officers and county detectives appointed to assist the county attorney in district court criminal cases appointed after July 1, 2019, from being required to be certified by the Kentucky Law Enforcement Council.

KRS 15.382 is amended to expand minimum qualifications for certification as a peace officer to include not having expunged a conviction for any felony; a misdemeanor under KRS 510.120, 510.130, or 510.140; a second or subsequent offense under KRS 510.148; or a criminal attempt, conspiracy, facilitation, or solicitation to commit any degree of rape, sodomy, sexual abuse, or sexual misconduct.

KRS 15.386 is amended to allow an officer who has been on inactive status for less than one year to return to certification status with no additional training requirements.

KRS 15.391 relating to revocation of peace officer certification is amended to provide any confidential, active investigation, or medical information received by the Kentucky Law Enforcement Council in determining whether to initiate a proceeding to revoke a peace officer's certification shall retain its confidential character. The council may subpoena or request a court to subpoena records that are necessary to provide evidence that will permit the council to evaluate conditions of separation. The definition of "final order" is amended to require a final order to specifically state whether the council has met the requirements to revoke an individual's peace officer certification.

KRS 15.530 is amended to revise the definition of telecommunicator to remove the requirement that a telecommunicator be a full-time public employee.

KRS 431.074 is amended to require the Administrative Office of the Courts to retain an index of expungement orders entered under KRS 431.073 or KRS 431.078 accessible to the Kentucky Law Enforcement Council for the purpose of verifying qualifications for certification of peace officers.

## **HB 380: AGE OF PEACE OFFICER CERTIFICATION**

*Sponsor: Representative Susan Witten (R-Louisville)*



House Bill 380 creates new sections of KRS Chapters 15, 67C, and 95 to allow any person who is at least 20 years of age to be eligible for employment by a law enforcement agency for the purpose of attending a basic training course as defined in KRS 15.310 if he or she will be 21 years of age at the time of becoming certified under KRS 15.380 to 15.404 relating to officer training and certification.

The Kentucky Law Enforcement Council shall allow a person employed as provided in the Act by a law enforcement agency to attend a basic training course as defined in KRS 15.310 if the person will be 21 years of age by the conclusion of the basic training course.

KRS 15.386 is amended to allow for the precertification of officers employed at 20 years of age only for the purpose of attending a basic training course. For those officers that were employed at 20 years of age and precertified for the purpose of attending a basic training course, upon verification by the Law Enforcement Council that all minimum qualifications have been met, successful completion of a basic training course, and approval from the employing agency, the officer shall have full peace officer powers as authorized by the statute under which he or she was appointed or employed.

### **HB 540: SCHOOL RESOURCE OFFICERS**

*Sponsor: Representative Killian Timoney (R-Nicholasville)*

House Bill 540 amends KRS 158.4414 to specify that private and parochial schools can enter memorandums of understanding with a local law enforcement agency or the Department of Kentucky State Police to provide school resource officers employed by the local law enforcement agency or the Department of Kentucky State Police.

### **SB 101: PEACE OFFICER CONTRACTS**

*Sponsor: Senator Johnnie Turner (R-Harlan)*



Senate Bill 101, a KLC initiative, amends several statutes relating to law enforcement basic training costs to require peace officers appointed on or after the effective date of the Act to be subject to repayment of training costs incurred by the hiring agency if the peace officer accepts employment as an officer with another law enforcement agency within five years of completion of the basic training course, instead of three years as previously required.

KRS 16.050 and KRS 70.290 are amended to extend contracts subject to reimbursement for training costs to five years for state police officers, deputy sheriffs, and peace officers employed by cities and counties hired after the effective date of the Act. KRS 70.290 is additionally amended to require a city or local law enforcement agency that hires a peace officer employed by a state law enforcement agency, including a university peace officer, to reimburse the state law enforcement agency that initially hired the peace officer for training costs incurred. The amount of training costs shall not be prorated.

KRS 150.090 is amended to allow the commissioner of the Department of Fish and Wildlife Resources to, as a condition of employment, require a newly appointed department conservation officer to enter into an employment contract of no longer than five years from the date of appointment. If a department conservation officer who entered into a contract accepts employment as a peace officer with another law enforcement agency within five years of completion of basic training, the hiring agency shall reimburse the department for costs incurred by the department, including but not limited to training costs, equipment costs, salary, and fringe benefits.

KRS 150.090 is amended to allow local boards of education to, as a condition of employment, require a newly appointed police department officer to enter into an employment contract for no longer than five years from the date of appointment. If a department officer who entered into a contract accepts employment as a peace officer with another law enforcement agency within five years of completion of basic training, the hiring agency shall reimburse the local board of education for the actual costs incurred by the local board of education, including but not limited to training costs, equipment costs, salary, and fringe benefits.

KRS 183.881 is amended to allow public airport boards to, as a condition of employment, require a newly appointed safety and security officer to enter into an employment contract for a period not to exceed five years. If a safety and security officer who entered into a contract with a public airport board accepts employment as a peace officer with another law enforcement agency within five years of employment by the airport board, the hiring agency shall reimburse the airport board that initially hired the safety and security officer for the actual costs incurred by the airport board, including but not limited to training costs, equipment costs, salary, and fringe benefits.



KLC Director of Public Affairs Bryanna L. Carroll, Senator Johnnie Turner (R-Harlan), and Kentucky Association of Chiefs of Police Executive Director Shawn Butler testified to the House Veterans, Military Affairs, and Public Protection Committee for passage of Senate Bill 101.



# 15) Retirement

## **HB 236: FIDUCIARY DUTIES OWED TO STATE-ADMINISTERED RETIREMENT SYSTEMS**

*Sponsor: Representative Scott Sharp (R-Ashland)*

House Bill 236 amends KRS 21.450, 61.650, 78.790, and 161.430 relating to the state, county, judicial, and teachers' retirement systems to expand the scope of persons owing a fiduciary duty to the respective state-administered retirement systems. The legislation requires board members, any investment manager or other fiduciary, or proxy adviser of the systems to discharge their duties with respect to the funds of the retirement system "solely in the interest of the members and beneficiaries" determined using only pecuniary factors with no purpose to further a nonpecuniary interest.

"Pecuniary factor" means a consideration having a direct and material connection to an investment's financial risk or financial return. A "material connection" is established if there is a substantial likelihood that a reasonable investor would consider it important in determining an investment's financial risk or financial return. "Nonpecuniary interest" includes an environmental, social, political, or ideological interest. Consideration of or actions on nonpecuniary interests, including environmental, social, political, and ideological interests, are prohibited.

Evidence that a fiduciary has considered or acted on a nonpecuniary interest includes but is not limited to (1) statements, explanations, reports, or correspondence; (2) communications with portfolio companies; (3) statements of principles or policies, whether made individually or jointly; (4) votes of shares or proxies; or (5) coalitions, initiatives, agreements, or commitments to which the fiduciary is a participant, affiliate, or signatory.

Board members shall adopt written proxy voting guidelines consistent with the fiduciary duties and other requirements of the Act or the proxy voting guidelines of a sole investment manager under contract with the board to act as a fiduciary in compliance with the duties and other requirements of the Act. No contract or agreement shall waive, restrict, or limit a fiduciary's liability as to any of the duties imposed by the Act. Any agreement shall specify that it is made in Kentucky and governed by the laws of Kentucky.

Investment managers, proxy advisers, and proxy voting services shall comply with all applicable provisions of the Investment Advisers Act of 1940, as amended, the rules and regulations promulgated thereunder, and all other applicable federal securities statutes and related rules and regulations that apply to investment managers, proxy advisers, and proxy voting services.

## **HB 506: POST-RETIREMENT OPTIONS FOR STATE & LOCAL EMPLOYEES**

*Sponsor: Representative Walker Thomas (R-Hopkinsville)*



House Bill 506, a KLC initiative, amends several statutes relating to post-retirement options for state and local employees. KRS 61.635 is amended to establish a partial lump sum option (PLSO) with and without survivor rights as a payment option for retiring members of the Kentucky Employees Retirement System (KERS), County Employees Retirement System (CERS), or the State Police Retirement Systems (SPRS). The option shall include a lump-sum payment of 12, 24, 36, 48, or 60 months of payments and a lifetime benefit that is actuarially reduced to reflect the lump-sum payment.

The Kentucky Public Pensions Authority (KPPA) shall provide for all retirement estimates that include the partial lump sum option, estimates of the additional months of service a member would have to be employed to recoup the actuarial reduction in his or her monthly retirement allowance at each retirement level due to selecting a partial lump sum option.

KLC Director of Public Affairs Bryanna L. Carroll answers a question after testifying with Representative Walker Thomas (R-Hopkinsville) on House Bill 506.



To explain the partial lump sum option to members, KPPA shall additionally prepare and make available to all members and participating employers in the form of a paper or electronic pamphlet or booklet a summary of the partial lump sum option written in a manner that the average member can understand that is sufficiently accurate and comprehensive to reasonably apprise the member of the benefits and potential consequences, including federal tax consequences, of taking a partial lump sum option.

KRS 61.637 and 78.5540 are amended to change the required break in employment before a KERS, CERS, or SPRS retiree may return to work with a participating employer one month from the previous one or three months, depending upon the position. The Act takes effect on January 1, 2024.

## **HB 587: INTERNAL AUDIT FUNCTIONS OF PUBLIC PENSION FUNDS**



*Sponsor: Representative Russell Webber (R-Shepherdsville)*

House Bill 587, a KLC initiative, amends KRS 61.505 to require the Kentucky Public Pensions Authority (KPPA) to appoint or contract for the services of an internal auditor to perform internal audit functions as directed by KPPA. The internal auditor shall report directly to KPPA trustees. KPPA shall authorize the internal auditor to appoint the employees under his or her direct supervision and annually conduct a performance evaluation of the internal auditor.



The Senate State and Local Government Committee unanimously passed HB 587 on March 13 after testimony from KLC Director of Public Affairs Bryanna L. Carroll and Representative Russell Webber (R-Shepherdsville).

## **SB 89: REEMPLOYMENT OF RETIRED URBAN COUNTY GOVERNMENT POLICE OFFICERS**



*Sponsor: Senator Donald Douglas (R-Nicholasville)*

Senate Bill 89 authorizes the legislative body of an urban county government to employ, as needed, individuals as police officers who have retired from the urban county government's Police and Fire Retirement Fund. To be eligible for reemployment, an individual must have (1) participated in the Law Enforcement Foundation Program fund under KRS 15.410 to 15.510; (2) retired on a service retirement annuity; (3) been separated from service for at least 30 days; (4) retired with no administrative charges pending; and (5) retired with no preexisting agreement or arrangement between the individual and the urban county government prior to the individual's retirement.

Individuals reemployed must (1) serve for a term not to exceed one year, which may be renewed annually at the discretion of the employing urban county government; (2) receive compensation according to standard procedures of the urban county government; and (3) be employed based on need as determined by the urban county government.

Individuals reemployed shall continue to receive all retirement and health insurance benefits to which they were entitled and be subject to any merit system, civil service, or other legislative due process provisions applicable within the urban county government. A decision by the urban county government not to renew a one-year appointment term shall not be considered a retaliatory action, disciplinary action, or deprivation subject to due process.

The employing urban county government shall not make any retirement contributions for reemployed retired police officers to any government pension plan authorized under KRS Chapter 67A.

The number of retirees hired by an urban county government shall not exceed the greater of 25 police officers or a number equal to 10% of the police officers employed by the urban county government in the immediately preceding calendar year.

Senate Bill 89 contained an emergency clause. The bill became law on March 24, 2023, when signed by the governor.

## **SB 206: URBAN COUNTY GOVERNMENT RETIREMENT FUNDS**



*Sponsor: Senator Amanda Mays Bledsoe (R-Lexington)*

Senate Bill 206 amends KRS 67A.430 to increase the minimum monthly annuity from the Police and Fire Retirement Fund of an urban county government. Any retiree or surviving spouse who, as of July 1, 2023, receives a monthly annuity of less than \$1,500 shall have his or her monthly annuity increased to \$1,500, except for those retirees and surviving spouses of retirees who are receiving disability benefits not due to occupational causes as provided by KRS 67A.470.

Once every two years and solely at the board's discretion, the board of the retirement fund may increase the minimum monthly annuity by no more than 10% above the most recent poverty level guidelines established by the federal government for a two-person household calculated on a monthly basis.

# 16) State Revenue Measures

## **HB 1: INCOME TAX RATES**

*Sponsor: Representative Brandon Reed (R-Hodgenville)*

House Bill 1 amends KRS 141.020 to reduce the state income tax from 5% to 4.5% of net income for taxable years beginning January 1, 2023, and to 4% of net income for taxable years beginning January 1, 2024, pursuant to the provisions of House Bill 8 enacted by the General Assembly in 2022.

According to the language of House Bill 8, the individual income tax rate change from 5.0% to 4.5% for taxable years beginning on or after January 1, 2023, was automatic. The second individual income tax rate change from 4.5% to 4.0% for taxable years beginning on or after January 1, 2024, required action by the General Assembly if certain rate reduction conditions for the two fiscal years were met as required. The Department of Revenue determined the conditions were met.

## **HB 360: ANNUAL REVENUE BILL**

*Sponsor: Jason Petrie (R-Elkton)*

House Bill 360 amends various statutes related to state taxation and budget preparation but includes several provisions impacting city governments.

Effective January 1, 2024, amends KRS 138.475 to require the electric vehicle ownership fees established last session by the General Assembly to be transferred to the road fund rather than split equally between the general fund and the road fund. The fees are collected at the time of vehicle registration and are \$120 for electric vehicles and \$60 for electric motorcycles and hybrid vehicles. These fees will not be shared with local governments.

Amends KRS 139.470 to clarify language on the application of the state sales tax exemption for utilities used at a resident's domicile to permit the owner or operator to make a declaration to the utility that the utilities are purchased for the use of a Kentucky resident at the resident's place of domicile. The provisions are retroactive to January 1, 2023.

Amends KRS 139.480 to provide an exemption from the state sales tax for building materials and supplies purchased by a construction contractor to be used and permanently incorporated into a water or sewer project that will provide services to the general public. The provisions are retroactive to January 1, 2023.

Provides an exemption under KRS 139.480 from state sales tax for vendors, exhibitors, and other entities that use or sublease meeting space that is subject to a primary lease, and the primary lessee pays the tax to the lessor of the space for the event. The provisions are retroactive to January 1, 2023.

Provides an exemption in KRS 139.498 from the state sales tax for nonprofit civic or other nonprofit organizations operating fundraising events solely with volunteers for sales of concessions for leisure, recreational, or athletic fundraising purposes or to leisure, recreational, or athletic services. The provisions are retroactive to January 1, 2023.

Amends KRS 154.30-010 to provide a temporary fix for cities that have a tax increment financing agreement in place prior to January 1, 2023, to ensure that those cities do not experience a shortfall in state individual income tax increments as a result of the reduction in the state individual income tax. The language provides that the calculation shall use a modified new revenues formula to calculate the state payment for income tax increments that would make the revenues equal to an amount that would have been received if the income tax rate remained at 5%. This provision will only apply for calendar years 2023 and 2024.



Requires the Department of Revenue to provide a report on or before November 1, 2023, to the Interim Joint Committee on Appropriations and Revenue that outlines details of a centralized tax reporting and distribution system for state and local transient room taxes.

House Bill 360 contained an emergency clause, and its provisions became effective on March 24, 2023, when signed by the governor, unless other effective dates were provided for particular provisions in the bill.

### **SB 99: DISASTER RELIEF FUNDING**



*Sponsor: Senator Whitney Westerfield (R-Hopkinsville)*

Senate Bill 99 creates a new section of KRS Chapter 12 to require an agency head, cabinet secretary, or appointed or elected official that administers a relief fund on behalf of the state to provide a report and analysis of relief funds under his or her control to the Legislative Research Commission no later than the end of each fiscal year. "Relief fund" means a fund created by statute, a government agency, cabinet secretary, appointed or elected official, or agency head to accept and expend funds received from any source to provide relief to individuals and entities impacted by an emergency.

The required report and analysis of relief funds shall include but not be limited to the following:

1. A list of total funds received or pledged;
2. A list of expenditures or funds obligated;
3. The statutory and constitutional authority to raise revenue and expend funds by a state agency to individuals and entities absent an appropriation;
4. Guidelines and procedures established for the allocation of funds;
5. Any procedures for the obligation of funds for future expenditures; and
6. A timeline for dissolution of the program and fund.

KRS 39A.303 and 39A.305 are amended to expand eligible expenses for receipt of relief funds from the East Kentucky State Aid Fund for Emergencies (EKSAFE) and the West Kentucky State Aid Fund for Emergencies (WKSAFE), respectively, to include replacement, renovation, or expansion of an essential facility that was used for existing services at the time of the disaster, including police, fire, and ambulance stations functioning above capacity at the time of application, but only to the extent of damage directly caused by the storms or flooding.



Eligible expenses for both funds shall be issued as a loan and used to replace, renovate, or expand an essential government facility up to 120% of capacity at the time of application for proceeds. Any loan issued shall contain the following terms:

- (1) An interest rate of 0%;
- (2) A time for repayment of no longer than 20 years; and
- (3) A repayment structure of quarterly payments due on the 30th day of March, June, September, and December of each year until the loan is repaid.

The recipient of any loan shall report to the Department of Military Affairs, Division of Emergency Management on a quarterly basis: (1) the amount of any insurance proceeds received related to the replacement, renovation, or expansion of an essential government facility for which the loan was granted; and (2) the name and address of the insurance provider. No later than November 1, 2023, and each November 1 thereafter, the Department of Military Affairs, Division of Emergency Management shall compile the information reported by each recipient and report the compiled information to the Interim Joint Committee on Appropriations and Revenue.

Before July 1, 2026, all money reimbursed to the commonwealth shall be deposited in the EKSAFE fund or WKSAFE fund, as applicable, within 30 days and shall be continuously appropriated. After June 30, 2026, all money reimbursed to the commonwealth shall be deposited within 30 days into the budget reserve trust fund account established in KRS 48.705.

Senate Bill 99 contained an emergency clause. The bill became law on March 24, 2023, when signed by the governor.



# 17) Vehicles

## **SB 96: LOCAL GOVERNMENT RACING PERMITS**

*Sponsor: Senator Brandon Smith (R-Hazard)*

Senate Bill 96 creates a new section of KRS Chapter 189 to allow a local government to provide permits for a racing event within its jurisdiction on city streets, county roads, or at airports subject to approval from the relevant airport board. "Racing event" means a motor vehicle race sanctioned by a nationally or internationally recognized racing organization that includes preparations, practices, and qualifications for the race.

1. A local government may charge a fee not to exceed \$1,000 for a permit, plus the cost of any expenses incurred by the local government to facilitate the racing event. Prior to issuance of a permit, a local government must ensure the applicant has the following:
2. Adequate insurance to pay any damages incurred because of loss or injury to any person or property;
3. Adequate security, emergency services, and necessary facilities available during the racing event; and the ability to protect the health, safety, and welfare of the citizens of the local government, the race participants, and those attending the racing event.

No less than 60 days prior to a scheduled racing event, a local government must provide written notice to the Transportation Cabinet that a permit has been issued for a racing event. The written notice shall include the following:

1. The racing event's time, date, and location;
2. The nationally or internationally recognized racing organization sponsoring the event;
3. A road closure plan specifying the streets, roads, alleys, sidewalks, and airport runways temporarily closed or obstructed during the event;
4. A traffic control plan specifying the on-site traffic controls and detour routes for the racing event; and
5. The names and phone numbers of emergency and law enforcement contacts overseeing the racing event.

To facilitate a racing event, a local government may temporarily close roads, streets, alleys, sidewalks, and airport runways; reroute pedestrian and motor vehicle traffic; and waive local ordinances and traffic regulations. The route of a racing event shall not use or cross any state-maintained highway.



**SB 96: BRIDGE WEIGHT LIMITS**

*Sponsor: Senator Brandon Smith (R-Hazard)*

Senate Bill 69 amends KRS 189.990 to establish a separate overweight fine schedule for violating a posted bridge weight limit on any state-maintained bridge that is more than 75 years old. Any person who violates a posted bridge weight limit on a state-maintained bridge that is more than 75 years old shall be fined (1) \$500 for the first offense; (2) \$1,000 for a second offense within one year; or (3) \$2,000 for any subsequent offense within one year.

The Transportation Cabinet is required to erect signs warning drivers of the increased fines placed in such a manner that drivers are given an adequate warning in order to exit the road prior to crossing the bridge. If warning signs are not erected, the fines will not apply, and violations will be penalized as ordinary overweight violations.



Adairville Albany Alexandria Allen Anchorage Arlington Ashland Auburn Audubon Park Augusta Bancroft Barbourmeade Barbourville Bardstown Bardwell Barlow Beattyville Beaver Dam Bedford Beechwood Village Bellefonte Bellemeade Bellevue Bellewood Benham Benton Berea Bloomfield Blue Ridge Manor Bonnieville Booneville Bowling Green Bradfordsville Brandenburg Briarwood Brodhead Broeck Pointe Bromley Brooksville Brownsboro Farm Brownsboro Village Brownsville Buckhorn Burgin Burkesville Burnside Butler Cadiz Calhoun Calvert City Camargo Cambridge Campbellsburg Campbellsville Campton Caneyville Carlisle Carrollton Catlettsburg Cave City Centertown Central City Clarkson Clay Clay City Clinton Cloverport Coal Run Village Cold Spring Columbia Columbus Corbin Corinth Corydon Covington Crab Orchard Crescent Springs Crestview Hills Crestwood Crittenden Crofton Crossgate Cumberland Cynthiana Danville Dawson Springs Dayton Dixon Douglass Hills Dover Drakesboro Druid Hills Dry Ridge Earlington Eddyville Edgewood Edmonton Elizabethtown Elkhorn City Elkton Elsmere Eminence Erlanger Eubank Evarts Ewing Falmouth Ferguson Fincastle Flatwoods Fleming-Neon Flemingsburg Florence Fordsville Forest Hills Fort Mitchell Fort Thomas Fort Wright Fountain Run Fox Chase Frankfort Franklin Fredonia Frenchburg Fulton Gamaliel Georgetown Ghent Glasgow Glencoe Glenview Glenview Hills Glenview Manor Goose Creek Goshen Grand Rivers Graymoor-Devondale Grayson Greensburg Greenup Greenville Guthrie Hanson Hardin Hardinsburg Harlan Harrodsburg Hartford Hawesville Hazard Hazel Hebron Estates Henderson Heritage Creek Hickman Highland Heights Hills and Dales Hillview Hindman Hodgenville Hollow Creek Hopkinsville Horse Cave Houston Acres Hunters Hollow Hurstbourne Hurstbourne Acres Hustonville Hyden Independence Indian Hills Inez Irvine Irvington Island Jackson Jamestown **KENTUCKY LEAGUE OF CITIES** Jeffersonton Jeffersonville Jenkins Kingsley Junction City Kevil Kuttawa La Grange LaCenter LaFayette Lakeside Park Lakeview Heights Lancaster Langdon Place Lawrenceburg Lebanon Lebanon Junction Leitchfield Lewisburg Lewisport Lexington Liberty Lincolnshire Livermore Livingston London Loretto Louisa Louisville Loyall Ludlow Lynch Lyndon Lynnview Madisonville Manchester Manor Creek Marion Martin Mayfield Maysville McHenry McKee Meadow Vale Meadowbrook Farm Melbourne Mentor Middlesboro Middletown Midway Millersburg Milton Mockingbird Valley Monticello Morehead Morganfield Morgantown Mortons Gap Mount Olivet Mount Vernon Mount Washington Mt. Sterling Muldraugh Munfordville Murray Murray Hill Nebo New Castle New Haven Newport Nicholasville Norbourne Estates North Middletown Northfield Nortonville Norwood Oak Grove Oakland Old Brownsboro Place Olive Hill Orchard Grass Hills Owensboro Owenton Owingsville Paducah Paintsville Paris Park City Park Hills Parkway Village Pembroke Perryville Pewee Valley Pikeville Pineville Pioneer Village Pippa Passes Plantation Pleasureville Plum Springs Powderly Prestonsburg Prestonville Princeton Prospect Providence Raceland Radcliff Ravenna Richlawn Richmond River Bluff Riverwood Robards Rockport Rolling Hills Russell Russell Springs Russellville Ryland Heights Sacramento Sadieville Saint Matthews Saint Regis Park Salem Salt Lick Salyersville Sanders Sandy Hook Science Hill Scottsville Sebree Seneca Gardens Sharpsburg Shelbyville Shepherdsville Shively Silver Grove Simpsonville Slaughters Smithland Smiths Grove Somerset Sonora South Shore Southgate Sparta Spring Mill Spring Valley Springfield Stamping Ground Stanford Stanton Strathmoor Manor Strathmoor Village Sturgis Sycamore Taylor Mill Taylorsville Ten Broeck Thornhill Tompkinsville Trenton Union Uniontown Upton Vanceburg Versailles Villa Hills Vine Grove Walton Warfield Warsaw Watterson Park Waverly Wayland Wellington West Buechel West Liberty West Point Westwood Wheelwright White Plains Whitesburg Whitesville Wickliffe Wilder Wildwood Williamsburg Williamstown Willisburg Wilmore Winchester Windy Hills Wingo Woodburn Woodland Hills Woodlawn Woodlawn Park Worthington Hills Worthville Wurtland

# 18) Water Resources

## **SB 263: REGIONALIZATION OF PUBLIC WATER AND WASTEWATER SYSTEMS**

*Sponsor: Senator Phillip Wheeler (R-Pikeville)*

Senate Bill 263 encourages infrastructure funding for regionalizing, merging, and consolidating water and wastewater systems. KRS 224A.304 is amended to establish a water and wastewater service regionalization account within the Kentucky Infrastructure Authority to enhance the effectiveness, reliability, and resilience of the state's water and wastewater systems by using various tools including, but not limited to, regionalization, merger, and consolidation. The Energy and Environment Cabinet shall provide technical support to the Kentucky Infrastructure Authority as needed to implement the program.

KRS 224A.310 is amended to require the authority to establish an incentive program that allocates funds from the water and wastewater service regionalization account to encourage the regionalization, merger, and consolidation of water and wastewater systems. KRS 224A.316 is amended to require the authority to prioritize regional projects that achieve the purposes set out in the Act.

## **SB 277: FLOOD CONTROL**

*Sponsor: Senator Johnnie Turner (R-Harlan)*

Senate Bill 277 amends several statutes in KRS Chapter 151 in relation to flood control, floodplain management, and dam safety. KRS 151.125 is amended to direct the secretary of the Energy and Environment Cabinet to adopt administrative regulations for minimum standards for floodplain management. "Floodplain" means the area in a watershed that is susceptible to being inundated by floodwaters from any source. "Watershed" means all the area from which all drainage passes a given point downstream.

KRS 151.250 is amended to prohibit any person or political subdivision from placing a building, barrier, or obstruction in any area in a floodplain or floodway except those constructed by the Transportation Cabinet without first obtaining a permit from the Energy and Environment Cabinet. "Floodway" means the channel of a river, stream, or other watercourse and the adjacent land areas that must be reserved to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. "Base flood" means the elevation of surface water resulting from a flood with a 1% chance of equaling or exceeding that level in a given year.

Upon receipt of all plans and specifications, the cabinet shall notify an applicant for a floodplain permit in writing within 20 working days that the permit will be issued or denied or that certain modifications in the plans or specifications must be made before a permit will be issued.

KRS 151.260 is amended to authorize the secretary of the Energy and Environment Cabinet to establish by administrative regulation a requirement for the owner of any dam classified by the cabinet as high hazard, moderate hazard, or significant hazard based on downstream floodplain use, size, or type of dam, or other criteria, to develop, exercise, and maintain an emergency action plan certified by the owner of the dam. Within 60 days of completion of an on-site inspection of an existing dam, the cabinet shall prepare an inspection report and notify the owner in writing. The cabinet may impose conditions relating to the inspection, operation, maintenance, alteration, repair, use, or control of a dam or reservoir as it determines are necessary to protect public health, safety, or welfare.



# 19) Workforce Development

## **HB 146: UNEMPLOYMENT INSURANCE**



*Sponsor: Representative Russell Webber (R-Shepherdsville)*

House Bill 146 amends several provisions of KRS Chapter 341 relating to unemployment insurance, including amendments to several sections of House Bill 4 enacted by the General Assembly in 2022 relating to unemployment insurance. KRS 341.385 is amended to increase the duration of benefits available to each eligible recipient from a minimum of 12 weeks to a minimum of 16 weeks based upon the state average unemployment rate at the time of his or her application for benefits up to a maximum of 24 weeks. For example, if the state average unemployment rate at the time of application is less than or equal to 6.5%, 16 weeks of benefits are available; if the state average unemployment rate at the time of application is greater than 6.5% up to and including 7%, 17 weeks of benefits are available; and so on to a maximum of 24 weeks of benefits available.

KRS 341.270 is amended to enlarge the length of time from four consecutive quarters to 12 consecutive quarters before an employer who is newly subject to the requirement to contribute to the unemployment insurance trust fund must begin contributing the minimum of 2.7%. The statute is also amended to change the computation of an employer's reserve ratio based on the previous 12 consecutive calendar quarters instead of four consecutive quarters.

A new section of KRS Chapter 341 is created to require the Office of Unemployment Insurance to advise an eligible worker of the following resources at the time of being notified of a valid claim:

1. Five additional weeks of benefits are available by complying with an approved job training and certification program;
2. The Work Ready Kentucky Scholarship Program administered by the Kentucky Higher Education Assistance Authority;
3. The federal Pell Grant Program;
4. The Free Application for Federal Student Aid (FAFSA); and
5. Additional education and training resources determined to be appropriate by the secretary that would support the worker in obtaining skills or credentials necessary to find employment.

KRS 341.127 is amended to require the secretary of the Education and Workforce Development Cabinet to provide the governor and Interim Joint Committee on Economic Development and Workforce Investment by December 1, 2023, a review of specified potential changes to the computation of employer contribution rates and how the potential changes could affect employer contribution rates and the unemployment insurance trust fund. The Act will take effect on July 1, 2023.

## **HB 586: KENTUCKY EDUCATION AND WORKFORCE COLLABORATIVE**



*Sponsor: Representative Russell Webber (R-Shepherdsville)*

House Bill 586, a KLC initiative, amends KRS 151B.290 to increase the Kentucky Education and Workforce Collaborative from 20 to 21 members and include the executive director/CEO of the Kentucky League of Cities or his or her designee.





Kentucky  
League  
of Cities

