

1 AN ACT relating to electronic signatures.

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

3 ➔Section 1. KRS 12.010 is amended to read as follows:

4 In this chapter, and throughout the Kentucky Revised Statutes where applicable and  
5 appropriate unless the context requires otherwise:

- 6 (1) "Organizational unit" means any unit of organization in the executive branch of  
7 ~~the~~ state government that is not an administrative body, including but not limited  
8 to any agency, program cabinet, department, bureau, division, section or office;
- 9 (2) "Department" means that basic unit of administrative organization of state  
10 government, by whatever name called, designated by statute or by statutorily  
11 authorized executive action as a "department," ~~[such organization to be]~~ headed by  
12 a commissioner;
- 13 (3) "Division" means a major subdivision of a department established by statute or by  
14 statutorily authorized administrative action, ~~[such to be]~~ headed by a director;
- 15 (4) "Branch" means a small grouping of logical workforce personnel, ~~[such]~~ to be  
16 headed by a manager;
- 17 (5) "Section" means a smaller grouping within a branch, ~~[such to be]~~ headed by a  
18 supervisor;
- 19 (6) "Unit" means the smallest grouping of coordinated employees, ~~[such to be]~~ headed  
20 by a leader;
- 21 (7) "Office" means a staff support or administrative function and shall be a major  
22 subdivision of a program cabinet only, ~~[such to be]~~ headed by an executive director;
- 23 (8) "Administrative body" means any multi-member body in the executive branch of  
24 ~~the~~ state government, including but not limited to any board, council, commission,  
25 committee, authority or corporation, but does not include "branch," "section," "unit"  
26 or "office";
- 27 (9) "Program cabinet" means a group of departments, or departments and

1 administrative bodies, designated by statute or statutorily authorized executive  
2 action as a "program cabinet[-]"; and

3 (10) "Electronic signature" means an electronic sound, symbol, or process attached to  
4 or logically associated with a record and executed or adopted by a person with the  
5 intent to sign the record.

6 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO  
7 READ AS FOLLOWS:

8 (1) As used in this section, "agency" means any organizational unit, department,  
9 division, branch, section, unit, office, administrative body, or program cabinet  
10 enumerated in KRS 12.020.

11 (2) Any agency that requires any person to sign any form, document, or record in the  
12 normal course of business shall accept electronic signatures.

13 (3) The requirements of subsection (2) of this section shall not apply to contracts or  
14 agreements between an agency and any person who is seeking to do business with  
15 the Commonwealth through the agency, though an agency may accept electronic  
16 signatures for contracts or agreements.

17 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO  
18 READ AS FOLLOWS:

19 (1) For the purposes of this section:

20 (a) "Electronic signature" means an electronic sound, symbol, or process  
21 attached to or logically associated with a record and executed or adopted by  
22 a person with the intent to sign the record; and

23 (b) "Local government" means any city, county, charter county, urban-county  
24 government, unified local government, or consolidated local government, or  
25 any other unit of local government mentioned in this chapter, or any agency  
26 of any city, county, charter county, urban-county government, unified local  
27 government, or consolidated local government, or any agency of any other

- 1                   *unit of local government that is mentioned in this chapter.*
- 2   *(2) Any local government that requires persons to sign any form, document, or*
- 3                   *record in the normal course of business shall accept electronic signatures.*
- 4   *(3) The requirements of subsection (2) of this section shall not apply to contracts or*
- 5                   *agreements between a local government and any person seeking to do business*
- 6                   *with the local government, though a local government may accept electronic*
- 7                   *signatures for contracts or agreements.*

8           ➔Section 4. KRS 65A.010 is amended to read as follows:

9   As used in this chapter:

- 10   (1) "County" means any county, consolidated local government, urban-county
- 11       government, unified local government, or charter county;
- 12   (2) "DLG" means the Department for Local Government established by KRS
- 13       147A.002;
- 14   (3) *"Electronic signature" means an electronic sound, symbol, or process attached to*
- 15                   *or logically associated with a record and executed or adopted by a person with the*
- 16                   *intent to sign the record;*
- 17   *(4)* "Establishing entity" means the city or county, or any combination of cities and
- 18       counties, that established a special purpose governmental entity and that has not
- 19       subsequently withdrawn its affiliation with the special purpose governmental entity
- 20       by ordinance or other official action;
- 21   ~~(5)~~~~(4)~~ "Federally regulated municipal utility" means a municipal utility governed by
- 22       the provisions of KRS 96.550 to 96.901, that maintains a wholesale power contract
- 23       with a federal agency that also serves as its regulatory authority;
- 24   ~~(6)~~~~(5)~~ (a) "Fee" means any user charge, levy, assessment, fee, schedule of rates, or
- 25       tax, other than an ad valorem tax, imposed by a special purpose governmental
- 26       entity.
- 27       (b) "Fee" shall not include the following charges imposed by special purpose

1 governmental entities that provide utility services:

- 2 1. Any fuel cost adjustment that is:
- 3 a. Made pursuant to an agreement with a power supplier;
- 4 b. Amended by the power supplier based on the variable cost of fuel;
- 5 and
- 6 c. Passed through to the consumer by the utility pursuant to the
- 7 agreement between the utility and the power supplier;
- 8 2. Any power or energy cost adjustment implemented pursuant to a duly
- 9 adopted base rate that provides for the periodic adjustment of a
- 10 component of the rate, including any fuel costs or transmission costs, in
- 11 accordance with the formula or conditions set forth in the base rate; or
- 12 3. Any environmental control cost adjustments or surcharges implemented
- 13 pursuant to a duly adopted base rate that provides for the periodic
- 14 adjustment of a component of the rate in accordance with a formula or
- 15 conditions set forth in the base rate;
- 16 ~~(Z)~~~~(6)~~ (a) "Private entity" means any entity whose sole source of public funds is
- 17 from payments pursuant to a contract with a city, county, or special purpose
- 18 governmental entity, including funds received as a grant or as a result of a
- 19 competitively bid procurement process.
- 20 (b) "Private entity" does not include any entity:
- 21 1. Created, wholly or in part, by a city, county, or combination of cities and
- 22 counties to perform one (1) or more of the types of public services listed
- 23 in subsection ~~(10)~~~~(9)~~(c) of this section; or
- 24 2. Governed by a board, council, commission, committee, authority, or
- 25 corporation with any member or members who are appointed by the
- 26 chief executive or governing body of a city, county, or combination of
- 27 cities and counties, or whose voting membership includes governmental

1 officials who serve in an ex officio capacity;

2 ~~(8)~~~~(7)~~ "Public funds" means any funds derived from the levy of a tax, fee,  
3 assessment, or charge, or the issuance of bonds by the state or a city, county, or  
4 special purpose governmental entity;

5 ~~(9)~~~~(8)~~ "Registry" means the online central registry and reporting portal established  
6 pursuant to KRS 65A.020; and

7 ~~(10)~~~~(9)~~ (a) "Special purpose governmental entity" or "entity" means any agency,  
8 authority, or entity created or authorized by statute which:

- 9 1. Exercises less than statewide jurisdiction;
- 10 2. Exists for the purpose of providing one (1) or a limited number of  
11 services or functions;
- 12 3. Is governed by a board, council, commission, committee, authority, or  
13 corporation with policy-making authority that is separate from the state  
14 and the governing body of the city, county, or cities and counties in  
15 which it operates; and
- 16 4. a. Has the independent authority to generate public funds; or  
17 b. May receive and expend public funds, grants, awards, or  
18 appropriations from the state, from any agency, or authority of the  
19 state, from a city or county, or from any other special purpose  
20 governmental entity.

21 (b) "Special purpose governmental entity" shall include entities meeting the  
22 requirements established by paragraph (a) of this subsection, whether the  
23 entity is formed as a nonprofit corporation under KRS Chapter 273, pursuant  
24 to an interlocal cooperation agreement under KRS 65.210 to 65.300, or  
25 pursuant to any other provision of the Kentucky Revised Statutes.

26 (c) Examples of the types of public services that may be provided by special  
27 purpose governmental entities include but are not limited to the following:

- 1 1. Ambulance, emergency, and fire protection services;
  - 2 2. Flood control, drainage, levee, water, water conservation, watershed,
  - 3 and soil conservation services;
  - 4 3. Area planning, management, community improvement, and community
  - 5 development services;
  - 6 4. Library services;
  - 7 5. Public health, public mental health, and public hospital services;
  - 8 6. Riverport and airport services;
  - 9 7. Sanitation, sewer, waste management, and solid waste services;
  - 10 8. Industrial and economic development;
  - 11 9. Parks and recreation services;
  - 12 10. Construction, maintenance, or operation of roads and bridges;
  - 13 11. Mass transit services;
  - 14 12. Pollution control;
  - 15 13. Construction or provision of public housing, except as set out in
  - 16 paragraph (d)8. of this subsection;
  - 17 14. Tourism and convention services; and
  - 18 15. Agricultural extension services.
- 19 (d) "Special purpose governmental entity" shall not include:
- 20 1. Cities;
  - 21 2. Counties;
  - 22 3. School districts;
  - 23 4. Private entities;
  - 24 5. Chambers of commerce;
  - 25 6. Any incorporated entity that:
  - 26 a. Provides utility services;
  - 27 b. Is member-owned; and

- 1                   c. Has a governing body whose voting members are all elected by the  
2                   membership of the entity;
- 3           7. Any entity whose budget, finances, and financial information are fully  
4           integrated with and included as a part of the budget, finances, and  
5           financial reporting of the city, county, or cities and counties in which it  
6           operates;
- 7           8. Federally regulated public housing authorities established pursuant to  
8           KRS Chapter 80 that receive no more than twenty percent (20%) of their  
9           total funding for any fiscal year from nonfederal fees, not including  
10          rental income; or
- 11          9. a. Any fire protection district or volunteer fire department district  
12             operating under KRS Chapter 75; or
- 13             b. Any fire department incorporated under KRS Chapter 273;  
14             with the higher of annual receipts from all sources or annual  
15             expenditures of less than one hundred thousand dollars (\$100,000).

16           ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 65A IS CREATED TO  
17    READ AS FOLLOWS:

18    *(1) Any special purpose governmental entity that requires any person to sign any*  
19    *form, document, or record in the normal course of business shall accept*  
20    *electronic signatures.*

21    *(2) The requirements of subsection (1) of this section shall not apply to contracts or*  
22    *agreements between a special purpose governmental entity and any person who is*  
23    *seeking to do business with a special purpose governmental entity, but a special*  
24    *purpose government entity may accept electronic signatures for contracts or*  
25    *agreements.*