

AN ACT relating to fire departments.

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

➔Section 1. KRS 65A.010 is amended to read as follows:

As used in this chapter:

- (1) "County" means any county, consolidated local government, urban-county government, unified local government, or charter county;
- (2) "DLG" means the Department for Local Government established by KRS 147A.002;
- (3) "Establishing entity" means the city or county, or any combination of cities and counties, that established a special purpose governmental entity and that has not subsequently withdrawn its affiliation with the special purpose governmental entity by ordinance or other official action;
- (4) "Federally regulated municipal utility" means a municipal utility governed by the provisions of KRS 96.550 to 96.901, that maintains a wholesale power contract with a federal agency that also serves as its regulatory authority;
- (5) (a) "Fee" means any user charge, levy, assessment, fee, schedule of rates, or tax, other than an ad valorem tax, imposed by a special purpose governmental entity.
(b) "Fee" shall not include the following charges imposed by special purpose governmental entities that provide utility services:
 1. Any fuel cost adjustment that is:
 - a. Made pursuant to an agreement with a power supplier;
 - b. Amended by the power supplier based on the variable cost of fuel;
and
 - c. Passed through to the consumer by the utility pursuant to the agreement between the utility and the power supplier;
 2. Any power or energy cost adjustment implemented pursuant to a duly

- adopted base rate that provides for the periodic adjustment of a component of the rate, including any fuel costs or transmission costs, in accordance with the formula or conditions set forth in the base rate; or
3. Any environmental control cost adjustments or surcharges implemented pursuant to a duly adopted base rate that provides for the periodic adjustment of a component of the rate in accordance with a formula or conditions set forth in the base rate;
- (6) (a) "Private entity" means any entity whose sole source of public funds is from payments pursuant to a contract with a city, county, or special purpose governmental entity, including funds received as a grant or as a result of a competitively bid procurement process.
- (b) "Private entity" does not include any entity:
1. Created, wholly or in part, by a city, county, or combination of cities and counties to perform one (1) or more of the types of public services listed in subsection (9)(c) of this section; or
 2. Governed by a board, council, commission, committee, authority, or corporation with any member or members who are appointed by the chief executive or governing body of a city, county, or combination of cities and counties, or whose voting membership includes governmental officials who serve in an ex officio capacity;
- (7) "Public funds" means any funds derived from the levy of a tax, fee, assessment, or charge, or the issuance of bonds by the state or a city, county, or special purpose governmental entity;
- (8) "Registry" means the online central registry and reporting portal established pursuant to KRS 65A.020; and
- (9) (a) "Special purpose governmental entity" or "entity" means any agency, authority, or entity created or authorized by statute which:

1. Exercises less than statewide jurisdiction;
 2. Exists for the purpose of providing one (1) or a limited number of services or functions;
 3. Is governed by a board, council, commission, committee, authority, or corporation with policy-making authority that is separate from the state and the governing body of the city, county, or cities and counties in which it operates; and
 4.
 - a. Has the independent authority to generate public funds; or
 - b. May receive and expend public funds, grants, awards, or appropriations from the state, from any agency, or authority of the state, from a city or county, or from any other special purpose governmental entity.
- (b) "Special purpose governmental entity" shall include entities meeting the requirements established by paragraph (a) of this subsection, whether the entity is formed as a nonprofit corporation under KRS Chapter 273, pursuant to an interlocal cooperation agreement under KRS 65.210 to 65.300, or pursuant to any other provision of the Kentucky Revised Statutes.
- (c) Examples of the types of public services that may be provided by special purpose governmental entities include but are not limited to the following:
1. Ambulance, emergency, and fire protection services;
 2. Flood control, drainage, levee, water, water conservation, watershed, and soil conservation services;
 3. Area planning, management, community improvement, and community development services;
 4. Library services;
 5. Public health, public mental health, and public hospital services;
 6. Riverport and airport services;

7. Sanitation, sewer, waste management, and solid waste services;
 8. Industrial and economic development;
 9. Parks and recreation services;
 10. Construction, maintenance, or operation of roads and bridges;
 11. Mass transit services;
 12. Pollution control;
 13. Construction or provision of public housing, except as set out in paragraph (d)8. of this subsection;
 14. Tourism and convention services; and
 15. Agricultural extension services.
- (d) "Special purpose governmental entity" shall not include:
1. Cities;
 2. Counties;
 3. School districts;
 4. Private entities;
 5. Chambers of commerce;
 6. Any incorporated entity that:
 - a. Provides utility services;
 - b. Is member-owned; and
 - c. Has a governing body whose voting members are all elected by the membership of the entity;
 7. Any entity whose budget, finances, and financial information are fully integrated with and included as a part of the budget, finances, and financial reporting of the city, county, or cities and counties in which it operates; ~~or~~
 8. Federally regulated public housing authorities established pursuant to KRS Chapter 80 that receive no more than twenty percent (20%) of their

total funding for any fiscal year from nonfederal fees, not including rental income; or

9. Fire departments that are nonprofit corporations created under KRS Chapter 273.

→ Section 2. KRS 75.430 is amended to read as follows:

(1) ~~{Each recognized and certified fire department created pursuant to KRS Chapter 273 shall comply with the provisions of KRS 65A.010 to 65A.090.~~

~~(2)~~ The governing body of each recognized and certified volunteer fire department created pursuant to KRS Chapter 273 which, for the year in question, receives from all sources or expends for all purposes less than one hundred thousand dollars (\$100,000) shall prepare a financial statement and submit it to the commission by July 31 of each year.

~~(2)~~~~(3)~~ The governing body of each recognized and certified volunteer fire department created pursuant to KRS Chapter 273 which, for the year in question, receives from all sources or expends for all purposes one hundred thousand dollars (\$100,000) or more shall prepare a financial statement and shall employ an independent certified public accountant or contract with the Auditor of Public Accounts to perform a review of the financial statement, and shall submit the reviewed statement to the commission by July 31 of each year.