

1 AN ACT relating to the privacy of Social Security numbers.

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

3 ➔Section 1. KRS 61.645 is amended to read as follows:

- 4 (1) The Kentucky Employees Retirement System and State Police Retirement System
5 shall be administered by the board of trustees of the Kentucky Retirement Systems
6 composed of nine (9) members, who shall be selected as follows:
- 7 (a) One (1) trustee, who shall be a member or retired from the State Police
8 Retirement System, elected by the members and retired members of the State
9 Police Retirement System;
- 10 (b) Two (2) trustees, who shall be members or retired from the Kentucky
11 Employees Retirement System, elected by the members and retired members
12 of the Kentucky Employees Retirement System;
- 13 (c) Six (6) trustees, appointed by the Governor of the Commonwealth, subject to
14 Senate confirmation in accordance with KRS 11.160 for each appointment or
15 reappointment. Of the six (6) trustees appointed by the Governor, three (3)
16 trustees shall have investment experience and three (3) trustees shall have
17 retirement experience;
- 18 (d) For purposes of paragraph (c) of this subsection, a trustee with "investment
19 experience" means an individual who does not have a conflict of interest, as
20 provided by KRS 61.655, and who has at least ten (10) years of experience in
21 one (1) of the following areas of expertise:
- 22 1. A portfolio manager acting in a fiduciary capacity;
 - 23 2. A professional securities analyst or investment consultant;
 - 24 3. A current or retired employee or principal of a trust institution,
25 investment or finance organization, or endowment fund acting in an
26 investment-related capacity;
 - 27 4. A chartered financial analyst in good standing as determined by the

1 CFA Institute; or

2 5. A university professor, teaching investment-related studies; and

3 (e) For purposes of paragraph (c) of this subsection, a trustee with "retirement
4 experience" means an individual who does not have a conflict of interest, as
5 provided by KRS 61.655, and who has at least ten (10) years of experience in
6 one (1) of the following areas of expertise:

7 1. Experience in retirement or pension plan management;

8 2. A certified public accountant with relevant experience in retirement or
9 pension plan accounting;

10 3. An actuary with relevant experience in retirement or pension plan
11 consulting;

12 4. An attorney licensed to practice law in the Commonwealth of Kentucky
13 with relevant experience in retirement or pension plans; or

14 5. A current or former university professor whose primary area of
15 emphasis is economics or finance.

16 (2) The board is hereby granted the powers and privileges of a corporation, including
17 but not limited to the following powers:

18 (a) To sue and be sued in its corporate name;

19 (b) To make bylaws not inconsistent with the law;

20 (c) To conduct the business and promote the purposes for which it was formed;

21 (d) Except as provided in KRS 61.650(6), to contract for investment counseling,
22 auditing, medical, and other professional or technical services as required to
23 carry out the obligations of the board subject to KRS Chapters 45, 45A, 56,
24 and 57. Actuarial consulting services shall be provided by a firm hired by the
25 Kentucky Public Pensions Authority;

26 (e) To purchase fiduciary liability insurance;

27 (f) Except as provided in KRS 61.650(6), to acquire, hold, sell, dispose of,

1 pledge, lease, or mortgage, the goods or property necessary to exercise the
2 board's powers and perform the board's duties subject to KRS Chapters 45,
3 45A, and 56; and

4 (g) The board shall reimburse any trustee, officer, or employee for any legal
5 expense resulting from a civil action arising out of the performance of his or
6 her official duties. The hourly rate of reimbursement for any contract for legal
7 services under this paragraph shall not exceed the maximum hourly rate
8 provided in the Legal Services Duties and Maximum Rate Schedule
9 promulgated by the Government Contract Review Committee established
10 pursuant to KRS 45A.705, unless a higher rate is specifically approved by the
11 secretary of the Finance and Administration Cabinet or his or her designee.

12 (3) (a) Notwithstanding the provisions of subsection (1) of this section, each trustee
13 shall serve a term of four (4) years or until his or her successor is duly
14 qualified except as otherwise provided in this section. An elected trustee or a
15 trustee appointed by the Governor under subsection (1)(c) of this section, shall
16 not serve more than three (3) consecutive four (4) year terms. An elected
17 trustee or a trustee appointed by the Governor under subsection (1)(c) of this
18 section, who has served three (3) consecutive terms may be elected or
19 appointed again after an absence of four (4) years from the board.

20 (b) The term limits established by paragraph (a) of this subsection shall apply to
21 trustees serving on or after July 1, 2012, and all terms of office served prior to
22 July 1, 2012, shall be used to determine if the trustee has exceeded the term
23 limits provided by paragraph (a) of this subsection.

24 (4) (a) The trustees selected by the membership of each of the various retirement
25 systems shall be elected by ballot. For each trustee to be elected, the board
26 may nominate, not less than six (6) months before a term of office of a trustee
27 is due to expire, three (3) constitutionally eligible individuals.

- 1 (b) Individuals may be nominated by the retirement system members which are to
2 elect the trustee by presenting to the executive director, not less than four (4)
3 months before a term of office of a trustee is due to expire, a petition, bearing
4 the name, date of birth~~[last four (4) digits of the Social Security number]~~, and
5 signature of no less than one-tenth (1/10) of the number voting in the last
6 election by the retirement system members.
- 7 (c) Within four (4) months of the nominations made in accordance with
8 paragraphs (a) and (b) of this subsection, the executive director shall cause to
9 be prepared an official ballot. The ballot shall include the name, address, and
10 position title of each individual nominated by the board and by petition.
11 Provisions shall also be made for write-in votes.
- 12 (d) Except as provided by paragraph (j) of this subsection, the ballots shall be
13 distributed to the eligible voters by mail to their last known residence address
14 on file with the Kentucky Public Pensions Authority. Ballots shall not be
15 distributed by mail to member addresses reported as invalid to the Kentucky
16 Public Pensions Authority.
- 17 (e) The ballots shall be addressed to the Kentucky Retirement Systems in care of
18 a predetermined box number at a United States Post Office or submitted
19 electronically as provided by paragraph (j) of this subsection. Access to this
20 post office box shall be limited to the board's contracted firm. The individual
21 receiving a plurality of votes shall be declared elected.
- 22 (f) The eligible voter shall cast his or her ballot by selecting the candidate of his
23 or her choice. He or she shall sign and mail the ballot or submit the electronic
24 ballot at least thirty (30) days prior to the date the term to be filled is due to
25 expire. The latest mailing date, or date of submission in the case of electronic
26 ballots, shall be provided on the ballot.
- 27 (g) The board's contracted firm shall report in writing the outcome to the chair of

1 the board of trustees. Cost of an election shall be payable from the funds of
2 the system for which the trustee is elected.

3 (h) For purposes of this subsection, an eligible voter shall be a person who was a
4 member of the retirement system on December 31 of the year preceding the
5 election year.

6 (i) Each individual who submits a request to be nominated by the board under
7 paragraph (a) of this subsection and each individual who is nominated by the
8 membership under paragraph (b) of this subsection shall:

9 1. Complete an application developed by the retirement systems which
10 shall include but not be limited to a disclosure of any prior felonies and
11 any conflicts of interest that would hinder the individual's ability to
12 serve on the board;

13 2. Submit a resume detailing the individual's education and employment
14 history and a cover letter detailing the member's qualifications for
15 serving as trustee to the board; and

16 3. Authorize the systems to have a criminal background check performed.
17 The criminal background check shall be performed by the Department
18 of Kentucky State Police.

19 (j) In lieu of the ballots mailed to members and retired members as provided by
20 this subsection, the systems may by promulgation of administrative regulation
21 pursuant to KRS Chapter 13A conduct trustee elections using electronic
22 ballots, except that the systems shall mail a paper ballot upon request of any
23 eligible voter.

24 (5) (a) Any vacancy which may occur in an appointed position during a term of
25 office shall be filled in the same manner which provides for the selection of
26 the particular trustee, and any vacancy which may occur in an elected position
27 during a term of office shall be filled by appointment by a majority vote of the

1 remaining elected trustees with a person selected from the system in which the
2 vacancy occurs; however, any vacancy shall be filled only for the duration of
3 the unexpired term. In the event of a vacancy of an elected trustee during a
4 term of office, Kentucky Retirement Systems shall notify members of the
5 system in which the vacancy occurs of the vacancy and the opportunity to be
6 considered for the vacant position. Any vacancy during a term of office shall
7 be filled within ninety (90) days of the position becoming vacant.

8 (b) Any appointments or reappointments to an appointed position on the board
9 shall be made no later than thirty (30) days prior to an appointed member's
10 term of office ending.

11 (6) (a) Membership on the board of trustees shall not be incompatible with any other
12 office unless a constitutional incompatibility exists. No trustee shall serve in
13 more than one (1) position as trustee on the board; and if a trustee holds more
14 than one (1) position as trustee on the board, he or she shall resign a position.

15 (b) A trustee shall be removed from office upon conviction of a felony or for a
16 finding of a violation of any provision of KRS 11A.020 or 11A.040 by a court
17 of competent jurisdiction.

18 (c) A current or former employee of Kentucky Retirement Systems, County
19 Employees Retirement System, or the Kentucky Public Pensions Authority
20 shall not be eligible to serve as a member of the board.

21 (7) Trustees who do not otherwise receive a salary from the State Treasury shall
22 receive a per diem of eighty dollars (\$80) for each day they are in session or on
23 official duty, and they shall be reimbursed for their actual and necessary expenses
24 in accordance with state administrative regulations and standards.

25 (8) (a) The board shall meet at least once in each quarter of the year and may meet in
26 special session upon the call of the chair or the chief executive officer.

27 (b) The board shall elect a chair and a vice chair. The chair shall not serve more

1 than four (4) consecutive years as chair or vice-chair of the board. The vice-
2 chair shall not serve more than four (4) consecutive years as chair or vice-
3 chair of the board. A trustee who has served four (4) consecutive years as
4 chair or vice-chair of the board may be elected chair or vice-chair of the board
5 after an absence of two (2) years from the positions.

6 (c) A majority of the trustees shall constitute a quorum and all actions taken by
7 the board shall be by affirmative vote of a majority of the trustees present.

8 (9) (a) The board of trustees shall appoint or contract for the services of a chief
9 executive officer and general counsel and fix the compensation and other
10 terms of employment for these positions without limitation of the provisions
11 of KRS Chapters 18A and 45A and KRS 64.640. The chief executive officer
12 shall serve as the legislative and executive adviser to the board. The general
13 counsel shall serve as legal adviser to the board. The chief executive officer
14 and general counsel shall work with the executive director of the Kentucky
15 Public Pensions Authority to carry out the provisions of KRS 16.505 to
16 16.652 and 61.510 to 61.705. The executive director of the Kentucky Public
17 Pensions Authority shall be the chief administrative officer of the board.

18 (b) Prior to April 1, 2021, the board of trustees shall authorize the executive
19 director to appoint the employees deemed necessary to transact the business
20 of the system. Effective April 1, 2021, the responsibility of appointing
21 employees and managing personnel needs shall be transferred to the Kentucky
22 Public Pensions Authority established by KRS 61.505.

23 (c) The board shall require the chief executive officer and may require the general
24 counsel to execute bonds for the faithful performance of his or her duties
25 notwithstanding the limitations of KRS Chapter 62.

26 (d) The board shall have a system of accounting established by the Kentucky
27 Public Pensions Authority.

1 (e) The board shall do all things, take all actions, and promulgate all
2 administrative regulations, not inconsistent with the provisions of KRS 16.505
3 to 16.652 and 61.510 to 61.705, necessary or proper in order to carry out the
4 provisions of KRS 16.505 to 16.652 and 61.510 to 61.705. Notwithstanding
5 any other evidence of legislative intent, it is hereby declared to be the
6 controlling legislative intent that the provisions of KRS 16.505 to 16.652 and
7 61.510 to 61.705 conform with federal statute or regulation and meet the
8 qualification requirements under 26 U.S.C. sec. 401(a), applicable federal
9 regulations, and other published guidance. Provisions of KRS 16.505 to
10 16.652 and 61.510 to 61.705 which conflict with federal statute or regulation
11 or qualification under 26 U.S.C. sec. 401(a), applicable federal regulations,
12 and other published guidance shall not be available. The board shall have the
13 authority to promulgate administrative regulations to conform with federal
14 statute and regulation and to meet the qualification requirements under 26
15 U.S.C. sec. 401(a), including an administrative regulation to comply with 26
16 U.S.C. sec. 401(a)(9).

17 (f) Notwithstanding any other provision of statute to the contrary, including but
18 not limited to any provision of KRS Chapter 12, the Governor shall have no
19 authority to change any provision of KRS 16.505 to 16.652 and 61.510 to
20 61.705 by executive order or action, including but not limited to reorganizing,
21 replacing, amending, or abolishing the membership of the Kentucky
22 Retirement Systems board of trustees.

23 (10) Notwithstanding any statute to the contrary, employees shall not be considered
24 legislative agents under KRS 6.611.

25 (11) The Attorney General, or an assistant designated by him or her, may attend each
26 meeting of the board and may receive the agenda, board minutes, and other
27 information distributed to trustees of the board upon request. The Attorney General

1 may act as legal adviser and attorney for the board, and the board may contract for
2 legal services, notwithstanding the limitations of KRS Chapter 12 or 13B.

3 (12) (a) The Kentucky Public Pensions Authority shall publish an annual financial
4 report showing all receipts, disbursements, assets, and liabilities for the
5 systems. The annual report shall include a copy of an audit conducted in
6 accordance with generally accepted auditing standards. Except as provided by
7 paragraph (b) of this subsection, the board may select the independent
8 certified public accountant hired by the Kentucky Public Pensions Authority
9 or the Auditor of Public Accounts to perform the audit. If the audit is
10 performed by an independent certified public accountant, the Auditor of
11 Public Accounts shall not be required to perform an audit pursuant to KRS
12 43.050(2)(a), but may perform an audit at his or her discretion. All
13 proceedings and records of the board shall be open for inspection by the
14 public. The Kentucky Public Pensions Authority shall make copies of the
15 audit required by this subsection available for examination by any member,
16 retiree, or beneficiary in the offices of the Kentucky Public Pensions
17 Authority and in other places as necessary to make the audit available to all
18 members, retirees, and beneficiaries. A copy of the annual audit shall be sent
19 to the Legislative Research Commission no later than ten (10) days after
20 receipt by the board.

21 (b) At least once every five (5) years, the Auditor of Public Accounts shall
22 perform the audit described by this subsection, and the system shall reimburse
23 the Auditor of Public Accounts for all costs of the audit. The Auditor of
24 Public Accounts shall determine which fiscal year during the five (5) year
25 period the audit prescribed by this paragraph will be completed.

26 (13) All expenses incurred by or on behalf of the system and the board in the
27 administration of the system during a fiscal year shall be paid from the retirement

1 allowance account, including any administrative expenses for the Kentucky Public
2 Pensions Authority that are assigned to the Kentucky Retirement Systems by KRS
3 61.505. The board shall submit any administrative expenses that are specific to the
4 Kentucky Retirement Systems that are not otherwise covered by KRS
5 61.505(11)(a).

6 (14) Any person adversely affected by a decision of the board, except as provided under
7 subsection (16) of this section or KRS 61.665, involving KRS 16.505 to 16.652 and
8 61.510 to 61.705, may appeal the decision of the board to the Franklin Circuit Court
9 within sixty (60) days of the board action.

10 (15) (a) A trustee shall discharge his or her duties as a trustee, including his or her
11 duties as a member of a committee:

- 12 1. In good faith;
- 13 2. On an informed basis; and
- 14 3. In a manner he or she honestly believes to be in the best interest of the
15 Kentucky Retirement Systems.

16 (b) A trustee discharges his or her duties on an informed basis if, when he or she
17 makes an inquiry into the business and affairs of the Kentucky Retirement
18 Systems or into a particular action to be taken or decision to be made, he or
19 she exercises the care an ordinary prudent person in a like position would
20 exercise under similar circumstances.

21 (c) In discharging his or her duties, a trustee may rely on information, opinions,
22 reports, or statements, including financial statements and other financial data,
23 if prepared or presented by:

- 24 1. One (1) or more officers or employees of the Kentucky Retirement
25 Systems whom the trustee honestly believes to be reliable and
26 competent in the matters presented;
- 27 2. Legal counsel, public accountants, actuaries, or other persons as to

- 1 matters the trustee honestly believes are within the person's professional
2 or expert competence; or
- 3 3. A committee of the board of trustees of which he or she is not a member
4 if the trustee honestly believes the committee merits confidence.
- 5 (d) A trustee shall not be considered as acting in good faith if he or she has
6 knowledge concerning the matter in question that makes reliance otherwise
7 permitted by paragraph (c) of this subsection unwarranted.
- 8 (e) Any action taken as a trustee, or any failure to take any action as a trustee,
9 shall not be the basis for monetary damages or injunctive relief unless:
- 10 1. The trustee has breached or failed to perform the duties of the trustee's
11 office in compliance with this section; and
- 12 2. In the case of an action for monetary damages, the breach or failure to
13 perform constitutes willful misconduct or wanton or reckless disregard
14 for human rights, safety, or property.
- 15 (f) A person bringing an action for monetary damages under this section shall
16 have the burden of proving by clear and convincing evidence the provisions of
17 paragraph (e)1. and 2. of this subsection, and the burden of proving that the
18 breach or failure to perform was the legal cause of damages suffered by the
19 Kentucky Retirement Systems.
- 20 (g) Nothing in this section shall eliminate or limit the liability of any trustee for
21 any act or omission occurring prior to July 15, 1988.
- 22 (h) In discharging his or her administrative duties under this section, a trustee
23 shall strive to administer the retirement system in an efficient and cost-
24 effective manner for the taxpayers of the Commonwealth of Kentucky and
25 shall take all actions available under the law to contain costs for the trusts,
26 including costs for participating employers, members, and retirees.
- 27 (16) When an order by the system substantially impairs the benefits or rights of a

1 member, retired member, or recipient, except action which relates to entitlement to
2 disability benefits, or when an employer disagrees with an order of the system as
3 provided by KRS 61.598, the affected member, retired member, recipient, or
4 employer may request a hearing to be held in accordance with KRS Chapter 13B.
5 The board may establish an appeals committee whose members shall be appointed
6 by the chair and who shall have authority to act upon the recommendations and
7 reports of the hearing officer on behalf of the board. The member, retired member,
8 recipient, or employer aggrieved by a final order of the board following the hearing
9 may appeal the decision to the Franklin Circuit Court, in accordance with KRS
10 Chapter 13B. The board may establish a joint administrative appeals committee
11 with the County Employees Retirement System and may also establish a joint
12 disability appeals committee with the County Employees Retirement System.

13 (17) The board shall give the Kentucky Education Support Personnel Association
14 twenty-four (24) hours notice of the board meetings, to the extent possible.

15 (18) The board shall establish a formal trustee education program for all trustees of the
16 board. The program shall include but not be limited to the following:

17 (a) A required orientation program for all new trustees elected or appointed to the
18 board. The orientation program shall include training on:

- 19 1. Benefits and benefits administration;
- 20 2. Investment concepts, policies, and current composition and
21 administration of retirement systems investments;
- 22 3. Laws, bylaws, and administrative regulations pertaining to the
23 retirement systems and to fiduciaries; and
- 24 4. Actuarial and financial concepts pertaining to the retirement systems.

25 If a trustee fails to complete the orientation program within one (1) year from
26 the beginning of his or her first term on the board, the retirement systems shall
27 withhold payment of the per diem and travel expenses due to the board

1 member under this section and KRS 16.640 until the trustee has completed the
2 orientation program;

3 (b) Annual required training for board members on the administration, benefits,
4 financing, and investing of the retirement systems. If a trustee fails to
5 complete the annual required training during the calendar or fiscal year, the
6 retirement systems shall withhold payment of the per diem and travel
7 expenses due to the board member under this section and KRS 16.640 until
8 the board member has met the annual training requirements; and

9 (c) The retirement systems shall incorporate by reference in an administrative
10 regulation, pursuant to KRS 13A.2251, the trustee education program.

11 (19) In order to improve public transparency regarding the administration of the systems,
12 the board of trustees shall adopt a best practices model by posting the following
13 information to the Kentucky Public Pensions Authority's website and shall make
14 available to the public:

15 (a) Meeting notices and agendas for all meetings of the board. Notices and
16 agendas shall be posted to the Kentucky Public Pensions Authority's website
17 at least seventy-two (72) hours in advance of the board or committee
18 meetings, except in the case of special or emergency meetings as provided by
19 KRS 61.823;

20 (b) The Annual Comprehensive Financial Report with the information as follows:
21 1. A general overview and update on the retirement systems by the
22 executive director;
23 2. A listing of the board of trustees;
24 3. A listing of key staff;
25 4. An organizational chart;
26 5. Financial information, including a statement of plan net assets, a
27 statement of changes in plan net assets, an actuarial value of assets, a

- 1 schedule of investments, a statement of funded status and funding
2 progress, and other supporting data;
- 3 6. Investment information, including a general overview, a list of the
4 retirement system's professional consultants, a total net of fees return on
5 retirement systems investments over a historical period, an investment
6 summary, contracted investment management expenses, transaction
7 commissions, and a schedule of investments;
- 8 7. The annual actuarial valuation report on the pension benefit and the
9 medical insurance benefit; and
- 10 8. A general statistical section, including information on contributions,
11 benefit payouts, and retirement systems' demographic data;
- 12 (c) All external audits;
- 13 (d) All board minutes or other materials that require adoption or ratification by
14 the board of trustees. The items listed in this paragraph shall be posted within
15 seventy-two (72) hours of adoption or ratification of the board;
- 16 (e) All bylaws, policies, or procedures adopted or ratified by the board of
17 trustees;
- 18 (f) The retirement systems' summary plan description;
- 19 (g) A document containing an unofficial copy of the statutes governing the
20 systems administered by Kentucky Retirement Systems;
- 21 (h) A listing of the members of the board of trustees and membership on each
22 committee established by the board, including any investment committees;
- 23 (i) All investment holdings in aggregate, fees, and commissions for each fund
24 administered by the board, which shall be updated on a quarterly basis for
25 fiscal years beginning on or after July 1, 2017. The systems shall request from
26 all managers, partnerships, and any other available sources all information
27 regarding fees and commissions and shall, based on the requested information

1 received:

- 2 1. Disclose the dollar value of fees and commissions paid to each
3 individual manager or partnership;
- 4 2. Disclose the dollar value of any profit sharing, carried interest, or any
5 other partnership incentive arrangements, partnership agreements, or
6 any other partnership expenses received by or paid to each manager or
7 partnership; and
- 8 3. As applicable, report each fee or commission by manager or partnership
9 consistent with standards established by the Institutional Limited
10 Partners Association (ILPA).

11 In addition to the requirements of this paragraph, the systems shall also
12 disclose the name and address of all individual underlying managers or
13 partners in any fund of funds in which system assets are invested;

14 (j) An update of net of fees investment returns, asset allocations, and the
15 performance of the funds against benchmarks adopted by the board for each
16 fund, for each asset class administered by the board, and for each manager.
17 The update shall be posted on a quarterly basis for fiscal years beginning on
18 or after July 1, 2017;

19 (k) A searchable database of the systems' expenditures and a listing of each
20 individual employed by the systems along with the employee's salary or
21 wages. In lieu of posting the information required by this paragraph to the
22 Kentucky Public Pensions Authority's website, the systems may provide the
23 information through a website established by the executive branch to inform
24 the public about executive branch agency expenditures and public employee
25 salaries and wages;

26 (l) All contracts or offering documents for services, goods, or property purchased
27 or utilized by the systems;

1 (m) Information regarding the systems' financial and actuarial condition that is
2 easily understood by the members, retired members, and the public; and

3 (n) All proxy vote reports as provided by KRS 61.650(7).

4 (20) Notwithstanding the requirements of subsection (19) of this section, the retirement
5 systems shall not be required to furnish information that is protected under KRS
6 61.661, exempt under KRS 61.878, or that, if disclosed, would compromise the
7 retirement systems' ability to competitively invest in real estate or other asset
8 classes, except that no provision of this section or KRS 61.878 shall exclude
9 disclosure and review of all contracts, including investment contracts, by the board,
10 the Auditor of Public Accounts, and the Government Contract Review Committee
11 established pursuant to KRS 45A.705 or the disclosure of investment fees and
12 commissions as provided by this section. If any public record contains material
13 which is not excepted under this section, the systems shall separate the excepted
14 material by removal, segregation, or redaction, and make the nonexcepted material
15 available for examination.

16 (21) Notwithstanding any other provision of KRS 16.505 to 16.652 and 61.510 to 61.705
17 to the contrary, no funds of the systems administered by Kentucky Retirement
18 Systems, including fees and commissions paid to an investment manager, private
19 fund, or company issuing securities, who manages systems assets, shall be used to
20 pay fees and commissions to placement agents. For purposes of this subsection,
21 "placement agent" means a third-party individual, who is not an employee, or firm,
22 wholly or partially owned by the entity being hired, who solicits investments on
23 behalf of an investment manager, private fund, or company issuing securities.

24 ➔Section 2. KRS 61.661 is amended to read as follows:

25 (1) (a) Each current, former, or retired member's account shall be administered in a
26 confidential manner, and specific data regarding a current, former, or retired
27 member shall not be released for publication, except that:

- 1 1. The member or recipient may authorize the release of his or her account
2 information;
- 3 2. The Kentucky Public Pensions Authority may release account
4 information to the employer or to other state and federal agencies as it
5 deems necessary or in response to a lawful subpoena or order issued by
6 a court of law, except that the Kentucky Public Pensions Authority shall
7 be required to release account information to the employer as required
8 by KRS 61.565(1)(d)1.b.; or
- 9 3. a. Upon request by any person, the systems shall release the
10 following information from the accounts of any member or retired
11 member of the Kentucky Employees Retirement System, the
12 County Employees Retirement System, or the State Police
13 Retirement System, if the member or retired member is a current
14 or former officeholder in the Kentucky General Assembly:
 - 15 i. The first and last name of the member or retired member;
 - 16 ii. The system or systems in which the member has an account
17 or from which the retired member is receiving a monthly
18 retirement allowance;
 - 19 iii. The status of the member or retired member, including but
20 not limited to whether he or she is a contributing member, a
21 member who is not currently contributing to the systems but
22 has not retired, a retired member, or a retired member who
23 has returned to work following retirement with an agency
24 participating in the systems;
 - 25 iv. If the individual is a retired member, the monthly retirement
26 allowance that he or she was receiving at the end of the most
27 recently completed fiscal year;

- 1 v. If the individual is a member who has not yet retired, the
2 estimated monthly retirement allowance that he or she is
3 eligible to receive at his or her normal retirement date based
4 upon his or her service credit, final compensation, and
5 accumulated account balance at the end of the most recently
6 completed fiscal year; and
- 7 vi. The current employer or last participating employer of the
8 member or retired member, if applicable.
- 9 b. No information shall be disclosed under this subparagraph from an
10 account that is paying benefits to a beneficiary due to the death of
11 a member or retired member.
- 12 (b) A current, former, or retired member's account shall be exempt from the
13 provisions of KRS 171.410 to 171.990.
- 14 (c) The release of information under paragraph (a)3. of this subsection shall not
15 constitute a violation of the Open Records Act, KRS 61.870 to 61.884.
- 16 (2) (a) When a subpoena is served upon any employee of the Kentucky Retirement
17 Systems, the County Employees Retirement System, or the Kentucky Public
18 Pensions Authority, requiring production of any specific data regarding a
19 current, former, or retired member, it is sufficient if the employee of the
20 Kentucky Public Pensions Authority charged with the responsibility of being
21 custodian of the original delivers within five (5) working days, by certified
22 mail or by personal delivery, legible and durable copies of records, certified
23 by the employee, or an affidavit stating the information required by the
24 subpoena to the person specified in the subpoena. The production of
25 documents or an affidavit shall be in lieu of any personal testimony of any
26 employee of the Kentucky Retirement Systems, the County Employees
27 Retirement System, or the Kentucky Public Pensions Authority, unless, after

1 the production of documents or affidavit, a separate subpoena is served upon
2 the systems or the Authority specifically directing the testimony of an
3 employee of the systems or of the Authority. When a subpoena is served on
4 any employee of the systems or of the Authority requiring the employee to
5 give deposition for any purpose, in the absence of a court order requiring the
6 deposition of a specific employee, the systems or the Authority may designate
7 an employee to be deposed upon the matter referred to in the subpoena.

8 (b) The certification required by this subsection shall be signed before a notary
9 public by the employee and shall include the full name of the member or
10 recipient~~[, the member's or recipient's Social Security number,]~~ and a legend
11 substantially to the following effect: "The records are true and complete
12 reproductions of the original or microfiched records which are housed in the
13 retirement systems office. This certification is given in lieu of his or her
14 personal appearance."

15 (c) When an affidavit or copies of records are personally delivered, a receipt shall
16 be presented to the person receiving the records for his or her signature and
17 shall be immediately signed and returned to the person delivering the records.
18 When an affidavit or copies of records are sent via certified mail, the receipt
19 used by the postal authorities shall be sufficient to prove delivery and receipt
20 of the affidavit or copies of records.

21 (d) When the affidavit or copies of records are delivered to a party for use in
22 deposition, they shall, after termination of the deposition, be delivered
23 personally or by certified mail to the clerk of the court or other body before
24 which the action or proceeding is pending. It shall be the responsibility of the
25 party or attorney to transmit the receipt obtained to the employee of the
26 Kentucky Public Pensions Authority charged with responsibility of being
27 custodian of the original. Upon issuance of a final order terminating the case

1 and after the normal retention period for court records expires, the affidavit or
2 copies of records shall be permanently disposed of by the clerk in a manner
3 that protects the confidentiality of the information contained therein.

4 (e) Records of the Kentucky Public Pensions Authority that are susceptible to
5 photostatic reproduction may be proved as to foundation, identity, and
6 authenticity without any preliminary testimony, by use of legible and durable
7 copies, certified in accordance with the provisions of this subsection.

8 ➔Section 3. KRS 67A.406 is amended to read as follows:

9 (1) Each current, former, or retired member's account shall be administered in a
10 confidential manner, and specific data regarding a current, former, or retired
11 member shall not be released for publication unless authorized by the member.
12 However, the board may release account information to the urban-county
13 government or to any other governmental agency as it deems necessary or in
14 response to a lawful subpoena or order issued by a court of law.

15 (2) A subpoena served upon the board that requires the production of any specific data
16 regarding a current, former, or retired member is sufficient if the secretary of the
17 board delivers within five (5) working days, by certified mail or by personal
18 delivery, legible and durable copies of records, certified by the secretary, or an
19 affidavit stating the information required by the subpoena. The production of
20 documents or an affidavit shall be in lieu of any personal testimony of the secretary
21 unless, after the production of documents or affidavit, a separate subpoena is served
22 upon the board specifically directing the testimony of the secretary.

23 (3) The certification shall be signed before a notary public by the secretary and shall
24 include the name of the member~~[, the member's Social Security number,]~~ and a
25 legend substantially to the following effect: "The records are true and complete
26 reproductions of the original records which are housed in the board's office. This
27 certification is given by the undersigned in lieu of his or her personal appearance."

1 (4) When an affidavit or copies of records are personally delivered, a receipt shall be
2 presented to the person receiving the records for his or her signature and shall be
3 immediately signed and returned to the person delivering the records. When an
4 affidavit or copies of records are sent via certified mail, the receipt used by the
5 postal authorities shall be sufficient to prove delivery and receipt of the affidavit or
6 copies of records.

7 (5) When the affidavit or copies of records are delivered to a party for use in a
8 deposition, they shall, after termination of the deposition, be delivered personally or
9 by certified mail to the clerk of the court or other body before which the action or
10 proceeding is pending. It shall be the responsibility of the party or attorney to
11 transmit the receipt obtained to the secretary of the board. Upon issuance of a final
12 order terminating the case and after the normal retention period for court records
13 expires, the affidavit or copies of records shall be permanently disposed of by the
14 clerk in a manner that protects the confidentiality of the information contained
15 therein.

16 (6) Records of the board that are susceptible to photostatic reproduction may be proved
17 as to foundation, identity, and authenticity without any preliminary testimony by
18 use of legible and durable copies, certified in accordance with this section.

19 ➔Section 4. KRS 78.782 is amended to read as follows:

20 (1) The County Employees Retirement System shall be administered by the board of
21 trustees composed of nine (9) members, who shall be selected as follows:

22 (a) Three (3) trustees, who shall be members or retired from the County
23 Employees Retirement System, elected by the members and retired members
24 of the County Employees Retirement System, of which:

25 1. Two (2) shall have a majority of his or her service credit earned in the
26 County Employees Retirement System in a nonhazardous position; and

27 2. One (1) shall have a majority of his or her service credit earned in the

- 1 County Employees Retirement System in a hazardous position;
- 2 (b) Six (6) trustees appointed by the Governor, subject to Senate confirmation in
- 3 accordance with KRS 11.160 for each appointment or reappointment. Of the
- 4 six (6) trustees appointed by the Governor:
- 5 1. One (1) trustee with retirement experience shall be appointed from a list
 - 6 of three (3) applicants submitted by the Kentucky League of Cities;
 - 7 2. One (1) trustee with investment experience shall be appointed from a list
 - 8 of three (3) applicants submitted by the Kentucky League of Cities;
 - 9 3. One (1) trustee with retirement experience shall be appointed from a list
 - 10 of three (3) applicants submitted by the Kentucky Association of
 - 11 Counties;
 - 12 4. One (1) trustee with investment experience shall be appointed from a list
 - 13 of three (3) applicants submitted by the Kentucky Association of
 - 14 Counties;
 - 15 5. One (1) trustee with retirement experience shall be appointed from a list
 - 16 of three (3) applicants submitted by the Kentucky School Boards
 - 17 Association; and
 - 18 6. One (1) trustee with investment experience shall be appointed from a list
 - 19 of three (3) applicants submitted by the Kentucky School Boards
 - 20 Association.

21 Notwithstanding the provisions of KRS 12.070(3), the Governor shall appoint

22 each individual trustee described by subparagraphs 1. to 6. of this paragraph

23 solely from each corresponding individual list required to be submitted by the

24 Kentucky League of Cities, the Kentucky Association of Counties, or the

25 Kentucky School Boards Association as provided by subparagraphs 1. to 6. of

26 this paragraph, and the Governor shall not be able to reject the list of

27 applicants submitted, request that another list be provided, or use a list

1 different from the one (1) individual list required to be submitted for each
2 specific appointment or reappointment;

3 (c) For purposes of paragraph (b) of this subsection, a trustee with "investment
4 experience" means an individual who does not have a conflict of interest, as
5 provided by KRS 61.655, and who has at least ten (10) years of experience in
6 one (1) of the following areas of expertise:

- 7 1. A portfolio manager acting in a fiduciary capacity;
- 8 2. A professional securities analyst or investment consultant;
- 9 3. A current or retired employee or principal of a trust institution,
10 investment or finance organization, or endowment fund acting in an
11 investment-related capacity;
- 12 4. A chartered financial analyst in good standing as determined by the
13 CFA Institute; or
- 14 5. A university professor, teaching investment-related studies; and

15 (d) For purposes of paragraph (b) of this subsection, a trustee with "retirement
16 experience" means an individual who does not have a conflict of interest, as
17 provided by KRS 61.655, and who has at least ten (10) years of experience in
18 one (1) of the following areas of expertise:

- 19 1. Experience in retirement or pension plan management;
- 20 2. A certified public accountant with relevant experience in retirement or
21 pension plan accounting;
- 22 3. An actuary with relevant experience in retirement or pension plan
23 consulting;
- 24 4. An attorney licensed to practice law in the Commonwealth of Kentucky
25 with relevant experience in retirement or pension plans; or
- 26 5. A current or former university professor whose primary area of
27 emphasis is economics or finance.

- 1 (2) The board is hereby granted the powers and privileges of a corporation, including
2 but not limited to the following powers:
- 3 (a) To sue and be sued in its corporate name;
 - 4 (b) To make bylaws not inconsistent with the law;
 - 5 (c) To conduct the business and promote the purposes for which it was formed;
 - 6 (d) Except as provided in KRS 78.790(6), to contract for investment counseling,
7 auditing, medical, and other professional or technical services as required to
8 carry out the obligations of the board subject to the provisions of KRS
9 Chapters 45, 45A, 56, and 57. Actuarial consulting services shall be provided
10 by a firm hired by the Kentucky Public Pensions Authority;
 - 11 (e) To purchase fiduciary liability insurance;
 - 12 (f) Except as provided in KRS 78.790(6), to acquire, hold, sell, dispose of,
13 pledge, lease, or mortgage, the goods or property necessary to exercise the
14 board's powers and perform the board's duties subject to KRS Chapters 45,
15 45A, and 56; and
 - 16 (g) The board shall reimburse any trustee, officer, or employee for any legal
17 expense resulting from a civil action arising out of the performance of his or
18 her official duties. The hourly rate of reimbursement for any contract for legal
19 services under this paragraph shall not exceed the maximum hourly rate
20 provided in the Legal Services Duties and Maximum Rate Schedule
21 promulgated by the Government Contract Review Committee established
22 pursuant to KRS 45A.705, unless a higher rate is specifically approved by the
23 secretary of the Finance and Administration Cabinet or his or her designee.
- 24 (3) Notwithstanding the provisions of subsection (1) of this section, each trustee shall
25 serve a term of four (4) years or until his or her successor is duly qualified except as
26 otherwise provided in this section. An elected or appointed trustee shall not serve
27 more than three (3) consecutive four (4) year terms. An elected or appointed trustee

1 who has served three (3) consecutive terms may be elected or appointed again after
2 an absence of four (4) years from the board.

3 (4) (a) The trustees selected by the membership of the system shall be elected by
4 ballot. For each trustee to be elected, the board may nominate, not less than
5 six (6) months before a term of office of a trustee is due to expire, three (3)
6 constitutionally eligible individuals.

7 (b) Individuals may be nominated by the system members by presenting to the
8 executive director, not less than four (4) months before a term of office of a
9 trustee is due to expire, a petition, bearing the name, ***date of birth***~~[last four (4)
10 digits of the Social Security number]~~, and signature of no less than one-tenth
11 (1/10) of the number voting in the last election by the system members.

12 (c) Within four (4) months of the nominations made in accordance with
13 paragraphs (a) and (b) of this subsection, the executive director shall cause to
14 be prepared an official ballot. The ballot shall carry the name, address, and
15 position title of each individual nominated by the board and by petition.
16 Provision shall also be made for write-in votes.

17 (d) Except as provided by paragraph (j) of this subsection, the ballots shall be
18 distributed to the eligible voters by mail to their last known residence address
19 on file with the Kentucky Public Pensions Authority. Ballots shall not be
20 distributed by mail to member addresses reported as invalid to the Kentucky
21 Public Pensions Authority.

22 (e) The ballots shall be addressed to the County Employees Retirement System in
23 care of a predetermined box number at a United States Post Office or
24 submitted electronically as provided by paragraph (j) of this subsection.
25 Access to this post office box shall be limited to the board's contracted firm.
26 The individual receiving a plurality of votes shall be declared elected.

27 (f) The eligible voter shall cast his or her ballot by selecting the candidate of his

1 or her choice. He or she shall sign and mail the ballot or submit the electronic
2 ballot at least thirty (30) days prior to the date the term to be filled is due to
3 expire. The latest mailing date, or date of submission in the case of electronic
4 ballots, shall be provided on the ballot.

5 (g) The board's contracted firm shall report in writing the outcome to the chair of
6 the board of trustees. Costs of an election shall be payable from the funds of
7 the system.

8 (h) For purposes of this subsection, an eligible voter shall be a person who was a
9 member of the system on December 31 of the year preceding the election
10 year.

11 (i) Each individual who submits a request to be nominated by the board under
12 paragraph (a) of this subsection and each individual who is nominated by the
13 membership under paragraph (b) of this subsection shall:

14 1. Complete an application developed by the system which shall include
15 but not be limited to a disclosure of any prior felonies and any conflicts
16 of interest that would hinder the individual's ability to serve on the
17 board;

18 2. Submit a resume detailing the individual's education and employment
19 history and a cover letter detailing the member's qualifications for
20 serving as trustee to the board; and

21 3. Authorize the system to have a criminal background check performed.
22 The criminal background check shall be performed by the Department
23 of Kentucky State Police.

24 (j) In lieu of the ballots mailed to members and retired members as provided by
25 this subsection, the systems may by promulgation of administrative regulation
26 pursuant to KRS Chapter 13A conduct trustee elections using electronic
27 ballots, except that the systems shall mail a paper ballot upon request of any

1 eligible voter.

2 (5) (a) Any vacancy which may occur in an appointed position during a term of
3 office shall be filled in the same manner which provides for the selection of
4 the particular trustee, and any vacancy which may occur in an elected position
5 during a term of office shall be filled by appointment by a majority vote of the
6 remaining elected trustees; however, any vacancy shall be filled only for the
7 duration of the unexpired term. In the event of a vacancy of an elected trustee
8 during a term of office, the system shall notify members of the vacancy and
9 the opportunity to be considered for the vacant position. Any vacancy shall be
10 filled within ninety (90) days of the position becoming vacant.

11 (b) Any appointments or reappointments to an appointed position on the board
12 shall be made at least thirty (30) days prior to an appointed member's term of
13 office ending. The Governor's Office shall, with each appointment or
14 reappointment, request lists to be submitted and base selections on those lists
15 solely under the procedures and requirements provided by subsection (1)(b) of
16 this section.

17 (6) (a) Membership on the board of trustees shall not be incompatible with any other
18 office unless a constitutional incompatibility exists. No trustee shall serve in
19 more than one (1) position as trustee on the board and, if a trustee holds more
20 than one (1) position as trustee on the board, he or she shall resign a position.

21 (b) A trustee shall be removed from office upon conviction of a felony or for a
22 finding of a violation of any provision of KRS 11A.020 or 11A.040 by a court
23 of competent jurisdiction.

24 (c) A current or former employee of the County Employees Retirement System,
25 Kentucky Retirement Systems, or the Kentucky Public Pensions Authority
26 shall not be eligible to serve as a member of the board.

27 (7) Trustees who do not otherwise receive a salary from the State Treasury shall

1 receive a per diem of eighty dollars (\$80) for each day they are in session or on
2 official duty, and they shall be reimbursed for their actual and necessary expenses
3 in accordance with state administrative regulations and standards.

4 (8) (a) The board shall meet at least once in each quarter of the year and may meet in
5 special session upon the call of the chair or the chief executive officer.

6 (b) The board shall elect a chair and a vice chair. The chair shall not serve more
7 than four (4) consecutive years as chair or vice chair of the board. The vice
8 chair shall not serve more than four (4) consecutive years as chair or vice
9 chair of the board. A trustee who has served four (4) consecutive years as
10 chair or vice chair of the board may be elected chair or vice chair of the board
11 after an absence of two (2) years from the positions.

12 (c) A majority of the trustees shall constitute a quorum, and all actions taken by
13 the board shall be by affirmative vote of a majority of the trustees present.

14 (9) (a) The board of trustees shall appoint or contract for the services of a chief
15 executive officer and general counsel and fix the compensation and other
16 terms of employment for these positions without limitation of the provisions
17 of KRS Chapters 18A and 45A and KRS 64.640. The chief executive officer
18 shall serve as the legislative and executive adviser to the board. The general
19 counsel shall serve as legal adviser to the board. The chief executive officer
20 and general counsel shall work with the executive director of the Kentucky
21 Public Pensions Authority to carry out the provisions of KRS 78.510 to
22 78.852. The executive director of the Kentucky Public Pensions Authority
23 shall be the chief administrative officer of the board.

24 (b) The board shall require the chief executive officer and may require the general
25 counsel to execute bonds for the faithful performance of his or her duties
26 notwithstanding the limitations of KRS Chapter 62.

27 (c) The board shall have a system of accounting established by the Kentucky

1 Public Pensions Authority.

2 (d) The board shall do all things, take all actions, and promulgate all
3 administrative regulations, not inconsistent with the provisions of KRS 78.510
4 to 78.852, necessary or proper in order to carry out the provisions of KRS
5 78.510 to 78.852. Notwithstanding any other evidence of legislative intent, it
6 is hereby declared to be the controlling legislative intent that the provisions of
7 KRS 78.510 to 78.852 conform with federal statute or regulation and meet the
8 qualification requirements under 26 U.S.C. sec. 401(a), applicable federal
9 regulations, and other published guidance. Provisions of KRS 78.510 to
10 78.852 which conflict with federal statute or regulation or qualification under
11 26 U.S.C. sec. 401(a), applicable federal regulations, and other published
12 guidance shall not be available. The board shall have the authority to
13 promulgate administrative regulations to conform with federal statute and
14 regulation and to meet the qualification requirements under 26 U.S.C. sec.
15 401(a), including an administrative regulation to comply with 26 U.S.C. sec.
16 401(a)(9).

17 (e) Notwithstanding any other provision of statute to the contrary, including but
18 not limited to any provision of KRS Chapter 12, the Governor shall have no
19 authority to change any provision of KRS 78.510 to 78.852 by executive order
20 or action, including but not limited to reorganizing, replacing, amending, or
21 abolishing the membership of the County Employees Retirement System
22 board of trustees.

23 (10) The chief executive officer and general counsel of the board shall serve during its
24 will and pleasure. Notwithstanding any statute to the contrary, the chief executive
25 officer shall not be considered a legislative agent under KRS 6.611.

26 (11) The Attorney General, or an assistant designated by him or her, may attend each
27 meeting of the board and may receive the agenda, board minutes, and other

1 information distributed to trustees of the board upon request. The Attorney General
2 may act as legal adviser and attorney for the board, and the board may contract for
3 legal services, notwithstanding the limitations of KRS Chapter 12 or 13B.

4 (12) (a) The Kentucky Public Pensions Authority shall publish an annual financial
5 report showing all receipts, disbursements, assets, and liabilities for the
6 systems. The annual report shall include a copy of an audit conducted in
7 accordance with generally accepted auditing standards. Except as provided by
8 paragraph (b) of this subsection, the board may select the independent
9 certified public accountant hired by the Kentucky Public Pensions Authority
10 or the Auditor of Public Accounts to perform the audit. If the audit is
11 performed by an independent certified public accountant, the Auditor of
12 Public Accounts shall not be required to perform an audit pursuant to KRS
13 43.050(2)(a), but may perform an audit at his or her discretion. All
14 proceedings and records of the board shall be open for inspection by the
15 public. The Kentucky Public Pensions Authority shall make copies of the
16 audit required by this subsection available for examination by any member,
17 retiree, or beneficiary in the offices of the County Employees Retirement
18 System and in other places as necessary to make the audit available to all
19 members, retirees, and beneficiaries. A copy of the annual audit shall be sent
20 electronically to the Legislative Research Commission no later than ten (10)
21 days after receipt by the board.

22 (b) At least once every five (5) years, the Auditor of Public Accounts shall
23 perform the audit described by this subsection, and the system shall reimburse
24 the Auditor of Public Accounts for all costs of the audit. The Auditor of
25 Public Accounts shall determine which fiscal year during the five (5) year
26 period the audit prescribed by this paragraph will be completed.

27 (13) All expenses incurred by or on behalf of the system and the board in the

1 administration of the system during a fiscal year shall be paid from the retirement
2 allowance account, including any administrative expenses for the Kentucky Public
3 Pensions Authority that are assigned to the County Employees Retirement System
4 by KRS 61.505. The board shall submit any administrative expenses that are
5 specific to the County Employees Retirement System that are not otherwise covered
6 by KRS 61.505(11)(a).

7 (14) Except as provided under subsection (16) of this section or KRS 61.665, any person
8 adversely affected by a decision of the board involving KRS 78.510 to 78.852 may
9 appeal the decision of the board to the Franklin Circuit Court within sixty (60) days
10 of the board action.

11 (15) (a) A trustee shall discharge his or her duties as a trustee, including his or her
12 duties as a member of a committee:

- 13 1. In good faith;
- 14 2. On an informed basis; and
- 15 3. In a manner he or she honestly believes to be in the best interest of the
16 County Employees Retirement System.

17 (b) A trustee discharges his or her duties on an informed basis if, when he or she
18 makes an inquiry into the business and affairs of the system or into a
19 particular action to be taken or decision to be made, he or she exercises the
20 care an ordinary prudent person in a like position would exercise under
21 similar circumstances.

22 (c) In discharging his or her duties, a trustee may rely on information, opinions,
23 reports, or statements, including financial statements and other financial data,
24 if prepared or presented by:

- 25 1. One (1) or more officers or employees of the system or Authority whom
26 the trustee honestly believes to be reliable and competent in the matters
27 presented;

- 1 2. Legal counsel, public accountants, actuaries, or other persons as to
2 matters the trustee honestly believes are within the person's professional
3 or expert competence; or
- 4 3. A committee of the board of trustees of which he or she is not a member
5 if the trustee honestly believes the committee merits confidence.
- 6 (d) A trustee shall not be considered as acting in good faith if he or she has
7 knowledge concerning the matter in question that makes reliance otherwise
8 permitted by paragraph (c) of this subsection unwarranted.
- 9 (e) Any action taken as a trustee, or any failure to take any action as a trustee,
10 shall not be the basis for monetary damages or injunctive relief unless:
- 11 1. The trustee has breached or failed to perform the duties of the trustee's
12 office in compliance with this section; and
- 13 2. In the case of an action for monetary damages, the breach or failure to
14 perform constitutes willful misconduct or wanton or reckless disregard
15 for human rights, safety, or property.
- 16 (f) A person bringing an action for monetary damages under this section shall
17 have the burden of proving by clear and convincing evidence the provisions of
18 paragraph (e)1. and 2. of this subsection, and the burden of proving that the
19 breach or failure to perform was the legal cause of damages suffered by the
20 system.
- 21 (g) In discharging his or her administrative duties under this section, a trustee
22 shall strive to administer the system in an efficient and cost-effective manner
23 for the taxpayers of the Commonwealth of Kentucky and shall take all actions
24 available under the law to contain costs for the trusts, including costs for
25 participating employers, members, and retirees.
- 26 (16) When an order by the system substantially impairs the benefits or rights of a
27 member, retired member, or recipient, except action which relates to entitlement to

1 disability benefits, or when an employer disagrees with an order of the system as
2 provided by KRS 61.598, the affected member, retired member, recipient, or
3 employer may request a hearing to be held in accordance with KRS Chapter 13B.
4 The board may establish an appeals committee whose members shall be appointed
5 by the chair and who shall have authority to act upon the recommendations and
6 reports of the hearing officer on behalf of the board. The member, retired member,
7 recipient, or employer aggrieved by a final order of the board following the hearing
8 may appeal the decision to the Franklin Circuit Court, in accordance with KRS
9 Chapter 13B. The board may establish a joint administrative appeals committee
10 with the Kentucky Retirement Systems and may also establish a joint disability
11 appeals committee with the Kentucky Retirement Systems.

12 (17) The board shall establish a formal trustee education program for all trustees of the
13 board. The program shall include but not be limited to the following:

14 (a) A required orientation program for all new trustees elected or appointed to the
15 board. The orientation program shall include training on:

- 16 1. Benefits and benefits administration;
- 17 2. Investment concepts, policies, and current composition and
18 administration of system investments;
- 19 3. Laws, bylaws, and administrative regulations pertaining to the system
20 and to fiduciaries; and
- 21 4. Actuarial and financial concepts pertaining to the system.

22 If a trustee fails to complete the orientation program within one (1) year from
23 the beginning of his or her first term on the board, the system shall withhold
24 payment of the per diem and travel expenses due to the board member under
25 this section until the trustee has completed the orientation program;

26 (b) Annual required training for board members on the administration, benefits,
27 financing, and investing of the system. If a trustee fails to complete the annual

1 required training during the calendar or fiscal year, the retirement system shall
2 withhold payment of the per diem and travel expenses due to the board
3 member under this section until the board member has met the annual training
4 requirements; and

5 (c) The system shall incorporate by reference in an administrative regulation,
6 pursuant to KRS 13A.2251, the trustee education program.

7 (18) In order to improve public transparency regarding the administration of the system,
8 the board of trustees shall adopt a best practices model by posting the following
9 information to the Kentucky Public Pensions Authority's website and shall make
10 available to the public:

11 (a) Meeting notices and agendas for all meetings of the board. Notices and
12 agendas shall be posted to the Kentucky Public Pensions Authority's website
13 at least seventy-two (72) hours in advance of the board or committee
14 meetings, except in the case of special or emergency meetings as provided by
15 KRS 61.823;

16 (b) The Annual Comprehensive Financial Report with the information as follows:
17 1. A general overview and update on the system by the executive director;
18 2. A listing of the board of trustees;
19 3. A listing of key staff;
20 4. An organizational chart;
21 5. Financial information, including a statement of plan net assets, a
22 statement of changes in plan net assets, an actuarial value of assets, a
23 schedule of investments, a statement of funded status and funding
24 progress, and other supporting data;
25 6. Investment information, including a general overview, a list of the
26 system's professional consultants, a total net of fees return on system
27 investments over a historical period, an investment summary, contracted

- 1 investment management expenses, transaction commissions, and a
2 schedule of investments;
- 3 7. The annual actuarial valuation report on the pension benefit and the
4 medical insurance benefit; and
- 5 8. A general statistical section, including information on contributions,
6 benefit payouts, and retirement system demographic data;
- 7 (c) All external audits;
- 8 (d) All board minutes or other materials that require adoption or ratification by
9 the board of trustees. The items listed in this paragraph shall be posted within
10 seventy-two (72) hours of adoption or ratification of the board;
- 11 (e) All bylaws, policies, or procedures adopted or ratified by the board of
12 trustees;
- 13 (f) The system's summary plan description;
- 14 (g) A document containing an unofficial copy of the statutes governing the
15 system;
- 16 (h) A listing of the members of the board of trustees and membership on each
17 committee established by the board, including any investment committees;
- 18 (i) All investment holdings in aggregate, fees, and commissions for each fund
19 administered by the board, which shall be updated on a quarterly basis for
20 fiscal years beginning on or after July 1, 2021. The system shall request from
21 all managers, partnerships, and any other available sources all information
22 regarding fees and commissions and shall, based on the requested information
23 received:
- 24 1. Disclose the dollar value of fees and commissions paid to each
25 individual manager or partnership;
- 26 2. Disclose the dollar value of any profit sharing, carried interest, or any
27 other partnership incentive arrangements, partnership agreements, or

1 any other partnership expenses received by or paid to each manager or
2 partnership; and

3 3. As applicable, report each fee or commission by manager or partnership
4 consistent with standards established by the Institutional Limited
5 Partners Association (ILPA).

6 In addition to the requirements of this paragraph, the system shall also
7 disclose the name and address of all individual underlying managers or
8 partners in any fund of funds in which system assets are invested;

9 (j) An update of net of fees investment returns, asset allocations, and the
10 performance of the funds against benchmarks adopted by the board for each
11 fund, for each asset class administered by the board, and for each manager.
12 The update shall be posted on a quarterly basis for fiscal years beginning on
13 or after July 1, 2021;

14 (k) A searchable database of the system's expenditures and a listing of each
15 individual employed by the system along with the employee's salary or wages.
16 In lieu of posting the information required by this paragraph to the Kentucky
17 Public Pensions Authority's website, the system may provide the information
18 through a website established by the executive branch to inform the public
19 about public employee salaries and wages;

20 (l) All contracts or offering documents for services, goods, or property purchased
21 or utilized by the system for contracts or offering documents entered into on
22 or after July 1, 2021;

23 (m) Information regarding the system's financial and actuarial condition that is
24 easily understood by the members, retired members, and the public; and

25 (n) All proxy vote reports as provided by KRS 78.790(7).

26 (19) Notwithstanding the requirements of subsection (18) of this section, the system
27 shall not be required to furnish information that is protected under KRS 61.661,

1 exempt under KRS 61.878, or that, if disclosed, would compromise the system's
2 ability to competitively invest in real estate or other asset classes, except that no
3 provision of this section or KRS 61.878 shall exclude disclosure and review of all
4 contracts, including investment contracts, by the board, the Auditor of Public
5 Accounts, and the Government Contract Review Committee established pursuant to
6 KRS 45A.705 or the disclosure of investment fees and commissions as provided by
7 this section. If any public record contains material which is not excepted under this
8 section, the system shall separate the excepted material by removal, segregation, or
9 redaction, and make the nonexcepted material available for examination.

10 (20) Notwithstanding any other provision of KRS 78.510 to 78.852 to the contrary, no
11 funds of the County Employees Retirement System, including fees and
12 commissions paid to an investment manager, private fund, or company issuing
13 securities, who manages systems assets, shall be used to pay fees and commissions
14 to placement agents. For purposes of this subsection, "placement agent" means a
15 third-party individual, who is not an employee, or firm, wholly or partially owned
16 by the entity being hired, who solicits investments on behalf of an investment
17 manager, private fund, or company issuing securities.

18 ➔Section 5. KRS 117.045 is amended to read as follows:

19 (1) (a) The county board of elections shall in the manner prescribed by this section,
20 not later than March 20 each year, except in a year in which no primary and
21 regular elections are scheduled, appoint for each precinct in the county two
22 (2) judges, one (1) clerk and one (1) sheriff of election. They shall serve in all
23 elections held in the county during the year, except for minors seventeen (17)
24 years of age who will become eighteen (18) years of age on or before the day
25 of the regular election who may only serve as election officers for the primary
26 and regular elections as provided in subsection (9) of this section.

27 (b) If a special election is ordered to be held in a year in which no elections are

1 scheduled, the county executive committee of each political party in each
2 county in the territory affected by the special election shall, not later than
3 twenty-eight (28) days preceding the date of the special election, submit a
4 written list of nominees for precinct election officers to serve in the special
5 election in a manner consistent with the provisions of subsection (2) of this
6 section. The county board of elections in each county in the territory affected
7 by the special election shall, not later than twenty-one (21) days preceding the
8 date of the special election, appoint precinct election officers to serve in the
9 special election in a manner consistent with the provisions of subsections (4),
10 (5), and (6) of this section.

11 (c) The State Board of Elections shall promulgate an administrative regulation
12 under KRS Chapter 13A establishing evaluation procedures which county
13 boards of elections may use to qualify persons nominated to serve as precinct
14 election officers.

15 (2) The county executive committees of the two (2) political parties having
16 representation on the State Board of Elections may, on or before March 15 each
17 year, designate in writing to the county board of elections a list of not less than four
18 (4) names for each precinct; except that, in any precinct where there are not as
19 many as four (4) persons possessing the qualifications of an election officer
20 belonging to the political party filing the list, a lesser number may be designated. If
21 there are two (2) or more contending executive committees of the same party in any
22 county, the one recognized by the written certificate of the chair of the state central
23 committee of the party shall be the one authorized to submit the lists. The lists shall
24 contain the full name, address, phone number, and date of birth~~[Social Security~~
25 ~~number]~~, if available, of each person listed. The lists shall be accompanied by a
26 signed statement from each person stating that he or she is willing to serve, has not
27 failed to serve without excuse in the past, and has not been convicted of an election

1 law offense or any felony, unless the person's civil rights have been restored by the
2 Governor. The State Board of Elections shall prescribe the form of the list by
3 administrative regulation promulgated under KRS Chapter 13A.

4 (3) The Attorney General shall notify each party state central committee of the duties
5 of the party.

6 (4) (a) If lists are submitted by the county executive committees under subsection (2)
7 of this section, the county board of elections shall select one (1) judge at each
8 voting place from each political party's list, and the county board shall select
9 the sheriff from one (1) political party's list and the clerk from the other.

10 (b) If no lists are submitted by the county executive committees under subsection
11 (2) of this section, the two (2) members of the county board of elections who
12 are appointed by the State Board of Elections may submit lists; and the county
13 board of elections shall select the sheriff and one (1) judge from one (1) list
14 and the clerk and the other judge from the remaining list.

15 (c) If no lists are submitted by the county executive committees under subsection
16 (2) of this section, or by the county board of elections under paragraph (b) of
17 this subsection, the county clerk shall select the sheriff and one (1) judge from
18 the membership of one (1) party and the clerk and the other judge from the
19 membership of the remaining party. If no members of one (1) of the two (2)
20 political parties are available or willing to serve as a judge, the county clerk
21 shall select any qualified and registered voter within the county to serve as a
22 judge at a voting place.

23 (d) The county board of elections shall, when possible, also appoint an adequate
24 number of alternate precinct election officers from names on the lists which
25 were submitted but which were not selected by the county board as precinct
26 election officers. If alternate precinct election officers are not appointed from
27 the lists of nominees who were not selected as precinct election officers, the

1 county board of elections shall submit its method of selecting alternate
2 precinct election officers to the State Board of Elections for its approval. If no
3 lists are submitted to the county board of elections as provided in this
4 subsection, the county clerk shall select an adequate number of alternate
5 precinct election officers.

6 (e) The names of all precinct election officers and alternate precinct election
7 officers selected by the county clerk shall be submitted to the county board of
8 elections for its approval.

9 (f) Nothing in this subsection shall prevent the selection of any registered and
10 qualified voter who is not registered with either of the two (2) political parties
11 to serve as a precinct election officer in a precinct in which the officer resides
12 or as otherwise provided in this subsection.

13 (5) If, after all reasonable efforts have been made, neither the county board of elections
14 nor the county clerk are able to find two (2) qualified officers for each precinct who
15 are affiliated with the two (2) political parties having representation on the State
16 Board of Elections or any other qualified and registered voter within the county, the
17 county board of elections shall submit a list of emergency election officer
18 appointments to the State Board of Elections. The county board of elections shall
19 also present, in writing, its efforts to recruit and appoint election officers as
20 prescribed in subsection (4) of this section. The State Board of Elections, after its
21 review, may approve any or all of the emergency appointments submitted by the
22 county board of elections or may direct the county board to take other action. Any
23 emergency appointment shall be made for the next ensuing election only.

24 (6) In addition to precinct election officers appointed under subsection (1) of this
25 section, a county board of elections or the county clerk may appoint up to two (2)
26 additional precinct election officers per precinct with the approval of the State
27 Board of Elections. The State Board of Elections shall promulgate an administrative

1 regulation under KRS Chapter 13A establishing conditions under which additional
2 precinct officers may be approved.

3 (7) The county board of elections shall, not less than ten (10) days before the next
4 ensuing election, send to each election officer written notice of his or her
5 appointment. The county board of elections may direct the sheriff of the county to
6 serve the notice of appointment, if it deems the action is necessary.

7 (8) The State Board of Elections may require the county board of elections to submit its
8 list of precinct officers for review. The State Board of Elections may, after a
9 hearing, direct the removal of any election officer who the board finds would not
10 fairly administer the state election laws. The State Board of Elections shall provide
11 for the method and manner of the hearing by administrative regulation promulgated
12 under KRS Chapter 13A, and shall replace any officer so removed.

13 (9) (a) An election officer shall be a qualified voter of the precinct; except that,
14 where no qualified voter of the required political party is available within the
15 precinct, the election officer shall be a qualified voter of the county.

16 (b) A minor seventeen (17) years of age who will become eighteen (18) years of
17 age on or before the day of the regular election may serve as an election
18 officer for the primary and regular elections in which he or she is qualified to
19 vote; however, no precinct shall have more than one (1) person serving as an
20 election officer who is a minor seventeen (17) years of age.

21 (c) An election officer shall not be a candidate for office during the election year.

22 (d) An election officer shall not be the spouse, parent, brother, sister, or child of a
23 candidate who is to be voted for at the election in the precinct in which the
24 election officer will serve on election day.

25 (e) An election officer shall not have changed his or her voter registration party
26 affiliation after December 31 immediately preceding his or her appointment to
27 serve for the primary, or after the second Tuesday in August to serve for the

1 regular election.

2 (f) An election officer may be removed, for cause, at any time up to five (5) days
3 before an election. Vacancies shall be filled by the county board of elections
4 or the county clerk with alternate precinct election officers and if the vacancy
5 occurs in the appointment of a judge, the person appointed to fill the vacancy
6 shall be of the same political affiliation as the vacating officer, except for
7 emergency appointments made as provided in subsection (5) of this section.

8 (10) If the county board of elections or the county clerk fails to appoint election officers,
9 or if any officer is not present at the precinct at the time for commencing the
10 election, or refuses to act, and if no alternate is available, the officer in attendance
11 representing the political party of the absentee shall appoint a suitable person to act
12 in his or her place for that election. If both representatives of the same political
13 party are absent, qualified voters present affiliating with that party shall elect, viva
14 voce, suitable persons to act in their places.

15 (11) Each election officer shall be paid a minimum of sixty dollars (\$60) per election
16 day served, and such an additional amount as compensation as may be determined
17 by the county board of elections, with the approval of the governing body which
18 would be responsible for funding the election officers' pay, for each election in
19 which the election officer serves, to be paid by the county. For delivering the
20 election packets to the polls, the precinct election officers shall additionally receive
21 the mileage reimbursement provided for state employees, for each mile necessarily
22 traveled in the delivery of the packets to the polls, or a flat fee if the fee equals or
23 exceeds that amount. For delivering election returns, the precinct election judges
24 shall additionally receive the mileage reimbursement provided for state employees
25 for each mile necessarily traveled in the delivery of election returns, or a flat fee if
26 the fee equals or exceeds that amount. The fee paid to the precinct election judges
27 for delivering election returns shall be paid by the county.

1 ➔Section 6. KRS 132.017 is amended to read as follows:

- 2 (1) As used in this section, "local governmental entity" includes a county fiscal court
3 and legislative body of a city, urban-county government, consolidated local
4 government, charter county government, unified local government, or other taxing
5 district.
- 6 (2) (a) 1. Except as provided in subparagraph 2. of this paragraph, the portion of a
7 tax rate levied by an ordinance, order, resolution, or motion of a local
8 governmental entity or district board of education subject to recall as
9 provided for in KRS 68.245, 132.023, 132.027, and 160.470, shall go
10 into effect forty-five (45) days after its passage.
- 11 2. When a tax rate is levied by a district board of education or other taxing
12 district that is primarily located in a county containing an urban-county
13 government or a consolidated local government, the portion of a tax rate
14 levied by an ordinance, order, resolution, or motion of a district board of
15 education or other taxing district subject to recall as provided for in KRS
16 68.245, 132.023, 132.027, and 160.470, shall go into effect fifty (50)
17 days after its passage.
- 18 (b) During the same forty-five (45) day or fifty (50) day time period provided by
19 paragraph (a) of this subsection, any five (5) qualified voters, who reside in
20 the area where the tax levy will be imposed, may commence petition
21 proceedings to protest the passage of the ordinance, order, resolution, or
22 motion by filing an affidavit with the county clerk. The affidavit shall state:
- 23 1. The five (5) qualified voters constitute the members of the petition
24 committee;
- 25 2. The petition committee will be responsible for circulating the petition;
- 26 3. The petition committee will file the petition in the proper form within
27 the same forty-five (45) day or fifty (50) day time period provided by

- 1 paragraph (a) of this subsection;
- 2 4. The names and addresses of the petition committee members;
- 3 5. The address to which all notices to the committee are to be sent; and
- 4 6. For petition committees filing petitions in response to a tax rate levied
- 5 by a district board of education or other taxing district that is primarily
- 6 located in a county containing an urban-county government or a
- 7 consolidated local government, whether or not the petition committee is
- 8 willing to incur all of the expenses associated with electronic petition
- 9 signatures. If the petition committee is not willing to incur all of the
- 10 expenses, then electronic petition signatures shall not be allowed for the
- 11 petition.

12 (c) Upon receipt of the affidavit, the county clerk shall immediately:

- 13 1. Notify the petition committee of all statutory requirements for the filing
- 14 of a valid petition under this section;
- 15 2. Notify the petition committee that the clerk will publish a notice
- 16 identifying the tax levy being challenged and providing the names and
- 17 addresses of the petition committee in a newspaper of general
- 18 circulation within the county, if:
 - 19 a. There is a newspaper within the county in which to publish the
 - 20 notice; and
 - 21 b. The petition committee remits an amount equal to the cost of
 - 22 publishing the notice determined in accordance with the provisions
 - 23 of KRS 424.160 at the time of the filing of the affidavit.

24 If the petition committee elects to have the notice published, the clerk
25 shall publish the notice within five (5) days of receipt of the affidavit;
26 and

- 27 3. Deliver a copy of the affidavit to the appropriate local governmental

- 1 entity or district board of education.
- 2 (d) The petition shall be filed with the county clerk within the same forty-five
- 3 (45) day or fifty (50) day time period provided by paragraph (a) of this
- 4 subsection and meet the following requirements:
- 5 1. All papers of the petition shall be substantially uniform in size and style
- 6 and shall be assembled in one (1) instrument for filing;
- 7 2. For a district board of education or other taxing district that is primarily
- 8 located in a county containing an urban-county government or a
- 9 consolidated local government, each sheet of the petition may contain
- 10 the names of voters from more than one (1) voting precinct, and for a
- 11 district board of education or other taxing district that is not primarily
- 12 located in a county containing an urban-county government or a
- 13 consolidated local government, each sheet of the petition shall contain
- 14 the names of voters from one (1) voting precinct;
- 15 3. Each nonelectronic petition signature shall be executed in ink or
- 16 indelible pencil;
- 17 4. Each electronic petition signature shall comply with the requirements of
- 18 the Uniform Electronic Transactions Act, KRS 369.101 to 369.120;
- 19 5. Each electronic and nonelectronic petition signature shall be followed
- 20 by the printed name, street address, ~~social security number or~~ birth
- 21 month, and the name and number of the designated voting precinct of
- 22 the person signing; and
- 23 6. a. The petition shall be signed by a number of registered and
- 24 qualified voters residing in the affected jurisdiction equal to at
- 25 least ten percent (10%) of the total number of votes cast in the last
- 26 preceding presidential election.
- 27 b. Electronic petition signatures shall be included in determining

1 whether the required number of petition signatures has been
2 obtained when the expenses associated with the electronic petition
3 signatures have been incurred in accordance with paragraph (b)6.
4 of this subsection, the electronic petition signatures comply with
5 the requirements of this subsection, and the petition was filed in
6 response to a tax rate levied by a district board of education or
7 other taxing district that is primarily located in a county containing
8 an urban-county government or a consolidated local government.
9 The inclusion of an invalid electronic or nonelectronic petition
10 signature on a page shall not invalidate the entire page of the
11 petition, but shall instead result in the invalid petition signature
12 being stricken and not counted.

13 c. Notwithstanding subdivision a. of this subparagraph if a petition is
14 filed in response to a tax rate levied by a district board of
15 education, the petition shall be signed by at least five thousand
16 (5,000) registered and qualified voters residing in the affected
17 jurisdiction, or signed by a number of registered and qualified
18 voters residing in the affected jurisdiction equal to at least ten
19 percent (10%) of the total number of votes cast in the last
20 preceding presidential election, whichever is less.

21 (e) Upon the filing of the petition with the county clerk, the ordinance, order,
22 resolution, or motion shall be suspended from going into effect until after the
23 election referred to in subsection (3) of this section is held, or until the
24 petition is finally determined to be insufficient and no further action may be
25 taken pursuant to paragraph (i) of this subsection.

26 (f) The county clerk shall immediately notify the presiding officer of the
27 appropriate local governmental entity or district board of education that the

1 petition has been received and shall, within thirty (30) days of the receipt of
2 the petition, make a determination of whether the petition contains enough
3 signatures of qualified voters to place the ordinance, order, resolution, or
4 motion before the voters.

5 (g) If the county clerk finds the petition to be sufficient, the clerk shall certify to
6 the petition committee and the local governmental entity or district board of
7 education within the thirty (30) day period provided for in paragraph (f) of
8 this subsection that the petition is properly presented and in compliance with
9 the provisions of this section, and that the ordinance, order, resolution, or
10 motion levying the tax will be placed before the voters for approval.

11 (h) If the county clerk finds the petition to be insufficient, the clerk shall, within
12 the thirty (30) day period provided for in paragraph (f) of this subsection,
13 notify, in writing, the petition committee and the local governmental entity or
14 district board of education of the specific deficiencies found. Notification
15 shall be sent by certified mail and shall be published at least one (1) time in a
16 newspaper of general circulation within the county containing the local
17 governmental entity or district board of education levying the tax. If there is
18 not a newspaper within the county in which to publish the notification, then
19 the notification shall be posted at the courthouse door.

20 (i) A final determination of the sufficiency of a petition shall be subject to final
21 review by the Circuit Court of the county in which the local governmental
22 entity or district board of education is located, and shall be limited to the
23 validity of the county clerk's determination. Any petition challenging the
24 county clerk's final determination shall be filed within ten (10) days of the
25 issuance of the clerk's final determination.

26 (j) The local governmental entity or district board of education may cause the
27 cancellation of the election by reconsidering and amending the ordinance,

1 order, resolution, or motion to levy a tax rate which will produce no more
2 revenue from real property, exclusive of revenue from new property as
3 defined in KRS 132.010, than four percent (4%) over the amount of revenue
4 produced by the compensating tax rate defined in KRS 132.010 from real
5 property. The action by the local governmental entity or district board of
6 education shall be valid only if taken within fifteen (15) days following the
7 date the clerk finds the petition to be sufficient.

8 (3) (a) If an election is necessary under the provisions of subsection (2) of this
9 section, the local governmental entity shall cause to be submitted to the voters
10 of the district at the next regular election, the question as to whether the
11 property tax rate shall be levied. The question shall be submitted to the county
12 clerk not later than the second Tuesday in August preceding the regular
13 election.

14 (b) If an election is necessary for a school district under the provisions of
15 subsection (2) of this section, the district board of education may cause to be
16 submitted to the voters of the district in a called common school election not
17 less than thirty-five (35) days nor more than forty-five (45) days from the date
18 the signatures on the petition are validated by the county clerk, or at the next
19 regular election, at the option of the district board of education, the question
20 as to whether the property tax rate shall be levied. If the election is held in
21 conjunction with a regular election, the question shall be submitted to the
22 county clerk not later than the second Tuesday in August preceding the
23 regular election. The cost of a called common school election shall be borne
24 by the school district holding the election. Any called common school election
25 shall comply with the provisions of KRS 118.025.

26 (c) In an election held under paragraph (a) or (b) of this subsection, the question
27 shall be so framed that the voter may by his or her vote answer "for" or

1 "against." If a majority of the votes cast upon the question oppose its passage,
2 the ordinance, order, resolution, or motion shall not go into effect. If a
3 majority of the votes cast upon the question favor its passage, the ordinance,
4 order, resolution, or motion shall become effective.

5 (d) If the ordinance, order, resolution, or motion fails to pass pursuant to an
6 election held under paragraph (a) or (b) of this subsection, the property tax
7 rate which will produce four percent (4%) more revenues from real property,
8 exclusive of revenue from new property as defined in KRS 132.010, than the
9 amount of revenue produced by the compensating tax rate defined in KRS
10 132.010, shall be levied without further approval by the local governmental
11 entity or district board of education.

12 (e) Local, state, and federal tax dollars shall not be used to advocate, in partial
13 terms, for or against any public question that appears on the ballot in this
14 subsection. For purposes of this section, "local" means and includes any city,
15 county, urban-county government, consolidated local government, unified
16 local government, charter county, or special district.

17 (4) Notwithstanding any statutory provision to the contrary, if a local governmental
18 entity or district board of education has not established a final tax rate as of
19 September 15, due to the recall provisions of this section, KRS 68.245, 132.027, or
20 160.470, regular tax bills shall be prepared as required in KRS 133.220 for all
21 districts having a tax rate established by that date; and a second set of bills shall be
22 prepared and collected in the regular manner, according to the provisions of KRS
23 Chapter 132, upon establishment of final tax rates by the remaining districts.

24 (5) If a second billing is necessary, the collection period shall be extended to conform
25 with the second billing date.

26 (6) All costs associated with the second billing shall be paid by the taxing district or
27 districts requiring the second billing.

1 ➔Section 7. KRS 132.100 is amended to read as follows:

2 If the General Assembly enacts any act pursuant to Section 171 of the Constitution as
3 amended, classifying property and providing a lower rate of taxation on personal property
4 than on real property, the provisions of the act shall be subject to a referendum upon the
5 written petition of qualified voters equal to at least five percent (5%) of the votes cast in
6 the state for a slate of candidates for Governor and Lieutenant Governor at the last
7 preceding regular election. The petition shall be filed with the Secretary of State not more
8 than four (4) months after the final adjournment of the General Assembly that passed the
9 act on which the referendum is demanded, and shall specify the act or the item, section or
10 part of the act on which the referendum is demanded. The petition shall be uniform in
11 size and style and shall be assembled in one (1) instrument for filing. Each sheet of the
12 petition shall contain the names of voters from one (1) voting precinct only, and shall
13 include the name, number and designation of the precinct in which the voters signing the
14 petition live. The inclusion of an invalid signature on a page shall not invalidate the entire
15 page of the petition, but shall instead result in the invalid signature being stricken and not
16 counted. Each signature shall be executed in ink or indelible pen and shall be followed by
17 the printed name, residence address, and ~~[Social Security number or]~~ date of birth of legal
18 voters.

19 ➔Section 8. KRS 159.051 is amended to read as follows:

20 (1) When a student age sixteen (16) or seventeen (17) drops out of school or is declared
21 to be academically deficient, the school administrator or his ***or her*** designee shall
22 notify the superintendent of schools of the district in which the student is a resident
23 or is enrolled. The reports shall be made at the end of each semester but may be
24 made earlier in the semester for accumulated absences. A student shall be deemed
25 to have dropped out of school when he ***or she*** has nine (9) or more unexcused
26 absences in the preceding semester. Any absences due to suspension shall be
27 unexcused absences. A student shall be deemed to be academically deficient when

1 he or she has not received passing grades in at least four (4) courses, or the
2 equivalent of four (4) courses, in the preceding semester. The local school board
3 shall adopt a policy to reflect a similar standard for academic deficiency for
4 students in alternative, special education, or part-time programs.

5 (2) Within ten (10) days after receiving the notification, the superintendent shall report
6 the student's name and date of birth~~[Social Security number]~~ to the Transportation
7 Cabinet. As soon as possible thereafter, the cabinet shall notify the student that his
8 or her operator's license, intermediate license, permit, or privilege to operate a
9 motor vehicle has been revoked or denied and shall inform the student of his or her
10 right to a hearing before the District Court of appropriate venue to show cause as to
11 the reasons ~~the~~his license, permit, or privilege should be reinstated. Within fifteen
12 (15) days after this notice is sent, the custodial parent, legal guardian, or next friend
13 of the student may request an ex parte hearing before the District Court. The student
14 shall not be charged District Court filing fees. The notification shall inform the
15 student that he or she is not required to have legal counsel.

16 (3) In order for the student to have his or her license reinstated, the court shall be
17 satisfied that:

- 18 (a) The license is needed to meet family obligations or family economic
19 considerations which, if unsatisfied, would create an undue hardship; or
20 (b) The student is the only licensed driver in the household; or
21 (c) The student is not considered a dropout or academically deficient pursuant to
22 this section.

23 If the student satisfies the court, the court shall notify the cabinet to reinstate the
24 student's license at no cost. The student, if aggrieved by a decision of the court
25 issued pursuant to this section, may appeal the decision within thirty (30) days to
26 the Circuit Court of appropriate venue. A student who is being schooled at home
27 shall be considered to be enrolled in school.

1 (4) A student who has had a[his] license revoked under the provisions of this section
2 may reapply for a[his] driver's license as early as the end of the semester during
3 which he or she enrolls in school and successfully completes the educational
4 requirements. A student may also reapply for a[his] driver's license at the end of a
5 summer school semester which results in the student having passed at least four (4)
6 courses, or the equivalent of four (4) courses, during the successive spring and
7 summer semesters, and the courses meet the educational requirements for
8 graduation. The student~~[He]~~ shall provide proof issued by the~~[his]~~ school within
9 the preceding sixty (60) days that he or she is enrolled and is not academically
10 deficient.

11 ➔Section 9. KRS 160.485 is amended to read as follows:

12 (1) The imposition of license fees authorized hereby shall be by order or resolution of
13 the fiscal court. There shall be no more than one (1) order or resolution passed in
14 any one (1) calendar year. In the case of license fees required to be imposed
15 pursuant to subsection (2) of KRS 160.484, the fiscal court shall make the order or
16 resolution within ten (10) days following receipt of the first request which makes
17 subsection (2) of KRS 160.484 effective.

18 (2) (a) The order or resolution of the fiscal court imposing license fees pursuant to
19 subsections (1), (2), or (4) of KRS 160.484 shall go into effect forty-five (45)
20 days after its passage.

21 (b) During the forty-five (45) days next following the passage of the order or
22 resolution, any five (5) qualified voters who reside in the county may
23 commence petition proceedings to protest the passage of the order or
24 resolution by filing with the county clerk an affidavit stating that they
25 constitute the petition committee and that they will be responsible for
26 circulating the petition and filing it in the proper form within forty-five (45)
27 days from the passage of the order or resolution. The affidavit shall state their

1 names and addresses and specify the address to which all notices to the
2 committee are to be sent. Upon receipt of the affidavit, the county clerk shall:

- 3 1. At the time of filing of the affidavit, notify the petition committee of all
4 statutory requirements for the filing of a valid petition under this
5 section;
- 6 2. At the time of the filing of the affidavit, notify the petition committee
7 that the clerk will publish a notice identifying the tax levy being
8 challenged and providing the names and addresses of the petition
9 committee in a newspaper of general circulation within the county, if
10 such publication exists, if the petition committee remits an amount equal
11 to the cost of publishing the notice determined in accordance with the
12 provisions of KRS 424.160 at the time of the filing of the affidavit. If
13 the petition committee elects to have the notice published, the clerk shall
14 publish the notice within five (5) days of receipt of the affidavit; and
- 15 3. Deliver a copy of the affidavit to the fiscal court and the impacted
16 school districts.

- 17 (c) The petition shall be filed with the county clerk within forty-five (45) days of
18 the passage of the order or resolution. All papers of the petition shall be
19 uniform in size and style and shall be assembled in one (1) instrument for
20 filing. Each sheet of the petition shall contain the names of voters from one
21 (1) voting precinct only, and shall include the name, number and designation
22 of the precinct in which the voters signing the petition live. The inclusion of
23 an invalid signature on a page shall not invalidate the entire page of the
24 petition, but shall instead result in the invalid signature being stricken and not
25 counted. Each signature shall be executed in ink or indelible pencil and shall
26 be followed by the printed name, street address, and ~~Social Security number~~
27 ~~or~~ birthdate of the person signing. The petition shall be signed by a number

1 of registered and qualified voters residing in the affected jurisdiction equal to
2 at least ten percent (10%) of the total number of votes cast in the last
3 preceding presidential election.

4 (d) Upon the filing of the petition with the county clerk, the order or resolution
5 shall be suspended until after the election referred to in subsection (3) of this
6 section is held, or until the petition is finally determined to be insufficient and
7 no further action may be taken pursuant to paragraph (h) of this subsection.

8 (e) The clerk shall immediately notify the fiscal court and the impacted school
9 districts that the petition has been received and shall, within thirty (30) days of
10 the receipt of the petition, make a determination of whether the petition
11 contains enough signatures of qualified voters to place the order or resolution
12 before the voters.

13 (f) If the county clerk finds the petition to be sufficient, the clerk shall certify to
14 the petition committee, the fiscal court, and the impacted school boards within
15 the thirty (30) day period provided for in paragraph (e) of this subsection that
16 the petition is properly presented and in compliance with the provisions of this
17 section, and that the order or resolution levying the tax will be placed before
18 the voters for approval.

19 (g) If the county clerk finds the petition to be insufficient, the clerk shall, within
20 the thirty (30) day period provided for in paragraph (e) of this subsection,
21 notify, in writing, the petition committee, the fiscal court and the impacted
22 school districts of the specific deficiencies found. Notification shall be sent by
23 certified mail and shall be published at least one (1) time in a newspaper of
24 general circulation within the county or, if there is no such newspaper, shall
25 be posted at the courthouse door.

26 (h) A final determination of the sufficiency of a petition shall be subject to final
27 review by the Circuit Court of the county and shall be limited to the validity

1 of the county clerk's determination. Any petition challenging the county
2 clerk's final determination shall be filed within ten (10) days of the issuance of
3 the clerk's final determination.

4 (3) Upon validation of the petition, the fiscal court shall submit to the voters of the
5 county at the next regular election or called common school district election, which
6 shall be held not less than thirty-five (35) days nor more than forty-five (45) days
7 from the date the signatures on the petition are validated by the county clerk, the
8 question as to whether the license fees for common school purposes shall be levied.
9 Any called common school election shall comply with the provisions of KRS
10 118.025. If the election is held in conjunction with a regular election, the question
11 shall be submitted to the county clerk not later than the second Tuesday in August
12 preceding the regular election. The question shall be ~~so~~ framed so that the voter
13 may ~~by his vote~~ answer, "for" or "against." If a majority of the votes cast upon the
14 question oppose its passage, the order or resolution shall not go into effect. If a
15 majority of the votes cast upon the question favor its passage, the order or
16 resolution shall go into effect.

17 (4) License fees imposed pursuant to KRS 160.482 to 160.488 shall become effective
18 on the date specified in the order or resolution, but no later than the first day of the
19 calendar year first beginning after the day the order or resolution is made.

20 ➔Section 10. KRS 160.597 is amended to read as follows:

21 Any school tax authorized by KRS 160.593 to 160.597, 160.601 to 160.633, and 160.635
22 to 160.648 may be recalled as follows:

23 (1) (a) The order or resolution levying any of the school taxes designated in this
24 section shall go into effect not less than forty-five (45) days nor more than
25 ninety (90) days after its passage.

26 (b) During the forty-five (45) days immediately following the passage of the
27 order or resolution, any five (5) qualified voters who reside in the school

1 district levying the tax may commence petition proceedings to protest the
 2 passage of the order or resolution by filing with the county clerk an affidavit
 3 stating that they constitute the petition committee and that they will be
 4 responsible for circulating the petition and filing it in the proper form within
 5 forty-five (45) days from the passage of the order or resolution. The affidavit
 6 shall state their names and addresses and specify the address to which all
 7 notices to the committee are to be sent. Upon receipt of the affidavit, the
 8 county clerk shall:

- 9 1. At the time of filing of the affidavit, notify the petition committee of all
 10 statutory requirements for the filing of a valid petition under this
 11 section;
- 12 2. At the time of the filing of the affidavit, notify the petition committee
 13 that the clerk will publish a notice identifying the tax levy being
 14 challenged and providing the names and addresses of the petition
 15 committee in a newspaper of general circulation within the county, if
 16 such publication exists, if the petition committee remits an amount equal
 17 to the cost of publishing the notice determined in accordance with the
 18 provisions of KRS 424.160 at the time of the filing of the affidavit. If
 19 the petition committee elects to have the notice published, the clerk shall
 20 publish the notice within five (5) days of receipt of the affidavit; and
- 21 3. Deliver a copy of the affidavit to the school board or combined taxing
 22 district.

23 (c) The petition shall be filed with the county clerk within forty-five (45) days of
 24 the passage of the order or resolution. All papers of the petition shall be
 25 uniform in size and style and shall be assembled in one (1) instrument for
 26 filing. Each sheet of the petition shall contain the names of voters from one
 27 (1) voting precinct only, and shall include the name, number and designation

1 of the precinct in which the voters signing the petition live. The inclusion of
2 an invalid signature on a page shall not invalidate the entire page of the
3 petition, but shall instead result in the invalid signature being stricken and not
4 counted. Each signature shall be executed in ink or indelible pencil and shall
5 be followed by the printed name, street address, and ~~Social Security number~~
6 ~~or~~ birthdate of the person signing. The petition shall be signed by a number
7 of registered and qualified voters residing in the affected jurisdiction equal to
8 at least ten percent (10%) of the total number of votes cast in the last
9 preceding presidential election, except in consolidated local governments,
10 where the petition shall be signed by a number of registered and qualified
11 voters equal to at least five percent (5%) of the total number of votes cast in
12 the last preceding presidential election.

13 (d) Upon the filing of the petition with the county clerk, the order or resolution
14 shall be suspended from going into effect for that district until after the
15 election provided for in subsection (2) of this section is held, or until the
16 petition is finally determined to be insufficient and no further action may be
17 taken pursuant to paragraph (h) of this subsection.

18 (e) The county clerk shall immediately notify the school board or combined
19 taxing district that the petition has been received and shall, within thirty (30)
20 days of receipt of the petition, make a determination of whether the petition
21 contains enough signatures of qualified voters to place the order or resolution
22 before the voters.

23 (f) If the county clerk finds the petition to be sufficient, the clerk shall certify to
24 the school board or combined taxing district and the petition committee within
25 the thirty (30) day period provided for in paragraph (e) of this subsection, that
26 the petition is properly presented and in compliance with the provisions of this
27 section, and that the order or resolution levying the tax will be placed before

1 the voters for approval.

2 (g) If the county clerk finds the petition to be insufficient, the clerk shall, within
3 the thirty (30) day period provided for in paragraph (e) of this subsection,
4 notify, in writing, the petition committee and the school district or combined
5 taxing district levying the tax of the specific deficiencies found. Notification
6 shall be sent by certified mail, and shall be published at least one (1) time in a
7 newspaper of general circulation within the county containing the school
8 district levying the tax or, if there is no such newspaper, shall be posted at the
9 courthouse door.

10 (h) A final determination of the sufficiency of a petition shall be subject to final
11 review by the Circuit Court of the county in which the school district is
12 located, and shall be limited to the validity of the county clerk's
13 determination. Any petition challenging the county clerk's final determination
14 shall be filed within ten (10) days of the issuance of the clerk's final
15 determination.

16 (2) If the petition is sufficient, the county clerk shall, at the option of the district board
17 of education, either submit the question to the voters of the school district at the
18 next regular election or submit the question to the voters of the school district at a
19 called common school election, which is to be held not less than thirty-five (35)
20 days nor more than forty-five (45) days from the date the signatures on the petition
21 are validated by the county clerk. Any called common school election shall comply
22 with the provisions of KRS 118.025. If the election is to be held in conjunction with
23 a regular election, the question shall be submitted to the county clerk not later than
24 the second Tuesday in August preceding the regular election. The question shall be
25 ~~so~~ framed so that the voter may~~[- by his vote]~~ answer, "for" or "against." If a
26 majority of the votes cast in a district or combined taxing district upon the question
27 oppose its passage, the order or resolution shall not go into effect in that district or

1 combined taxing district. If a majority of the votes cast in a district or combined
2 taxing district upon the question favor its passage, the order or resolution shall go
3 into effect in that district. If the election is to be held in more than one (1) school
4 district within a county, the votes shall be counted separately. The cost of a called
5 common school election shall be borne by the school district causing the election to
6 be held.

7 (3) If any statute in existence on June 17, 1978, is found to be in conflict with any
8 provision of this section, the provisions of this section shall prevail.

9 ➔Section 11. KRS 161.120 is amended to read as follows:

10 (1) Except as described in KRS 161.795, the Education Professional Standards Board
11 may revoke, suspend, or refuse to issue or renew; impose probationary or
12 supervisory conditions upon; issue a written reprimand or admonishment; or any
13 combination of those actions regarding any certificate issued under KRS 161.010 to
14 161.100, or any certificate or license issued under any previous law to
15 superintendents, principals, teachers, substitute teachers, interns, supervisors,
16 directors of pupil personnel, or other administrative, supervisory, or instructional
17 employees for the following reasons:

18 (a) Being convicted of, or entering an "Alford" plea or plea of nolo contendere to,
19 notwithstanding an order granting probation or suspending imposition of any
20 sentence imposed following the conviction or entry of the plea, one (1) of the
21 following:

- 22 1. A felony;
- 23 2. A misdemeanor under KRS Chapter 218A, 508, 509, 510, 522, 525,
24 529, 530, or 531; or
- 25 3. A misdemeanor involving a student or minor.

26 A certified copy of the conviction or plea shall be conclusive evidence of the
27 conviction or plea;

- 1 (b) Having sexual contact as defined in KRS 510.010(7) with a student or minor.
2 Conviction in a criminal proceeding shall not be a requirement for
3 disciplinary action;
- 4 (c) Committing any act that constitutes fraudulent, corrupt, dishonest, or immoral
5 conduct. If the act constitutes a crime, conviction in a criminal proceeding
6 shall not be a condition precedent to disciplinary action;
- 7 (d) Demonstrating willful or careless disregard for the health, welfare, or safety
8 of others;
- 9 (e) Physical or mental incapacity that prevents the certificate holder from
10 performing duties with reasonable skill, competence, or safety;
- 11 (f) Possessing, using, or being under the influence of alcohol, which impairs the
12 performance of duties;
- 13 (g) Unlawfully possessing or unlawfully using a drug during the performance of
14 duties;
- 15 (h) Incompetency or neglect of duty;
- 16 (i) Making, or causing to be made, any false or misleading statement or
17 concealing a material fact in obtaining issuance or renewal of any certificate;
- 18 (j) Failing to report as required by subsection (2) of this section;
- 19 (k) Failing to comply with an order of the Education Professional Standards
20 Board;
- 21 (l) Violating any state statute relating to schools or the teaching profession;
- 22 (m) Violating the professional code of ethics for Kentucky school certified
23 personnel established by the Education Professional Standards Board through
24 the promulgation of administrative regulation;
- 25 (n) Violating any administrative regulation promulgated by the Education
26 Professional Standards Board or the Kentucky Board of Education; or
- 27 (o) Receiving disciplinary action or having the issuance of a certificate denied or

1 restricted by another jurisdiction on grounds that constitute a violation of this
2 subsection.

3 (2) (a) The superintendent of each local school district shall report in writing to the
4 Education Professional Standards Board the name, address, phone number,
5 date of birth~~[Social Security number]~~, and position name of any certified
6 school employee in the employee's district whose contract is terminated or not
7 renewed, for cause except failure to meet local standards for quality of
8 teaching performance prior to the employee gaining tenure; who resigns from,
9 or otherwise leaves, a position under threat of contract termination, or
10 nonrenewal, for cause; who is convicted in a criminal prosecution; or who
11 otherwise may have engaged in any actions or conduct while employed in the
12 school district that might reasonably be expected to warrant consideration for
13 action against the certificate under subsection (1) of this section. The duty to
14 report shall exist without regard to any disciplinary action, or lack thereof, by
15 the superintendent, and the required report shall be submitted within thirty
16 (30) days of the event giving rise to the duty to report.

17 (b) The district superintendent shall inform the Education Professional Standards
18 Board in writing of the full facts and circumstances leading to the contract
19 termination or nonrenewal, resignation, or other absence, conviction, or
20 otherwise reported actions or conduct of the certified employee, that may
21 warrant action against the certificate under subsection (1) of this section, and
22 shall forward copies of all relevant documents and records in his or her
23 possession.

24 (c) The Education Professional Standards Board may consider reports and
25 information received from other sources.

26 (d) The certified school employee shall be given a copy of any report provided to
27 the Education Professional Standards Board by the district superintendent or

1 other sources. The employee shall have the right to file a written rebuttal to
2 the report which shall be placed in the official file with the report.

3 (3) A finding or action by a school superintendent or tribunal does not create a
4 presumption of a violation or lack of a violation of subsection (1) of this section.

5 (4) The board may issue a written admonishment to the certificate holder if the board
6 determines, based on the evidence, that a violation has occurred that is not of a
7 serious nature. A copy of the written admonishment shall be placed in the official
8 file of the certificate holder. The certificate holder may respond in writing to the
9 admonishment within thirty (30) days of receipt and have that response placed in
10 his or her official certification file. Alternatively, the certificate holder may file a
11 request for a hearing with the board within thirty (30) days of receipt of the
12 admonishment. Upon receipt of a request for a hearing, the board shall set aside the
13 written admonishment and set the matter for hearing pursuant to the provisions of
14 KRS Chapter 13B.

15 (5) (a) The Education Professional Standards Board shall schedule and conduct a
16 hearing in accordance with KRS Chapter 13B:

17 1. Before revoking, suspending, refusing to renew, imposing probationary
18 or supervisory conditions upon, issuing a written reprimand, or any
19 combination of these actions regarding any certificate;

20 2. After denying an application for a certificate, upon written request filed
21 within thirty (30) days of receipt of the letter advising of the denial; or

22 3. After issuing a written admonishment, upon written request for a
23 hearing filed within thirty (30) days of receipt of the written
24 admonishment.

25 (b) Upon request, a hearing may be public or private at the discretion of the
26 certified employee or applicant.

27 (c) The hearing shall be conducted before the full board, a panel of three (3)

1 members of the board, or a person appointed as hearing officer by the board
2 pursuant to KRS 13B.030(1).

3 (6) The Education Professional Standards Board or its chair may take emergency action
4 pursuant to KRS 13B.125. Emergency action shall not affect a certificate holder's
5 contract or tenure rights in the school district.

6 (7) If the Education Professional Standards Board substantiates that sexual contact
7 occurred between a certified employee and a student or minor, the employee's
8 certificate may be revoked or suspended with mandatory treatment of the employee
9 as prescribed by the Education Professional Standards Board. The Education
10 Professional Standards Board may require the employee to pay a specified amount
11 for mental health services for the student or minor which are needed as a result of
12 the sexual contact.

13 (8) At any time during the investigative or hearing processes, the board may enter into
14 an agreed order or accept an assurance of voluntary compliance with the certificate
15 holder.

16 (9) The board may reconsider, modify, or reverse its decision on any disciplinary
17 action.

18 (10) Suspension of a certificate shall be for a specified period of time, not to exceed two
19 (2) years.

20 (a) At the conclusion of the specified period, upon demonstration of compliance
21 with any educational requirements and the terms set forth in the agreed order,
22 the certificate shall be reactivated.

23 (b) A suspended certificate is subject to expiration and termination.

24 (11) Revocation of a certificate is a permanent forfeiture. The board shall establish the
25 minimum period of time before an applicant can apply for a new certificate.

26 (a) At the conclusion of the specified period, and upon demonstration of
27 compliance with any educational requirements and the terms set forth in the

1 agreed order, the applicant shall bear the burden of proof to show that he or
2 she is again fit for practice.

3 (b) The board shall have discretion to impose conditions that it deems reasonably
4 appropriate to ensure the applicant's fitness and the protection of public
5 safety. Any conditions imposed by the board shall address or apply to only
6 that time period after the revocation of the certificate.

7 (12) An appeal from any final order of the Education Professional Standards Board shall
8 be filed in Franklin Circuit Court in accordance with KRS Chapter 13B.

9 ➔Section 12. KRS 164.7885 is amended to read as follows:

10 (1) Not later than August 1, 1999, and each June 30 thereafter, each Kentucky high
11 school shall submit to the authority, a compiled list of all high school students
12 during the academic year. A high school shall report the grade point average of an
13 eligible high school student pursuant to KRS 164.7874 by January 15 following the
14 end of the fall academic term in which the student completed the high school
15 graduation requirements. The list shall identify the high school and shall contain
16 each high school student's name, date of birth~~[Social Security number]~~, address,
17 grade point average for the academic year, expected or actual graduation date,
18 highest ACT score, family eligibility status for free or reduced-price lunch, and
19 each AP, Cambridge Advanced International, or IB examination score. The Gatton
20 Academy of Mathematics and Science in Kentucky, the Craft Academy for
21 Excellence in Science and Mathematics, and the high school of a model and
22 practice school under KRS 164.380 shall report the data on its students to the
23 authority. The list need not contain the ACT, AP, Cambridge Advanced
24 International, or IB if the authority receives the scores directly from the testing
25 services. The authority shall notify each eligible high school student of his or her
26 Kentucky educational excellence scholarship award earned each academic year.
27 The authority shall determine the final Kentucky educational excellence scholarship

1 and supplemental award based upon the actual final grade point average, highest
2 ACT score, and qualifying AP, Cambridge Advanced International, or IB scores
3 and shall notify each eligible twelfth-grade high school student of the final
4 determination. The authority shall make available a list of eligible high school and
5 postsecondary students to participating institutions.

6 (2) The authority shall provide data access only to the Kentucky Longitudinal Data
7 System and to those participating institutions that have either received an admission
8 application from an eligible high school or postsecondary student or have been
9 listed by the eligible high school or postsecondary student on the Free Application
10 For Federal Student Aid.

11 (3) For each eligible postsecondary student enrolling in a participating institution after
12 July 1, 1999, the participating institution shall verify to the authority:

13 (a) The student's initial eligibility for a Kentucky educational excellence
14 scholarship, Kentucky educational excellence scholarship and supplemental
15 award, or supplemental award only pursuant to KRS 164.7879(3)(d) through
16 the comprehensive list compiled by the authority or an alternative source
17 satisfactory to the authority;

18 (b) The student's highest ACT score attained by the date of graduation from high
19 school, provided that the participating institution need not report the ACT
20 score if the authority receives the ACT score directly from the testing
21 services;

22 (c) The eligible postsecondary student's full-time or part-time enrollment status at
23 the beginning of each academic term; and

24 (d) The eligible postsecondary student's cumulative grade point average after the
25 completion of each award period.

26 (4) Each participating institution shall submit to the authority a report, in a form
27 satisfactory to the authority, of all eligible postsecondary students enrolled for that

1 academic term. Kentucky educational excellence scholarships and supplemental
2 awards shall be disbursed by the authority to each eligible postsecondary student
3 attending a participating institution during the academic term within thirty (30) days
4 after receiving a satisfactory report.

5 (5) The Kentucky educational excellence scholarship and the supplemental award shall
6 not be reduced, except as provided in KRS 164.7881(4).

7 (6) Kentucky educational excellence scholarships and supplemental awards shall not be
8 awarded or disbursed to any eligible postsecondary students who are:

9 (a) In default on any loan under Title IV of the federal act; or

10 (b) Liable for any amounts that exceed annual or aggregate limits on any loan
11 under Title IV of the federal act; or

12 (c) Liable for overpayment of any grant or loan under Title IV of the federal act;
13 or

14 (d) In default on any obligation to the authority under any programs administered
15 by the authority until financial obligations to the authority are satisfied, except
16 that ineligibility may be waived by the authority for cause.

17 (7) Notwithstanding the provisions of KRS 164.753, the authority may promulgate
18 administrative regulations for the administration of Kentucky educational
19 excellence scholarships and supplemental awards under the provisions of KRS
20 164.7871 to 164.7885 and KRS 164.7889.

21 ➔Section 13. KRS 174.450 is amended to read as follows:

22 (1) As used in this section, "municipal solid waste transportation vehicle" means any
23 truck, automobile, tractor, or other self-propelled vehicle not operated or driven on
24 fixed rails or track used in the transportation of municipal solid waste; but does not
25 include a vehicle used to transport municipal solid waste from a residence if the
26 vehicle is owned or leased by an individual who lives in the residence, or a vehicle
27 that is ten thousand (10,000) pounds or less.

- 1 (2) This section shall not apply to a vehicle used exclusively on private roads or to
2 transport municipal solid waste within the boundaries of or to real property owned
3 or leased by the generator of the municipal solid waste.
- 4 (3) This section shall apply to both publicly and privately-owned municipal solid waste
5 transportation vehicles.
- 6 (4) No person shall operate a municipal solid waste transportation vehicle within the
7 Commonwealth without first having obtained a license from the Transportation
8 Cabinet to operate a municipal solid waste transportation vehicle pursuant to
9 regulations promulgated by the cabinet.
- 10 (5) No person shall cause municipal solid waste to be transported by a municipal solid
11 waste transportation vehicle which has not been licensed by the cabinet as required
12 by this section.
- 13 (6) The cabinet shall establish a municipal solid waste transportation vehicle licensing
14 program. No more than one (1) license shall be required for any single business
15 entity. An applicant shall file an application with the cabinet containing such
16 information in such form as the cabinet requires, to include:
- 17 (a) Name, home address, and date of birth~~[Social Security number]~~ of a natural
18 person who is the applicant or an officer of the applicant;
- 19 (b) Name and address of the principal place of business of the applicant;
- 20 (c) Vehicle identification number of each vehicle; licensing jurisdiction and
21 registration number of each vehicle; type and gross weight rating or
22 combination weight rating of each vehicle to be operated under the license;
- 23 (d) A consent-to-service jurisdiction document executed in accordance with KRS
24 Chapter 224; and
- 25 (e) The applicant's Kentucky highway use tax identification number required by
26 KRS 138.665 or proof that the applicant is not under the purview of KRS
27 138.665, and either the applicant's Interstate Commerce Commission

1 identification number or United States Department of Transportation
2 identification number.

3 (7) A copy of the municipal solid waste transportation license, which is specific to each
4 individual vehicle operated by the licensee, issued by the cabinet under this section:

5 (a) Shall be carried at all times on any municipal solid waste transportation
6 vehicle operating under the license; and

7 (b) Is valid for a period specified by the cabinet not to exceed three (3) years from
8 the date of issuance.

9 (8) Each application for a license to operate a municipal solid waste transportation
10 vehicle or vehicles shall be submitted with a registration fee equal to the product of
11 ten dollars (\$10) per year multiplied by the number of municipal solid waste
12 transportation vehicles to be operated in the Commonwealth by the applicant. A
13 license shall be amended annually if the number of municipal solid waste
14 transportation vehicles operated by the applicant increases. The cabinet may
15 promulgate by regulation a schedule for the annual amendment of municipal solid
16 waste transportation licenses to add vehicles covered. Additional vehicles acquired
17 or leased by the licensee after the beginning of the licensing year established by the
18 Transportation Cabinet may be operated under an existing license, without
19 amendment, until the annual amendment date specified by the cabinet. However,
20 the licensee shall obtain a vehicle specific copy of the license from the
21 Transportation Cabinet prior to using the vehicle in Kentucky to transport
22 municipal solid waste. The registration fee for additional vehicles shall be prorated
23 according to the amount of time remaining in the license period as of the
24 amendment date.

25 (9) The cabinet shall promulgate regulations to implement this section within one
26 hundred eighty (180) days after February 26, 1991. The regulations shall include a
27 procedure to allow the licensing of a vehicle in an emergency and shall require the

1 cabinet to issue licenses and vehicle tags within thirty (30) days of receipt of an
2 application. No municipal solid waste transportation vehicle shall be required to
3 obtain a license until at least ninety (90) days after the effective date of regulations
4 promulgated by the cabinet.

5 (10) Within ninety (90) days after February 26, 1991, all municipal solid waste
6 transportation vehicles shall display a placard which indicates that the vehicle is
7 transporting municipal solid waste. A vehicle shall be in compliance with this
8 subsection (10) if the placard has the words "SOLID WASTE" clearly printed in
9 English and is clearly displayed or printed on the cab, container, or rear of the
10 vehicle.

11 (11) This section shall not apply to a vehicle, or its operator, owned and used by a
12 generator hauling waste generated by the generator to a municipal solid waste
13 disposal facility or to a vehicle or person operating the vehicle which is hauling
14 waste of a waste generator disposing of waste in its own solid waste facility.

15 (12) The registration fees generated by this section shall be placed in a trust and agency
16 account and used exclusively by the Transportation Cabinet for the administration
17 and enforcement of this section.

18 ➔Section 14. KRS 186.070 is amended to read as follows:

19 (1) (a) Every manufacturer of, or dealer in, motor vehicles in this state shall register
20 with each county clerk in which his or her principal office or place of business
21 and branch office, sub-agent, or agency is located, and pay an annual
22 registration fee of twenty-five dollars (\$25) to each clerk.

23 (b) Upon receipt of the twenty-five dollar (\$25) fee, the clerk shall issue the
24 manufacturer or dealer a certificate of registration and one (1) dealer plate.
25 Every manufacturer or dealer registered under this section shall be furnished
26 additional dealer's plates upon the payment of fourteen dollars and fifty cents
27 (\$14.50) for each additional plate requested. Three dollars (\$3) shall be

- 1 retained by the clerk for each additional plate issued.
- 2 (c) A motor vehicle bearing dealer's plates may be used on the highways only by
3 the following people:
- 4 1. A licensed dealer, bona fide salesman, or employee of the dealer;
 - 5 2. A manufacturer or dealer licensed pursuant to the laws of this state
6 transporting a motor vehicle to his or her place of retail business from a
7 manufacturer or wholesale dealer in motor vehicles; and
 - 8 3. A bona fide customer of a licensed dealer, or the customer's employees
9 when a motor vehicle is being demonstrated. This provision shall be
10 limited to one (1) trip or demonstration to the same prospective
11 customer.
- 12 (d) License plates issued under this section shall annually expire on December 31.
- 13 (e) As used in this section, "bona fide salesman or employee" means a licensed
14 salesman, or an employee, who is actively engaged in and devotes a
15 substantial part of his or her time to the conduct of the dealer business.
- 16 (f) A vehicle bearing a dealer plate, except when the vehicle is being transported
17 to a dealer's place of business from a manufacturer, shall have, in the case of a
18 new motor vehicle, a "monroney" sticker attached to the vehicle, or, in the
19 case of a used motor vehicle, a Federal Trade Commission buyer's guide
20 sticker attached to the vehicle.
- 21 (2) (a) Each manufacturer and dealer when making application for dealer's plates
22 shall file a verified statement on at least a quarterly basis with the county
23 clerk, giving the name, address, and driver's license~~[Social Security]~~ number
24 of each dealer, and each bona fide salesman or employee entitled to the use of
25 the plates for demonstration purposes only. When any bona fide registered
26 salesman or employee is no longer employed by the manufacturer or dealer,
27 the manufacturer or dealer shall file an amended verified statement with the

1 clerk stating that fact, and when any additional salesmen or employees are
2 employed, an amended verified statement showing their names and addresses
3 shall be filed with the clerk so that the records in the clerk's office will at all
4 times show the bona fide salesmen and employees actually in the service of
5 the registered dealer or manufacturer;

6 (b) The names of each dealer and each bona fide salesman and employee shall be
7 entered by the clerk into the AVIS where it will be readily available to law
8 enforcement agencies. The information shall be entered by the clerk
9 immediately after each quarterly filing of the verified statement by the dealer;

10 (c) Any person who is hired as a driver by a motor vehicle dealer for the limited,
11 specific purpose of transporting a motor vehicle to or from that dealer's place
12 of business may, for that purpose only, operate a motor vehicle bearing a
13 dealer plate. For the purpose of that operation, the dealer shall provide to that
14 driver a permit, provided by the Transportation Cabinet. The permit shall be
15 valid for five (5) days from the date of issuance. A fee shall not be charged for
16 the permit.

17 (3) The license of any dealer or manufacturer may be revoked by the Transportation
18 Cabinet for the violation of any of the provisions of this section. The manufacturer
19 or dealer shall be given an opportunity to be heard in defense of the charge that he
20 or she has violated any of the provisions of this section, and the Transportation
21 Cabinet shall promulgate administrative regulations governing the revocation
22 procedure. A manufacturer or dealer whose license is revoked may appeal the
23 revocation to the Board of Tax Appeals pursuant to KRS 49.220. The manufacturer
24 or dealer whose license has been suspended shall be prohibited from engaging in
25 the business of selling or buying motor vehicles. The license of any manufacturer or
26 dealer shall be revoked for a period of one (1) year and his or her dealer's plates
27 canceled if he or she violates any of the provisions of this section during this

1 suspension period or has been suspended by the cabinet more than twice for
2 violations of this section. At the end of the revocation or suspension period, the
3 manufacturer or dealer whose license has been revoked or suspended and dealer's
4 plates canceled may follow the provisions of this section and again be registered
5 and secure dealer's plates from the clerk.

6 (4) The Transportation Cabinet shall be responsible for the issuance and cancellation of
7 the plates provided for in this section, and the motor vehicle commission shall be
8 responsible for the enforcement of this section, except for the normal
9 responsibilities of law enforcement agencies. The cabinet may promulgate
10 administrative regulations pertaining to the administration of this section.

11 ➔Section 15. KRS 198B.658 is amended to read as follows:

12 (1) An applicant for a master heating, ventilation, and air conditioning contractor's
13 license shall:

14 (a) Be at least eighteen (18) years of age;

15 (b) Be a citizen of the United States or be a resident alien who is authorized to do
16 work in the United States;

17 (c) 1. Have been regularly and principally employed or engaged in heating,
18 ventilation, and air conditioning trades as a journeyman heating,
19 ventilation, and air conditioning mechanic for not less than two (2) years
20 under the direction and supervision of a master heating, ventilation, and
21 air conditioning contractor;

22 2. Have been regularly and principally employed or engaged in the practice
23 of heating, ventilation, and air conditioning contracting as a master
24 heating, ventilation, and air conditioning contractor, or equivalent
25 thereof, for not less than two (2) years in Kentucky or in a jurisdiction
26 other than Kentucky, as demonstrated by verifiable documentation; or

27 3. Have been regularly and principally licensed and employed as a

- 1 mechanical engineer in the Commonwealth of Kentucky, or a
2 jurisdiction other than Kentucky, for not less than two (2) years, as
3 demonstrated by verifiable documentation;
- 4 (d) Have passed an examination prescribed by the department to determine the
5 applicant's competency to practice heating, ventilation, and air conditioning
6 contracting; and
- 7 (e) Have paid a fee as established in administrative regulations promulgated by
8 the department.
- 9 (2) An applicant for a journeyman heating, ventilation, and air conditioning mechanic's
10 license shall:
- 11 (a) Be at least eighteen (18) years of age;
- 12 (b) Be a citizen of the United States or be a resident alien who is authorized to do
13 work in the United States;
- 14 (c) 1. Have been regularly and principally employed or engaged in heating,
15 ventilation, and air conditioning trades for not less than two (2) years
16 under the direction and supervision of a master heating, ventilation, and
17 air conditioning contractor; or
- 18 2. Have been regularly and principally employed or engaged in the
19 performance of heating, ventilation, and air conditioning work for not
20 less than two (2) years in Kentucky or in a jurisdiction other than
21 Kentucky, as demonstrated by verifiable documentation;
- 22 (d) Have passed an examination prescribed by the department to determine the
23 applicant's competency to install, maintain, and repair heating and cooling
24 systems, heating and cooling service, burner service, and hydronic systems;
25 and
- 26 (e) Have paid a fee as established in administrative regulations promulgated by
27 the department.

- 1 (3) If an applicant has obtained, while exempt from licensure under 198B.674(2), (7),
2 (8), (10), (13), or (14), work experience that the department determines to be
3 equivalent to the requirements of subsection (1)(c) or (2)(c) of this section, that
4 experience may be considered as equivalent to one (1) year of employment toward
5 the licensure requirements for a master heating, ventilation, and air conditioning
6 contractor or journeyman heating, ventilation, and air conditioning mechanic, as
7 applicable, not to exceed one (1) year.
- 8 (4) (a) The department shall issue an apprentice heating, ventilation, and air
9 conditioning mechanic's certificate to any person who registers as an
10 apprentice with the department.
- 11 (b) The department shall establish by administrative regulation the minimum
12 number of hours of experience required by apprentices and shall maintain an
13 apprentice register to credit an apprentice for hours worked under the
14 supervision of a master heating, ventilation, and air conditioning contractor
15 and journeyman heating, ventilation, and air conditioning mechanic.
16 Experience gained under the supervision of a Kentucky licensed master
17 heating, ventilation, and air conditioning contractor while registered as an
18 apprentice with the Education and Labor Cabinet, Department of Workforce
19 Development, in cooperation with the United States Department of Labor,
20 Bureau of Apprenticeship and Training shall be accepted toward the two (2)
21 year experience requirement for a journeyman heating, ventilation, and air
22 conditioning mechanic license.
- 23 (c) The apprentice register shall include the name, address~~], Social Security~~
24 ~~number]~~, employer, and dates of employment of the apprentice.
- 25 (d) The apprentice shall notify the department in writing of any change in address
26 or employer.
- 27 (e) Apprentices and pre-apprentices shall not be required to pay a fee to obtain a

1 certificate of registration or to renew a registration.

2 (5) The satisfactory completion of one (1) academic year of a department-approved
3 curriculum or one (1) year of professional training in heating, ventilation, and air
4 conditioning work may be considered as equivalent to one (1) year of employment
5 toward the licensure requirements for a journeyman heating, ventilation, and air
6 conditioning mechanic, not to exceed one (1) year.

7 (6) The satisfactory completion of one (1) academic year of teaching experience in a
8 department-approved or state-approved technical education program in heating,
9 ventilation, and air conditioning shall be considered as equivalent to one (1) year of
10 employment, as required by subsection (1)(c) or (2)(c) of this section. No more than
11 one (1) year of approved teaching experience may be used in meeting the
12 requirements of subsection (1)(c) or (2)(c) of this section.

13 ➔Section 16. KRS 199.640 is amended to read as follows:

14 (1) Any facility or agency seeking to conduct, operate, or maintain any child-caring
15 facility or child-placing agency shall first obtain a license to conduct, operate, or
16 maintain the facility or agency from the cabinet.

17 (2) The cabinet shall:

18 (a) Develop standards, as provided in subsection (5) of this section, which must
19 be met by any facility or agency seeking to be licensed to conduct, operate, or
20 maintain a child-caring facility or child-placing agency;

21 (b) Issue licenses to any facility or agency found to meet established standards
22 and revoke or suspend a license after a hearing in any case that a facility or
23 agency holding a license is determined to have substantially failed to conform
24 to the requirements of the standards;

25 (c) Establish and follow procedures designed to ensure that any facility or agency
26 licensed to conduct, operate, or maintain a child-caring facility or child-
27 placing agency complies with the requirements of the standards on an ongoing

1 basis.

2 (3) Licenses shall be issued for a period of one (1) year from date of issue unless
3 revoked by the cabinet. Each licensed facility or agency shall be visited and
4 inspected at least one (1) time each year by a person authorized by the cabinet and
5 meeting specific qualifications established by the secretary of the cabinet in an
6 administrative regulation. A complete report of the visit and inspection shall be
7 filed with the cabinet.

8 (4) Each license issued shall specify the type of care or service the licensee is
9 authorized to perform. The cabinet may promulgate administrative regulations to
10 establish fees that shall not exceed costs of the program to the cabinet, for the
11 proper administration of licensure. The fees collected by the secretary shall be
12 deposited in the State Treasury and credited to a revolving fund account for the
13 purpose of carrying out the provisions of this section. The balance of said account
14 shall lapse to the general fund at the end of each biennium.

15 (5) (a) The secretary shall promulgate administrative regulations establishing basic
16 standards of care and service for child-caring facilities and child-placing
17 agencies relating to the health and safety of all children in the care of the
18 facility or agency, the basic components for a quality program, as referenced
19 below, and any other factors as may be necessary to promote the welfare of
20 children cared for or placed by the agencies and facilities. Standards
21 established may vary depending on the capacity of the agency or facility
22 seeking licensure. These administrative regulations shall establish standards
23 that ensure that:

- 24 1. The treatment program offered by the facility or agency is directed
25 toward child safety, improved child functioning, improved family
26 functioning, and continuity and permanence for the child;
- 27 2. The facility or agency has on staff, or has contracted with, individuals

- 1 who are qualified to meet the treatment needs of the children being
2 served, including their psychological and psychiatric needs;
- 3 3. The facility or agency has procedures in place to ensure that its staff
4 receives ongoing training and that all staff members who are required to
5 do so meet all regional and national standards;
- 6 4. The facility or agency develops an integrated, outcomes-based treatment
7 plan that meets the health, mental health, education, safety, and security
8 needs of each child in its care;
- 9 5. The facility or agency has procedures in place to include parents, family,
10 and other caregivers in a child's treatment program;
- 11 6. The facility or agency has procedures in place whereby it evaluates its
12 programs on a quarterly basis and documents changes in the program if
13 the results of the review indicate a change is needed;
- 14 7. The facility or agency makes available quality programs for substance
15 abuse prevention and treatment with providers licensed under KRS
16 Chapter 222 as part of its treatment services;
- 17 8. The facility or agency initiates discharge planning at admission and
18 provides sufficient aftercare; and
- 19 9. The facility or agency has written policies and procedures in place that
20 outline the structure and objectives of cooperative relationships with the
21 community within which it is located and the local school district,
22 including outreach activities to be undertaken by the facility or agency
23 to both develop and maintain those cooperative relationships.
- 24 (b) The secretary shall promulgate administrative regulations establishing
25 recordkeeping and reporting requirements and standards for licensed agencies
26 and facilities that recognize the electronic storage and retrieval of information
27 for those facilities that possess the necessary technology and that include, at a

- 1 minimum, the following information relating to children in the care of the
2 agency or facility:
- 3 1. The name, *date of birth*~~[age, social security number]~~, county of origin,
4 and all former residences of the child;
 - 5 2. The names, residences, and occupations, if available, of the child's
6 parents;
 - 7 3. The date on which the child was received by the agency or facility; the
8 date on which the child was placed in a foster home or made available
9 for adoption; and the name, occupation, and residence of any person
10 with whom a child is placed; and
 - 11 4. A brief and continuing written narrative history of each child covering
12 the period during which the child is in the care of the agency or facility.
- 13 (c) The secretary may promulgate administrative regulations creating separate
14 licensure standards for different types of facilities.
- 15 (d) The secretary shall promulgate administrative regulations to establish
16 practices and procedures for the inspection of child-caring facilities and child-
17 placing agencies. These administrative regulations shall establish a uniform
18 reporting mechanism that includes guidelines for enforcement.
- 19 (6) Any administrative regulations promulgated pursuant to KRS Chapter 13A to
20 govern services provided by church-related privately operated child-caring agencies
21 or facilities shall not prohibit the use of reasonable corporal physical discipline
22 which complies with the provisions of KRS 503.110(1), including the use of
23 spanking or paddling, as a means of punishment, discipline, or behavior
24 modification and shall prohibit the employment of persons convicted of any sexual
25 offense with any child-caring facility or child-placing agency.
- 26 (7) All records regarding children or facts learned about children and their parents and
27 relatives by any licensed agency or facility shall be deemed confidential in the same

1 manner and subject to the same provisions as similar records of the cabinet. The
2 information thus obtained shall not be published or be open for public inspection,
3 except to authorized employees of:

4 (a) The cabinet or of such licensed agency or facility in performance of their
5 duties; and

6 (b) A school or local school district in which a child is enrolling or currently
7 enrolled, in order to identify and serve the educational needs of the child, in
8 accordance with KRS 199.802.

9 ➔Section 17. KRS 213.046 is amended to read as follows:

10 (1) A certificate of birth for each live birth which occurs in the Commonwealth shall be
11 filed with the state registrar within five (5) working days after such birth and shall
12 be registered if it has been completed and filed in accordance with this section and
13 applicable administrative regulations. No certificate shall be held to be complete
14 and correct that does not supply all items of information called for in this section
15 and in KRS 213.051, or satisfactorily account for their omission except as provided
16 in KRS 199.570(3). If a certificate of birth is incomplete, the local registrar shall
17 immediately notify the responsible person and require that person to supply the
18 missing items, if that information can be obtained.

19 (2) When a birth occurs in an institution or en route thereto, the person in charge of the
20 institution or that person's designated representative, shall obtain the personal data,
21 prepare the certificate, secure the signatures required, and file the certificate as
22 directed in subsection (1) of this section or as otherwise directed by the state
23 registrar within the required five (5) working days. The physician or other person in
24 attendance shall provide the medical information required for the certificate and
25 certify to the fact of birth within five (5) working days after the birth. If the
26 physician or other person in attendance does not certify to the fact of birth within
27 the five (5) working day period, the person in charge of the institution shall

- 1 complete and sign the certificate.
- 2 (3) When a birth occurs in a hospital or en route thereto to a woman who is unmarried,
3 the person in charge of the hospital or that person's designated representative shall
4 immediately before or after the birth of a child, except when the mother or the
5 alleged father is a minor:
- 6 (a) Meet with the mother prior to the release from the hospital;
 - 7 (b) Attempt to ascertain whether the father of the child is available in the hospital,
8 and, if so, to meet with him, if possible;
 - 9 (c) Provide written materials and oral, audio, or video materials about paternity;
 - 10 (d) Provide the unmarried mother, and, if possible, the father, with the voluntary
11 paternity form necessary to voluntarily establish paternity;
 - 12 (e) Provide a written and an oral, audio, or video description of the rights and
13 responsibilities, the alternatives to, and the legal consequences of
14 acknowledging paternity;
 - 15 (f) Provide written materials and information concerning genetic paternity
16 testing;
 - 17 (g) Provide an opportunity to speak by telephone or in person with staff who are
18 trained to clarify information and answer questions about paternity
19 establishment;
 - 20 (h) If the parents wish to acknowledge paternity, require the voluntary
21 acknowledgment of paternity obtained through the hospital-based program be
22 signed by both parents and be authenticated by a notary public;
 - 23 (i) Upon both the mother's and father's request, help the mother and father in
24 completing the affidavit of paternity form;
 - 25 (j) Upon both the mother's and father's request, transmit the affidavit of paternity
26 to the state registrar; and
 - 27 (k) In the event that the mother or the alleged father is a minor, information set

1 forth in this section shall be provided in accordance with Civil Rule 17.03 of
2 the Kentucky Rules of Civil Procedure.

3 If the mother or the alleged father is a minor, the paternity determination shall be
4 conducted pursuant to KRS Chapter 406.

5 (4) The voluntary acknowledgment of paternity and declaration of paternity forms
6 designated by the Vital Statistics Branch shall be the only documents having the
7 same weight and authority as a judgment of paternity.

8 (5) The Cabinet for Health and Family Services shall:

9 (a) Provide to all public and private birthing hospitals in the state written
10 materials in accessible formats and audio or video materials concerning
11 paternity establishment forms necessary to voluntarily acknowledge paternity;

12 (b) Provide copies of a written description in accessible formats and an audio or
13 video description of the rights and responsibilities of acknowledging
14 paternity; and

15 (c) Provide staff training, guidance, and written instructions regarding voluntary
16 acknowledgment of paternity as necessary to operate the hospital-based
17 program.

18 (6) When a birth occurs outside an institution, verification of the birth shall be in
19 accordance with the requirements of the state registrar and a birth certificate shall
20 be prepared and filed by one (1) of the following in the indicated order of priority:

21 (a) The physician in attendance at or immediately after the birth; or, in the
22 absence of such a person,

23 (b) A midwife or any other person in attendance at or immediately after the birth;
24 or, in the absence of such a person,

25 (c) The father, the mother, or in the absence of the father and the inability of the
26 mother, the person in charge of the premises where the birth occurred or of
27 the institution to which the child was admitted following the birth.

- 1 (7) No physician, midwife, or other attendant shall refuse to sign or delay the filing of a
2 birth certificate.
- 3 (8) If a birth occurs on a moving conveyance within the United States and the child is
4 first removed from the conveyance in the Commonwealth, the birth shall be
5 registered in the Commonwealth, and the place where the child is first removed
6 shall be considered the place of birth. If a birth occurs on a moving conveyance
7 while in international waters or air space or in a foreign country or its air space and
8 the child is first removed from the conveyance in the Commonwealth, the birth
9 shall be registered in the Commonwealth, but the certificate shall show the actual
10 place of birth insofar as can be determined.
- 11 (9) The following provisions shall apply if the mother was married at the time of either
12 conception or birth or anytime between conception and birth:
- 13 (a) If there is no dispute as to paternity, the name of the husband shall be entered
14 on the certificate as the father of the child. The surname of the child shall be
15 any name chosen by the parents; however, if the parents are separated or
16 divorced at the time of the child's birth, the choice of surname rests with the
17 parent who has legal custody following birth.
- 18 (b) If the mother claims that the father of the child is not her husband and the
19 husband agrees to such a claim and the putative father agrees to the statement,
20 a three (3) way affidavit of paternity may be signed by the respective parties
21 and duly notarized. The state registrar of vital statistics shall enter the name of
22 a nonhusband on the birth certificate as the father and the surname of the child
23 shall be any name chosen by the mother.
- 24 (c) If a question of paternity determination arises which is not resolved under
25 paragraph (b) of this subsection, it shall be settled by the District Court.
- 26 (10) The following provisions shall apply if the mother was not married at the time of
27 either conception or birth or between conception and birth or the marital

1 relationship between the mother and her husband has been interrupted for more than
2 ten (10) months prior to the birth of the child:

- 3 (a) The name of the father shall not be entered on the certificate of birth. The
4 state registrar shall upon acknowledgment of paternity by the father and with
5 consent of the mother pursuant to KRS 213.121, enter the father's name on the
6 certificate. The surname of the child shall be any name chosen by the mother
7 and father. If there is no agreement, the child's surname shall be determined
8 by the parent with legal custody of the child.
- 9 (b) If an affidavit of paternity has been properly completed and the certificate of
10 birth has been filed accordingly, any further modification of the birth
11 certificate regarding the paternity of the child shall require an order from the
12 District Court.
- 13 (c) In any case in which paternity of a child is determined by a court order, the
14 name of the father and surname of the child shall be entered on the certificate
15 of birth in accordance with the finding and order of the court.
- 16 (d) In all other cases, the surname of the child shall be any name chosen by the
17 mother.
- 18 (11) If the father is not named on the certificate of birth, no other information about the
19 father shall be entered on the certificate. In all cases, the maiden name of the
20 gestational mother shall be entered on the certificate.
- 21 (12) Any child whose surname was restricted prior to July 13, 1990, shall be entitled to
22 apply to the state registrar for an amendment of a birth certificate showing as the
23 surname of the child, any surname chosen by the mother or parents as provided
24 under this section.
- 25 (13) The birth certificate of a child born as a result of artificial insemination shall be
26 completed in accordance with the provisions of this section.
- 27 (14) ~~Each birth certificate filed under this section shall include all Social Security~~

1 ~~numbers that have been issued to the parents of the child.~~

2 ~~(15)~~ Either of the parents of the child, or other informant, shall attest to the accuracy of
3 the personal data entered on the certificate in time to permit the filing of the
4 certificate within ten (10) days prescribed in subsection (1) of this section.

5 ~~(15)~~~~(16)~~ When a birth certificate is filed for any birth that occurred outside an
6 institution, the Cabinet for Health and Family Services shall forward information
7 regarding the need for an auditory screening for an infant and a list of options
8 available for obtaining an auditory screening for an infant. The list shall include the
9 Office for Children with Special Health Care Needs, local health departments as
10 established in KRS Chapter 212, hospitals offering obstetric services, alternative
11 birthing centers required to provide an auditory screening under KRS 216.2970,
12 audiological assessment and diagnostic centers approved by the Office for Children
13 with Special Health Care Needs in accordance with KRS 211.647 and licensed
14 audiologists, and shall specify the hearing methods approved by the Office for
15 Children with Special Health Care Needs in accordance with KRS 216.2970.

16 ➔Section 18. KRS 213.056 is amended to read as follows:

17 (1) If a certificate of birth of a living person born in the Commonwealth has not been
18 filed within the time period as provided in KRS 213.046, a certificate of birth may
19 be filed in accordance with the administrative regulations of the cabinet. The
20 certificate shall be registered subject to such evidentiary requirements as the cabinet
21 shall by regulation prescribe to substantiate the alleged facts of birth.

22 (2) In accordance with the provisions of this section and the administrative regulations
23 established thereunder, the state registrar may issue a record of foreign birth for a
24 person born outside the United States registration area who is subsequently adopted
25 by a Kentucky resident and whose record of birth cannot be obtained from the
26 country of birth.

27 (3) Certificates of birth registered one (1) year or more after the date of birth shall be

1 made on forms prescribed and furnished by the state registrar marked "delayed" and
2 shall show on the face of the certificate the date of the delayed registration.

3 (4) A summary statement of the evidence submitted in support of the delayed
4 registration shall be endorsed on the certificate.

5 (5) The cabinet may refuse to accept any application for a delayed birth certificate or
6 record of foreign birth on which the applicant fails to provide such information as
7 the cabinet may require.

8 ~~[(6) Each birth certificate filed under this section shall include all Social Security
9 numbers that have been issued to the parents of the child.]~~

10 ➔Section 19. KRS 216.709 is amended to read as follows:

11 (1) Health facilities shall develop an internal reporting system for acts of workplace
12 violence committed against a health care worker, patient, or visitor on the health
13 facility's premises, and shall train health care workers on the proper reporting
14 procedure.

15 (2) Health facilities shall maintain a record of reported acts of workplace violence
16 committed against a health care worker, patient, or visitor on the health facility's
17 premises. Each record shall be kept for five (5) years following the date the act was
18 reported, during which time the record shall be available for inspection by the
19 cabinet upon request. The report shall include:

20 (a) The health facility's name and address;

21 (b) The date, time, and specific location on the health facility's premises where
22 the reported workplace violence occurred;

23 (c) The name, job title, department or ward assignment, and staff identification or
24 date of birth~~[Social Security number]~~ of the victim;

25 (d) A description of the person against whom the act was committed as:

26 1. A patient;

27 2. A visitor;

- 1 3. A health care worker; or
- 2 4. Other;
- 3 (e) A description of the person who allegedly committed the violent act as:
- 4 1. A patient;
- 5 2. A visitor;
- 6 3. An employee; or
- 7 4. Other;
- 8 (f) A description of the type of workplace violence committed as:
- 9 1. Harassment, verbal abuse, or other threatening and violent behavior with
- 10 no physical contact or violence;
- 11 2. Physical violence resulting in mild soreness, surface abrasions,
- 12 scratches, or small bruises;
- 13 3. Physical violence resulting in major soreness, cuts, or large bruises;
- 14 4. Physical violence resulting in severe lacerations, a bone fracture, or a
- 15 head injury; or
- 16 5. Physical violence resulting in loss of limb or death;
- 17 (g) An identification of any body part injured;
- 18 (h) A description of any weapon used;
- 19 (i) The number of health care workers in the vicinity of the act when it occurred;
- 20 and
- 21 (j) A description of actions taken by employees of the health facility in response
- 22 to the act.
- 23 (3) Health facilities shall develop a procedure to follow up with victims of the reported
- 24 acts of workplace violence.
- 25 (4) Health facilities shall provide victims of workplace violence with support which
- 26 may include access to physical and mental health resources.
- 27 ➔Section 20. KRS 235.070 is amended to read as follows:

- 1 (1) Every person seeking a title and registration or renewal registration for operation of
2 a motorboat shall apply to the county clerk of the county as provided in KRS
3 235.050 and make application on a form furnished by the Transportation Cabinet.
4 The application shall contain the full name and signature~~[, Social Security number~~
5 ~~or federal tax identification number]~~, citizenship of applicant, date of birth, sex,
6 present resident address, situs for ad valorem tax assessment, the make of the boat,
7 hull identification number (HIN), if any, length, beam, model, and horsepower of
8 motor, maximum capacity, type of hull material, intended use of the boat, and
9 whether the fuel is gasoline, diesel, or other. The application shall state whether the
10 motorboat is equipped with marine toilet facilities and shall state if the marine
11 sanitation device for the toilet is properly operating and properly used for the water
12 body where the motorboat is kept or operated. It shall also state whether the
13 applicant has been previously licensed or registered as an owner, and if so, when
14 and by what state or county, whether any license registration or certificate number
15 has been canceled, suspended, revoked, or refused, and if so, the date of and reason
16 for cancellation, suspension, revocation, or refusal, and such other information as
17 may be required.
- 18 (2) Every applicant shall submit the motorboat title or registration with the application
19 as required below:
- 20 (a) If the motorboat is titled in Kentucky, the applicant shall submit the title with
21 the application for title and registration;
 - 22 (b) If the motorboat is registered in Kentucky but has not been titled in Kentucky,
23 the applicant shall submit the certificate of registration with the application
24 for title and registration;
 - 25 (c) If the applicant is applying for a registration renewal, he shall submit the
26 certificate of registration;
 - 27 (d) If the motorboat is titled in another jurisdiction, the applicant shall submit the

1 title with the application for title and registration;

2 (e) If the motorboat is registered in another jurisdiction, but not titled in any
3 jurisdiction, the applicant shall submit the certificate of registration with the
4 application for title and registration; and

5 (f) Vessels holding a United States certificate of documentation shall be exempt
6 from the provisions of this section.

7 (3) Every applicant shall certify that the statements made in the application are true.
8 The clerk shall inform the applicant that making false statements on the application
9 regarding a marine boat toilet may lead to being fined under KRS 235.990.

10 (4) The clerk shall, after determining that the applicant has complied with the law
11 concerning applications, issue a current certificate of registration or renewal
12 thereof.

13 (5) No certificate of registration or renewal thereof for the operation of a motorboat
14 shall be issued, if the motorboat is equipped with toilet facilities but is not equipped
15 with a storage container or treatment or disposal system of a type approved under
16 regulations promulgated pursuant to this chapter.

17 ➔Section 21. KRS 286.10-250 is amended to read as follows:

18 (1) Every title pledge lender shall keep a consecutively numbered record of every title
19 pledge agreement executed. A copy of the title pledge agreement shall be
20 maintained for a period of two (2) years from the date the title pledge agreement
21 was executed, and shall include the following:

22 (a) A clear and accurate description of the titled personal property, including its
23 vehicle identification number, license plate number, year, make, model, type,
24 and color;

25 (b) The date of the title pledge agreement;

26 (c) The amount of the loan made in accordance with the title pledge agreement;

27 (d) The date of maturity of the loan; and

1 (e) The name, date of birth~~[, Social Security number]~~, and residence address of
2 the pledgor, together with a photocopy of the pledgor's motor vehicle
3 operator's license.

4 (2) The pledgor shall sign the title pledge agreement, and shall be provided with a copy
5 of the agreement. The title pledge agreement shall also be signed by the title pledge
6 lender or the lender's employee or agent.

7 (3) This information shall be maintained at the title pledge office location, approved by
8 the department, and made available for inspection by the law enforcement agencies
9 where the title pledge lender is located during the regular business hours of the title
10 pledge office.

11 ➔Section 22. KRS 304.9-430 is amended to read as follows:

12 (1) Except as provided in this section and KRS 304.52-060, no person shall in this state
13 act as or hold himself, herself, or itself out to be an independent, staff, or public
14 adjuster unless then licensed by the department as an independent, staff, or public
15 adjuster.

16 (2) (a) An individual applying for a resident independent, staff, or public adjuster
17 license shall make an application to the commissioner on the appropriate
18 uniform individual application and in a format prescribed by the
19 commissioner.

20 (b) An applicant under paragraph (a) of this subsection shall declare under
21 penalty of suspension, revocation, or refusal of the license that the statements
22 made in the application are true, correct, and complete to the best of the
23 individual's knowledge and belief.

24 (c) Before approving an application submitted under paragraph (a) of this
25 subsection, the commissioner shall find that the individual to be licensed:

- 26 1. Is at least eighteen (18) years of age;
27 2. Is eligible to designate Kentucky as the individual's home state;

- 1 3. Is trustworthy, reliable, and of good reputation, evidence of which shall
2 be determined through an investigation by the commissioner;
- 3 4. Has not committed any act that is a ground for probation, suspension,
4 revocation, or refusal of a license as set forth in KRS 304.9-440;
- 5 5. Has successfully passed the examination for the adjuster license and the
6 applicable line of authority for which the individual has applied;
- 7 6. Has paid the fees established by the commissioner pursuant to KRS
8 304.4-010; and
- 9 7. Is financially responsible to exercise the license.
- 10 (3) (a) To demonstrate financial responsibility, a person applying for a public
11 adjuster license shall obtain a bond or irrevocable letter of credit prior to
12 issuance of a license and shall maintain the bond or letter of credit for the
13 duration of the license with the following limits:
- 14 1. A surety bond executed and issued by an insurer authorized to issue
15 surety bonds in Kentucky, which bond shall:
- 16 a. Be in the minimum amount of fifty thousand dollars (\$50,000);
- 17 b. Be in favor of the state of Kentucky;
- 18 c. Specifically authorize recovery of any person in Kentucky who
19 sustained damages as the result of the public adjuster's erroneous
20 acts, failure to act, conviction of fraud, or conviction for unfair
21 trade practices in his or her capacity as a public adjuster; and
- 22 d. Not be terminated unless written notice is given to the licensee at
23 least thirty (30) days prior to the termination; or
- 24 2. An irrevocable letter of credit issued by a qualified financial institution,
25 which letter of credit shall:
- 26 a. Be in the minimum amount of fifty thousand dollars (\$50,000);
- 27 b. Be subject to lawful levy of execution on behalf of any person to

1 whom the public adjuster has been found to be legally liable as the
2 result of erroneous acts, failure to act, conviction of fraud, or
3 conviction for unfair practices in his or her capacity as a public
4 adjuster; and

5 c. Not be terminated unless written notice is given to the licensee at
6 least thirty (30) days prior to the termination.

7 (b) The commissioner may ask for evidence of financial responsibility at any time
8 the commissioner deems relevant.

9 (c) If the evidence of financial responsibility terminates or becomes impaired, the
10 public adjuster license shall:

11 1. Automatically terminate; and

12 2. Be promptly surrendered to the commissioner without demand.

13 (4) (a) A business entity applying for a resident independent or public adjuster
14 license shall make an application to the commissioner on the appropriate
15 uniform business entity application and in a format prescribed by the
16 commissioner.

17 (b) An applicant under paragraph (a) of this subsection shall declare under
18 penalty of suspension, revocation, or refusal of the license that the statements
19 made in the application are true, correct, and complete to the best of the
20 business entity's knowledge and belief.

21 (c) Before approving an application submitted under paragraph (a) of this
22 subsection, the commissioner shall find that the business entity:

23 1. Is eligible to designate Kentucky as its home state;

24 2. Has designated a licensed independent or public adjuster responsible for
25 the business entity's compliance with the insurance laws and regulations
26 of Kentucky;

27 3. Has not committed an act that is a ground for probation, suspension,

1 revocation, or refusal of an independent or public adjuster's license as
2 set forth in KRS 304.9-440; and

3 4. Has paid the fees established by the commissioner pursuant to KRS
4 304.4-010.

5 (5) For applications made under this section, the commissioner may:

6 (a) Require additional information or submissions from applicants; and

7 (b) Obtain any documents or information reasonably necessary to verify the
8 information contained in an application.

9 (6) Unless denied licensure pursuant to KRS 304.9-440, a person or business entity
10 who has met the requirements of subsections (2) to (5) of this section shall be
11 issued an independent, staff, or public adjuster license.

12 (7) An independent or staff adjuster may qualify for a license in one (1) or more of the
13 following lines of authority:

14 (a) Property and casualty;

15 (b) Workers' compensation; or

16 (c) Crop.

17 (8) Notwithstanding any other provision of this subtitle, an individual who is employed
18 by an insurer to investigate suspected fraudulent insurance claims, but who does not
19 adjust losses or determine claims payments, shall not be required to be licensed as a
20 staff adjuster.

21 (9) A public adjuster may qualify for a license in one (1) or more of the following lines
22 of authority:

23 (a) Property and casualty; or

24 (b) Crop.

25 (10) Notwithstanding any other provision of this subtitle, a license as an independent
26 adjuster shall not be required of the following:

27 (a) An individual who is sent into Kentucky on behalf of an insurer for the sole

- 1 purpose of investigating or making adjustment of a particular loss resulting
2 from a catastrophe, or for the adjustment of a series of losses resulting from a
3 catastrophe common to all losses;
- 4 (b) An attorney licensed to practice law in Kentucky, when acting in his or her
5 professional capacity as an attorney;
- 6 (c) A person employed solely to obtain facts surrounding a claim or to furnish
7 technical assistance to a licensed independent adjuster;
- 8 (d) An individual who is employed to investigate suspected fraudulent insurance
9 claims, but who does not adjust losses or determine claims payments;
- 10 (e) A person who:
- 11 1. Solely performs executive, administrative, managerial, or clerical duties,
12 or any combination thereof; and
- 13 2. Does not investigate, negotiate, or settle claims with policyholders,
14 claimants, or their legal representatives;
- 15 (f) A licensed health care provider or its employee who provides managed care
16 services if the services do not include the determination of compensability;
- 17 (g) A health maintenance organization or any of its employees or an employee of
18 any organization providing managed care services if the services do not
19 include the determination of compensability;
- 20 (h) A person who settles only reinsurance or subrogation claims;
- 21 (i) An officer, director, manager, or employee of an authorized insurer, surplus
22 lines insurer, or risk retention group, or an attorney-in-fact of a reciprocal
23 insurer;
- 24 (j) A United States manager of the United States branch of an alien insurer;
- 25 (k) A person who investigates, negotiates, or settles claims arising under a life,
26 accident and health, or disability insurance policy or annuity contract;
- 27 (l) An individual employee, under a self-insured arrangement, who adjusts

1 claims on behalf of the individual's employer;

2 (m) A licensed agent, attorney-in-fact of a reciprocal insurer, or managing general
3 agent of the insurer, to whom claim authority has been granted by an insurer;

4 or

5 (n) 1. A person who:

6 a. Is an employee of a licensed independent adjuster, is an employee
7 of an affiliate that is a licensed independent adjuster, or is
8 supervised by a licensed independent adjuster, if there are no more
9 than twenty-five (25) persons under the supervision of one (1)
10 licensed individual independent adjuster or licensed agent who is
11 exempt from licensure pursuant to paragraph (m) of this
12 subsection;

13 b. Collects claim information from insureds or claimants;

14 c. Enters data into an automated claims adjudication system; and

15 d. Furnishes claim information to insureds or claimants from the
16 results of the automated claims adjudication system.

17 2. For purposes of this paragraph, "automated claims adjudication system"
18 means a preprogrammed computer system designed for the collection,
19 data entry, calculation, and system-generated final resolution of
20 consumer electronic products insurance claims that complies with claim
21 settlement practices pursuant to Subtitle 12 of KRS Chapter 304.

22 (11) Notwithstanding any other provision of this subtitle, a license as a public adjuster
23 shall not be required of the following:

24 (a) An attorney licensed to practice law in Kentucky, when acting in his or her
25 professional capacity as an attorney;

26 (b) A person who negotiates or settles claims arising under a life or health
27 insurance policy or an annuity contract;

- 1 (c) A person employed only for the purpose of obtaining facts surrounding a loss
2 or furnishing technical assistance to a licensed public adjuster, including
3 photographers, estimators, private investigators, engineers, and handwriting
4 experts;
- 5 (d) A licensed health care provider or its employee who prepares or files a health
6 claim form on behalf of a patient; or
- 7 (e) An employee or agent of an insurer adjusting claims relating to food spoilage
8 with respect to residential property insurance in which the amount of coverage
9 for the applicable type of loss is contractually limited to one thousand dollars
10 (\$1,000) or less.
- 11 (12) Notwithstanding any other provision of this subtitle, a license as a staff adjuster
12 shall not be required of an employee or agent of an insurer adjusting claims relating
13 to food spoilage with respect to residential property insurance in which the amount
14 of coverage for the applicable type of loss is contractually limited to one thousand
15 dollars (\$1,000) or less.
- 16 (13) For purposes of this section, except as otherwise provided in subsection (15) of this
17 section, "home state" means any state or territory of the United States or the District
18 of Columbia in which an independent, staff, or public adjuster:
- 19 (a) Maintains his, her, or its principal place of residence or business; and
20 (b) Is licensed to act as a resident independent, staff, or public adjuster.
- 21 (14) Temporary registration for emergency independent or staff adjusters shall be issued
22 by the commissioner in the event of a catastrophe declared in Kentucky in the
23 following manner:
- 24 (a) An insurer shall notify the commissioner by submitting an application for
25 temporary emergency registration of each individual not already licensed in
26 the state where the catastrophe has been declared, who will act as an
27 emergency independent adjuster on behalf of the insurer;

1 (b) A person who is otherwise qualified to adjust claims, but who is not already
2 licensed in the state, may act as an emergency independent or staff adjuster
3 and adjust claims if, within five (5) days of deployment to adjust claims
4 arising from the catastrophe, the insurer notifies the commissioner by
5 providing the following information, in a format prescribed by the
6 commissioner:

- 7 1. The name of the individual;
- 8 2. The *date of birth*~~[Social Security number]~~ of the individual;
- 9 3. The name of the insurer that the independent or staff adjuster will
10 represent;
- 11 4. The catastrophe or loss control number;
- 12 5. The catastrophe event name and date; and
- 13 6. Any other information the commissioner deems necessary; and

14 (c) An emergency independent or staff adjuster's registration shall remain in force
15 for a period not to exceed ninety (90) days, unless extended by the
16 commissioner.

17 (15) (a) As used in this subsection, "home state" has the same meaning as in
18 subsection (13) of this section, except that for purposes of this subsection the
19 term includes any state or territory of the United States or the District of
20 Columbia in which an applicant under this subsection is licensed to act as a
21 resident independent, staff, or public adjuster if the state or territory of the
22 applicant's principal place of residence does not issue an independent, staff, or
23 public adjuster license.

24 (b) Unless refused licensure in accordance with KRS 304.9-440, a nonresident
25 person shall receive a nonresident independent, staff, or public adjuster
26 license if:

- 27 1. The person is currently licensed in good standing as an independent,

- 1 staff, or public adjuster in his, her, or its home state;
- 2 2. The person has submitted the proper request for licensure and has paid
- 3 the fees required by KRS 304.4-010;
- 4 3. The person has submitted, in a form or format prescribed by the
- 5 commissioner, the uniform individual application; and
- 6 4. The person's designated home state issues nonresident independent,
- 7 staff, or public adjuster licenses to persons of Kentucky on the same
- 8 basis.

9 (c) The commissioner may:

- 10 1. Verify an applicant's licensing status through any appropriate database,
- 11 including the database maintained by the National Association of
- 12 Insurance Commissioners, its affiliates, or subsidiaries; or
- 13 2. Request certification of an applicant's good standing.

14 (d) As a condition to the continuation of a nonresident adjuster license, the

15 licensee shall maintain a resident adjuster license in his, her, or its home state.

16 (e) A nonresident adjuster license issued under this subsection shall terminate and

17 be surrendered immediately to the commissioner if the licensee's resident

18 adjuster license terminates for any reason, unless:

- 19 1. The termination is due to the licensee being issued a new resident
- 20 independent, staff, or public adjuster license in his, her, or its new home
- 21 state; and
- 22 2. The new resident state or territory has reciprocity with Kentucky.

23 ➔Section 23. KRS 342.316 is amended to read as follows:

- 24 (1) (a) The employer liable for compensation for occupational disease shall be the
- 25 employer in whose employment the employee was last exposed to the hazard
- 26 of the occupational disease. During any period in which this section is
- 27 applicable to a coal mine, an operator who acquired it or substantially all of its

1 assets from a person who was its operator on and after January 1, 1973, shall
2 be liable for, and secure the payment of, the benefits which would have been
3 payable by the prior operator under this section with respect to miners
4 previously employed in the mine if it had not been acquired by such later
5 operator. At the same time, however, this subsection does not relieve the prior
6 operator of any liability under this section. Also, it does not affect whatever
7 rights the later operator might have against the prior operator.

8 (b) The time of the beginning of compensation payments shall be the date of the
9 employee's last injurious exposure to the cause of the disease, or the date of
10 actual disability, whichever is later.

11 (2) The procedure with respect to the giving of notice and determination of claims in
12 occupational disease cases and the compensation and medical benefits payable for
13 disability or death due to the disease shall be the same as in cases of accidental
14 injury or death under the general provisions of this chapter, except that notice of
15 claim shall be given to the employer as soon as practicable after the employee first
16 experiences a distinct manifestation of an occupational disease in the form of
17 symptoms reasonably sufficient to apprise the employee that he or she has
18 contracted the disease, or a diagnosis of the disease is first communicated to him or
19 her, whichever shall first occur.

20 (3) The procedure for filing occupational disease claims shall be as follows:

21 (a) The application for resolution of claim shall set forth the complete work
22 history of the employee with a concise description of injurious exposure to a
23 specific occupational disease, together with the name and addresses of the
24 employer or employers with the approximate dates of employment. The
25 application shall also include at least one (1) written medical report
26 supporting his or her claim. This medical report shall be made on the basis of
27 clinical or X-ray examination performed in accordance with accepted medical

1 standards and shall contain full and complete statements of all examinations
2 performed and the results thereof. The report shall be made by a duly-licensed
3 physician. The commissioner shall promulgate administrative regulations
4 which prescribe the format of the medical report required by this section and
5 the manner in which the report shall be completed.

6 1. For coal-related occupational pneumoconiosis claims, each clinical
7 examination shall include a chest X-ray interpretation by a National
8 Institute of Occupational Safety and Health (NIOSH) certified "B"
9 reader. The chest X-ray upon which the report is made shall be filed
10 with the application as well as spirometric tests when pulmonary
11 dysfunction is alleged.

12 2. For other compensable occupational pneumoconiosis claims, each
13 clinical examination shall include a chest X-ray examination and
14 appropriate pulmonary function tests.

15 (b) To be admissible, medical evidence offered in any proceeding under this
16 chapter for determining a claim for occupational pneumoconiosis resulting
17 from exposure to coal dust shall comply with accepted medical standards as
18 follows:

19 1. Chest X-rays shall be of acceptable quality with respect to exposure and
20 development and shall be indelibly labeled with the date of the X-ray
21 and the name and date of birth~~[Social Security number]~~ of the claimant.
22 Physicians' reports of X-ray interpretations shall: identify the claimant
23 by name and date of birth~~[Social Security number]~~; include the date of
24 the X-ray and the date of the report; classify the X-ray interpretation
25 using the latest ILO Classification and be accompanied by a completed
26 copy of the latest ILO Classification report. Only interpretations by
27 National Institute of Occupational Safety and Health (NIOSH) certified

- 1 "B" readers shall be admissible.
- 2 2. Spirometric testing shall be conducted in accordance with the standards
3 recommended in the "Guides to the Evaluation of Permanent
4 Impairment" and the 1978 ATS epidemiology standardization project
5 with the exception that the predicted normal values for lung function
6 shall not be adjusted based upon the race of the subject. The FVC or the
7 FEV1 values shall represent the largest of such values obtained from
8 three (3) acceptable forced expiratory volume maneuvers as corrected to
9 BTPS (body temperature, ambient pressure and saturated with water
10 vapor at these conditions) and the variance between the two (2) largest
11 acceptable FVC values shall be either less than five percent (5%) of the
12 largest FVC value or less than one hundred (100) milliliters, whichever
13 is greater. The variance between the two (2) largest acceptable FEV1
14 values shall be either less than five percent (5%) of the largest FEV1
15 value or less than one hundred (100) milliliters, whichever is greater.
16 Reports of spirometric testing shall include a description by the
17 physician of the procedures utilized in conducting such spirometric
18 testing and a copy of the spirometric chart and tracings from which
19 spirometric values submitted as evidence were taken. If it is shown that
20 the spirometric testing is not valid due to inadequate cooperation or poor
21 effort on the part of the claimant, the claimant's right to take or
22 prosecute any proceedings under this chapter shall be suspended until
23 the refusal or obstruction ceases. No compensation shall be payable for
24 the period during which the refusal or obstruction continues.
- 25 3. The commissioner shall promulgate administrative regulations pursuant
26 to KRS Chapter 13A as necessary to effectuate the purposes of this
27 section. The commissioner shall periodically review the applicability of

1 the spirometric test values contained in the "Guides to the Evaluation of
2 Permanent Impairment" and may by administrative regulation substitute
3 other spirometric test values which are found to be more closely
4 representative of the normal pulmonary function of the coal mining
5 population.

6 4. The procedure for determination of occupational disease claims shall be
7 as follows:

8 a. Immediately upon receipt of an application for resolution of claim,
9 the commissioner shall notify the responsible employer and all
10 other interested parties and shall furnish them with a full and
11 complete copy of the application.

12 b. The commissioner shall assign the claim to an administrative law
13 judge and shall promptly refer the employee to a duly qualified
14 "B" reader physician who is licensed in the Commonwealth and is
15 a board-certified pulmonary specialist as set forth pursuant to KRS
16 342.315 and 342.794(1). The report from this examination shall be
17 provided to all parties of record. The employee shall not be
18 referred by the commissioner for examination within two (2) years
19 following any prior referral for examination for the same disease.

20 c. The commissioner shall develop a procedure to annually audit the
21 performance of physicians and facilities that are selected to
22 perform examinations pursuant to this section. The audit shall
23 include an evaluation of the physician and facility with respect to
24 the timeliness and completeness of the reports and the frequency at
25 which the physician's classification of an X-ray differs from those
26 of the other physicians of that X-ray. The commissioner shall
27 remove a physician or facility from selection consideration if the

1 physician or facility consistently renders incomplete or untimely
2 reports or if the physician's interpretations of X-rays are not in
3 conformity with the readings of other physicians of record at least
4 fifty percent (50%) of the time. The report required under this
5 subdivision shall be provided to the Interim Joint Committee on
6 Economic Development and Workforce Investment on or before
7 July 1, 2019, and on or before July 1 of each year thereafter.

8 d. In coal workers' pneumoconiosis claims, if the physician selected
9 by the commissioner interprets an X-ray as positive for
10 complicated coal workers' pneumoconiosis, the commissioner
11 shall refer the employee to the facility at which the claimant was
12 previously evaluated for a computerized tomography scan in order
13 to verify the findings. The computerized tomography scan shall be
14 interpreted by the facility and a report shall be filed with the
15 commissioner. The employer, insurer, or payment obligor shall
16 pay the cost of the examination pursuant to the medical fee
17 schedule. The administrative law judge may rely upon the findings
18 in the report in accepting or rejecting ILO radiographic evidence
19 of the disease required under KRS 342.732 for benefit
20 determination.

21 e. Within forty-five (45) days following the notice of filing an
22 application for resolution of claim, the employer or carrier shall
23 notify the commissioner and all parties of record of its acceptance
24 or denial of the claim. A denial shall be in writing and shall state
25 the specific basis for the denial.

26 f. The administrative law judge shall conduct such proceedings as
27 are necessary to resolve the claim and shall have authority to grant

1 or deny any relief, including interlocutory relief, to order
2 additional proof, to conduct a benefit review conference, or to take
3 such other action as may be appropriate to resolve the claim.

4 g. Unless a voluntary settlement is reached by the parties, or the
5 parties agree otherwise, the administrative law judge shall issue a
6 written determination within sixty (60) days following a hearing.
7 The written determination shall address all contested issues and
8 shall be enforceable under KRS 342.305.

9 h. Within thirty (30) days of the receipt of the statement for the
10 evaluation, the employer, insurer, or payment obligor shall pay the
11 cost of the examination. Upon notice from the commissioner that
12 an evaluation has been scheduled, the employer, insurer, or
13 payment obligor shall forward the expenses of travel necessary to
14 attend the evaluation at the state employee reimbursement rates to
15 the employee within seven (7) days. However, if the employee has
16 alleged a pulmonary dysfunction but has not filed spirometric
17 evidence as required by paragraph (a) of this subsection at the time
18 the evaluation is scheduled by the commissioner, the employee
19 will be responsible for fifty percent (50%) of the cost of the
20 evaluation.

21 5. The procedure for appeal from a determination of an administrative law
22 judge shall be as set forth in KRS 342.285.

23 (4) (a) The right to compensation under this chapter resulting from an occupational
24 disease shall be forever barred unless a claim is filed with the commissioner
25 within three (3) years after the last injurious exposure to the occupational
26 hazard or after the employee first experiences a distinct manifestation of an
27 occupational disease in the form of symptoms reasonably sufficient to apprise

1 the employee that he or she has contracted the disease, whichever shall last
2 occur; and if death results from the occupational disease within that period,
3 unless a claim therefor be filed with the commissioner within three (3) years
4 after the death; but that notice of claim shall be deemed waived in case of
5 disability or death where the employer, or its insurance carrier, voluntarily
6 makes payment therefor, or if the incurrence of the disease or the death of the
7 employee and its cause was known to the employer. However, the right to
8 compensation for any occupational disease shall be forever barred, unless a
9 claim is filed with the commissioner within five (5) years from the last
10 injurious exposure to the occupational hazard, except that, in cases of
11 radiation disease, asbestos-related disease, or a type of cancer specified in
12 KRS 61.315(11)(b), a claim must be filed within twenty (20) years from the
13 last injurious exposure to the occupational hazard.

14 (b) Income benefits for the disease of pneumoconiosis resulting from exposure to
15 coal dust or death therefrom shall not be payable unless the employee has
16 been exposed to the hazards of such pneumoconiosis in the Commonwealth of
17 Kentucky over a continuous period of not less than two (2) years during the
18 ten (10) years immediately preceding the date of his or her last exposure to
19 such hazard, or for any five (5) of the fifteen (15) years immediately
20 preceding the date of such last exposure.

21 (5) The amount of compensation payable for disability due to occupational disease or
22 for death from the disease, and the time and manner of its payment, shall be as
23 provided for under the general provisions of the Workers' Compensation Act, but:

24 (a) In no event shall the payment exceed the amounts that were in effect at the
25 time of the last injurious exposure;

26 (b) The time of the beginning of compensation payments shall be the date of the
27 employee's last injurious exposure to the cause of the disease, or the date of

1 actual disability, whichever is later; and

2 (c) In case of death where the employee has been awarded compensation or made
3 timely claim within the period provided for in this section, and an employee
4 has suffered continuous disability to the date of his or her death occurring at
5 any time within twenty (20) years from the date of disability, his or her
6 dependents, if any, shall be awarded compensation for his or her death as
7 provided for under the general provisions of the Workers' Compensation Act
8 and in this section, except as provided in KRS 342.750(6).

9 (6) If an autopsy has been performed, no testimony relative thereto shall be admitted
10 unless the employer or its representative has available findings and reports of the
11 pathologist or doctor who performed the autopsy examination.

12 (7) No compensation shall be payable for occupational disease if the employee at the
13 time of entering the employment of the employer by whom compensation would
14 otherwise be payable, falsely represented himself or herself, in writing, as not
15 having been previously disabled, laid-off, or compensated in damages or otherwise,
16 because of the occupational disease, or failed or omitted truthfully to state to the
17 best of his or her knowledge, in answer to written inquiry made by the employer,
18 the place, duration, and nature of previous employment, or, to the best of his or her
19 knowledge, the previous state of his or her health.

20 (8) No compensation for death from occupational disease shall be payable to any
21 person whose relationship to the deceased, which under the provisions of this
22 chapter would give right to compensation, arose subsequent to the beginning of the
23 first compensable disability, except only for after-born children of a marriage
24 existing at the beginning of such disability.

25 (9) Whenever any claimant misconceives his or her remedy and files an application for
26 adjustment of claim under the general provisions of this chapter and it is
27 subsequently discovered, at any time before the final disposition of the cause, that

1 the claim for injury, disability, or death which was the basis for his or her
2 application should properly have been made under the provisions of this section,
3 then the application so filed may be amended in form or substance, or both, to
4 assert a claim for injury, disability, or death under the provisions of this section, and
5 it shall be deemed to have been so filed as amended on the date of the original filing
6 thereof, and compensation may be awarded that is warranted by the whole evidence
7 pursuant to the provisions of this chapter. When amendment of this type is
8 submitted, further or additional evidence may be heard when deemed necessary.
9 Nothing this section contains shall be construed to be or permit a waiver of any of
10 the provisions of this chapter with reference to notice of time for filing of a claim,
11 but notice of filing a claim, if given or done, shall be deemed to be a notice of filing
12 of a claim under provisions of this chapter, if given or done within the time required
13 by this subsection.

14 (10) When an employee has an occupational disease that is covered by this chapter, the
15 employer in whose employment he or she was last injuriously exposed to the hazard
16 of the disease, and the employer's insurance carrier, if any, at the time of the
17 exposure, shall alone be liable therefor, without right to contribution from any prior
18 employer or insurance carrier, except as otherwise provided in this chapter.

19 (11) (a) For claims filed on or before June 30, 2017, income benefits for coal-related
20 occupational pneumoconiosis shall be paid fifty percent (50%) by the
21 Kentucky coal workers' pneumoconiosis fund as established in KRS 342.1242
22 and fifty percent (50%) by the employer in whose employment the employee
23 was last exposed to the hazard of that occupational disease.

24 (b) Income benefits for coal-related occupational pneumoconiosis for claims filed
25 after June 30, 2017, shall be paid by the employer in whose employment the
26 employee was last exposed to the hazards of coal workers' pneumoconiosis.

27 (c) Compensation for all other occupational disease shall be paid by the employer

1 in whose employment the employee was last exposed to the hazards of the
2 occupational disease.

3 (12) A concluded claim for benefits by reason of contraction of coal workers'
4 pneumoconiosis in the severance or processing of coal shall bar any subsequent
5 claim for benefits by reason of contraction of coal workers' pneumoconiosis, unless
6 there has occurred in the interim between the conclusion of the first claim and the
7 filing of the second claim at least two (2) years of employment wherein the
8 employee was continuously exposed to the hazards of the disease in the
9 Commonwealth.

10 ➔Section 24. KRS 367.513 is amended to read as follows:

11 Beginning July 1, 1974, every solicitor shall register annually with the county clerk of the
12 county in which such solicitations are to occur and shall furnish to the county clerk the
13 following information:

14 (1) Whether solicitations shall be made in person or by telephone, and if made in
15 person shall give an adequate description, including state of issue and license
16 number, of any motor vehicle to be used in soliciting sales of printed material, or
17 the telephone number from which telephone solicitations shall be made;

18 (2) His or her name and date of birth~~[Social Security number]~~;

19 (3) The mailing address and telephone number of his or her permanent residence; and

20 (4) The name, address and telephone number of the company or organization he or she
21 represents, if any.

22 ➔Section 25. KRS 406.021 is amended to read as follows:

23 (1) Paternity may be determined upon the complaint of the mother, putative father,
24 child, person, or agency substantially contributing to the support of the child. The
25 action shall be brought by the county attorney or by the Cabinet for Health and
26 Family Services or its designee upon the request of complainant authorized by this
27 section.

- 1 (2) Paternity may be determined by the District Court when the mother and father of
2 the child, either:
- 3 (a) Submit affidavits in which the mother states the name, and if known the date
4 of birth and Social Security number, of the child's father and the father admits
5 paternity of the child; or
- 6 (b) Give testimony before the District Court in which the mother states the name,
7 and if known the date of birth and Social Security number, of the child's
8 father and the father admits paternity of the child.
- 9 (3) If paternity has been determined or has been acknowledged according to the laws of
10 this state, the liabilities of the noncustodial parent may be enforced in the same or
11 other proceedings by the mother, child, person, or agency substantially contributing
12 to the cost of pregnancy, confinement, education, necessary support, or funeral
13 expenses. Bills for testing, pregnancy, and childbirth without requiring third party
14 foundation testimony shall be regarded as prima facie evidence of the amount
15 incurred. An action to enforce the liabilities of the noncustodial parent shall be
16 brought by the county attorney upon the request of such complainant authorized by
17 this section. An action to enforce the liabilities of the cost of pregnancy, birthing
18 costs, child support, and medical support shall be brought by the county attorney or
19 by the Cabinet for Health and Family Services or its designee.
- 20 (4) Voluntary acknowledgment of paternity pursuant to KRS 213.046 shall create a
21 rebuttable presumption of paternity.
- 22 (5) Upon a showing of service of process on the defendant and if the defendant has
23 made no pleading to the court or has not moved to enter evidence pursuant to KRS
24 406.091, the court shall order paternity to be established by default.

25 ➔Section 26. KRS 433.900 is amended to read as follows:

26 As used in KRS 433.900 to 433.906, unless the context otherwise requires:

- 27 (1) "Applicant" means a secondary metals recycler seeking an application for a

1 certificate of registration with the Department of Professional Licensing of the
2 Public Protection Cabinet, as provided in KRS 433.902. If the secondary metals
3 recycler is owned by a corporation, limited liability company, partnership, limited
4 partnership, incorporated association, or any other entity organized for the purpose
5 of engaging in business as a secondary metals recycler, "applicant" means the
6 officers of these entities;

7 (2) "Ferrous metals" means any metal containing significant quantities of iron or steel;

8 (3) "Nonferrous metals" means metal not containing significant quantities of iron,
9 including but not limited to copper, brass, aluminum, bronze, lead, zinc, nickel, and
10 alloys thereof;

11 (4) "Name-based background check" means a statewide search of the centralized
12 criminal history record information system by the Department of Kentucky State
13 Police, utilizing any combination of the name, date of birth, driver's license
14 number, or~~and~~ Social Security number of the applicant;

15 (5) "Restricted metals" means any of the following metal items:

16 (a) Manhole covers;

17 (b) Electric light poles or other utility poles;

18 (c) Guardrails;

19 (d) Street signs, traffic signs, or traffic signals;

20 (e) Whole road tiles;

21 (f) Funeral markers or funeral vases;

22 (g) Railroad equipment, including but not limited to a tie plate, signal house,
23 control box, switch plate, e-clip, or rail tie junction;

24 (h) Condensing or evaporating coils made from copper, aluminum, or aluminum-
25 copper, including the tubing or rods from a heating or air conditioning unit
26 that is not from a window air conditioning unit or automobile air conditioning
27 unit;

- 1 (i) Stainless steel beer kegs;
- 2 (j) A catalytic converter or any nonferrous part of a catalytic converter unless
- 3 purchased as part of a vehicle; or
- 4 (k) Storm drain covers; and
- 5 (6) (a) "Secondary metals recycler" means:
- 6 1. Any person who is engaged in the business of gathering or obtaining
- 7 ferrous or nonferrous metals that have served their original economic
- 8 purpose or is in the business of performing the manufacturing process
- 9 by which ferrous metals or nonferrous metals are converted into raw
- 10 material products consisting of prepared grades and having an existing
- 11 or potential monetary value;
- 12 2. Any person who has facilities for performing the manufacturing process
- 13 by which ferrous metals or nonferrous metals are converted into raw
- 14 material products consisting of prepared grades and having an existing
- 15 or potential monetary value, other than by the exclusive use of hand
- 16 tools, by methods including but not limited to processing, sorting,
- 17 cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or
- 18 changing the physical form or chemical content thereof; or
- 19 3. Any recycler, dealer in junk or metals, dealer in secondhand articles,
- 20 vendor of bottles or rags, or collector of or dealer in articles found in
- 21 ashes, garbage, or other refuse, whether a dealer, collector, or vendor
- 22 operates an established place of business or an itinerant business.
- 23 (b) "Secondary metals recycler" shall not include a municipal solid waste
- 24 department or any entity which has been issued a municipal solid waste
- 25 transporter license by the Kentucky Transportation Cabinet and which gathers
- 26 or obtains ferrous or nonferrous metals in a vehicle registered in Kentucky to
- 27 transport solid waste.