

Forward, Together



2024-2026 **BUDGET OF THE COMMONWEALTH**

Andy Beshear

GOVERNOR

John Hicks

STATE BUDGET DIRECTOR

TEAM
KENTUCKY[®]

Appropriations
and Revenue Bills

Commonwealth of Kentucky
2024 – 2026
Budget of the Commonwealth

Appropriations
and
Revenue Bills

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**VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 6 OF THE 2024 REGULAR SESSION**

Limits on Responding to Natural Disasters

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 8, line 21, after “annually” delete “, up to \$25,000,000”.

Page 8, line 27, after “expense” delete “up to \$75,000,000 in fiscal year 2023-2024,”.

Page 9 line 1, delete “\$50,000,000 in fiscal year 2024-2025, and \$50,000,000 in fiscal year 2025-2026”.

Page 81, line 19, after “paid”, delete “, up to \$4,000,000 in”.

Page 81 line 20, delete “each fiscal year,”.

I am vetoing this part because these first-time limits on the financial resources necessary to respond to natural disasters and other exigent circumstances would prevent timely life-saving actions, as well as necessary shelter, food, medical assistance, debris removal, infrastructure repair, and other disaster response actions. Stopping and delaying disaster response until a special session of the General Assembly can be called, convened, and appropriation action taken, will delay response time, inflict unnecessary suffering, and potentially cost lives. Kentuckians rightfully expect immediate action to respond to their needs. Kentuckians have relied on the quick actions by our Department of Emergency Management, our Kentucky National Guard, and local first responders in responding to disasters. That reliance is well deserved and should not become suspect in the future. Further, no real explanation has been provided for the new limitation. Past uses of this appropriation authority have not been questioned or determined to be inappropriate. Additionally, the limit of \$25,000,000 for disaster response, exigent circumstances, and activating the National Guard is far too low. The Commonwealth has exceeded the \$25 million limit in the last three fiscal years, including the current fiscal year.

A new limit has also been imposed on the expenses of forest fire suppression. Limiting the financial resources necessary to fight forest fires is inexplicable and will possibly lead to greater loss of life and property. How can our Department of Natural Resources, the Commonwealth’s fire-fighting management agency, know when its initial funding may be exhausted? Forest fire suppression occurs until the fire is controlled. But under this budget it would be until the money runs out. It is the height of irresponsibility for a state government to halt firefighting to await an appropriation from the legislature, whether they are in-session or must be called into a special session.

Had the General Assembly chosen to adopt a “disaster fund” as most states have, and as I have proposed in the past, there would be a separate mechanism to provide financing to address exigent circumstances without requiring a delay to seek additional funding.

Limits on Unexpected Inmate Population Costs

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 133, line 26, after “, payments” delete “, up to \$5,000,000”.

Page 133, line 27, in its entirety.

Page 134, line 1, delete “fiscal biennium,”.

I am vetoing this part because the Executive branch does not control the number of inmates coming into the corrections system, but must house them all. The budget assumes an estimate of inmates but the actual number is beyond our control. The authority to access additional funds has been available for a long time. In 13 of the 18 years from fiscal year 2002 to fiscal year 2019, this authority has been needed. Without such funding, both the Department of Corrections and local jails will be impacted. And with the passage of House Bill 5, all of the analysis shows that the number of inmates will increase resulting in even higher costs.

Limits on Necessary Expenditures

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 46, line 24, after “amounts“, delete “up to”.

Page 46, line 25, delete “\$8,249,700 in each fiscal year”.

I am vetoing this part because the funding limit imposed will put at risk payments to attorneys appointed by the court as a Guardian ad Litem to serve the best interests of a child. Guardian ad Litem payments comprise about 70% of spending in this budget unit. The next largest spending area is survivor benefit payments to the spouses and children of a police officer, firefighter, emergency medical services worker, or member of the Kentucky National Guard who is killed in the line of duty. The Commonwealth should pay its bills, just like our families do. These attorneys and survivors should be paid timely rather than waiting until the next fiscal year or for the next General Assembly to appropriate more funding.

Capital Project Accounts

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 184, line 18, after “then,” delete “up to \$1,000,000 of”.

Page 184, line 24, delete “up to \$2,500,000 of”.

I am vetoing this part because it limits the amount that two enterprise-wide capital accounts may access from the General Fund Surplus or the Budget Reserve Trust Fund for the first time in 16 years. The emergency repair, maintenance, and replacement account and the capital construction and equipment purchase contingency account are statutory accounts used to deal with unexpected building system and equipment breakdowns and capital project construction bids in excess of the amount budgeted. These accounts currently have no funding remaining. The ability to access surplus funds have been used sparingly but have enabled key projects to move forward, such as KCTCS' On-Site Training Center in Glendale, the new Correctional Medical Services Unit, and replacing the broken nurse call system at the Radcliff Veterans Center. The dollar caps imposed by House Bill 6 are very low and will restrain certain

necessary capital projects and emergency facility and equipment repairs when no other fund sources are available for those needs.

Payment of Judgments

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 47, line 13, after “shall” delete “not”.

I am vetoing this part because the Commonwealth should pay its bills, just like our families do. This provision would have the Commonwealth ignore valid judgments, violating federal and state court orders. In the event that a large federal or state court judgment is issued against the Commonwealth, the appropriation would be insufficient; thus, this veto is necessary to ensure that the judgment could be paid.

School Facility Assistance Fund

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 42, line 14, after “Act.” delete “The awards are”.

Page 42, line 15, in its entirety.

I am vetoing this part because it requires approval by the 2025 Session of the General Assembly for the School Facilities Construction Commission to move forward with awarding \$146.7 million for cost overruns for school facility construction projects. These projects are going on right now, and delaying the funding will slow or even halt them. The provision further sets forth very specific eligibility requirements for the School Facilities Construction Commission to allocate the funds. There is no need to delay these projects for another year.

Star Academy

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 60, line 18, after “Academy” delete “charter schools within existing public”.

I am vetoing certain language because the Star Academy program is an acceleration program to advance academically behind middle-school students in a “school-within-a-school” environment. It is not a charter school. In fact, it shows our existing public schools can accomplish anything done in a charter if given the same flexibility.

School District Facility Plan Modifications

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 62, lines 17 through 27, in their entirety.

Page 63, lines 1 through 17, in their entirety.

I am vetoing this part because this language conflicts with similar language included in House Bill 727, which I have signed, related to the funding, financing, design, construction, renovation, or modification of school facilities.

Coal Mine Reclamation Sites

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 82, lines 11 through 27, in their entirety.

Page 83, lines 1 through 27, in their entirety.

Page 84, lines 1 through 3, in their entirety.

I am vetoing this part because it is an unfunded mandate that places an impossible burden on the Department for Natural Resources. The requirements will cause substantial permitting, inspection, and reclamation activity delays. To meet the December 1, 2024 deadline would cause existing staff to focus on compiling this report instead of performing their daily, statutory duties. A shift in work activities would also cost the Energy and Environment Cabinet approximately \$3.5 million in lost federal funding since compiling this report would not be an allowable charge to federal grant funding. The massive data collection and collation efforts needed for field inspections, hard copy archive research and database research on over 1,200 bonded permits, over 400 forfeited bond sites and an unknown number of abandoned mine sites cannot feasibly be done by December 1, 2024. The Cabinet already conducts a biennial reclamation bond adequacy study that is required by our mining regulations that will be available approximately July 2024. Additionally, the federal Office of Surface Mining Reclamation and Enforcement is currently conducting a bond forfeiture study on the Kentucky mining program to determine the adequacy of forfeited bonds as it relates to reclamation liability that is expected to be available by the end of calendar year 2024.

Office of Medical Cannabis

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 92, line 26, after “Cannabis.”, delete “No funds shall”.

Page 92, line 27, in its entirety.

Page 93, lines 1 through 2, in their entirety.

Page 93, line 3, delete “symptoms of disease and conditions.”.

I am vetoing this part because the General Assembly already enacted legislation in 2023 that authorizes medical cannabis use in Kentucky under strict guidelines. Attempting to overturn that important legislation by imposing additional conditions through an appropriations bill before its full implementation reverses the important policy position of the Kentucky legislature.

Waivers Wait List Management Assessment

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 104, lines 1 through 25, in their entirety.

I am vetoing this part because it is an unfunded mandate. No additional funding was provided to accomplish this task. The implementation of this assessment will have little to no impact on the existing waiting lists for waiver services. Current enrollment processes do not collect all of the information required by this provision, such as acuity level, level of care, or service needs. To complete this assessment in the few months allotted will require the Cabinet to procure contracted services adding to the unfunded cost.

Children's Services Contractors

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 114, lines 17 through 23, in their entirety.

I am vetoing this part because while the Administration believes in every person's and organization's freedom of religion, public dollars cannot be provided to an organization that focus a particular religion on children without their consent. That would violate the child's religious freedom. For instance, a center cannot be allowed to force a child of the Jewish faith to attend a Christian, Muslim, or Hindu ceremony.

Juvenile Justice Capital Project Design Funds

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 127, line 27, in its entirety

Page 128, lines 1 through 3, in their entirety.

I am vetoing this part because this provision puts a June 30, 2024 limit on the use of funds which were appropriated by the 2023 Regular Session of the General Assembly to the Department of Juvenile Justice for capital project design services for security improvements at various juvenile detention center facilities. These design services are for smaller projects and initial stages of larger projects that are funded in this 2024-2026 biennial budget. Contracts for those services have been awarded and designs are underway. Prematurely limiting the time period for which these funds may be used is an interruption of actions necessary to complete the Department's plan to abide by statutory requirements to achieve the safe separation of high-level offenders and low-level offenders within the detention centers.

Correctional Industries Study

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 135, line 12, after "Industries.", delete "The Department of Corrections shall prepare a report detailing the cost of".

Page 135, lines 13 through 16, in their entirety.

Page 135, line 17, delete "Committee on Appropriations and Revenue by September 1, 2024.".

I am vetoing this part because it is an unfunded mandate that places a significant burden on Kentucky Correctional Industries to produce a comprehensive feasibility study to terminate or contract out the Correctional Industries function.

Kentucky State Police

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 132, lines 14 through 16, in their entirety.

I am vetoing this part because it mandates a sworn trooper duty assignment metric that is incompatible with the operations of the Kentucky State Police. The execution of this item would be detrimental to many of their specialized police services. The Commissioner of the Kentucky State Police was not consulted about this provision and opposes it. The Commissioner should determine the manpower needs of his agency that best serves the public safety of Kentucky.

Salary Compression Report

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 143, lines 26 through 27, in their entirety.

Page 144, lines 1 through 27, in their entirety.

Page 145, lines 1 through 11, in their entirety.

I am vetoing this part because the Personnel Cabinet has provided two separate reports describing the issue of salary and compensation. In both reports it noted that the many years in which state employees received no salary increment was the primary basis for salary compression between newer and more senior employees. In my budget, I proposed a solution to address some of the salary compression issues. The fiscal environment in this budget could have provided the finances to pay for that proposal. Instead, the legislature has asked for another study, delaying this needed investment. The \$1 million in funding for the study would be better spent on addressing salary compression itself.

Kentucky State University-Design Health Sciences Center

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 157, lines 17 through 19, in their entirety.

I am vetoing this part because the design funds in this appropriations bill for the Kentucky State University Design Health Sciences capital project are contingent on approval by the General Assembly, presumably in the 2025 Regular Session. This language is unnecessary because the General Assembly already approved the design project in House Bill 6.

Expiration of Existing Line-Item Capital Projects

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 183, line 21, after “appropriated to”, delete “2024-2026 fiscal biennium”.

I am vetoing this part because there were several large agency capital maintenance pools funded with cash sources in the 2022-2024 budget that in previous budgets were funded with bonds. The bond funded

maintenance pools do not lapse, their balances continue into the subsequent biennium. Cash funded maintenance pool balances do lapse. This action permits the cash funded maintenance pool balances to continue into the 2024-2026 biennium.

Interim Appropriation Increase Process

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 251, lines 17 through 25, in their entirety.

I am vetoing this part because this provision conflicts with the following provision in this portion of House Bill 6. The latter or subsequent provision is the controlling one.

Interpretation of Appropriations

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 253, lines 12 through 15, in their entirety.

I am vetoing this part because it violates the Kentucky Constitution's separation of powers. This is a purely partisan action. With the exception of the current biennium, since 1982 when KRS 48.500 was enacted, the General Assembly did not provide this authority to the Attorney General. This appropriations Act suspends a statute that has worked well, has been used sparingly, and appropriately assigns this authority with the Commonwealth's chief financial officer. As with all state laws, the courts are the final interpreters.

Executive Orders

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 254, lines 24 through 27, in their entirety.

Page 255, lines 1 through 27, in their entirety.

Page 256, line 1, in its entirety.

I am vetoing this part because Executive Orders by their very nature are within the Executive Branch's authority as set forth in the Kentucky Constitution. The information requested to be provided by the Executive branch in this provision far exceeds anything the Legislative branch has required under its own procedures during the 2024 Regular Session.

Budget Implementation Reporting

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 258, line 19, after "Law.", delete "The Secretary of each Cabinet, the".

Page 258, lines 20 through 24, in their entirety.

Page 258, line 25, delete "cabinet."

I am vetoing this part because it imposes a new burdensome reporting requirement on state agencies about marginal additional spending on existing programs. State agencies already provide numerous reports on their programs and associated spending that are comprehensive in nature, along with many appearances before legislative committees and task force. Separately, in each biennial agency budget request are thousands of pages of information on the expenditure of public funds. This provision would add another 680 individual reports to be prepared and submitted to the Interim Joint Committee on Appropriations and Revenue.


Approval of State Aircraft Travel

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 261, lines 10 through 19, in their entirety.

I am vetoing this part because it ignores existing state laws and provides the authority to the State Treasurer to approve the use of state aircraft by Cabinet Secretaries or other state officials for out-of-state travel. This responsibility bears no relationship to the important duties of the State Treasurer and is more capably handled by the existing laws. The State Treasurer does not have regular contact with Cabinet Secretaries or regularly knows their requirements and duties. This provision could also cause a state official such as the Economic Development Cabinet Secretary to violate a non-disclosure agreement. Moreover, this Administration has implemented the most transparent documentation of the use of state aircraft that goes above and beyond the statutory requirements.

This, the 9th day of April, 2024.


Andy Beshear
Governor

1 AN ACT relating to appropriations measures providing funding and establishing
 2 conditions for the operations, maintenance, support, and functioning of the government of
 3 the Commonwealth of Kentucky and its various officers, cabinets, departments, boards,
 4 commissions, institutions, subdivisions, agencies, and other state-supported activities.

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

6 ➔Section 1. The State/Executive Branch Budget is as follows:

7 **PART I**

8 **OPERATING BUDGET**

9 **(1) Funds Appropriations:** There is appropriated out of the General Fund, Road
 10 Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for
 11 the fiscal year beginning July 1, 2023, and ending June 30, 2024, for the fiscal year
 12 beginning July 1, 2024, and ending June 30, 2025, and for the fiscal year beginning July
 13 1, 2025, and ending June 30, 2026, the following discrete sums, or so much thereof as
 14 may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710.
 15 Each appropriation is made by source of respective fund or funds accounts.
 16 Appropriations for the following officers, cabinets, departments, boards, commissions,
 17 institutions, subdivisions, agencies, and budget units of the state government, and any and
 18 all other activities of the government of the Commonwealth, are subject to the provisions
 19 of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the
 20 conditions and procedures set forth in this Act.

21 **(2) Tobacco Settlement Funds:** Appropriations identified as General Fund
 22 (Tobacco) in Part I, Operating Budget, of this Act are representative of the amounts
 23 provided in Part X, Phase I Tobacco Settlement, of this Act and are not to be appropriated
 24 in duplication.

25 **A. GENERAL GOVERNMENT**

26 **Budget Units**

27 **1. OFFICE OF THE GOVERNOR**

	2024-25	2025-26
1		
2 General Fund	6,728,400	6,872,700
3 Restricted Funds	288,100	288,100
4 Federal Funds	500,000	500,000
5 TOTAL	7,516,500	7,660,800

6 **(1) Salary Increment:** Notwithstanding KRS 64.480(2), the increment provided
7 on the base salary of the Lieutenant Governor shall be the same as that provided for
8 eligible state employees in Part IV of this Act.

9 Notwithstanding KRS 64.480(4), the increment provided on the base salary of the
10 Governor shall be the same as that provided for eligible state employees in Part IV of this
11 Act.

12 **2. OFFICE OF STATE BUDGET DIRECTOR**

	2024-25	2025-26
13		
14 General Fund	3,976,400	4,073,900
15 Restricted Funds	261,400	261,400
16 Federal Funds	132,300	132,300
17 TOTAL	4,370,100	4,467,600

18 **(1) Participation in Transparent Governing - Full Disclosure of Inmate**
19 **Population Forecasts and Related Materials:** The Office of State Budget Director shall
20 provide the methodology, assumptions, data, and all other related materials used to
21 project biennial offender population forecasts conducted by the Office of State Budget
22 Director, the Kentucky Department of Corrections, and any consulting firms, to the
23 Interim Joint Committee on Appropriations and Revenue by October 1, 2025. This
24 submission shall include but not be limited to the projected state, county, and community
25 offender populations for the 2026-2028 fiscal biennium and must coincide with the
26 budgeted amount for these populations. This submission shall clearly divulge the
27 methodology and reasoning behind the budgeted and projected offender population in a

1 commitment to participate in transparent governing.

2 **3. HOMELAND SECURITY**

	2023-24	2024-25	2025-26
4 General Fund	-0-	5,645,900	5,658,600
5 Restricted Funds	1,330,000	4,482,300	4,496,900
6 Federal Funds	-0-	5,855,600	5,893,700
7 TOTAL	1,330,000	15,983,800	16,049,200

8 **(1) Commercial Mobile Radio Services:** Included in the above Restricted Funds
 9 appropriation is \$1,100,000 in fiscal year 2023-2024, fiscal year 2024-2025, and fiscal
 10 year 2025-2026 to support obligations incurred as part of the federal Next Generation 9-
 11 1-1 grant. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

12 **(2) Law Enforcement Protection Program:** Included in the above Restricted
 13 Funds appropriation is \$230,000 in fiscal year 2023-2024, fiscal year 2024-2025, and
 14 fiscal year 2025-2026 to support an increase in number of LEPP grants. Mandated reports
 15 shall be submitted pursuant to Part III, 24. of this Act.

16 **(3) Next Generation 9-1-1 (NG9-1-1) Services:** Included in the above General
 17 Fund appropriation is \$5,000,000 in each fiscal year to complete the statewide
 18 deployment of NG9-1-1 services. The appropriation shall be used to implement a NG9-1-
 19 1 system that is compliant with the National Emergency Number Association’s i3
 20 Standard. Notwithstanding KRS 45.229, any portion of General Fund not expended for
 21 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
 22 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

23 **4. VETERANS' AFFAIRS**

	2023-24	2024-25	2025-26
24 General Fund	-0-	46,058,400	41,370,000
25 Restricted Funds	1,620,600	77,257,500	95,193,800
26 Federal Funds	-0-	1,014,600	-0-

1 TOTAL 1,620,600 124,330,500 136,563,800

2 (1) **Weekend and Holiday Premium Pay Incentive:** The Kentucky Veterans
3 Centers are authorized to continue the weekend and holiday premium pay incentive for
4 the 2024-2026 fiscal biennium.

5 (2) **Congressional Medal of Honor Recipients - Travel and Per Diem:** The
6 Commissioner of the Department of Veterans' Affairs may approve travel and per diem
7 expenses incurred when Kentucky residents who have been awarded the Congressional
8 Medal of Honor attend veterans, military, or memorial events in the Commonwealth of
9 Kentucky.

10 (3) **State Veterans Nursing Home:** With the exception of the Bowling Green
11 Veterans Center construction project, all state veterans' nursing homes must meet a
12 combined 80 percent bed occupancy rate before any future projects will be considered.
13 Once the 80 percent threshold has been met, it is the intent of the General Assembly that
14 any future beds allocated from the United States Department of Veterans Affairs or
15 reallocated from the Kentucky Department of Veterans' Affairs be dedicated to a state
16 veterans nursing home in Magoffin County to serve that area.

17 (4) **Brain Injury Association of America, Kentucky Chapter and the**
18 **Epilepsy Foundation of Kentuckiana Funding:** Included in the above General Fund
19 appropriation is \$93,700 in each fiscal year for grants to the Brain Injury Association of
20 America, Kentucky Chapter and \$93,700 in each fiscal year for grants to the Epilepsy
21 Foundation of Kentuckiana to be used solely for the purpose of working with veterans
22 who have experienced brain trauma and their families. Notwithstanding KRS 45.229, any
23 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
24 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
25 III, 24. of this Act.

26 (5) **Veterans' Service Organization Funding:** Included in the above General
27 Fund appropriation is \$187,500 in each fiscal year for grants to Veterans' Service

1 Organization programs. Notwithstanding KRS 45.229, any portion of General Fund not
2 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
3 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

4 **(6) Kentucky Homeless Veterans Program:** Included in the above General
5 Fund appropriation is \$200,000 in each fiscal year to provide emergency financial
6 assistance to Kentucky's homeless veterans. Notwithstanding KRS 45.229, any portion of
7 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
8 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
9 this Act.

10 **(7) National Guard/Reserve Burial Act:** Included in the above General Fund
11 appropriation is \$320,000 in each fiscal year to support interment costs for veterans of the
12 National Guard and Reserves, and eligible family members. Notwithstanding KRS
13 45.229, any portion of General Fund not expended for this purpose shall lapse to the
14 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
15 pursuant to Part III, 24. of this Act.

16 **(8) Veterans Center Services and Operating Increase:** Included in the above
17 Restricted Funds appropriation is \$1,620,600 in fiscal year 2023-2024, \$11,398,500 in
18 fiscal year 2024-2025, and \$18,429,500 in fiscal year 2025-2026 to support veterans
19 services and increased operating costs. Mandated reports shall be submitted pursuant to
20 Part III, 24. of this Act.

21 **(9) Veteran's Service Organization Burial Honor Guard:** Included in the
22 above General Fund appropriation is \$76,000 in fiscal year 2024-2025 and \$152,000 in
23 fiscal year 2025-2026 year to support military funeral honors for veterans.
24 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
25 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
26 shall be submitted pursuant to Part III, 24. of this Act.

27 **(10) Bowling Green Veterans Center:** Included in the above appropriations is

1 \$12,397,100 in General Fund in fiscal year 2024-2025 and \$5,616,800 in General Fund
 2 and \$10,000,000 in Restricted Funds in fiscal year 2025-2026 to support the staffing and
 3 operations of the Bowling Green Veterans Center. Notwithstanding KRS 45.229, any
 4 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
 5 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
 6 III, 24. of this Act.

7 **(11) Debt Service:** Included in the above General Fund appropriation is \$616,500
 8 in fiscal year 2024-2025 and \$1,517,000 in fiscal year 2025-2026 for new debt service to
 9 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
 10 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
 11 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

12 **(12) USA Cares:** Included in the above General Fund appropriation is \$1,000,000
 13 in each fiscal year for USA Cares. No more than ten percent in each fiscal year may be
 14 retained for administrative purposes. Veterans’ Affairs shall submit a semiannual
 15 progress report to the Interim Joint Committee on Appropriations and Revenue detailing
 16 the use of these funds beginning February 1, 2025. Notwithstanding KRS 45.229, any
 17 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
 18 Trust Fund Account (KRS 48.705).

19 **5. KENTUCKY INFRASTRUCTURE AUTHORITY**

	2024-25	2025-26
21 General Fund	22,254,000	4,345,200
22 Restricted Funds	3,366,300	5,819,400
23 Federal Funds	405,316,600	1,007,875,800
24 TOTAL	430,936,900	1,018,040,400

25 **(1) Debt Service:** Included in the above appropriations is \$340,500 in General
 26 Fund in fiscal year 2024-2025 and \$2,404,500 in General Fund and \$2,418,000 in
 27 Restricted Funds in fiscal year 2025-2026 for new debt service to support new bonds as

1 set forth in Part II, Capital Projects Budget, of this Act. Notwithstanding KRS 45.229,
2 any portion of General Fund not expended for this purpose shall lapse to the Budget
3 Reserve Trust Fund Account (KRS 48.705).

4 **(2) Additional Positions:** Included in the above Restricted Funds appropriation is
5 \$520,000 in fiscal year 2024-2025 and \$503,100 in fiscal year 2025-2026 to support
6 additional positions for the Kentucky Infrastructure Authority. Mandated reports shall be
7 submitted pursuant to Part III, 24. of this Act.

8 **(3) Clean Water State Revolving Fund:** Included in the above Federal Funds
9 appropriation is \$30,840,000 in fiscal year 2024-2025 and \$25,293,600 in fiscal year
10 2025-2026 to support an increase in the Clean Water State Revolving Fund. Mandated
11 reports shall be submitted pursuant to Part III, 24. of this Act.

12 **(4) Drinking Water State Revolving Fund:** Included in the above Federal
13 Funds appropriation is \$84,684,900 in fiscal year 2024-2025 and \$41,059,100 in fiscal
14 year 2025-2026 to support an increase in the Drinking Water State Revolving Fund.
15 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16 **(5) BEAD Program Grant:** Included in the above Federal Funds appropriation is
17 \$217,234,500 in fiscal year 2024-2025 and \$868,938,200 in fiscal year 2025-2026 to
18 support the Broadband Equity Access and Deployment (BEAD) Program grant.
19 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

20 **(6) Rural Infrastructure Improvement Fund:** Included in the above General
21 Fund appropriation is \$19,988,100 in fiscal year 2024-2025 to the Rural Infrastructure
22 Improvement Fund for pole replacements. The appropriation shall include the following
23 allocations:

24 (a) \$4,000,000 for pole owners to hire temporary workers to help manage the
25 increased volume of pole attachment permits;

26 (b) \$2,000,000 to the Kentucky Association of Electric Cooperatives to
27 administer for pole replacement activities; and

1 (c) \$2,000,000 to the Office of Broadband Development to support hiring
2 temporary workers for investor-owned utilities and other pole owners.

3 Notwithstanding KRS 45.229, any portion of General Fund not expended for this
4 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated
5 reports shall be submitted pursuant to Part III, 24. of this Act.

6 **6. MILITARY AFFAIRS**

	2024-25	2025-26
7		
8 General Fund	34,327,500	36,140,800
9 Restricted Funds	18,573,200	16,888,200
10 Federal Funds	87,674,100	88,324,400
11 TOTAL	140,574,800	141,353,400

12 **(1) Kentucky National Guard:** Included in the above General Fund
13 appropriation is \$4,500,000 in each fiscal year to be expended, subject to the conditions
14 and procedures provided in this Act, which are required as a result of the Governor's
15 declaration of emergency pursuant to KRS Chapter 39A, and the Governor's call of the
16 Kentucky National Guard to active duty when an emergency or exigent situation has been
17 declared to exist by the Governor. Notwithstanding KRS 45.229, any portion of the
18 \$4,500,000 not expended shall lapse to the Budget Reserve Trust Fund Account (KRS
19 48.705) at the end of each fiscal year. In the event that costs for Governor-declared
20 emergencies or the Governor's call of the Kentucky National Guard for emergencies or
21 exigent situations exceed \$4,500,000 annually, up to \$25,000,000 shall be deemed
22 necessary government expenses and shall be paid from the General Fund Surplus
23 Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

24 **(2) Disaster or Emergency Aid Funds:** Subject to the conditions and procedures
25 in this Act, in the event of a presidentially declared disaster or emergency, the
26 Department of Military Affairs may request from the Finance and Administration
27 Cabinet, as a necessary government expense, up to \$75,000,000 in fiscal year 2023-2024,

1 \$50,000,000 in fiscal year 2024-2025, and \$50,000,000 in fiscal year 2025-2026 from the
2 General Fund to be used as required to match federal aid for which the state would be
3 eligible. These necessary funds shall be made available from the General Fund Surplus
4 Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

5 **(3) Residential Youth-at-Risk Program:** Included in the above General Fund
6 appropriation is \$1,235,000 in each fiscal year to support the Bluegrass Challenge
7 Academy and \$1,235,000 in each fiscal year to support the Appalachian Youth Challenge
8 Academy. Notwithstanding KRS 45.229, any portion of General Fund not expended for
9 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
10 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

11 **(4) Debt Service:** Included in the above General Fund appropriation is \$540,000
12 in fiscal year 2024-2025 and \$1,243,500 in fiscal year 2025-2026 for new debt service to
13 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
14 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
15 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

16 **(5) Rosedale Cemetery Repair Work:** Notwithstanding KRS 39A.305(6),
17 included in the above Restricted Funds appropriation is \$20,600 in fiscal year 2024-2025
18 to the Rosedale Cemetery in Christian County from the West Kentucky State Aid
19 Funding for Emergencies (WKS SAFE) fund for cemetery repair work. Mandated reports
20 shall be submitted pursuant to Part III, 24. of this Act.

21 **(6) National Guard Facilities:** Included in the above General Fund appropriation
22 is \$1,500,000 in each fiscal year to support operations at Kentucky National Guard
23 locations. Notwithstanding KRS 45.229, any portion of General Fund not expended for
24 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
25 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

26 **(7) National Guard Sustainment Cooperative Agreement Match and**
27 **Expansion:** Included in the above General Fund appropriation is \$1,000,000 in each

1 fiscal year to support the matching requirements of Federal Funds for maintenance on
2 Kentucky National Guard facilities. Notwithstanding KRS 45.229, any portion of General
3 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
4 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
5 this Act.

6 **(8) Chemical Stockpile Program Closeout:** Included in the above General Fund
7 appropriation is \$1,100,000 in fiscal year 2024-2025 and \$2,200,000 in fiscal year 2025-
8 2026 due to the closeout of the federal Chemical Stockpile Program. Notwithstanding
9 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
10 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
11 pursuant to Part III, 24. of this Act.

12 **(9) Joint Force Headquarters Operations:** Included in the above General Fund
13 appropriation is \$500,000 in each fiscal year to operate the new Joint Force Headquarters
14 facility. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
15 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated
16 reports shall be submitted pursuant to Part III, 24. of this Act.

17 **(10) Emergency Management Performance Grant Program:** Included in the
18 above General Fund appropriation is \$750,000 in each fiscal year to support the matching
19 requirements of Federal Funds to improve emergency response preparedness.
20 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
21 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
22 shall be submitted pursuant to Part III, 24. of this Act.

23 **(11) Emergency Management Equipment:** Included in the above General Fund
24 appropriation is \$750,000 in each fiscal year for equipment maintenance and replacement
25 due to the closeout of the federal Chemical Stockpile Program. Notwithstanding KRS
26 45.229, any portion of General Fund not expended for this purpose shall lapse to the
27 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted

1 pursuant to Part III, 24. of this Act.

2 (12) **Urban Search and Rescue Program:** Included in the above General Fund
3 appropriation is \$8,335,000 in fiscal year 2024-2025 and \$7,840,000 in fiscal year 2025-
4 2026 to support the Kentucky Urban Search and Rescue Program. Notwithstanding KRS
5 45.229, any portion of General Fund not expended for this purpose shall lapse to the
6 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
7 pursuant to Part III, 24. of this Act.

8 (13) **Kentucky National Guard Facilities Janitorial Services:** Included in the
9 above General Fund appropriation is \$250,000 in each fiscal year for janitorial costs at
10 Kentucky National Guard facilities. Notwithstanding KRS 45.229, any portion of General
11 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
12 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
13 this Act.

14 **7. COMMISSION ON HUMAN RIGHTS**

	2024-25	2025-26
15 General Fund	2,065,200	2,127,900
16 Restricted Funds	10,000	10,000
17 Federal Funds	445,000	445,000
18 TOTAL	2,520,200	2,582,900

20 **8. COMMISSION ON WOMEN**

21 (1) **Redistribution of Resources:** Notwithstanding KRS 12.020, 12.023, 14.260,
22 15A.190, 214.554, and 344.510 to 344.530, no General Fund appropriation is provided
23 for the Commission on Women in order to provide additional funding for Domestic
24 Violence Shelters, Rape Crisis Centers, and Children's Advocacy Centers.

25 **9. DEPARTMENT FOR LOCAL GOVERNMENT**

	2024-25	2025-26
26 General Fund	12,847,600	13,493,800

1	Restricted Funds	2,787,400	2,288,900
2	Federal Funds	288,456,400	242,426,500
3	TOTAL	304,091,400	258,209,200

4 **(1) Area Development District Funding:** Included in the above General Fund
5 appropriation is \$3,984,000 in each fiscal year for the Joint Funding Administration
6 Program in support of the area development districts. Notwithstanding KRS 45.229, any
7 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
8 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
9 III, 24. of this Act.

10 **(2) Mary Kendall Homes and Gateway Juvenile Diversion:** Included in the
11 above General Fund appropriation is \$257,800 in each fiscal year for the support of the
12 Mary Kendall Homes and \$257,800 in each fiscal year for the support of Gateway
13 Juvenile Diversion. Notwithstanding KRS 45.229, any portion of General Fund not
14 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
15 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16 **(3) Debt Service:** Included in the above General Fund appropriation is \$244,000
17 in fiscal year 2024-2025 and \$732,000 in fiscal year 2025-2026 for new debt service to
18 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
19 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
20 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

21 **(4) Appalachian Regional Commission Matching Funds:** Included in the
22 above General Fund appropriation is \$250,000 in each fiscal year for Area Development
23 Districts to match increased Appalachian Regional Commission grants. Notwithstanding
24 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
25 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
26 pursuant to Part III, 24. of this Act.

27 **(5) Delta Regional Authority Matching Funds:** Included in the above General

1 Fund appropriation is \$250,000 in each fiscal year for Area Development Districts to
2 match increased Delta Regional Authority grants. Notwithstanding KRS 45.229, any
3 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
4 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
5 III, 24. of this Act.

6 (6) **Federal Grants Program:** Included in the above Federal Funds appropriation
7 is \$226,592,500 in fiscal year 2024-2025 and \$180,528,500 in fiscal year 2025-2026 to
8 support increased federal funding for the Appalachian Regional Commission and the
9 Community Development Block Grant Program. Mandated reports shall be submitted
10 pursuant to Part III, 24. of this Act.

11 (7) **Kentucky Mountain Regional Recreation Authority:** Included in the above
12 Restricted Funds appropriation is \$1,750,000 in fiscal year 2024-2025 and \$1,250,000 in
13 fiscal year 2025-2026 for the Kentucky Mountain Regional Recreation Authority. Of this
14 amount, \$1,250,000 in fiscal year 2024-2025 and \$750,000 in fiscal year 2025-2026 are
15 one-time allocations to the Kentucky Mountain Regional Recreation Authority.
16 Restricted Funds shall be transferred from the Tourism, Arts and Heritage Cabinet from
17 taxes collected pursuant to KRS 142.400(2). Mandated reports shall be submitted
18 pursuant to Part III, 24. of this Act.

19 (8) **Clay County Eastern Kentucky University Scholarships:** Notwithstanding
20 KRS 42.453, \$135,000 in Restricted Funds shall be transferred in each fiscal year of the
21 2024-2026 fiscal biennium from the Kentucky Coal Fields Endowment Fund to Eastern
22 Kentucky University for scholarships.

23 **10. LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	2024-25	2025-26
24		
25	General Fund	37,228,200 31,983,900

26 (1) **Allocation of the Local Government Economic Assistance Fund:**
27 Notwithstanding KRS 42.470(1)(a), 70 percent of moneys in the Local Government

1 Economic Assistance Fund shall be distributed to each coal producing county on the
2 basis of the ratio of coal severed in each respective county to the coal severed statewide.
3 Notwithstanding KRS 42.470(1)(c), no allocation shall be distributed to non-coal
4 producing counties.

5 **(2) Coal Haul Road System:** Notwithstanding KRS 42.455(2), no funds
6 appropriated to the Local Government Economic Assistance Fund are required to be
7 spent on the coal haul road system.

8 **(3) Jefferson County Mineral Severance:** Notwithstanding KRS 42.450 to
9 42.495, all funds distributed to Jefferson County in accordance with KRS 42.470(2)(a)
10 shall be used by the Jefferson County Fiscal Court for Thrive By Five Louisville.

11 **11. LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND**

	2024-25	2025-26
12		
13	42,689,300	28,548,600

14 **(1) Coal Severance Tax Transfers:** Notwithstanding KRS 42.450 to 42.495, 70
15 percent of the severance and processing taxes on coal collected annually, except items
16 described in subsection (2) below, shall be transferred to the Local Government
17 Economic Development Fund. Notwithstanding KRS 42.450 to 42.495, 30 percent of the
18 severance and processing taxes on coal collected annually, except items described in
19 subsection (2) below, shall be transferred to the Local Government Economic Assistance
20 Fund. Transfers to the Local Government Economic Development Fund and the Local
21 Government Economic Assistance Fund shall be made quarterly in July, October,
22 January, and April based upon actual revenues from the prior quarter.

23 **(2) Coal Severance Tax Collections Calculations and Transfers:** The above
24 appropriations from the General Fund are based on the official estimate presented by the
25 Office of State Budget Director. Notwithstanding KRS 42.450 to 42.495, coal severance
26 tax collections during the 2024-2026 fiscal biennium shall first be allocated to the
27 following programs or purposes on a quarterly basis:

1 (a) Department for Local Government: An annual appropriation of \$669,700 in
2 each fiscal year is appropriated as General Fund moneys to the Department for Local
3 Government budget unit for Local Government Economic Development Fund and Local
4 Government Economic Assistance Fund project administration costs;

5 (b) Debt Service: An annual appropriation of 100 percent of the debt service
6 necessary to support bonds authorized in 2003 Ky. Acts ch. 156, 2005 Ky. Acts ch. 173,
7 2006 Ky. Acts ch. 252, 2008 Ky. Acts ch. 127, and 2010 (1st Extra. Sess.) Ky. Acts ch. 1,
8 in the amount of \$18,477,000 in fiscal year 2024-2025 and \$18,099,700 in fiscal year
9 2025-2026 is appropriated for that purpose;

10 (c) Osteopathic Medicine Scholarship Program: Notwithstanding KRS
11 164.7891(11)(b), no transfers shall be made to the Osteopathic Medicine Scholarship
12 Program within the Kentucky Higher Education Assistance Authority;

13 (d) Pharmacy Scholarships: Notwithstanding KRS 164.7890(11)(c), no transfers
14 shall be made to the Coal County Pharmacy Scholarship Program within the Kentucky
15 Higher Education Assistance Authority; and

16 (e) Kentucky Coal Fields Endowment Authority: Notwithstanding KRS
17 42.453(3), no transfers shall be made to the Kentucky Coal Field Endowment Authority.

18 **(3) Allocation of the Local Government Economic Development Fund:**
19 Notwithstanding KRS 42.4592(1), 50 percent of Local Government Economic
20 Development Fund moneys shall be allocated in accordance with KRS 42.4592(1)(a), and
21 50 percent shall be allocated in accordance with KRS 42.4592(1)(b).

22 **(4) Use of the Local Government Economic Development Fund:**
23 Notwithstanding KRS 42.450 to 42.495, all funds appropriated to Local Government
24 Economic Development Fund Single-County Accounts shall be allocated to projects with
25 the concurrence of the respective county judge/executive, state senator(s), and state
26 representative(s) of each county. If concurrence is not achieved, the fiscal court of each
27 county may apply for grants through the Department for Local Government pursuant to

1 KRS 42.4588.

2 **12. AREA DEVELOPMENT FUND**

3 (1) **Area Development Fund:** Notwithstanding KRS 42.345 to 42.370 and
4 48.185, or any statute to the contrary, no funding is provided for the Area Development
5 Fund.

6 (2) **Area Development District Flexibility:** Notwithstanding KRS 42.350(2) and
7 provided that sufficient funds are maintained in the Joint Funding Agreement program to
8 meet the match requirements for the Economic Development Administration grants,
9 Community Development Block Grants, Appalachian Regional Commission grants, or
10 any federal program where the Joint Funding Agreement funds are utilized to meet
11 nonfederal match requirements, an area development district with authorization from its
12 Board of Directors may request approval to transfer funding between the Area
13 Development Fund and the Joint Funding Agreement Program from the Commissioner of
14 the Department for Local Government.

15 **13. REGIONAL DEVELOPMENT AGENCY ASSISTANCE FUND**

	2024-25	2025-26
16		
17	6,000,000	6,000,000

18 **14. EXECUTIVE BRANCH ETHICS COMMISSION**

	2023-24	2024-25	2025-26
19			
20	-0-	681,900	701,300
21	126,200	525,900	536,900
22	TOTAL	1,207,800	1,238,200

23 (1) **Use of Restricted Funds:** All penalties collected or received by the Executive
24 Branch Ethics Commission shall be deposited in the State Treasury and credited to a trust
25 and agency fund account to the credit of the Commission to be used by the Commission
26 for the cost of conducting administrative hearings pursuant to KRS Chapter 13B.
27 Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward.

1 **(2) Online Filing System:** Included in the above Restricted Funds appropriation
 2 is \$126,200 in fiscal year 2023-2024, \$132,500 in fiscal year 2024-2025, and \$139,100 in
 3 fiscal year 2025-2026 to support a new online filing system. Mandated reports shall be
 4 submitted pursuant to Part III, 24. of this Act.

5 **15. SECRETARY OF STATE**

	2024-25	2025-26
6 Restricted Funds	6,649,700	6,759,700

8 **(1) Use of Restricted Funds:** Notwithstanding KRS 14.140(1) and (3), the above
 9 Restricted Funds may be used for the continuation of current activities within the Office
 10 of the Secretary of State.

11 **(2) Salary Increment:** Notwithstanding KRS 64.480(2), the increment provided
 12 on the base salary of the Secretary of State shall be the same as that provided for eligible
 13 state employees in Part IV of this Act.

14 **16. BOARD OF ELECTIONS**

	2024-25	2025-26
15 General Fund	6,780,500	6,808,500
16 Restricted Funds	148,200	148,200
17 Federal Funds	1,829,800	1,829,800
18 TOTAL	8,758,500	8,786,500

19 **(1) Cost of Elections:** Up to \$100,000 of costs associated with special elections,
 20 KRS 117.345(2) costs associated with additional precincts with a voting machine, KRS
 21 117.343 costs for additional registered voters, and KRS 116.145 costs for additional new
 22 registered voters shall be deemed a necessary government expense and shall be paid from
 23 the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund
 24 Account (KRS 48.705). Any reimbursements authorized as a necessary government
 25 expense according to the above provisions shall be at the same rates as those established
 26 by the State Board of Elections.
 27

1 **(2) Additional Position:** Included in the above General Fund appropriation is
 2 \$145,600 in each fiscal year to support an additional position at the Board of Elections.
 3 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
 4 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
 5 shall be submitted pursuant to Part III, 24. of this Act.

6 **(3) Presidential Electors:** Included in the above General Fund appropriation is
 7 \$5,600 in fiscal year 2024-2025 to support per diem and mileage for Presidential
 8 Electors. Notwithstanding KRS 45.229, any portion of General Fund not expended for
 9 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
 10 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

11 **(4) Electronic Poll Book:** Included in the above General Fund appropriation is
 12 \$662,000 in each fiscal year to develop and administer an electronic poll book system
 13 within the State Board of Elections. Notwithstanding KRS 45.229, any portion of General
 14 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
 15 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
 16 this Act.

17 **17. REGISTRY OF ELECTION FINANCE**

	2024-25	2025-26
18 General Fund	1,798,200	1,839,800

20 **(1) Operating Expenses:** Included in the above General Fund appropriation is
 21 \$1,400 in each fiscal year to support increased operating expenses. Notwithstanding KRS
 22 45.229, any portion of General Fund not expended for this purpose shall lapse to the
 23 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
 24 pursuant to Part III, 24. of this Act.

25 **18. ATTORNEY GENERAL**

	2023-24	2024-25	2025-26
26 General Fund (Tobacco)	-0-	150,000	150,000

1	General Fund	933,200	25,046,900	27,039,100
2	Restricted Funds	-0-	69,072,500	54,286,400
3	Federal Funds	-0-	7,855,500	7,960,100
4	TOTAL	933,200	102,124,900	89,435,600

5 **(1) State Enforcement:** Notwithstanding KRS 248.654 and 248.703(4), included
6 in the above General Fund (Tobacco) appropriation is \$150,000 in each fiscal year for the
7 state’s diligent enforcement of noncompliant nonparticipating manufacturers.

8 **(2) Expert Witnesses:** In addition to such funds as may be appropriated, the
9 Office of the Attorney General and the Unified Prosecutorial System, on behalf of the
10 Commonwealth's Attorneys, may request from the Finance and Administration Cabinet,
11 as a necessary government expense, such funds as may be necessary for expert witnesses.
12 Upon justification of the request, the Finance and Administration Cabinet shall provide
13 up to \$3,000,000 for the 2024-2026 fiscal biennium for this purpose to the Office of the
14 Attorney General and the Unified Prosecutorial System from the General Fund Surplus
15 Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).
16 Without charge, the Department of Insurance shall provide the Office of the Attorney
17 General any available information to assist in the preparation of a rate hearing pursuant to
18 KRS 304.17A-095. Expenditures under this subsection shall be reported to the Interim
19 Joint Committee on Appropriations and Revenue by August 1 of each year.

20 **(3) Annual and Sick Leave Service Credit:** Notwithstanding any statutory or
21 regulatory restrictions to the contrary, any former employee of the Unified Prosecutorial
22 System who has been appointed to a permanent full-time position under KRS Chapter
23 18A shall be credited annual and sick leave based on service credited under the Kentucky
24 Retirement Systems solely for the purpose of computation of sick and annual leave. This
25 provision shall only apply to any new appointment or current employee as of July 1,
26 1998.

27 **(4) Operations of the Office of the Attorney General:** Notwithstanding KRS

1 367.478(2), 367.805(3), and 367.905(5), funds may be expended in support of the
2 operations of the Office of the Attorney General.

3 **(5) Legal Services Contracts:** The Office of the Attorney General may present
4 proposals to state agencies specifying legal work that is presently accomplished through
5 personal service contracts that indicate the Office of the Attorney General's capacity to
6 perform the work at a lesser cost. State agencies may agree to make arrangements with
7 the Office of the Attorney General to perform the legal work and compensate the Office
8 of the Attorney General for the legal services.

9 **(6) Civil Action Representation:** To ensure adequate representation of the
10 interest of the Commonwealth and to protect the financial condition of the Kentucky
11 Retirement Systems, it has been determined that it is necessary to allow the Attorney
12 General appropriate authority to engage private lawyers as co-counsel in Franklin Circuit
13 Court Civil Action Nos. 17-CI-01348 and 20-CI-00590. Due to the highly complex and
14 specialized nature of that litigation, KRS Chapter 45A, et seq. would prevent the
15 Attorney General from engaging counsel of his choice. Accordingly, to protect the
16 interest of the Commonwealth, and notwithstanding the requirements of KRS Chapter
17 45A, et seq., which are hereby waived in with respect to the Attorney General retaining
18 private lawyers to prosecute Civil Action Nos. 17-CI-01348 and 20-CI-00590, and any
19 other civil action regarding the same subject matter or seeking the same relief as Civil
20 Action Nos. 17-CI-0138 and 20-CI-00590, the Attorney General is vested with the
21 authority to hire and pay counsel of his choice on any contractual basis the Attorney
22 General deems advisable.

23 **(7) Salary Increment:** Notwithstanding KRS 64.480(2), the increment provided
24 on the base salary of the Attorney General shall be the same as that provided for eligible
25 state employees in Part IV of this Act.

26 **(8) Kentucky Office of Regulatory Relief:** Included in the above General Fund
27 appropriation is \$41,500 in fiscal year 2023-2024 and \$140,900 in each fiscal year of the

1 2024-2026 fiscal biennium to support the Kentucky Office of Regulatory Relief.
2 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
3 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
4 shall be submitted pursuant to Part III, 24. of this Act.

5 **(9) Office of Medicaid Fraud and Abuse Control:** Included in the above
6 General Fund appropriation is \$691,700 in fiscal year 2023-2024 and \$1,011,700 in each
7 fiscal year of the 2024-2026 fiscal biennium to support the Office of Medicaid Fraud and
8 Abuse Control. The Office of Attorney General shall submit an annual report beginning
9 December 1, 2024, to the Interim Joint Committee on Appropriations and Revenue. The
10 report shall include the number of reported fraud incidents, the types of fraud reported,
11 the number of reported fraud incidents investigated by the office, the monetary amount
12 involved in the fraudulent activity, and the resolution of the reported fraud incidents.
13 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
14 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
15 shall be submitted pursuant to Part III, 24. of this Act.

16 **(10) Criminal Investigation Enhancements:** Included in the above General Fund
17 appropriation is \$200,000 in fiscal year 2023-2024, \$600,000 in fiscal year 2024-2025,
18 and \$300,000 in fiscal year 2025-2026 to support security enhancements, investigative
19 resources, law enforcement equipment, and enhanced training opportunities.
20 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
21 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
22 shall be submitted pursuant to Part III, 24. of this Act.

23 **(11) Body Armor Grant Program:** Included in the above Restricted Funds
24 appropriation is \$5,000,000 in fiscal year 2024-2025 and \$10,000,000 in fiscal year 2025-
25 2026 for grants to law enforcement and first responders for the purchase of body armor,
26 duty weapons, ammunition, electronic-control devices, and body-worn cameras.
27 Notwithstanding KRS 15.430 and 15.470, excess Restricted Funds from the Department

1 of Criminal Justice Training shall be transferred to the Attorney General for this purpose.
2 Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward.
3 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

4 **(12) Reorganization:** Included in the above General Fund appropriation is
5 \$1,199,000 in fiscal year 2024-2025 and \$2,974,000 in fiscal year 2025-2026 to support
6 the reorganization set forth in 2023 Ky. Acts ch. 124. Notwithstanding KRS 45.229, any
7 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
8 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
9 III, 24. of this Act.

10 **(13) Recruitment and Retention:** Included in the above General Fund
11 appropriation is \$2,000,000 in each fiscal year to support the recruitment and retention of
12 staff in the Office of Attorney General. Notwithstanding KRS 45.229, any portion of
13 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
14 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
15 this Act.

16 **(14) Administrative Hearings:** Included in the above appropriations is
17 \$3,241,200 in Restricted Funds and \$1,939,700 in Federal Funds in each fiscal year to
18 support the cost of Administrative Hearings held by the Office of the Attorney General
19 for the Cabinet for Health and Family Services. The Attorney General shall bill the
20 Cabinet for Health and Family Services on a quarterly basis for the cost, not to exceed
21 \$5,180,900 each fiscal year. Mandated reports shall be submitted pursuant to Part III, 24.
22 of this Act.

23 **(15) Child Exploitation Specialized Investigation and Prosecution Unit:**
24 Included in the above General Fund appropriation is \$450,000 in each fiscal year to
25 support the Child Exploitation Specialized Investigation and Prosecution Unit to combat
26 child exploitation and human trafficking. Notwithstanding KRS 45.229, any portion of
27 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund

1 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
 2 this Act.

3 **(16) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in
 4 the above Restricted Funds appropriation is \$4,429 in fiscal year 2024-2025 and \$4,562
 5 in fiscal year 2025-2026 for each participant for training incentive payments.

6 **19. UNIFIED PROSECUTORIAL SYSTEM**

7 **(1) Prosecutors Advisory Council Administrative Functions:** The Prosecutors
 8 Advisory Council shall approve compensation for employees of the Unified Prosecutorial
 9 System subject to the appropriations in this Act.

10 **a. Commonwealth's Attorneys**

	2024-25	2025-26
11 General Fund	77,365,400	80,019,400
12 Restricted Funds	6,228,100	6,263,000
13 Federal Funds	642,200	647,700
14 TOTAL	84,235,700	86,930,100

15
 16 **(1) Rocket Docket Program:** Included in the above General Fund appropriation
 17 is \$1,416,700 in each fiscal year to support the Rocket Docket Program. Notwithstanding
 18 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
 19 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
 20 pursuant to Part III, 24. of this Act.

21 **(2) Additional Personnel:** Included in the above General Fund appropriation is
 22 \$2,500,000 in each fiscal year for additional personnel for the Commonwealth's
 23 Attorneys. Notwithstanding KRS 45.229, any portion of General Fund not expended for
 24 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
 25 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

26 **(3) Salary Increment:** Notwithstanding KRS 15.755, the increment provided on
 27 the base salary of the Commonwealth's Attorneys shall be the same as that provided for

1 eligible state employees in Part IV of this Act.

2 (4) **Case Management Software:** Included in the above General Fund
3 appropriation is \$1,214,100 in fiscal year 2024-2025 and \$1,528,000 in fiscal year 2025-
4 2026 to support the Commonwealth’s Attorney's portion of Case Management Software.
5 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
6 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
7 shall be submitted pursuant to Part III, 24. of this Act.

8 (5) **Prosecutors Advisory Council Additional Personnel:** Included in the above
9 General Fund appropriation is \$125,000 in fiscal year 2024-2025 and \$250,000 in fiscal
10 year 2025-2026 to support additional personnel for the Prosecutors Advisory Council.
11 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
12 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
13 shall be submitted pursuant to Part III, 24. of this Act.

14 (6) **Salary Compensation Standardization:** Included in the above General Fund
15 appropriation is \$2,944,900 in fiscal year 2024-2025 and \$3,349,200 in fiscal year 2025-
16 2026 to support the Salary Compensation Standardization for Commonwealth’s
17 Attorneys. Notwithstanding KRS 45.229, any portion of General Fund not expended for
18 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
19 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

20 (7) **Employment of Family Members:** Notwithstanding 65.003(3)(c), no
21 Commonwealth’s Attorney shall hire a family member, as defined as a spouse, parent,
22 sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or
23 grandchild on or after the effective date of this Act.

24 **b. County Attorneys**

	2024-25	2025-26
25 General Fund	78,783,900	81,980,400
26 Restricted Funds	941,800	941,800

1	Federal Funds	636,700	644,800
2	TOTAL	80,362,400	83,567,000

3 **(1) Rocket Docket Program:** Included in the above General Fund appropriation
4 is \$549,800 in each fiscal year to support the Rocket Docket Program. Notwithstanding
5 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
6 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
7 pursuant to Part III, 24. of this Act.

8 **(2) County Attorney Retirement Costs:** Notwithstanding KRS 61.5991,
9 included in the above General Fund appropriation is \$1,590,600 in each fiscal year to
10 support each County Attorney's Office's share of the anticipated increase over each
11 County Attorney's Office's fiscal year 2019-2020 baseline contribution as adjusted and
12 posted under the 2024 Budget Bills tile on the Legislative Research Commission's
13 website. Notwithstanding KRS 45.229, any portion of General Fund not expended for
14 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
15 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16 **(3) Salary Increment:** Notwithstanding KRS 15.765, the increment provided on
17 the base salary of the County Attorneys shall be the same as that provided for eligible
18 state employees in Part IV of this Act.

19 **(4) Salary Compensation Standardization:** Included in the above General Fund
20 appropriation is \$8,278,500 in fiscal year 2024-2025 and \$9,262,500 in fiscal year 2025-
21 2026 to support the Salary Compensation Standardization for County Attorneys.
22 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
23 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
24 shall be submitted pursuant to Part III, 24. of this Act.

25 **(5) Additional Personnel:** Included in the above General Fund appropriation is
26 \$3,500,000 in each fiscal year for additional personnel for the County Attorneys.
27 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose

1 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
2 shall be submitted pursuant to Part III, 24. of this Act.

3 **(6) Case Management Software:** Included in the above General Fund
4 appropriation is \$1,432,500 in fiscal year 2024-2025 and \$1,756,900 in fiscal year 2025-
5 2026 to support the County Attorney’s portion of Case Management Software.
6 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
7 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
8 shall be submitted pursuant to Part III, 24. of this Act.

9 **(7) Prosecutors Advisory Council Additional Personnel:** Included in the above
10 General Fund appropriation is \$125,000 in fiscal year 2024-2025 and \$250,000 in fiscal
11 year 2025-2026 to support additional personnel for the Prosecutors Advisory Council.
12 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
13 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
14 shall be submitted pursuant to Part III, 24. of this Act.

15 **(8) Employment of Family Members:** Notwithstanding 65.003(3)(c), no County
16 Attorney shall hire a family member, as defined as a spouse, parent, sibling, child,
17 mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild on
18 or after the effective date of this Act.

19 **TOTAL - UNIFIED PROSECUTORIAL SYSTEM**

	2024-25	2025-26
20		
21 General Fund	156,149,300	161,999,800
22 Restricted Funds	7,169,900	7,204,800
23 Federal Funds	1,278,900	1,292,500
24 TOTAL	164,598,100	170,497,100

25 **20. TREASURY**

	2024-25	2025-26
26		
27 General Fund	3,709,700	3,672,000

1	Restricted Funds	2,122,600	2,159,600
2	Federal Funds	1,253,900	1,211,400
3	TOTAL	7,086,200	7,043,000

4 **(1) Unclaimed Property Fund:** Included in the above Restricted Funds
5 appropriation is \$2,122,600 in fiscal year 2024-2025 and \$2,159,600 in fiscal year 2025-
6 2026 from the Unclaimed Property Fund to provide funding for services performed by
7 the Unclaimed Property Division of the Department of the Treasury.

8 **(2) Salary Increment:** Notwithstanding KRS 64.480(2), the increment provided
9 on the base salary of the State Treasurer shall be the same as that provided for eligible
10 state employees in Part IV of this Act.

11 **(3) Printing Equipment:** Included in the above General Fund appropriation is
12 \$120,000 in fiscal year 2024-2025 to upgrade printing equipment. Notwithstanding KRS
13 45.229, any portion of General Fund not expended for this purpose shall lapse to the
14 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
15 pursuant to Part III, 24. of this Act.

16 **21. AGRICULTURE**

	2023-24	2024-25	2025-26	
17				
18	General Fund (Tobacco)	-0-	38,967,100	39,961,000
19	General Fund	153,900	21,691,600	22,741,000
20	Restricted Funds	-0-	12,859,900	12,908,500
21	Federal Funds	-0-	12,125,100	12,173,200
22	TOTAL	153,900	85,643,700	87,783,700

23 **(1) Use of Restricted Funds:** Notwithstanding KRS 217.570 and 217B.580,
24 funds may be expended in support of the operations of the Department of Agriculture.

25 **(2) Farms to Food Banks:** Included in the above General Fund (Tobacco)
26 appropriation is \$850,000 in fiscal year 2024-2025 and \$1,000,000 in fiscal year 2025-
27 2026 to support the Farms to Food Banks Program. The use of the moneys provided by

1 this appropriation shall be restricted to purchases of Kentucky-grown produce from
2 Kentucky farmers who participate in the Farms to Food Banks Program. Mandated
3 reports shall be submitted pursuant to Part III, 24. of this Act.

4 **(3) County Fair Grants:** Included in the above General Fund appropriation is
5 \$750,000 in each fiscal year to support capital improvement grants to the Local
6 Agricultural Fair Aid Program. Notwithstanding KRS 45.229, any portion of General
7 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
8 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
9 this Act.

10 **(4) Kentucky Grape and Wine Council:** Notwithstanding KRS 260.175(2), no
11 General Fund is provided for the Kentucky Small Farm Wineries Support Fund for use by
12 the Kentucky Grape and Wine Council.

13 **(5) Counties Account:** Notwithstanding KRS 248.703(1), included in the above
14 General Fund (Tobacco) appropriation is \$12,938,200 in fiscal year 2024-2025 and
15 \$13,285,300 in fiscal year 2025-2026 for the counties account as specified in KRS
16 248.703(1)(a). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

17 **(6) State Account:** Notwithstanding KRS 248.703(1), included in the above
18 General Fund (Tobacco) appropriation is \$24,028,900 in fiscal year 2024-2025 and
19 \$24,675,700 in fiscal year 2025-2026 for the state account as specified in KRS
20 248.703(1)(b). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

21 **(7) Tobacco Settlement Funds - Allocations:** Notwithstanding KRS 248.711(2),
22 and from the allocation provided therein, counties that are allocated in excess of \$20,000
23 annually may provide up to four percent of the individual county allocation, not to exceed
24 \$15,000 annually, to the county council in that county for administrative costs.

25 **(8) Kentucky Rural Mental Health, Suicide Prevention, and Farm Safety**
26 **Program:** Included in the above General Fund (Tobacco) appropriation is \$1,000,000 in
27 each fiscal year to support the Kentucky Rural Mental Health, Suicide Prevention, and

1 Farm Safety Program known as the Raising Hope Initiative. The Department of
2 Agriculture shall enhance awareness of the National Suicide Prevention Lifeline (988) in
3 rural communities in Kentucky, improve access to information on rural mental health
4 issues and available treatment services, provide outreach, and provide other necessary
5 services to improve the mental health outcomes of rural communities in Kentucky. The
6 Department of Agriculture may apply for Federal Funds. The Department of Agriculture
7 may utilize up to \$100,000 in each fiscal year for program administration purposes. The
8 Department of Agriculture shall coordinate with the Raising Hope Initiative to take
9 custody of and maintain any intellectual property assets that were created or developed
10 by any state agency in connection with the Raising Hope Initiative. Mandated reports
11 shall be submitted pursuant to Part III, 24. of this Act.

12 **(9) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in
13 the above Restricted Funds appropriation is \$4,429 in fiscal year 2024-2025 and \$4,562
14 in fiscal year 2025-2026 for each participant for training incentive payments.

15 **(10) Salary Increment:** Notwithstanding KRS 64.480(2), the increment provided
16 on the base salary of the Commissioner of Agriculture shall be the same as that provided
17 for eligible state employees in Part IV of this Act.

18 **(11) Comprehensive Agriculture Plan:** Included in the above General Fund
19 (Tobacco) appropriation is \$150,000 in fiscal year 2024-2025 for the Department of
20 Agriculture to complete a comprehensive plan to review the short and long-term goals,
21 strategies, and investments in Kentucky agriculture. At a minimum, the plan shall include
22 recommendations to increase net farm income, to diversify Kentucky agriculture products
23 beyond tobacco, and to address the current and future needs of Kentucky's agriculture
24 industry. The plan shall be submitted to the Interim Joint Committee on Appropriations
25 and Revenue on or before October 1, 2025.

26 **(12) Division of Emergency Preparedness:** Included in the above General Fund
27 appropriation is \$153,900 in fiscal year 2023-2024 and \$443,900 in each fiscal year of

1 the 2024-2026 fiscal biennium to support additional positions for the Division of
2 Emergency Preparedness. Notwithstanding KRS 45.229, any portion of General Fund not
3 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
4 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

5 **(13) Division of Regulatory Field Services:** Included in the above General Fund
6 appropriation is \$553,700 in fiscal year 2024-2025 and \$987,100 in fiscal year 2025-2026
7 to support additional positions for the Division of Regulatory Field Services.
8 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
9 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
10 shall be submitted pursuant to Part III, 24. of this Act.

11 **(14) Agricultural Economic Development:** In accordance with KRS Chapter
12 154, the Secretary of the Cabinet for Economic Development shall coordinate with and
13 seek guidance from the Commissioner of the Department of Agriculture in considering
14 any projects for economic incentives related to agricultural economic development,
15 agribusiness, or production facilities of sustainable aviation fuel.

16 **22. AUDITOR OF PUBLIC ACCOUNTS**

	2023-24	2024-25	2025-26
17 General Fund	40,000	14,435,400	13,151,000
18 Restricted Funds	-0-	26,306,300	26,406,100
19 TOTAL	40,000	40,741,700	39,557,100

20
21 **(1) Audit Services Contracts:** Notwithstanding KRS 45.149, no state agency
22 shall enter into any contract with a nongovernmental entity for audit services unless the
23 Auditor of Public Accounts has declined in writing to perform the audit or has failed to
24 respond within 30 days of receipt of a written request for such services. The agency’s
25 request for audit services shall include a comprehensive statement of the scope and nature
26 of the proposed audit.

27 **(2) Financial Audit Receipts:** The Auditor of Public Accounts shall provide a

1 listing of fee receipts for all audits and special examinations, itemized by type, agency, or
2 unit of government, as well as billing methodology to the Interim Joint Committee on
3 Appropriations and Revenue by August 1 of each fiscal year.

4 **(3) Salary Increment:** Notwithstanding KRS 64.480(2), the increment provided
5 on the base salary of the Auditor of Public Accounts shall be the same as that provided
6 for eligible state employees in Part IV of this Act.

7 **(4) Outlier Audit Assistance Program:** Included in the above General Fund
8 appropriation is \$250,000 in fiscal year 2024-2025 to support the Outlier Audit
9 Assistance Program. Beginning with fiscal year 2018-2019, the Auditor of Public
10 Accounts shall calculate the annual average cost of audits conducted pursuant to KRS
11 43.070(1)(a)2. by audit type. Beginning with audits billed during fiscal year 2019-2020
12 or thereafter, any such audit with a cost exceeding the threshold of 150 percent of the
13 average cost for its type in the preceding fiscal year shall be deemed an outlier audit. If a
14 county has paid the cost of the outlier audit up to the amount of the threshold set out in
15 this subsection, the county shall be eligible for a credit from the Outlier Audit Assistance
16 Program for audit costs that exceed the threshold. For every audit qualifying for
17 disbursement, the auditor shall provide a detailed report for the reason for the outlier
18 expense to the Interim Joint Committee on Appropriations and Revenue by August 1 of
19 each fiscal year.

20 **(5) Revenue Replacement:** Included in the above General Fund appropriation is
21 \$2,250,000 in each fiscal year to replace lost revenue related to audit billings for county
22 officials. Notwithstanding KRS 45.229, any portion of General Fund not expended for
23 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
24 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

25 **(6) Building Costs:** Included in the above General Fund appropriation is
26 \$397,500 in fiscal year 2024-2025 and \$367,500 in fiscal year 2025-2026 to support
27 increased costs for an office lease. Notwithstanding KRS 45.229, any portion of General

1 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
2 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
3 this Act.

4 **(7) Server Upgrades:** Included in the above General Fund appropriation is
5 \$40,000 in fiscal year 2023-2024, \$190,000 in fiscal year 2024-2025, and \$40,000 in
6 fiscal year 2025-2026 to support server upgrades. Notwithstanding KRS 45.229, any
7 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
8 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
9 III, 24. of this Act.

10 **(8) Ombudsman:** Included in the above appropriations is \$2,250,000 in General
11 Fund in each fiscal year and \$16,042,400 in Restricted Funds in each fiscal year to
12 support the transition of the Cabinet for Health and Family Services, Office of the
13 Ombudsman and Administrative Review, to the Auditor of Public Accounts on July 1,
14 2024, as set forth in 2023 Ky. Acts ch. 124. The Auditor of Public Accounts may bill the
15 Cabinet for Health and Family Services for costs associated with Ombudsman services on
16 a monthly basis. Notwithstanding KRS 45.229, any portion of General Fund not
17 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
18 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

19 **(9) Jefferson County Public Schools Audit:** Included in the above General Fund
20 appropriation is \$750,000 in fiscal year 2024-2025 to support a special audit of the
21 Jefferson County Public Schools. Notwithstanding KRS 45.229, any portion of General
22 Fund not expended for this purpose shall not lapse and shall carry forward. Mandated
23 reports shall be submitted pursuant to Part III, 24. of this Act. In the event that the costs
24 for the audit exceed \$750,000 in fiscal year 2024-2025, the Auditor of Public Accounts
25 may request from the State Budget Director, as a necessary government expense, up to
26 \$750,000 in fiscal year 2025-2026 for this purpose from the General Fund Surplus
27 Account (KRS 48.705) or the Budget Reserve Trust Fund Account (KRS 48.705).

1 **(10) Unified Prosecutorial System Audit:** Included in the above General Fund
 2 appropriation is \$250,000 in fiscal year 2024-2025 to support a special audit of the
 3 Unified Prosecutorial System. Notwithstanding KRS 45.229, any portion of General
 4 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
 5 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
 6 this Act.

7 **(11) School Facility Assistance Fund Audit:** Included in the above General Fund
 8 appropriation is \$250,000 in fiscal year 2024-2025 to support a special audit of school
 9 facility project cost estimates identified for potential funding as part of the School
 10 Facility Assistance Fund in Part I, A., 27., (5) of this Act. The audit shall be conducted by
 11 an impartial independent contractor. The audit shall, at minimum, examine each project’s
 12 scope, cost, and available local resources for the purpose of determining appropriate state
 13 funding. The audit shall be certified by the Auditor of Public Accounts. Notwithstanding
 14 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
 15 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
 16 pursuant to Part III, 24. of this Act.

17 **23. PERSONNEL BOARD**

	2024-25	2025-26
18 General Fund	255,000	245,300
19 Restricted Funds	1,022,700	1,033,400
20 TOTAL	1,277,700	1,278,700

21 **(1) Hearing Officer Hourly Rate:** Included in the above Restricted Funds
 22 appropriation is \$62,500 in each fiscal year to increase the hearing officer hourly rate
 23 from \$75 to \$125 per hour. Mandated reports shall be submitted pursuant to Part III, 24.
 24 of this Act.

25 **(2) Contract Hearing Officer Hours:** Included in the above appropriations is a
 26 one-time allocation of \$20,000 in Restricted Funds and \$167,500 in General Fund in each
 27

1 fiscal year to provide an increase in billable hearing officer hours. Notwithstanding KRS
2 45.229, any portion of General Fund not expended for this purpose shall lapse to the
3 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
4 pursuant to Part III, 24. of this Act.

5 **(3) Employee Retirement Payouts:** Included in the above General Fund
6 appropriation is a one-time allocation of \$65,000 in fiscal year 2025-2026 to provide
7 funds for retirement payouts of accrued leave balances. Notwithstanding KRS 45.229,
8 any portion of General Fund not expended for this purpose shall lapse to the Budget
9 Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
10 pursuant to Part III, 24. of this Act.

11 **(4) Equipment Upgrade:** Included in the above General Fund appropriation is
12 \$22,000 in fiscal year 2024-2025 to upgrade the video and audio equipment in two
13 hearing rooms. Notwithstanding KRS 45.229, any portion of General Fund not expended
14 for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
15 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16 **(5) Facility Upgrade:** Included in the above General Fund appropriation is
17 \$52,500 in fiscal year 2024-2025 to sound proof two hearing rooms and one board room.
18 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
19 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
20 shall be submitted pursuant to Part III, 24. of this Act.

21 **24. KENTUCKY PUBLIC PENSIONS AUTHORITY**

	2024-25	2025-26
23 General Fund	250,000,000	250,000,000
24 Restricted Funds	48,981,500	49,969,700
25 TOTAL	298,981,500	299,969,700

26 **(1) Kentucky Employees Retirement System Nonhazardous Pension Fund:**
27 Included in the above General Fund appropriation is \$250,000,000 in each fiscal year,

1 which shall be allocated annually in 12 monthly payments, to be applied to the unfunded
 2 pension liability of the Kentucky Employees Retirement System Nonhazardous pension
 3 fund. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
 4 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated
 5 reports shall be submitted pursuant to Part III, 24. of this Act.

6 **25. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS**

7 **a. Accountancy**

	2023-24	2024-25	2025-26
8 Restricted Funds	140,000	708,400	720,800

10 **b. Certification of Alcohol and Drug Counselors**

	2024-25	2025-26
11 Restricted Funds	210,200	210,200

13 **c. Applied Behavior Analysis Licensing**

	2024-25	2025-26
14 Restricted Funds	70,600	70,600

16 **d. Architects**

	2024-25	2025-26
17 Restricted Funds	471,400	480,700

19 **e. Certification for Professional Art Therapists**

	2024-25	2025-26
20 Restricted Funds	11,200	11,200

22 **f. Barbering**

	2024-25	2025-26
23 Restricted Funds	492,700	499,100

25 **g. Chiropractic Examiners**

	2024-25	2025-26
26 Restricted Funds	300,000	300,000

1	h. Dentistry		
2		2024-25	2025-26
3	Restricted Funds	990,100	1,000,200
4	i. Licensed Diabetes Educators		
5		2024-25	2025-26
6	Restricted Funds	29,300	29,300
7	j. Licensure and Certification for Dietitians and Nutritionists		
8		2024-25	2025-26
9	Restricted Funds	93,900	93,900
10	k. Embalmers and Funeral Directors		
11		2024-25	2025-26
12	Restricted Funds	523,100	530,600
13	l. Licensure for Professional Engineers and Land Surveyors		
14		2024-25	2025-26
15	Restricted Funds	2,142,100	2,176,900
16	m. Certification of Fee-Based Pastoral Counselors		
17		2024-25	2025-26
18	Restricted Funds	3,600	3,600
19	n. Registration for Professional Geologists		
20		2024-25	2025-26
21	Restricted Funds	109,000	109,000
22	o. Hairdressers and Cosmetologists		
23		2024-25	2025-26
24	Restricted Funds	2,223,400	2,273,700
25	p. Specialists in Hearing Instruments		
26		2024-25	2025-26
27	Restricted Funds	78,000	78,000

1	q. Interpreters for the Deaf and Hard of Hearing			
2			2024-25	2025-26
3	Restricted Funds		49,200	49,200
4	r. Examiners and Registration of Landscape Architects			
5			2024-25	2025-26
6	Restricted Funds		86,000	88,200
7	s. Licensure of Marriage and Family Therapists			
8			2024-25	2025-26
9	Restricted Funds		133,600	133,600
10	t. Licensure for Massage Therapy			
11			2024-25	2025-26
12	Restricted Funds		150,500	150,500
13	u. Medical Imaging and Radiation Therapy			
14			2024-25	2025-26
15	Restricted Funds		589,400	498,400
16	v. Medical Licensure			
17		2023-24	2024-25	2025-26
18	Restricted Funds	273,200	4,301,900	4,590,300
19	w. Nursing			
20		2023-24	2024-25	2025-26
21	Restricted Funds	810,800	10,400,100	10,617,000
22	x. Licensure for Nursing Home Administrators			
23			2024-25	2025-26
24	Restricted Funds		101,100	101,100
25	y. Licensure for Occupational Therapy			
26			2024-25	2025-26
27	Restricted Funds		211,600	211,600

1	z. Ophthalmic Dispensers			
2			2024-25	2025-26
3	Restricted Funds		71,400	71,400
4	aa. Optometric Examiners			
5		2023-24	2024-25	2025-26
6	Restricted Funds	54,900	301,600	306,500
7	ab. Pharmacy			
8		2023-24	2024-25	2025-26
9	Restricted Funds	308,700	3,268,700	3,328,800
10	ac. Physical Therapy			
11			2024-25	2025-26
12	Restricted Funds		718,700	733,400
13	ad. Podiatry			
14			2024-25	2025-26
15	Restricted Funds		46,500	46,500
16	ae. Private Investigators			
17			2024-25	2025-26
18	Restricted Funds		113,700	113,700
19	af. Licensed Professional Counselors			
20			2024-25	2025-26
21	Restricted Funds		390,800	390,800
22	ag. Prosthetics, Orthotics, and Pedorthics			
23			2024-25	2025-26
24	Restricted Funds		46,200	46,200
25	ah. Emergency Medical Services			
26		2023-24	2024-25	2025-26
27	General Fund	155,600	2,679,600	2,718,100

1	Restricted Funds	-0-	969,700	969,700
2	Federal Funds	-0-	175,900	181,500
3	TOTAL	155,600	3,825,200	3,869,300
4	ai. Examiners of Psychology			
5			2024-25	2025-26
6	Restricted Funds		306,400	306,400
7	aj. Respiratory Care			
8			2024-25	2025-26
9	Restricted Funds		315,200	321,300
10	ak. Social Work			
11		2023-24	2024-25	2025-26
12	Restricted Funds	450,000	832,000	838,600
13	al. Speech-Language Pathology and Audiology			
14			2024-25	2025-26
15	Restricted Funds		222,900	222,900
16	am. Veterinary Examiners			
17		2023-24	2024-25	2025-26
18	Restricted Funds	51,600	759,700	759,700
19	TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND			
20	COMMISSIONS			
21		2023-24	2024-25	2025-26
22	General Fund	155,600	2,679,600	2,718,100
23	Restricted Funds	2,089,200	32,843,900	33,483,600
24	Federal Funds	-0-	175,900	181,500
25	TOTAL	2,244,800	35,699,400	36,383,200
26	26. KENTUCKY RIVER AUTHORITY			
27			2024-25	2025-26

1	General Fund	398,400	407,500
2	Restricted Funds	16,063,000	6,274,600
3	Federal Funds	4,400	4,300
4	TOTAL	16,465,800	6,686,400

5 **(1) Lock Operations Program Growth:** Included in the above General Fund
6 appropriation is \$75,000 in each fiscal year to support additional personnel and increased
7 operating costs. Notwithstanding KRS 45.229, any portion of General Fund not expended
8 for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
9 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

10 **(2) Lockhouse Demolition:** Included in the above Restricted Funds appropriation
11 is \$75,000 in fiscal year 2024-2025 to support the demolition of three Lockmaster
12 houses. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

13 **27. SCHOOL FACILITIES CONSTRUCTION COMMISSION**

14		2024-25	2025-26
15	General Fund	117,389,800	126,743,000

16 **(1) Debt Service:** Included in the above General Fund appropriation is
17 \$5,209,800 in fiscal year 2024-2025 and \$16,970,900 in fiscal year 2025-2026 for new
18 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
19 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
20 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

21 **(2) Additional Offers of Assistance:** Notwithstanding KRS 157.611 to 157.665,
22 the School Facilities Construction Commission is authorized to make an additional
23 \$40,000,000 in offers of assistance during the 2024-2026 fiscal biennium in anticipation
24 of debt service availability during the 2026-2028 fiscal biennium. No bonded
25 indebtedness based on the above amount is to be incurred during the 2024-2026 fiscal
26 biennium.

27 **(3) Special Offers of Assistance - 2024-2025:** Notwithstanding KRS 157.611 to

1 157.665 and 2022 Ky. Acts ch. 199, Part I, A., 27., (3), the School Facilities Construction
2 Commission shall make offers of assistance in the specified amounts to the following
3 local school districts in fiscal year 2024-2025:

4 (a) \$8,041,000 to Breckinridge County Schools for Breckinridge County Middle
5 School;

6 (b) \$16,500,000 to Campbellsville Independent Schools for Campbellsville
7 Middle School;

8 (c) \$7,100,000 to Cumberland County Schools for Cumberland County
9 Elementary School;

10 (d) \$5,000,000 to Ludlow Independent Schools for Ludlow High School;

11 (e) \$12,000,000 to Martin County Schools for Inez Elementary School; and

12 (f) \$13,000,000 to Rockcastle County Schools for Rockcastle County Middle
13 School.

14 These schools are A1 schools, are ranked as a Priority 1 or 2 on the local school
15 district's facility plan, and have levied a 10-cent equivalent tax dedicated to capital
16 improvements. No local school districts receiving offers of assistance under this Act shall
17 be eligible to receive additional offers of assistance until the 2028-2030 fiscal biennium.

18 **(4) Secondary Area Technology Center Renovation Pool - 2025-2026:** A local
19 school district that owns a secondary area technology center shall be eligible to receive a
20 grant of up to \$7,500,000 to support renovation costs in fiscal year 2025-2026. The
21 School Facilities Construction Commission shall develop criteria for the districts to
22 receive funding, which shall include enrollment in job creation training programs,
23 bonding capacity, and a needs-based local match. The Commission shall show preference
24 to applications from regions projected to experience rapid growth due to economic
25 development. No award shall be made to any local school district which has received an
26 award from the Local Area Vocational Education Center Pool since fiscal year 2020-
27 2021.

1 **(5) School Facility Assistance Fund - 2025-2026:** Notwithstanding KRS
 2 157.611 to 157.665, the School Facilities Construction Commission is authorized to make
 3 awards from the School Facility Assistance Fund in fiscal year 2025-2026 to local
 4 districts for facilities that are A1 or A2 schools, that are ranked as a Priority 1 or 2 on the
 5 local school district's facility plan, that are not athletic facilities, that have been assigned
 6 a BG number by the Kentucky Department of Education with a prefix value between 19
 7 and 23, that the project construction has begun or is ready to start, and that have levied a
 8 ten-cent equivalent tax dedicated to capital improvements but remain unable to cash fund
 9 or to sufficiently support the required annual debt service for replacement or renovation
 10 of the school as of January 1, 2024.

11 The School Facilities Construction Commission's awards from the School Facility
 12 Assistance Fund shall not exceed 50 percent of the difference between the costs to
 13 construct, repair, or renovate facilities and the amount of available local resources, as
 14 certified in the audit conducted in Part I, A., 22., (11) of this Act. The awards are
 15 contingent on approval by the General Assembly.

16 **28. TEACHERS' RETIREMENT SYSTEM**

	2024-25	2025-26
18 General Fund	846,740,700	1,037,231,200
19 Restricted Funds	20,818,700	22,134,400
20 TOTAL	867,559,400	1,059,365,600

21 **(1) Dependent Subsidy for All Retirees under age 65:** Pursuant to KRS
 22 161.675(4), health insurance supplement payments made by the retirement system shall
 23 not exceed the amount of the single coverage insurance premium.

24 **(2) Retiree Health Insurance:** Pursuant to KRS 161.550(2)(b) and
 25 notwithstanding any statute to the contrary, included in the above General Fund
 26 appropriation is \$65,941,900 and excess state funding for retiree health insurance in the
 27 amount of \$10,958,100 from fiscal year 2022-2023 totaling \$76,900,000 in fiscal year

1 2024-2025 and \$84,200,000 in fiscal year 2025-2026 to support the state's contribution
2 for the cost of retiree health insurance for members not eligible for Medicare who have
3 retired on or after July 1, 2010. Notwithstanding KRS 161.675, the Teachers' Retirement
4 System Board of Trustees shall provide health insurance supplement payments towards
5 the cost of the single coverage insurance premium based on age and years of service
6 credit of eligible recipients of a retirement allowance, the cost of which shall be paid
7 from the Medical Insurance Fund. Notwithstanding KRS 161.675, the Teachers'
8 Retirement System Board of Trustees shall authorize eligible recipients of a retirement
9 allowance from the Teachers' Retirement System who are less than age 65 to be included
10 in the state-sponsored health insurance plan that is provided to active teachers and state
11 employees under KRS 18A.225. Notwithstanding KRS 161.675(4)(a), the contribution
12 paid by retirees who are less than age 65 who qualify for the maximum health insurance
13 supplement payment for single coverage shall be no more than the sum of (a) the
14 employee contribution paid by active teachers and state employees for a similar plan, and
15 (b) the standard Medicare Part B premium as determined by the Centers for Medicare and
16 Medicaid Services. Notwithstanding KRS 161.675(4)(a), the contribution paid by retirees
17 who are less than age 65 who do not qualify for the maximum health insurance
18 supplement payment for single coverage shall be determined by the same graduated
19 formula used by the Teachers' Retirement System for Plan Year 2024.

20 **(3) Medical Insurance Fund Employee Contributions:** Notwithstanding KRS
21 161.540(1), the employee contribution to the Medical Insurance Fund shall not be
22 changed in fiscal year 2024-2025 or fiscal year 2025-2026.

23 **(4) Sick Leave Liability Reporting:** The Teachers' Retirement System shall
24 provide a report on the full actuarial cost of member sick leave, including the total
25 actuarial liabilities of the sick leave and the total actuarial costs to annually finance the
26 sick leave as a percentage of payroll and in total dollars by fund source, to the Public
27 Pension Oversight Board no later than December 1, 2025.

1 **(5) Actuarially Determined Employer Contribution:** Included in the above
 2 General Fund appropriation is \$776,438,600 and excess state funding for the employer
 3 match made on behalf of local school district members in the amount of \$29,251,400 in
 4 fiscal year 2022-2023 totaling \$805,690,000 in fiscal year 2024-2025 and \$948,600,000
 5 in fiscal year 2025-2026 to provide the full actuarially determined employer contribution.
 6 The Teachers' Retirement System shall provide a report on the actuarially determined
 7 employer contribution to the Public Pension Oversight Board no later than December 1,
 8 2025. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

9 **29. APPROPRIATIONS NOT OTHERWISE CLASSIFIED**

	2024-25	2025-26
10		
11 General Fund	16,750,300	16,750,300

12 **(1) Repayment of Awards or Judgments:** Included in the above General Fund
 13 appropriation is \$245,200 in each fiscal year for the repayment of awards or judgments
 14 made by the Office of Claims and Appeals against departments, boards, commissions,
 15 and other agencies funded with appropriations out of the General Fund. However, awards
 16 under \$5,000 shall be paid from funds available for the operations of the agency.
 17 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
 18 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
 19 shall be submitted pursuant to Part III, 24. of this Act.

20 **(2) Guardian Ad Litem Fees:** Included in the above General Fund appropriation
 21 is \$12,348,300 in each fiscal year for fees to be paid to each guardian ad litem appointed
 22 by the court pursuant to KRS 311.732. The fee shall be fixed by the court and shall not
 23 exceed \$500. Notwithstanding KRS 45.229, any portion of General Fund not expended
 24 for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
 25 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

26 **(3) Reissuance of Uncashed Checks:** Included in the above General Fund
 27 appropriation is \$2,461,800 in each fiscal year to reissue checks written by the State

1 Treasurer and not cashed within the statutory period pursuant to KRS 41.370.
2 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
3 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
4 shall be submitted pursuant to Part III, 24. of this Act.

5 **(4) Police Officer, Firefighter, and Active Duty National Guard and Reserve**
6 **Survivor Benefits:** Included in the above General Fund appropriation is \$690,900 in
7 each fiscal year for payment of benefits for survivors of state and local police officers,
8 firefighters, and active duty National Guard and Reserve members pursuant to KRS
9 61.315 and for the cost of insurance premiums for firefighters pursuant to KRS 95A.070.
10 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
11 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
12 shall be submitted pursuant to Part III, 24. of this Act.

13 **(5) Attorney General Expense:** Included in the above General Fund
14 appropriation is \$370,700 in each fiscal year for expenses associated with representation
15 of the Commonwealth and payments for expert witnesses pursuant to KRS 12.215.
16 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
17 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
18 shall be submitted pursuant to Part III, 24. of this Act.

19 **(6) Prior Year Claims:** Included in the above General Fund appropriation is
20 \$253,000 in each fiscal year to allow the Finance and Administration Cabinet to pay any
21 valid expense incurred during the two preceding fiscal years pursuant to KRS 45.231.
22 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
23 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
24 shall be submitted pursuant to Part III, 24. of this Act.

25 **(7) Involuntary Commitments:** Included in the above General Fund
26 appropriation is \$63,400 in each fiscal year to provide funding for legal representation for
27 persons requiring involuntary hospitalization pursuant to KRS 202B.210.

1 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
2 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
3 shall be submitted pursuant to Part III, 24. of this Act.

4 **(8) Frankfort In Lieu of Taxes:** Included in the above General Fund
5 appropriation is \$200,000 in each fiscal year for payment to the City of Frankfort in lieu
6 of property taxes normally owed annually pursuant to KRS 45.021. Notwithstanding
7 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
8 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
9 pursuant to Part III, 24. of this Act.

10 **(9) Medical Malpractice Liability Insurance Reimbursement:** Included in the
11 above General Fund appropriation is \$77,900 in each fiscal year to reimburse clinics and
12 small, regional health care providers for medical malpractice insurance premiums
13 pursuant to KRS 304.40-075. Notwithstanding KRS 45.229, any portion of General Fund
14 not expended for this purpose shall lapse to the Budget Reserve Trust Fund Account
15 (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16 **(10) Blanket Employee Bonds:** Included in the above General Fund appropriation
17 is \$39,100 in each fiscal year to cover damages the Commonwealth might incur as the
18 result of a criminal action by an employee when securing bonds. Notwithstanding KRS
19 45.229, any portion of General Fund not expended for this purpose shall lapse to the
20 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
21 pursuant to Part III, 24. of this Act.

22 **(11) Funding Sources for Appropriations Not Otherwise Classified:** Funds
23 required to pay the costs of items included within Appropriations Not Otherwise
24 Classified are appropriated. Any required expenditure over the above amounts up to
25 \$8,249,700 in each fiscal year shall be paid first from the General Fund Surplus Account
26 (KRS 48.700), if available, or from any available balance in either the Judgments budget
27 unit or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions

1 and procedures provided in this Act.

2 The above appropriation is for the payment of Attorney General Expense, Office of
3 Claims and Appeals awards, Guardian Ad Litem, Prior Year Claims, Unredeemed
4 Checks Refunded, Involuntary Commitments - ICF/MR, Frankfort in Lieu of Taxes,
5 Frankfort Cemetery, Police Officer, Firefighter, and National Guard and Reserve
6 Survivor Benefits, Medical Malpractice Liability Insurance Reimbursement, and Blanket
7 Employee Bonds.

8 **30. JUDGMENTS**

9 **(1) Payment of Judgments and Carry Forward of General Fund**
10 **Appropriation Balance:** Notwithstanding KRS 45A.275, the payment of judgments that
11 exceed the above appropriation, as may be rendered against the Commonwealth by courts
12 and orders of the State Personnel Board, where applicable, shall be subject to KRS
13 Chapter 45 and shall not be deemed a necessary governmental expense. Notwithstanding
14 KRS 45A.270(1), funds required to pay any award or judgment against any department or
15 agency of the state in excess of the above appropriation, shall be paid out of the funds
16 created or collected for the maintenance and operation of such department or agency and
17 otherwise paid pursuant to KRS 45A.270(2). Notwithstanding KRS 45.229, the General
18 Fund appropriation in fiscal year 2023-2024 and fiscal year 2024-2025 shall not lapse
19 and shall carry forward.

20 **31. KENTUCKY COMMUNICATIONS NETWORK AUTHORITY**

	2024-25	2025-26
21		
22	41,454,600	44,845,600
23	9,779,300	10,254,100
24	51,233,900	55,099,700

25 **(1) Availability Payments:** Included in the above General Fund appropriation is
26 \$35,764,000 in fiscal year 2024-2025 and \$38,243,000 in fiscal year 2025-2026 for
27 availability payments. Notwithstanding KRS 45.229, any portion of General Fund not

1 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
2 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

3 (2) **Debt Service:** Included in the above General Fund appropriation is \$914,500
4 in fiscal year 2024-2025 and \$2,240,000 in fiscal year 2025-2026 for new debt service to
5 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
6 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
7 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

8 (3) **Capital Project Reporting:** On a quarterly basis, beginning November 1,
9 2024, the Kentucky Communications Network Authority shall submit a report detailing
10 the following for each capital project authorized:

11 (a) Project scope, including a definition of what project components are critical;
12 costs related to each project component; information regarding which network location
13 node, core equipment site, or end-user location is impacted; project milestones; and any
14 changes or modifications from previous reports;

15 (b) Financial status, including how much has been spent of the authorization, cost
16 overruns and/or savings, and impact on the Authority’s operating budget;

17 (c) Project timeline detailing progress towards project milestones and project
18 completion status; and

19 (d) Procurement and contracts, including status of procurement activities
20 detailing contracts awarded and pending, and any changes to contract terms or conditions.

21 The Authority shall present this quarterly report to the Capital Projects and Bond
22 Oversight Committee.

23 **TOTAL - GENERAL GOVERNMENT**

	2023-24	2024-25	2025-26
24 General Fund (Tobacco)	-0-	39,117,100	40,111,000
25 General Fund	1,282,700	1,719,782,800	1,891,508,900
26 Restricted Funds	5,166,000	367,390,300	364,806,700

1	Federal Funds	-0-	813,918,100	1,370,250,500
2	TOTAL	6,448,700	2,940,208,300	3,666,677,100

B. ECONOMIC DEVELOPMENT CABINET

Budget Unit

1. ECONOMIC DEVELOPMENT

		2023-24	2024-25	2025-26
6				
7	General Fund	4,000,000	30,251,000	31,754,700
8	Restricted Funds	-0-	3,584,700	3,665,500
9	Federal Funds	-0-	301,000	301,000
10	TOTAL	4,000,000	34,136,700	35,721,200

11 **(1) Funding for Commercialization and Innovation:** Notwithstanding KRS
 12 154.12-278, interest income earned on the balances in the High-Tech
 13 Construction/Investment Pool and loan repayments received by the High-Tech
 14 Construction/Investment Pool shall be used to support the Office of Entrepreneurship and
 15 are appropriated in addition to amounts appropriated above.

16 **(2) Lapse and Carry Forward of General Fund Appropriation Balance for**
 17 **Bluegrass State Skills Corporation:** Notwithstanding KRS 45.229, the General Fund
 18 appropriation balance for Bluegrass State Skills Corporation training grants for fiscal
 19 year 2023-2024 and fiscal year 2024-2025 shall not lapse and shall carry forward. The
 20 amount available to the Corporation for disbursement in each fiscal year shall be limited
 21 to the unexpended training grant allotment balance at the end of each fiscal year
 22 combined with the additional training grant allotment amounts in each fiscal year of the
 23 2024-2026 fiscal biennium, less any disbursements. If the required disbursements exceed
 24 the Bluegrass State Skills Corporation training grants allotment balance, notwithstanding
 25 KRS 154.12-278, Restricted Funds may be expended for training grants.

26 **(3) Science and Technology Program:** Notwithstanding KRS 164.6011 to
 27 164.6035 and any other statute to the contrary, the Cabinet for Economic Development

1 shall have the authority to carry out the provisions of KRS 164.6013 to 164.6035.

2 **(4) Carry Forward of General Fund Appropriation Balance:** Notwithstanding
3 KRS 45.229, the General Fund appropriation in fiscal year 2023-2024 and fiscal year
4 2024-2025 to the Cabinet for Economic Development, Science and Technology Program,
5 shall not lapse and shall carry forward in the Cabinet for Economic Development

6 **(5) Executive Officers' Compensation:** Notwithstanding KRS 154.10-050(2),
7 any additional executive officers as described in KRS 154.10-050(2) shall not be paid a
8 salary greater than the salary of the Governor of the Commonwealth.

9 **(6) Training Grants:** Included in the above General Fund appropriation is
10 \$2,500,000 in each fiscal year for the Bluegrass State Skills Corporation to make training
11 grants to support manufacturing-related investments. The Corporation shall utilize these
12 funds for a manufacturer designated by the United States Department of Commerce,
13 United States Census Bureau North American Industry Classification System code of
14 336111, 336112, 336120, or 336211 that employs at least 10,000 full-time persons at the
15 same facility or at multiple facilities located within the same county to help offset
16 associated costs of retraining its workforce. Notwithstanding KRS 45.229, the General
17 Fund appropriation balance for Bluegrass State Skills Corporation training grants for
18 fiscal year 2023-2024 and fiscal year 2024-2025 shall not lapse and shall carry forward.
19 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

20 **(7) Debt Service:** Included in the above General Fund appropriation is \$634,500
21 in fiscal year 2024-2025 and \$1,903,500 in fiscal year 2025-2026 for new debt service to
22 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
23 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
24 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

25 **(8) Kentucky Product Development Initiative:** Notwithstanding KRS 45.229,
26 the balance of the General Fund appropriation authorized in 2022 Ky. Acts ch. 199, Part
27 I, B., 1., (12) shall not lapse and shall carry forward.

1 **(9) Engineering Services:** Included in the above General Fund appropriation is
 2 \$350,000 in each fiscal year to support engineering services for site selection projects.
 3 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
 4 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
 5 shall be submitted pursuant to Part III, 24. of this Act.

6 **(10) KEDFA Forgivable Loan-Carry Forward of Appropriation Balance:**
 7 Notwithstanding KRS 45.229, the balance of the General Fund appropriation authorized
 8 in 2022 Ky. Acts ch. 199, Part I, B., 1., (11) shall not lapse and shall carry forward.

9 **(11) Agricultural Economic Development:** In accordance with KRS Chapter
 10 154, the Secretary of the Cabinet for Economic Development shall coordinate with and
 11 seek guidance from the Commissioner of the Department of Agriculture in considering
 12 any projects for economic incentives related to agricultural economic development,
 13 agribusiness, or production facilities of sustainable aviation fuel.

14 **(12) Kentucky Film Incentive:** Included in the above Restricted Funds
 15 appropriation is \$450,000 in each fiscal year to support staffing and operations for the
 16 Kentucky Entertainment Incentive Program. Mandated reports shall be submitted
 17 pursuant to Part III, 24. of this Act.

18 **(13) Shaping Our Appalachian Region:** Included in the above General Fund
 19 appropriation is \$4,000,000 in fiscal year 2023-2024 to provide the match for the federal
 20 grant to support the EDA Recompete Pilot Program. Notwithstanding KRS 45.229, any
 21 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
 22 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
 23 III, 24. of this Act.

24 **C. DEPARTMENT OF EDUCATION**

25 **Budget Units**

26 **1. SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK)** 27 **PROGRAM**

1		2024-25	2025-26
2	General Fund	3,261,950,500	3,365,742,000

3 **(1) Common School Fund Earnings:** Accumulated earnings for the Common
4 School Fund shall be transferred in each fiscal year to the SEEK Program.

5 **(2) Allocation of SEEK Funds:** Notwithstanding KRS 157.360(2)(c), the above
6 General Fund appropriation to the base SEEK Program is intended to provide a base
7 guarantee of \$4,326 per student in average daily attendance in fiscal year 2024-2025 and
8 \$4,586 per student in average daily attendance in fiscal year 2025-2026, as well as to
9 meet the other requirements of KRS 157.360. Notwithstanding KRS 157.360(2), each
10 district’s base funding level shall be adjusted for the number of students demonstrating
11 limited proficiency in English language skills, multiplied by 0.096.

12 Funds appropriated to the SEEK Program shall be allotted to school districts in
13 accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall
14 not exceed the appropriation for this purpose, except as provided in this Act. The total
15 appropriation for the SEEK Program shall be measured by, or construed as, estimates of
16 the state expenditures required by KRS 157.310 to 157.440. If the required expenditures
17 exceed these estimates, the Secretary of the Finance and Administration Cabinet, upon
18 the written request of the Commissioner of Education and with the approval of the
19 Governor, may increase the appropriation by such amount as may be available and
20 necessary to meet, to the extent possible, the required expenditures under the cited
21 sections of the Kentucky Revised Statutes, but any increase of the total appropriation to
22 the SEEK Program is subject to Part III, General Provisions, of this Act and KRS Chapter
23 48. If funds appropriated to the SEEK Program are insufficient to provide the amount of
24 money required under KRS 157.310 to 157.440, allotments to local school districts may
25 be reduced in accordance with KRS 157.430.

26 **(3) SEEK Lapse:** Notwithstanding KRS 45.229 and 2022 Ky. Acts ch. 199, Part
27 I, C., 1., (3), any General Fund amounts appropriated to the SEEK Program that are not

1 necessary to meet the requirements set forth in KRS 157.310 to 157.440 in fiscal years
2 2023-2024, 2024-2025, and 2025-2026 shall lapse to the Budget Reserve Trust Fund
3 Account (KRS 48.705).

4 **(4) Base SEEK Allotments:** Notwithstanding KRS 157.420(2), included in the
5 above General Fund appropriation is \$1,932,565,100 in fiscal year 2024-2025 and
6 \$2,023,234,800 in fiscal year 2025-2026 for the base SEEK Program as defined by KRS
7 157.360. Funds appropriated to the SEEK Program shall be allotted to school districts in
8 accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall
9 not exceed the appropriation for this purpose, except as provided in this Act. Mandated
10 reports shall be submitted pursuant to Part III, 24. of this Act.

11 **(5) Tier I Component:** Included in the above General Fund appropriation is
12 \$234,983,400 in fiscal year 2024-2025 and \$223,856,800 in fiscal year 2025-2026 for the
13 Tier I component as established by KRS 157.440. Notwithstanding KRS 157.440(1)(a),
14 the board of education of each school district may levy an equivalent tax rate as defined
15 in KRS 160.470(9)(a) which will produce up to 17.5 percent of those revenues
16 guaranteed by the SEEK Program. The levy shall be made no later than October 1 of each
17 odd numbered year, and revenue generated by this levy shall be equalized at 150 percent
18 of the statewide average per pupil assessment. Mandated reports shall be submitted
19 pursuant to Part III, 24. of this Act.

20 **(6) Vocational Transportation:** Included in the above General Fund
21 appropriation is \$7,833,100 in each fiscal year for vocational transportation.
22 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
23 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
24 shall be submitted pursuant to Part III, 24. of this Act.

25 **(7) Teachers' Retirement System Employer Match:** Included in the above
26 General Fund appropriation is \$458,220,000 in fiscal year 2024-2025 and \$467,900,000
27 in fiscal year 2025-2026 to enable local school districts to provide the employer match

1 for qualified employees. Mandated reports shall be submitted pursuant to Part III, 24. of
2 this Act.

3 **(8) Salary Supplements for Nationally Certified Teachers:** Notwithstanding
4 KRS 157.395, included in the above General Fund appropriation is \$4,655,500 in each
5 fiscal year for the purpose of providing salary supplements for public school teachers
6 attaining certification by the National Board for Professional Teaching Standards.
7 Notwithstanding KRS 157.395, if the appropriation is insufficient to provide the
8 mandated salary supplement for teachers who have obtained this certification, the
9 Department of Education is authorized to pro rata reduce the supplement.
10 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
11 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
12 shall be submitted pursuant to Part III, 24. of this Act.

13 **(9) SEEK Adjustment Factors:** Funds allocated for the SEEK base and its
14 adjustment factors that are not needed for the base or a particular adjustment factor may
15 be allocated to other adjustment factors, if funds for that adjustment factor are not
16 sufficient. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

17 **(10) Facilities Support Program of Kentucky/Equalized Nickel Levies:**
18 Included in the above General Fund appropriation is \$124,766,700 in fiscal year 2024-
19 2025 and \$112,223,900 in fiscal year 2025-2026 to provide facilities equalization funding
20 pursuant to KRS 157.440 and 157.620. Mandated reports shall be submitted pursuant to
21 Part III, 24. of this Act.

22 **(11) Growth Levy Equalization Funding:** Included in the above General Fund
23 appropriation is \$50,045,800 in fiscal year 2024-2025 and \$40,102,800 in fiscal year
24 2025-2026 to provide facilities equalization funding pursuant to KRS 157.440 and
25 157.620 for districts meeting the eligibility requirements of KRS 157.621(1) and (4).
26 Notwithstanding KRS 157.621(1)(b)2., a school district that imposes the levy authorized
27 by KRS 157.621(1)(b)1. shall be equalized for that levy, in addition to the equalization

1 funding appropriated in accordance with KRS 157.621(1)(b)2., and all funds for this
2 purpose shall be committed to debt service, new facilities, or major renovations in
3 accordance with KRS 157.440(1)(b). It is the intent of the 2024 General Assembly that
4 any local school district receiving equalization under this subsection shall receive full
5 calculated equalization until the earlier of 20 years of the effective date of this Act, or the
6 date the bonds for the local school district supported by this equalization are retired, in
7 accordance with KRS 157.621(2). Mandated reports shall be submitted pursuant to Part
8 III, 24. of this Act.

9 **(12) Retroactive Equalized Facility Funding:** Included in the above General
10 Fund appropriation is \$57,457,200 in fiscal year 2024-2025 and \$52,129,900 in fiscal
11 year 2025-2026 to provide equalized facility funding pursuant to KRS 157.440 and
12 157.620 to districts meeting the eligibility requirements of KRS 157.621(2) and (4). In
13 addition, a local board of education that levied a tax rate subject to recall by January 1,
14 2014, in addition to the five cents levied pursuant to KRS 157.440(1)(b) and that
15 committed the receipts to debt service, new facilities, or major renovations of existing
16 facilities shall be eligible for equalization funds from the state at 150 percent of the
17 statewide average per pupil assessment. Revenue to generate the five cent equivalent levy
18 may be obtained from levies on property, motor vehicles, or the taxes authorized by KRS
19 160.593 to 160.597, 160.601 to 160.633, and 160.635 to 160.648 if the levy was
20 dedicated to facilities funding at the time of the levy. The equalization funds shall be used
21 as provided in KRS 157.440(1)(b). Notwithstanding KRS 157.621(2)(a) and (4), for the
22 2024-2026 fiscal biennium, school districts that levied the tax rate subject to recall prior
23 to January 30, 2022, shall be equalized at 100 percent of the calculated equalization
24 funding, school districts that levied the tax rate subject to recall after January 30, 2022,
25 and before January 15, 2024, shall be equalized at 25 percent of the calculated
26 equalization funding, and all funds for this purpose shall be committed to debt service,
27 new facilities, or major renovations in accordance with KRS 157.440(1)(b). It is the

1 intent of the 2024 General Assembly that any local school district receiving partial
2 equalization under this subsection in the 2024-2026 fiscal biennium shall receive full
3 calculated equalization in the 2026-2028 fiscal biennium and thereafter, until the earlier
4 of 20 years of the effective date of this Act, or the date the bonds for the local school
5 district supported by this equalization are retired, in accordance with KRS 157.621(2).
6 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

7 **(13) Equalized Facility Funding:** Included in the above General Fund
8 appropriation is \$17,623,400 in fiscal year 2024-2025 and \$16,111,300 in fiscal year
9 2025-2026 to provide equalized facility funding pursuant to KRS 157.440 and 157.620 to
10 districts meeting the eligibility requirements of KRS 157.621(3) and (4). Notwithstanding
11 KRS 157.621(3)(c), a school district meeting the criteria of KRS 157.621(3)(a) and (b)
12 shall be equalized at 100 percent of the calculated equalization funding in each fiscal
13 year, and all funds for this purpose shall be committed to debt service, new facilities, or
14 major renovations in accordance with KRS 157.440(1)(b). In addition, notwithstanding
15 KRS 157.621(1) and (3), a school district that has levied a five-cent equivalent rate
16 authorized by KRS 157.621(1)(a) and is not receiving state equalization funding for that
17 levy under KRS 157.621(1)(b), 157.621(3), or any other provision of this Act, shall be
18 equalized at 100 percent of the calculated equalization funding in each fiscal year, and all
19 funds for this purpose shall be committed to debt service, new facilities, or major
20 renovations in accordance with KRS 157.440(1)(b). It is the intent of the 2024 General
21 Assembly that any local school district receiving equalization under this subsection shall
22 receive full calculated equalization until the earlier of 20 years of the effective date of
23 this Act, or the date the bonds for the local school district supported by this equalization
24 are retired, in accordance with KRS 157.621(3). Mandated reports shall be submitted
25 pursuant to Part III, 24. of this Act.

26 **(14) BRAC Equalized Facility Funding:** Notwithstanding KRS 157.621(1)(c)2.,
27 included in the above General Fund appropriation is \$3,121,200 in fiscal year 2024-2025

1 and \$2,780,500 in fiscal year 2025-2026 to provide equalized facility funding to school
2 districts meeting the eligibility requirements of KRS 157.621(1)(c)1. pursuant to KRS
3 157.440 and 157.620. Mandated reports shall be submitted pursuant to Part III, 24. of this
4 Act.

5 **(15) Equalization Funding for Critical Construction Needs Schools:** Included
6 in the above General Fund appropriation is \$9,371,000 in fiscal year 2024-2025 and
7 \$8,716,900 in fiscal year 2025-2026 to school districts in accordance with KRS
8 157.621(5). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

9 **(16) Hold-Harmless Guarantee:** A hold-harmless guarantee is established in each
10 fiscal year which provides that every local school district shall receive at least the same
11 amount of SEEK state funding per pupil as was received in fiscal year 1991-1992. If
12 funds appropriated to the SEEK Program are insufficient to provide the amount of money
13 required under KRS 157.310 to 157.440, and allotments to local school districts are
14 reduced in accordance with KRS 157.430, allocations to school districts subject to this
15 provision shall not be reduced.

16 **(17) Residential Youth-at-Risk Programs:** In accordance with KRS 157.360, no
17 funds from the SEEK Program shall be distributed to the programs operated by the
18 Kentucky Guard Youth Challenge Division of the Department of Military Affairs.
19 Notwithstanding KRS 157.350, 157.360, 157.410, and any other statute to the contrary,
20 any school district providing educational services to students enrolled in programs
21 operated by the Kentucky Guard Youth Challenge Division of the Department of Military
22 Affairs shall be paid for those services solely from the General Fund appropriation in Part
23 I, A., 6. of this Act, and students enrolled in such programs shall not be included in the
24 average daily attendance for purposes of SEEK Program funding.

25 **(18) Salary Supplements for Certified Audiologists and Speech Language**
26 **Pathologists:** Included in the above General Fund appropriation is \$2,312,000 in each
27 fiscal year for the purpose of providing a \$2,000 salary supplement each year for full-

1 time public school Audiologists and Speech Language Pathologists that have active
2 Certificates of Clinical Competence, as offered by the American Speech-Language-
3 Hearing Association. Notwithstanding any statute to the contrary, if the appropriation is
4 insufficient to provide all full-time public school American Speech-Language-Hearing
5 Association certified Audiologists and Speech Language Pathologists with the \$2,000
6 stipend, then the Department of Education is authorized to pro rata reduce the
7 supplement. Notwithstanding KRS 45.229, any portion of General Fund not expended for
8 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
9 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

10 **(19) Full-Day Kindergarten:** Notwithstanding KRS 157.320 or any other statute
11 or regulation to the contrary, the Department of Education shall count each kindergarten
12 pupil in full for that respective school year, for the purpose of determining SEEK funds
13 and any other state funding based in whole or in part on average daily attendance for the
14 district, except that a district shall receive an amount equal to one-half of the state portion
15 of the average statewide per pupil guaranteed base funding level for each student who
16 graduated early under the provisions of KRS 158.142.

17 **(20) SEEK Transportation:** Notwithstanding KRS 157.370 and 157.360(2)(c),
18 included in the above General Fund appropriation is \$358,996,100 in fiscal year 2024-
19 2025 and \$398,884,500 in fiscal year 2025-2026 to support pupil transportation.
20 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

21 **(21) Legislative Policy Requirement:** The 2024 General Assembly provides the
22 following requirement to local boards of education and the Kentucky Department of
23 Education:

24 (a) Local school districts that receive state funding from the Support Education
25 Excellence in Kentucky Program shall:

26 1. Prominently display, in not less than 16-point type, on the local board of
27 education's internet landing page, the district's percentage of students scoring Proficient

1 in Reading, the district's percentage of students scoring Distinguished in Reading, the
2 district's percentage of students scoring Proficient in Mathematics, and the district's
3 percentage of students scoring Distinguished in Mathematics on the most recent
4 Kentucky Summative Assessment, as defined by KRS 158.6453;

5 2. Prominently display a web link to the detailed results of the district's
6 performance on the most recent Kentucky Summative Assessment on the local board of
7 education's internet landing page;

8 3. Display the same information specified in subparagraph 1. of this paragraph at
9 the top of each page of the board's website in a banner format;

10 4. Prominently display, in not less than 16-point type, on each school's internet
11 landing page, the school's percentage of students scoring Proficient in Reading, the
12 school's percentage of students scoring Distinguished in Reading, the percentage of
13 students scoring Proficient in Mathematics, and the percentage of students scoring
14 Distinguished in Mathematics on the school's most recent Kentucky Summative
15 Assessment;

16 5. Prominently display on each school's internet landing page, a link to the
17 detailed results of the school's results on the most recent Kentucky Summative
18 Assessment; and

19 6. Display the same information specified in subparagraph 4. of this paragraph in
20 banner format on each page of the school's website;

21 (b) The Kentucky Department of Education shall post a rank order by overall
22 academic performance of all schools on its website;

23 (c) The Kentucky Department of Education shall ensure compliance with this
24 subsection by every district, and offer assistance, as needed;

25 (d) The General Assembly is aware of the intention of surrounding states to set
26 increased minimum salaries for classroom teachers in those states by statute or
27 regulation. The General Assembly also recognizes the fact that the local economy heavily

1 affects the salary schedules of classified employees; and

2 (e) The General Assembly directs each local board of education to consider the
3 actions of other states and the local economy and the related effect on recruitment and
4 retention when establishing the salary schedules for classroom teachers and classified
5 employees. Additional funds have been made available to local school districts through
6 increases in SEEK resources. The 2024 General Assembly encourages local school
7 districts to provide certified and classified staff a salary or compensation increase.

8 **(22) Property Assessment Growth Relief:** Notwithstanding KRS 157.360(17),
9 the Department of Education shall value real estate for the purposes of calculating the
10 state portion of local effort required to participate in the SEEK Program as the lesser of
11 the current year assessment or the prior year assessment increased by four percent, plus
12 the value of current year new property. For purposes of calculating the adjusted prior year
13 assessment, the value of current new year property may not exceed 110 percent of the
14 value of the prior year’s valuation of existing property. Authorization to use the prior
15 year assessment, as adjusted, shall be subject to available funds.

16 **(23) Star Academy:** Included in the above General Fund appropriation is
17 \$5,000,000 in fiscal year 2025-2026 to support a three-year pilot program of five Star
18 Academy charter schools within existing public schools throughout the state.
19 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
20 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
21 shall be submitted pursuant to Part III, 24. of this Act.

22 **2. OPERATIONS AND SUPPORT SERVICES**

	2024-25	2025-26
24 General Fund	66,455,800	67,208,600
25 Restricted Funds	15,901,400	16,490,700
26 Federal Funds	465,580,300	465,718,800
27 TOTAL	547,937,500	549,418,100

1 **(1) Employment of Leadership Personnel:** Notwithstanding KRS 18A.005 to
2 18A.200, the Kentucky Board of Education shall continue to have sole authority to
3 determine the employees of the Department of Education who are exempt from the
4 classified service and to set those employees' compensation comparable to the
5 competitive market.

6 **(2) Debt Service:** Included in the above General Fund appropriation is \$83,000 in
7 fiscal year 2024-2025 and \$166,000 in fiscal year 2025-2026 for new debt service to
8 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
9 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
10 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

11 **(3) Blind/Deaf Residential Travel Program:** Included in the above General
12 Fund appropriation is \$492,300 in each fiscal year for the Blind/Deaf Residential Travel
13 Program. Notwithstanding KRS 45.229, any portion of General Fund not expended for
14 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
15 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16 **(4) School Food Services:** Included in the above General Fund appropriation is
17 \$3,584,000 in each fiscal year for the School Food Services Program. Notwithstanding
18 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
19 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
20 pursuant to Part III, 24. of this Act.

21 **(5) Advanced Placement and International Baccalaureate Exams:**
22 Notwithstanding KRS 160.348(3), included in the above General Fund appropriation is
23 \$1,000,000 in each fiscal year to pay the cost of Advanced Placement and International
24 Baccalaureate examinations for those students who meet the eligibility requirements for
25 free or reduced-price meals. Notwithstanding KRS 154A.130(4) and 160.348(3),
26 included in the above General Fund appropriation is \$2,600,000 in each fiscal year to pay
27 the cost of Advanced Placement examinations for students on a first-come, first-served

1 basis. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
2 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated
3 reports shall be submitted pursuant to Part III, 24. of this Act.

4 **(6) Review of the Classification of Primary and Secondary School Buildings:**
5 Included in the above General Fund appropriation is \$500,000 in each fiscal year to
6 implement KRS 157.420(9) and (10). Notwithstanding KRS 45.229, any portion of the
7 \$500,000 that has not been expended by the end of fiscal year 2024-2025 shall not lapse
8 and shall carry forward into fiscal year 2025-2026. Notwithstanding KRS 157.420(9) and
9 (10), only schools classified as A1, A2, A3, A4, A5, A6, C2, and D1 shall be included in
10 the evaluation process. Notwithstanding KRS 157.420(9) and (10), the Department of
11 Education may limit the school buildings included in the evaluation process based on the
12 time elapsed since the building's construction or last major renovation as defined in 702
13 KAR 4:160. Notwithstanding KRS 157.420(9) and (10), the Department of Education
14 shall provide an updated list of school buildings that reflects the current adequate needs
15 of facilities evaluated under the standardized process outlined in KRS 157.420(9) to the
16 Legislative Research Commission by October 1, 2025.

17 **(7) District Facility Plan Modifications:** Notwithstanding KRS 162.060,
18 requirements for the Chief State School Officer's prior approval of district facility plans
19 and specifications, KRS 157.420(7) requirements for the Commissioner of Education's
20 approval for the use of the district's capital outlay funds for projects, and KRS 160.160(3)
21 and (4) requirements for the Department of Education's approval for the district's
22 transactions, and any administrative regulation that requires any of those entities to
23 provide prior approval for the funding, financing, design, construction, renovation, or
24 modification of school facilities, a local board of education of a district may provide for
25 and commence the funding, financing, design, construction, renovation, or modification
26 of the district's facilities in accordance with the provisions and restrictions established in
27 statute and administrative regulation.

1 A local board of education that elects to conduct its projects under this subsection
2 shall adopt a resolution by majority vote and submit the resolution to the Kentucky
3 Department of Education as notice and shall submit BG-1 Project Application forms to
4 the Kentucky Department of Education for recordkeeping and data collection. The
5 provisions of KRS 160.160(5) shall remain in full effect and shall be applicable to leases
6 and bonds authorized by a local board without the prior approval of the Department.
7 Notwithstanding the provisions of KRS 160.160(2) to the contrary, a local board under
8 this subsection may use the estimates of architects or engineers who prepared the plans or
9 specifications as an alternative to the receipt of advertised, public, and competitive bids
10 for the project to estimate the cost of the project in advance of financing.

11 Notwithstanding 702 KAR 4:180, 702 KAR 4:050, and 702 KAR 4:090, or any
12 other similar administrative regulation to the contrary, a local board of education that
13 submits a request for approval of a complete district facility plan, a request for
14 acquisition of property, or a request for disposal of surplus property shall submit the
15 request to the Commissioner of Education or designee who shall approve or disapprove
16 the request within 30 business days. An approved request shall be reported to the
17 Kentucky Board of Education. A denied request may be appealed to the Board.

18 **(8) Employee Reporting:** The Kentucky Department of Education shall provide
19 a report by August 1 of each year to the Interim Joint Committee on Appropriations and
20 Revenue. At a minimum, the report shall include:

21 (a) A count and list, by name, of all full-time, part-time, and interim employees
22 employed under KRS Chapter 18A;

23 (b) A count and list, by name, of all contract employees;

24 (c) The position title, Kentucky Department of Education office served, and
25 primary work location of every employee;

26 (d) The employees' level of compensation, on an annualized basis, including the
27 percentage of all fund sources used to compensate the employee; and

1 (e) For contract employees, the start and end date of the relevant contract, as well
2 as the name of any entity involved in administering the contract.

3 **(9) Educators Employment Liability Insurance Program:** Included in the
4 above General Fund appropriation is \$5,000,000 in each fiscal year to support the
5 educators employment liability insurance program pursuant to KRS 161.212.
6 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
7 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
8 shall be submitted pursuant to Part III, 24. of this Act.

9 **(10) SEEK Application:** Included in the above General Fund appropriation is
10 \$250,000 in each fiscal year to maintain the SEEK Application. Notwithstanding KRS
11 45.229, any portion of General Fund not expended for this purpose shall lapse to the
12 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
13 pursuant to Part III, 24. of this Act.

14 **(11) Certified and Classified Staff Compensation Increase Reporting:** The
15 Kentucky Department of Education shall provide a report by September 1 of each year to
16 the Interim Joint Committee on Appropriations and Revenue detailing certified and
17 classified staff compensation increases for the current school year by each local school
18 district. At a minimum, the report shall include:

19 (a) A brief description of the type of staff compensation increases adopted, such
20 as percentage-based or flat rate, if applicable;

21 (b) The average percentage rate or dollar amount of the compensation increases,
22 by classification, if applicable;

23 (c) The effective date of the compensation increases, if applicable;

24 (d) The manner in which the compensation increases were delineated, such as
25 universally or by job classification, if applicable;

26 (e) Any monetary compensation in addition to that provided through the district's
27 single salary schedule, such as one-time payments, if applicable;

1 (f) The date the local board of education adopted the compensation increases, if
2 applicable; and

3 (g) Any changes to the local school district’s certified and/or classified staff
4 single salary schedule(s), if applicable.

5 **(12) Commissioner of Education:** Notwithstanding KRS 11.160 and
6 156.148(2)(a), the appointment of the Interim Commissioner of Education on the date
7 this Act becomes effective shall not be subject to Senate confirmation.

8 **3. LEARNING AND RESULTS SERVICES**

	2024-25	2025-26
10 General Fund	1,389,091,500	1,527,070,500
11 Restricted Funds	27,991,300	31,761,700
12 Federal Funds	1,383,403,400	619,447,200
13 TOTAL	2,800,486,200	2,178,279,400

14 **(1) Kentucky Education Technology System:** Notwithstanding KRS 157.650 to
15 157.665, the School for the Deaf and the School for the Blind shall be fully eligible,
16 along with local school districts, to participate in the Kentucky Education Technology
17 System in a manner that takes into account the special needs of the students of these two
18 schools.

19 **(2) Family Resource and Youth Services Centers:** Funds appropriated to
20 establish and support Family Resource and Youth Services Centers shall be transferred in
21 each fiscal year to the Cabinet for Health and Family Services consistent with KRS
22 156.496. The Cabinet for Health and Family Services is authorized to use, for
23 administrative purposes, no more than two percent of the total funds transferred from the
24 Department of Education for the Family Resource and Youth Services Centers. If a
25 certified person is employed as a director or coordinator of a Family Resource and Youth
26 Services Center, that person shall retain his or her status as a certified employee of the
27 school district.

1 **(3) Health Insurance:** Included in the above General Fund appropriation is
2 \$942,925,300 in fiscal year 2024-2025 and \$1,076,821,500 in fiscal year 2025-2026 for
3 employer contributions for health insurance and the contribution to the health
4 reimbursement account for employees waiving coverage. Notwithstanding KRS 45.229,
5 any portion of General Fund not expended for this purpose shall lapse to the Budget
6 Reserve Trust Fund Account (KRS 48.705). Notwithstanding KRS 45.229, any portion of
7 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
8 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
9 this Act.

10 **(4) Program Flexibility:** Notwithstanding KRS 158.070(8) and 158.446, local
11 school districts shall be provided additional flexibility in the utilization of funds for
12 Extended School Services and Safe Schools. Local school districts shall continue to
13 address the governing statutes and serve the intended student population but may utilize
14 funds from these programs for general operating expenses in each year of the fiscal
15 biennium. Local school districts that utilize these funds for general operating expenses
16 shall report to the Kentucky Department of Education and the Interim Joint Committee
17 on Education the amount of funding from each program utilized for general operating
18 expenses.

19 **(5) Center for School Safety:** Included in the above General Fund appropriation
20 is \$15,000,000 in each fiscal year for the Center for School Safety. Notwithstanding KRS
21 158.446, the Center for School Safety shall allot these moneys for the purposes described
22 in KRS 158.440, 158.441, 158.4415, 158.4416, 158.442, 158.445, and 158.446 at both
23 public and private school buildings, campuses, grounds, recreational areas, or athletic
24 fields, except that no more than \$1,500,000 in each fiscal year may be retained for
25 administrative purposes. The Center for School Safety shall research and evaluate
26 commercial software solutions available to improve school safety. Notwithstanding KRS
27 45.229, any portion of General Fund not expended for this purpose shall lapse to the

1 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
2 pursuant to Part III, 24. of this Act.

3 **(6) Allocations to School-Based Decision Making Councils:** Notwithstanding
4 KRS 160.345(8), for each fiscal year, a local board of education may reduce the
5 allocations to individual schools within the district as outlined in 702 KAR 3:246, secs. 6,
6 7, and 8. The allocation under 702 KAR 3:246, sec. 6, shall not be less than \$100 per
7 pupil in average daily attendance.

8 **(7) Kentucky School for the Blind and Kentucky School for the Deaf:**
9 Included in the above General Fund appropriation is \$8,274,400 in fiscal year 2024-2025
10 and \$8,289,100 in fiscal year 2025-2026 for the Kentucky School for the Blind and
11 \$11,260,500 in fiscal year 2024-2025 and \$11,291,800 in fiscal year 2025-2026 for the
12 Kentucky School for the Deaf. Of this amount, \$551,300 in fiscal year 2024-2025 and
13 \$597,300 in fiscal year 2025-2026 is provided to support step and rank increases.
14 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
15 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
16 shall be submitted pursuant to Part III, 24. of this Act.

17 **(8) Career and Technical Education:** Included in the above General Fund
18 appropriation is \$127,065,900 in fiscal year 2024-2025 and \$127,115,900 in fiscal year
19 2025-2026 for career and technical education. Notwithstanding KRS 157.069, of this
20 amount, \$70,063,400 in each fiscal year shall be distributed as supplemental funding to
21 local area vocational education centers.

22 Notwithstanding KRS 157.069, Category II and III programs in districts established
23 after June 21, 2001, shall be included in the distribution. The Department of Education
24 shall classify each comprehensive high school with five or more career and technical
25 education program areas as a local area vocational education center and shall also include
26 any comprehensive high school with fewer than five career and technical education
27 programs in the supplemental funding. The Department of Education shall communicate

1 the updated status with the superintendent of each local school district no later than June
2 30, 2024. Notwithstanding KRS 45.229, any portion of General Fund not expended for
3 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
4 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

5 **(9) Redistribution of Resources:** Notwithstanding KRS 156.095, 156.553,
6 156.555, 157.390, 158.070, 158.770, 158.775, 158.805, 161.027 to 161.030, 161.165, and
7 161.167, no General Fund is provided for the Professional Development Program, the
8 Commonwealth School Improvement Fund, the Leadership and Mentor Fund, the Middle
9 School Academic Center, the Teacher's Professional Growth Fund, the Teacher
10 Academies Program, the Writing Program, the Kentucky Principal Internship Program,
11 the Kentucky Teacher Internship Program, and the Kentucky Academy for Equity in
12 Teaching in order to increase funding for school-based mental health services providers.

13 **(10) Learning and Results Services Programs:** Included in the above General
14 Fund appropriation are the following allocations for the 2024-2026 fiscal biennium, but
15 no portion of these funds shall be utilized for state-level administrative purposes:

- 16 (a) \$1,900,000 in each fiscal year for AdvanceKentucky;
- 17 (b) \$1,850,000 in each fiscal year for the Community Education Program;
- 18 (c) \$23,916,300 in each fiscal year for the Extended School Services Program;
- 19 (d) \$48,889,000 in each fiscal year for the Family Resource and Youth Services
20 Centers Program;
- 21 (e) \$10,000,000 in each fiscal year for the Gifted and Talented Program;
- 22 (f) \$100,000 in each fiscal year for the Hearing and Speech Center;
- 23 (g) \$100,000 in each fiscal year for the Heuser Hearing and Language Academy;
- 24 (h) Notwithstanding KRS 154A.130(4), \$1,675,500 in each fiscal year for the
25 Jobs for America's Graduates Program;
- 26 (i) \$500,000 in each fiscal year for the Kentucky Alliance of Boys & Girls Clubs;
- 27 (j) \$12,500,000 in each fiscal year for the Kentucky Educational Collaborative

1 for State Agency Children;

2 (k) \$1,391,000 in each fiscal year for Local School District Life Insurance;

3 (l) \$1,000,000 in each fiscal year for Math Nation;

4 (m) \$5,019,000 in each fiscal year for the Mathematics Achievement Fund;

5 (n) \$84,481,100 in each fiscal year for the Preschool Program;

6 (o) \$15,936,600 in each fiscal year for the Read to Achieve Program;

7 (p) \$11,000,000 in each fiscal year for the Read to Succeed Program;

8 (q) \$2,000,000 in each fiscal year for Save the Children;

9 (r) \$1,200,000 in each fiscal year for the Statewide Reading Research Center;

10 (s) \$700,000 in each fiscal year for Teach for America. Teach for America shall
11 submit a report on the outcomes of the program to the Interim Joint Committee on
12 Education by August 1, 2025;

13 (t) \$500,000 in each fiscal year for the Visually Impaired Preschool Services
14 Program; and

15 (u) \$1,500,000 in each fiscal year for We Lead CS.

16 It is the intent of the General Assembly to create a working group, which shall
17 report to the Interim Joint Committee on Appropriations and Revenue on or before
18 January 1, 2026, for the purpose of reviewing and evaluating the process by which
19 Learning and Results Services Programs are funded to allow for a more systematic or
20 formulaic approach. Notwithstanding KRS 45.229, any portion of General Fund not
21 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
22 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

23 **(11) School-Based Mental Health Services Providers:** Included in the above
24 General Fund appropriation is \$7,412,500 in each fiscal year to fund school-based mental
25 health services provider full-time equivalent positions on a reimbursement basis. The
26 Kentucky Center for School Safety, in consultation with the Office of the State School
27 Security Marshal, shall develop criteria to determine which districts shall receive funding

1 to meet the requirements of KRS 158.4416(3)(a). The criteria shall include:

- 2 (a) A local district's use of Medicaid funding to supplement General Fund;
- 3 (b) An equitable and balanced statewide distribution; and
- 4 (c) Any other criteria to support a trauma-informed approach in schools.

5 Notwithstanding KRS 45.229, any portion of General Fund not expended for this
6 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated
7 reports shall be submitted pursuant to Part III, 24. of this Act.

8 **(12) Debt Service:** Included in the above General Fund appropriation is \$453,500
9 in fiscal year 2024-2025 and \$907,000 in fiscal year 2025-2026 for new debt service to
10 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
11 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
12 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

13 **(13) Statewide Assessment Costs:** Included in the above General Fund
14 appropriation is \$1,010,500 in fiscal year 2024-2025 and \$1,093,300 in fiscal year 2025-
15 2026 to support increased statewide assessment services costs. Notwithstanding KRS
16 45.229, any portion of General Fund not expended for this purpose shall lapse to the
17 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
18 pursuant to Part III, 24. of this Act.

19 **(14) Academic Content Standards Review:** Included in the above General Fund
20 appropriation is \$1,200,000 in each fiscal year to support the academic content standards
21 review process pursuant to KRS 158.6453. Notwithstanding KRS 45.229, any portion of
22 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
23 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
24 this Act.

25 **(15) U.S. Army Junior Reserve Officers' Training Corps Pilot Program**
26 **Consultants:** Included in the above General Fund appropriation is \$623,900 in fiscal
27 year 2024-2025 and \$654,500 in fiscal year 2025-2026 to support U.S. Army Junior

1 Reserve Officers' Training Corps pilot program consultants. Notwithstanding KRS
 2 45.229, any portion of General Fund not expended for this purpose shall lapse to the
 3 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
 4 pursuant to Part III, 24. of this Act.

5 **(16) School Resource Officers:** Included in the above General Fund appropriation
 6 is \$16,500,000 in fiscal year 2024-2025 and \$18,000,000 in fiscal year 2025-2026 to the
 7 Kentucky Department of Education to assist local districts in funding salaries for school
 8 resource officers, as defined in KRS 158.441, on a reimbursement basis. The Kentucky
 9 Department of Education shall reimburse local school districts up to \$20,000 for each
 10 campus employing at least one on-site full-time certified school resource officer.
 11 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
 12 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
 13 shall be submitted pursuant to Part III, 24. of this Act.

14 **(17) Federal Remedial Education Grants:** It is the intent of the 2024 General
 15 Assembly that the Kentucky Department of Education shall apply for all federal grants
 16 available for remedial education.

17 **TOTAL - DEPARTMENT OF EDUCATION**

	2024-25	2025-26
18		
19	General Fund	4,717,497,800
20	Restricted Funds	43,892,700
21	Federal Funds	1,848,983,700
22	TOTAL	6,610,374,200

23 **D. EDUCATION AND LABOR CABINET**

24 **Budget Units**

25 **1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

	2024-25	2025-26
26		
27	General Fund (Tobacco)	1,200,000

1	General Fund	17,131,400	14,309,300
2	Restricted Funds	24,080,500	24,522,900
3	Federal Funds	18,556,800	18,584,300
4	TOTAL	60,968,700	58,616,500

5 **(1) Early Childhood Development:** Included in the above General Fund
6 (Tobacco) appropriation is \$1,200,000 in each fiscal year for the Early Childhood
7 Advisory Council. Mandated reports shall be submitted pursuant to Part III, 24. of this
8 Act.

9 **(2) Governor's Scholars Program:** Included in the above General Fund
10 appropriation is \$2,000,000 in each fiscal year for the Governor's Scholars Program.
11 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
12 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
13 shall be submitted pursuant to Part III, 24. of this Act.

14 **(3) Governor's School for Entrepreneurs:** Included in the above General Fund
15 appropriation is \$1,000,000 in each fiscal year for the Governor's School for
16 Entrepreneurs. Notwithstanding KRS 45.229, any portion of General Fund not expended
17 for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
18 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

19 **(4) Kentucky Center for Statistics:** (a) Included in the above General Fund
20 appropriation is \$1,733,300 in fiscal year 2024-2025 and \$2,291,300 in fiscal year 2025-
21 2026 to sustain the Kentucky Longitudinal Data System. Notwithstanding KRS 45.229,
22 any portion of General Fund not expended for this purpose shall lapse to the Budget
23 Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
24 pursuant to Part III, 24. of this Act.

25 (b) Included in the above General Fund appropriation is \$1,363,200 in each fiscal
26 year for the Workforce Data Quality Initiative and Supplemental Nutrition Assistance
27 Program data collection and analysis. Notwithstanding KRS 45.229, any portion of

1 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
2 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
3 this Act.

4 **(5) The Hope Center:** Included in the above General Fund appropriation is
5 \$100,000 in each fiscal year for the Hope Center. Notwithstanding KRS 45.229, any
6 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
7 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
8 III, 24. of this Act.

9 **(6) Kentucky Adult Learner Program:** Included in the above General Fund
10 appropriation is \$2,000,000 in each fiscal year for the Kentucky Adult Learner Program.
11 The purpose of the program is to provide adults 18 years of age or older who have not
12 graduated high school the opportunity to earn a high school diploma. The Education and
13 Labor Cabinet (ELC) and the Kentucky Department of Education shall authorize a single
14 eligible entity to operate the program for not more than 350 adult learners. The eligible
15 entity shall be a Kentucky-based non-profit organization, agree to commit at least
16 \$1,000,000 to the program, and staff the program with certified teachers teaching core
17 academic subjects. Notwithstanding KRS 45.229, any portion of General Fund not
18 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
19 48.705).

20 Notwithstanding any statute to the contrary, the Kentucky Adult Learner Program
21 shall have authorization to issue a Kentucky high school diploma to an adult learner
22 participant if all of the minimum graduation requirements under Kentucky law are met.

23 The Kentucky Board of Education and the ELC shall develop metrics that will
24 appropriately assess the expected performance outcomes of the program. Mandated
25 reports shall be submitted pursuant to Part III, 24. of this Act.

26 **(7) Heuser Hearing Institute:** Included in the above General Fund appropriation
27 is \$2,000,000 in each fiscal year for the Heuser Hearing Institute to support programs

1 developed to close the education and achievement gaps for deaf and hard-of-hearing
 2 adults. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
 3 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated
 4 reports shall be submitted pursuant to Part III, 24. of this Act.

5 **(8) Kentucky Dataseam Initiative:** Included in the above General Fund
 6 appropriation is \$3,500,000 in fiscal year 2024-2025 for the Kentucky Dataseam
 7 Initiative. Notwithstanding KRS 45.229, any portion of General Fund not expended for
 8 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
 9 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

10 **2. PROPRIETARY EDUCATION**

	2024-25	2025-26
11		
12 Restricted Funds	542,400	550,600

13 **3. DEAF AND HARD OF HEARING**

	2024-25	2025-26
14		
15 General Fund	1,091,100	1,119,300
16 Restricted Funds	1,400,600	1,414,400
17 TOTAL	2,491,700	2,533,700

18 **4. KENTUCKY EDUCATIONAL TELEVISION**

	2024-25	2025-26
19		
20 General Fund	17,641,600	18,036,500
21 Restricted Funds	2,037,000	2,037,000
22 TOTAL	19,678,600	20,073,500

23 **(1) KET Digital Infrastructure Increase:** Included in the above General Fund
 24 appropriation is \$750,000 in each fiscal year to increase KET's digital content and
 25 infrastructure. Notwithstanding KRS 45.229, any portion of General Fund not expended
 26 for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
 27 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

1 **5. ENVIRONMENTAL EDUCATION COUNCIL**

	2024-25	2025-26
2		
3 Restricted Funds	527,700	536,200
4 Federal Funds	430,200	430,300
5 TOTAL	957,900	966,500

6 **(1) Environmental Education Council:** Notwithstanding KRS 224.43-
7 505(2)(b), the Council may use interest received to support the operations of the Council.

8 **6. LIBRARIES AND ARCHIVES**

9 **a. General Operations**

	2024-25	2025-26
10		
11 General Fund	6,777,800	6,901,300
12 Restricted Funds	1,412,100	1,424,200
13 Federal Funds	3,057,400	3,090,400
14 TOTAL	11,247,300	11,415,900

15 **b. Direct Local Aid**

	2024-25	2025-26
16		
17 General Fund	6,609,700	6,259,700
18 Restricted Funds	1,046,900	1,046,900
19 TOTAL	7,656,600	7,306,600

20 **(1) Per Capita Grants:** Notwithstanding KRS 171.201, no General Fund is
21 provided for nonconstruction state aid.

22 **(2) Public Library Facilities Construction:** Included in the above General Fund
23 appropriation is \$4,109,700 in fiscal year 2024-2025 and \$3,759,700 in fiscal year 2025-
24 2026 for the Public Library Facilities Construction Fund. Notwithstanding KRS 45.229
25 and 171.027 to 171.223, any expired debt service payments shall lapse to the Budget
26 Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
27 pursuant to Part III, 24. of this Act.

1 **(3) Dolly Parton's Imagination Library:** Included in the above General Fund
 2 appropriation is \$2,500,000 in each fiscal year for the Imagination Library of Kentucky
 3 Program. Notwithstanding KRS 45.229, any portion of General Fund not expended for
 4 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
 5 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

6 **TOTAL - LIBRARIES AND ARCHIVES**

	2024-25	2025-26
7		
8 General Fund	13,387,500	13,161,000
9 Restricted Funds	2,459,000	2,471,100
10 Federal Funds	3,057,400	3,090,400
11 TOTAL	18,903,900	18,722,500

12 **7. WORKFORCE DEVELOPMENT**

	2024-25	2025-26
13		
14 General Fund	37,927,300	38,603,900
15 Restricted Funds	13,023,100	13,197,600
16 Federal Funds	482,861,000	484,892,800
17 TOTAL	533,811,400	536,694,300

18 **(1) Cafeteria Service Contracts:** No state agency shall enter into any contract
 19 with a nongovernmental entity for the operation of food services provided in the
 20 cafeterias located in the Kentucky Transportation Cabinet office building and/or the
 21 Cabinet for Human Resources office building in Frankfort unless the Office of
 22 Vocational Rehabilitation has declined in writing to provide such services.

23 **(2) Adult Education:** Included in the above General Fund appropriation are
 24 sufficient funds in each fiscal year to support the Office of Adult Education.
 25 Notwithstanding KRS 45.229, the General Fund appropriation for the Office of Adult
 26 Education in each fiscal year shall not lapse and shall carry forward. Mandated reports
 27 shall be submitted pursuant to Part III, 24. of this Act.

1 **(3) Employer and Apprenticeship Services:** Included in the above General
 2 Fund appropriation are sufficient funds in each fiscal year for the Office of Employer and
 3 Apprenticeship Services. The Education and Labor Cabinet shall provide a report by
 4 December 1 of each year to the Interim Joint Committee on State Government detailing
 5 the use of these funds.

6 **(4) Overpayment of Unemployment Insurance Benefits Waiver:**
 7 Notwithstanding KRS 341.413, the Secretary may waive an overpayment of benefits for
 8 unemployment insurance claims filed between January 27, 2020, and September 6, 2021.

9 **(5) Unemployment Insurance Program Staff Positions:** Included in the above
 10 Federal Funds appropriation is \$5,965,800 in each fiscal year to support 45 additional
 11 staff positions in the Office of Unemployment Insurance if funding is available.
 12 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

13 **(6) Unemployment Insurance System Replacement:** Notwithstanding KRS
 14 341.243(8), the Service Capacity Upgrade Fund may collect up to \$68,000,000 for the
 15 purpose of funding the Replace Unemployment Insurance System project in Part II of this
 16 Act. The Office of Unemployment Insurance shall prepare a report detailing the
 17 replacement of the unemployment insurance system. The report shall include a
 18 description of how the allocated Restricted Funds are being utilized and a timeline of
 19 expected completion and implementation of a new system. This report shall be submitted
 20 to the Interim Joint Committee on Appropriations and Revenue quarterly, beginning
 21 November 1, 2024.

22 **8. WORKPLACE STANDARDS**

	2024-25	2025-26
24 General Fund	1,831,100	1,873,900
25 Restricted Funds	8,895,200	9,001,600
26 Federal Funds	4,061,000	4,232,900
27 TOTAL	14,787,300	15,108,400

1 **9. WORKERS' CLAIMS**

	2024-25	2025-26
2		
3 Restricted Funds	62,757,500	63,209,600

4 **(1) Professional Employer Organization Unit:** Included in the above Restricted
 5 Funds appropriation is \$482,600 in each fiscal year to create and staff the Professional
 6 Employer Organization unit within the Department of Workers' Claims in order to
 7 implement the provisions of 2022 Ky. Acts ch. 50. Mandated reports shall be submitted
 8 pursuant to Part III, 24. of this Act.

9 **10. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION**

	2024-25	2025-26
10		
11 Restricted Funds	809,100	822,200

12 **11. WORKERS' COMPENSATION FUNDING COMMISSION**

	2024-25	2025-26
13		
14 Restricted Funds	90,742,700	90,995,800

15 **12. WORKERS' COMPENSATION NOMINATING COMMITTEE**

	2024-25	2025-26
16		
17 Restricted Funds	1,100	1,100

18 **TOTAL - EDUCATION AND LABOR CABINET**

	2024-25	2025-26
19		
20 General Fund (Tobacco)	1,200,000	1,200,000
21 General Fund	89,010,000	87,103,900
22 Restricted Funds	207,275,900	208,760,100
23 Federal Funds	508,966,400	511,230,700
24 TOTAL	806,452,300	808,294,700

25 **E. ENERGY AND ENVIRONMENT CABINET**

26 **Budget Units**

27 **1. SECRETARY**

1		2024-25	2025-26
2	General Fund	4,334,800	4,448,700
3	Restricted Funds	2,737,600	2,765,900
4	Federal Funds	1,982,300	2,024,400
5	TOTAL	9,054,700	9,239,000

6 **2. ADMINISTRATIVE SERVICES**

7		2024-25	2025-26
8	General Fund	5,905,600	6,052,800
9	Restricted Funds	5,586,900	5,672,300
10	Federal Funds	2,850,700	2,909,900
11	TOTAL	14,343,200	14,635,000

12 **(1) Mobile Inspection Application:** Included in the above Restricted Funds
 13 appropriation is \$700,000 in each fiscal year to support a mobile inspection application.
 14 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

15 **3. ENVIRONMENTAL PROTECTION**

16		2023-24	2024-25	2025-26
17	General Fund	-0-	31,856,400	33,280,100
18	Restricted Funds	1,611,300	87,731,100	88,560,200
19	Federal Funds	-0-	37,077,700	37,609,700
20	TOTAL	1,611,300	156,665,200	159,450,000

21 **(1) Debt Service:** Included in the above General Fund appropriation is
 22 \$1,324,000 in fiscal year 2024-2025 and \$2,691,000 in fiscal year 2025-2026 for new
 23 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
 24 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
 25 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

26 **(2) Public and Private Dam Rehabilitation:** The Department for Environmental
 27 Protection shall submit a report to the Legislative Research Commission, Office of

1 Budget Review, by September 1, 2024, recommending the priority ranking and funding
2 mechanisms for rehabilitating public and private high hazard dams within the
3 Commonwealth. The Department may work collaboratively with the Soil and Water
4 Conservation Commission (KRS 146.110).

5 **(3) Chemical and Laboratory Supplies:** Included in the above General Fund
6 appropriation is \$320,000 in fiscal year 2024-2025 and \$350,000 in fiscal year 2025-2026
7 to purchase chemical and laboratory supplies. Notwithstanding KRS 45.229, any portion
8 of General Fund not expended for this purpose shall lapse to the Budget Reserve Trust
9 Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III,
10 24. of this Act.

11 **(4) Waste Tire Trust Fund Inflationary Costs:** Included in the above Restricted
12 Funds appropriation is \$1,611,300 in fiscal year 2023-2024 to support inflationary costs
13 associated with the collection of waste tires and site cleanup. Mandated reports shall be
14 submitted pursuant to Part III, 24. of this Act.

15 **(5) Perfluoroalkyl and Polyfluoroalkyl Substances:** Included in the above
16 General Fund appropriation is \$1,806,900 in fiscal year 2024-2025 and \$1,207,600 in
17 fiscal year 2025-2026 to support additional personnel and operating costs associated with
18 the analysis of per- and polyfluoroalkyl substances. Notwithstanding KRS 45.229, any
19 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
20 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
21 III, 24. of this Act.

22 **(6) Merchant Electric Generating Facility Monitoring and Enforcement**
23 **Program:** Included in the above Restricted Funds appropriation is \$560,700 in fiscal
24 year 2024-2025 and \$581,000 in fiscal year 2025-2026 to support the Merchant Electric
25 Generating Facility Monitoring and Enforcement Program. Mandated reports shall be
26 submitted pursuant to Part III, 24. of this Act.

27 **(7) Petroleum Storage Tank Environmental Assurance Fund Rate Increase:**

1 Included in the above Restricted Funds appropriation is \$4,423,600 in each fiscal year to
 2 support the increased reimbursement rates associated with remedial cleanup activities.
 3 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

4 **4. NATURAL RESOURCES**

	2024-25	2025-26
6 General Fund (Tobacco)	3,000,000	3,000,000
7 General Fund	43,690,600	44,908,200
8 Restricted Funds	24,847,500	24,872,100
9 Federal Funds	176,959,500	177,587,600
10 TOTAL	248,497,600	250,367,900

11 **(1) Emergency Forest Fire Suppression:** Not less than \$2,500,000 of the above
 12 General Fund appropriation in each fiscal year shall be set aside for emergency forest fire
 13 suppression. Notwithstanding KRS 45.229, any portion of the \$2,500,000 not expended
 14 for emergency forest fire suppression shall lapse to the Budget Reserve Trust Fund
 15 Account (KRS 48.705) at the end of each fiscal year. There is appropriated from the
 16 General Fund the necessary funds, subject to the conditions and procedures provided in
 17 this Act, which are required as a result of emergency fire suppression activities in excess
 18 of \$2,500,000 in each fiscal year. Fire suppression costs in excess of \$2,500,000 annually
 19 shall be deemed necessary government expenses and shall be paid, up to \$4,000,000 in
 20 each fiscal year, from the General Fund Surplus Account (KRS 48.700) or the Budget
 21 Reserve Trust Fund Account (KRS 48.705).

22 **(2) Environmental Stewardship Program:** Included in the above General Fund
 23 (Tobacco) appropriation is \$2,000,000 in each fiscal year for the Environmental
 24 Stewardship Program. Mandated reports shall be submitted pursuant to Part III, 24. of
 25 this Act.

26 **(3) Conservation District Local Aid:** Included in the above General Fund
 27 (Tobacco) appropriation is \$1,000,000 in each fiscal year for the Division of

1 Conservation to provide direct aid to local conservation districts. Mandated reports shall
2 be submitted pursuant to Part III, 24. of this Act.

3 **(4) Debt Service:** Included in the above General Fund appropriation is \$111,500
4 in fiscal year 2024-2025 and \$223,000 in fiscal year 2025-2026 for new debt service to
5 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
6 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
7 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

8 **(5) Acid Mine Drainage Projects:** Included in the above Restricted Funds
9 appropriation is \$12,465,900 in each fiscal year to support acid mine drainage abatement
10 projects. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

11 ~~**[(6) **Coal Mine Reclamation:** The Department for Natural Resources shall~~
12 ~~fully investigate and analyze through site visits, file reviews, and all other means~~
13 ~~necessary the current and future reclamation obligations on all active, dormant, and~~
14 ~~abandoned permitted and unpermitted coal mining sites in the Commonwealth and shall~~
15 ~~deliver a report detailing the Department's findings to the Interim Joint Committee on~~
16 ~~Appropriations and Revenue on or before December 1, 2024, as follows.~~

17 ~~(a) The report shall include for each mining site:~~

18 ~~1. A description with its location;~~

19 ~~2. The identities of the site owner, operator, and any other persons or~~
20 ~~entities responsible for reclamation of the site;~~

21 ~~3. Its permitting status and permit number;~~

22 ~~4. A summary of the status, nature, extent, and timing of its current and future~~
23 ~~reclamation obligations;~~

24 ~~5. The dollar amount of each reclamation bond posted, the bonding company,~~
25 ~~the terms of the bonds, and whether any of the bonds are subject to nonrenewal;~~

26 ~~6. The current estimate of the total costs of reclamation and a description of how~~
27 ~~that estimate was determined; and~~

1 7.—Whether the mining site is subject to enforcement action, including the nature
2 and status of the enforcement action; and

3 (b)—The report shall also:

4 1.—Identify each mining site for which the Department knows or reasonably
5 expects the owner, operator, or any other person or entity responsible for reclamation of
6 the site is not fully and timely complying with or will not fully and timely comply with
7 their current or further reclamation obligations as a result of failure or unwillingness to
8 complete their reclamation obligations, insolvency, bankruptcy, or any other reason;

9 2.—Specify the reason or reasons for noncompliance or anticipated
10 noncompliance for each mining site with references to court or administrative
11 proceedings, where applicable;

12 3.—Include for each mining site an analysis of whether the reclamation bonds that
13 are posted are sufficient and adequate to cover any current or future reclamation
14 obligations, including calculations of the dollar amounts for deficiencies for each mining
15 site, and the cumulative dollar amount for deficiencies for all mining sites;

16 4.—Include a summary of each mining site where the reclamation obligations
17 have been deferred through permitting or other activity or status, the anticipated timing of
18 commencement of reclamation obligations, and the prospects of a full and timely
19 completion of reclamation obligations;

20 5.—Include the dollar amount of all funds available for addressing mine
21 reclamation obligations through the Kentucky Reclamation Guaranty Fund and the dollar
22 amount of any other resources of private or federal, state, or local public funds available
23 to apply to the reclamation of coal mining sites in the Commonwealth, including a
24 description of those sources of funds; and

25 6.—Include an analysis of the total dollar amount of current and anticipated
26 reclamation obligations at mining sites where it is reasonable to conclude that those
27 reclamation obligations will not be fully or timely completed by the site owners;

1 ~~operators, or other responsible persons or entities or through available reclamation bonds~~
2 ~~and an analysis of the liabilities, exposures, and responsibilities of the Commonwealth for~~
3 ~~the reclamation of those mining sites.]**~~

4 **5. ENERGY POLICY**

	2023-24	2024-25	2025-26
6 General Fund	835,500	1,741,100	1,764,600
7 Restricted Funds	-0-	618,500	620,900
8 Federal Funds	-0-	17,563,900	62,585,400
9 TOTAL	835,500	19,923,500	64,970,900

10 **(1) Grid Resilience Grant Program:** Included in the above General Fund
11 appropriation is \$835,500 in fiscal year 2023-2024 to support the matching requirement
12 for the federal Grid Resilience Grant Program. Included in the above appropriation is
13 \$832,400 in General Fund and \$5,549,000 in Federal Funds in each year of the 2024-
14 2026 fiscal biennium to support the federal Grid Resilience Grant Program.
15 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
16 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
17 shall be submitted pursuant to Part III, 24. of this Act.

18 **(2) Home Energy Rebate Programs:** Included in the above Federal Funds
19 appropriation is \$5,750,000 in fiscal year 2024-2025 and \$50,750,000 in fiscal year 2025-
20 2026 to support consumer home energy rebate programs. Mandated reports shall be
21 submitted pursuant to Part III, 24. of this Act.

22 **6. KENTUCKY NATURE PRESERVES**

	2024-25	2025-26
24 General Fund	1,669,300	1,737,600
25 Restricted Funds	2,898,500	2,912,300
26 Federal Funds	274,800	279,300
27 TOTAL	4,842,600	4,929,200

1 **7. PUBLIC SERVICE COMMISSION**

	2024-25	2025-26
2		
3 General Fund	13,833,400	14,620,900
4 Restricted Funds	3,042,300	3,042,300
5 Federal Funds	1,120,500	1,138,700
6 TOTAL	17,996,200	18,801,900

7 **(1) Additional Personnel:** Included in the above General Fund appropriation is
 8 \$500,000 in fiscal year 2024-2025 and \$1,000,000 in fiscal year 2025-2026 to support
 9 additional personnel. The funds shall be limited to Public Utilities Financial Analysts,
 10 Environmental Engineers, and a position responsible for wholesale market issues.
 11 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
 12 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
 13 shall be submitted pursuant to Part III, 24. of this Act.

14 **TOTAL - ENERGY AND ENVIRONMENT CABINET**

	2023-24	2024-25	2025-26
15			
16 General Fund (Tobacco)	-0-	3,000,000	3,000,000
17 General Fund	835,500	103,031,200	106,812,900
18 Restricted Funds	1,611,300	127,462,400	128,446,000
19 Federal Funds	-0-	237,829,400	284,135,000
20 TOTAL	2,446,800	471,323,000	522,393,900

21 **F. FINANCE AND ADMINISTRATION CABINET**

22 **Budget Units**

23 **1. GENERAL ADMINISTRATION**

	2023-24	2024-25	2025-26
24			
25 General Fund	3,700,000	15,527,500	15,027,800
26 Restricted Funds	400,000	39,178,000	39,146,800
27 Federal Funds	-0-	119,900	119,900

1	TOTAL	4,100,000	54,825,400	54,294,500
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2 **(1) Fleet Management Vehicle Replacement:** Included in the above Restricted
3 Funds appropriation is \$2,565,700 in fiscal year 2024-2025 and \$2,252,000 in fiscal year
4 2025-2026 to support replacing state fleet vehicles. Mandated reports shall be submitted
5 pursuant to Part III, 24. of this Act.

6 **(2) Postal Equipment Replacement and Maintenance:** Included in the above
7 Restricted Funds appropriation is \$232,000 in each fiscal year to replace and perform
8 required maintenance on postal equipment. Mandated reports shall be submitted pursuant
9 to Part III, 24. of this Act.

10 **(3) Rural Housing Trust Fund:** Restricted Funds are appropriated in the amount
11 of \$400,000 for interest earned and to be utilized in fiscal year 2023-2024. Mandated
12 reports shall be submitted pursuant to Part III, 24. of this Act.

13 **(4) Kentucky Affordable Prepaid Tuition Trust Fund:** Included in the above
14 General Fund appropriation is \$3,700,000 in fiscal year 2023-2024, \$7,500,000 in fiscal
15 year 2024-2025, and \$6,800,000 in fiscal year 2025-2026 to support projected tuition
16 payments and refunds through fiscal year 2025-2026. Notwithstanding KRS 45.229, any
17 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
18 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
19 III, 24. of this Act.

20 **2. CONTROLLER**

	2024-25	2025-26
22 General Fund	7,567,800	7,852,400
23 Restricted Funds	15,640,600	15,992,100
24 TOTAL	23,208,400	23,844,500

25 **(1) Social Security Contingent Liability Fund:** Any expenditures that may be
26 required by KRS 61.470 are hereby deemed necessary government expenses and shall be
27 paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any

1 available balance in the Budget Reserve Trust Fund Account (KRS 48.705), subject to
2 the conditions and procedures provided in this Act.

3 (2) **Debt Service:** Included in the above General Fund appropriation is \$224,000
4 in fiscal year 2024-2025 and \$448,000 in fiscal year 2025-2026 for new debt service to
5 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
6 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
7 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

8 (3) **Local Government Filing Software:** Included in the above Restricted Funds
9 appropriation is \$200,000 in each fiscal year to purchase new filing software and
10 software maintenance in order to modernize outdated processes for the Division of Local
11 Government Services. Mandated reports shall be submitted pursuant to Part III, 24. of
12 this Act.

13 (4) **Software Update:** Included in the above Restricted Funds appropriation is
14 \$75,000 in each fiscal year to update the Office of Financial Management's software and
15 related maintenance. Mandated reports shall be submitted pursuant to Part III, 24. of this
16 Act.

17 (5) **Additional Personnel:** Included in the above Restricted Funds appropriation
18 is \$406,000 in fiscal year 2024-2025 and \$412,300 in fiscal year 2025-2026 to support
19 two additional positions. Mandated reports shall be submitted pursuant to Part III, 24. of
20 this Act.

21 (6) **Customer Resource Center:** Included in the above Restricted Funds
22 appropriation is \$538,800 in fiscal year 2024-2025 and \$657,000 in fiscal year 2025-2026
23 to support ongoing upgrades and maintenance costs for the Commonwealth's Enhanced
24 Management Administrative Reporting System. Mandated reports shall be submitted
25 pursuant to Part III, 24. of this Act.

26 **3. DEBT SERVICE**

27 **2024-25** **2025-26**

1	General Fund (Tobacco)	23,466,900	16,783,700
2	General Fund	379,897,300	498,842,800
3	TOTAL	403,364,200	515,626,500

4 **(1) General Fund (Tobacco) Debt Service Lapse:** Notwithstanding Part X, (4)
 5 of this Act, \$1,318,000 in fiscal year 2024-2025 and \$1,124,700 in fiscal year 2025-2026
 6 shall lapse to the General Fund.

7 **4. FACILITIES AND SUPPORT SERVICES**

8		2024-25	2025-26
9	General Fund	17,097,200	25,331,500
10	Restricted Funds	57,303,300	57,335,100
11	TOTAL	74,400,500	82,666,600

12 **(1) Debt Service:** Included in the above General Fund appropriation is
 13 \$7,717,500 in fiscal year 2024-2025 and \$15,759,500 in fiscal year 2025-2026 for new
 14 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
 15 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
 16 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

17 **(2) Facility Maintenance:** Included in the above Restricted Funds appropriation
 18 is \$841,000 in fiscal year 2024-2025 and \$364,000 in fiscal year 2025-2026 to fund rising
 19 costs for current services in the Office of Building and Mechanical Services. Mandated
 20 reports shall be submitted pursuant to Part III, 24. of this Act.

21 **(3) Additional Personnel:** Included in the above General Fund appropriation is
 22 \$600,000 in each fiscal year to support four additional Project Managers.
 23 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
 24 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
 25 shall be submitted pursuant to Part III, 24. of this Act.

26 **(4) Capitol Annex Renovation:** Notwithstanding KRS 42.425 and any statute to
 27 the contrary, the administration and management of the Capitol Annex Renovation

1 project authorized in Part II, Capital Projects Budget, of this Act shall be approved by the
2 Director of the Legislative Research Commission or his designee.

3 **5. COUNTY COSTS**

	2024-25	2025-26
4 General Fund	29,243,500	29,243,500
5 Restricted Funds	1,702,500	1,702,500
6 TOTAL	30,946,000	30,946,000

7
8 **(1) County Costs:** Funds required to pay county costs are appropriated and
9 additional funds may be allotted from the General Fund Surplus Account (KRS 48.700)
10 or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance
11 and Administration Cabinet, subject to the conditions and procedures provided in this
12 Act.

13 **(2) Reimbursement to Sheriffs’ Offices for Court Security Services:**
14 Notwithstanding KRS 64.092(6), the sheriff or other law enforcement officer serving a
15 Circuit or District Court shall be compensated at the rate of \$15 per hour of service. To
16 be eligible for this enhanced rate, deputies providing services must be paid at least \$10
17 per hour.

18 **6. COMMONWEALTH OFFICE OF TECHNOLOGY**

	2024-25	2025-26
19 General Fund	318,500	955,500
20 Restricted Funds	137,414,600	138,364,600
21 Federal Funds	1,716,600	1,716,600
22 TOTAL	139,449,700	141,036,700

23
24 **(1) Computer Services Fund Receipts:** The Secretary of the Finance and
25 Administration Cabinet shall provide a listing of fee receipts from the Executive, Judicial,
26 and Legislative Branches of government itemized by appropriation units, cost allocation
27 methodology, and a report detailing the rebate of excess fee receipts to the agencies to the

1 Interim Joint Committee on Appropriations and Revenue by August 1 of each fiscal year.

2 (2) **Debt Service:** Included in the above General Fund appropriation is \$318,500
3 in fiscal year 2024-2025 and \$955,500 in fiscal year 2025-2026 for new debt service to
4 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
5 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
6 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

7 (3) **Legacy Modernization:** The Commonwealth Office of Technology shall
8 prepare a report for the Legacy Modernization capital project. The report shall include a
9 list of legacy IT systems that have been completed, the date in which they were
10 completed, the state agency the IT system was for, and a status report for the completion
11 percentage of all other ongoing modernization projects. This report shall be submitted to
12 the Interim Joint Committee on Appropriations and Revenue by December 31 and June
13 30 of each fiscal year.

14 **7. REVENUE**

	2024-25	2025-26
16 General Fund (Tobacco)	250,000	250,000
17 General Fund	117,664,600	119,721,400
18 Restricted Funds	12,065,400	12,445,500
19 Federal Funds	15,000	15,000
20 TOTAL	129,995,000	132,431,900

21 (1) **Operations of Revenue:** Notwithstanding KRS 132.672, 134.552(2),
22 136.652, and 365.390(2), funds may be expended in support of the operations of the
23 Department of Revenue.

24 (2) **State Enforcement:** Notwithstanding KRS 248.654 and 248.703(4), a total of
25 \$250,000 of the Tobacco Settlement payments received in each fiscal year is appropriated
26 to the Finance and Administration Cabinet, Department of Revenue, for the state's
27 diligent enforcement of noncompliant nonparticipating manufacturers.

1 **8. PROPERTY VALUATION ADMINISTRATORS**

	2024-25	2025-26
3 General Fund	67,671,500	69,626,800
4 Restricted Funds	4,786,800	4,786,800
5 TOTAL	72,458,300	74,413,600

6 **(1) Management of Expenditures:** Notwithstanding KRS 132.590 and 132.597,
7 the property valuation administrators are authorized to take necessary actions to manage
8 expenditures within the appropriated amounts contained in this Act.

9 **(2) Mandatory Services:** Included in the above General Fund appropriation is
10 \$1,635,900 in fiscal year 2024-2025 and \$1,664,700 in fiscal year 2025-2026 to support
11 the continuation of mandatory services in the property valuation administrators' offices.
12 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
13 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
14 shall be submitted pursuant to Part III, 24. of this Act.

15 **(3) Salary Increment:** Notwithstanding KRS 132.590(3)(b), the increment
16 provided on the base salary or wages of each eligible property valuation administrator
17 shall be the same as that provided for eligible state employees in Part IV of this Act.

18 **TOTAL - FINANCE AND ADMINISTRATION CABINET**

	2023-24	2024-25	2025-26
19 General Fund (Tobacco)	-0-	23,716,900	17,033,700
20 General Fund	3,700,000	634,987,900	766,601,700
21 Restricted Funds	400,000	268,091,200	269,773,400
22 Federal Funds	-0-	1,851,500	1,851,500
23 TOTAL	4,100,000	928,647,500	1,055,260,300

24 **G. HEALTH AND FAMILY SERVICES CABINET**

25 **Budget Units**

26 **1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

	2024-25	2025-26
1		
2 General Fund	15,443,300	13,684,700
3 Restricted Funds	79,418,200	79,988,000
4 Federal Funds	68,374,300	69,116,200
5 TOTAL	163,235,800	162,788,900

6 **(1) Human Service Transportation Delivery:** Notwithstanding KRS
7 281.010(27), the Kentucky Works Program shall not participate in the Human Service
8 Transportation Delivery Program or the Coordinated Transportation Advisory
9 Committee.

10 **(2) Federally Funded Positions:** Notwithstanding KRS 18A.010(2) and any
11 provisions of this Act to the contrary, direct service units of the Office of Inspector
12 General, Department for Income Support, Office for Children with Special Health Care
13 Needs, Department for Community Based Services, Department for Behavioral Health,
14 Developmental and Intellectual Disabilities, Family Resource Centers and Volunteer
15 Services, Department for Aging and Independent Living, and the Department for Public
16 Health shall be authorized to establish and fill such positions that are 100 percent
17 federally funded for salary and fringe benefits.

18 **(3) Special Olympics:** Included in the above General Fund appropriation is
19 \$150,000 in each fiscal year to support the operations of Special Olympics Kentucky.
20 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
21 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
22 shall be submitted pursuant to Part III, 24. of this Act.

23 **(4) Office of Medical Cannabis:** Included in the above appropriations is
24 \$5,215,000 in General Fund and \$2,906,200 in Restricted Funds in fiscal year 2024-2025
25 and \$5,154,600 in General Fund and \$1,986,200 in Restricted Funds in fiscal year 2025-
26 2026 to support staffing and operations of the Office of Medical Cannabis. No funds shall
27 become available until the Board of Physicians and Advisors, as defined in KRS

1 218B.020(2), finds there is a propensity of peer-reviewed, published research with
 2 sufficient evidence as to the efficacy of medical cannabis for the persistent reduction of
 3 symptoms of diseases and conditions. The Office shall utilize Restricted Funds to the
 4 fullest extent possible before expending the General Fund moneys. Notwithstanding KRS
 5 45.229, any portion of General Fund not expended for this purpose shall lapse to the
 6 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
 7 pursuant to Part III, 24. of this Act.

8 **(5) Long-Term Care Surveyor Contract:** Included in the above Restricted
 9 Funds appropriation is \$1,000,000 in each fiscal year to support additional contracted
 10 services to conduct required certification surveys of Kentucky long-term care facilities.
 11 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

12 **2. OFFICE FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS**

	2024-25	2025-26
14 General Fund	7,689,600	7,916,500
15 Restricted Funds	9,499,900	9,580,500
16 Federal Funds	4,881,600	4,978,200
17 TOTAL	22,071,100	22,475,200

18 **3. MEDICAID SERVICES**

19 **a. Medicaid Administration**

	2024-25	2025-26
21 General Fund	67,047,400	77,182,900
22 Restricted Funds	31,580,200	31,819,000
23 Federal Funds	313,355,400	334,858,600
24 TOTAL	411,983,000	443,860,500

25 **(1) Transfer of Excess Administrative Funds for Medicaid Benefits:** If any
 26 portion of the above General Fund appropriation in either fiscal year is deemed to be in
 27 excess of the necessary expenses for administration of the Department for Medicaid

1 Services, the amount may be used for Medicaid Benefits in accordance with statutes
2 governing the functions and activities of the Department for Medicaid Services. In no
3 instance shall these excess funds be used without prior written approval of the State
4 Budget Director to:

- 5 (a) Establish a new program;
- 6 (b) Expand the services of an existing program; or
- 7 (c) Increase rates or payment levels in an existing program.

8 Any transfer authorized under this subsection shall be approved by the Secretary of
9 the Finance and Administration Cabinet upon recommendation of the State Budget
10 Director.

11 **(2) Medicaid Service Category Expenditure Information:** No Medicaid
12 managed care contract shall be valid and no payment to a Medicaid managed care vendor
13 by the Finance and Administration Cabinet or the Cabinet for Health and Family Services
14 shall be made, unless the Medicaid managed care contract contains a provision that the
15 contractor shall collect Medicaid expenditure data by the categories of services paid for
16 by the Medicaid Program. Actual statewide Medicaid expenditure data by all categories
17 of Medicaid services, including mandated and optional Medicaid services, special
18 expenditures/offsets, and Disproportionate Share Hospital payments by type of hospital,
19 shall be compiled by the Department for Medicaid Services for all Medicaid providers
20 and forwarded to the Interim Joint Committee on Appropriations and Revenue on a
21 quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services
22 shall be provided to the Interim Joint Committee on Appropriations and Revenue upon
23 request.

24 **(3) Medicaid Information Technology Development:** Included in the above
25 appropriations is \$9,941,300 in General Fund and \$21,256,400 in Federal Funds in fiscal
26 year 2025-2026 to support information technology projects for claims administration and
27 federal, state, and regulatory reporting. Notwithstanding KRS 45.229, any portion of

1 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
2 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
3 this Act.

4 **(4) Federal Data Hub:** Included in the above appropriation is \$3,600,000 in
5 General Fund and \$10,800,000 in Federal Funds in each fiscal year to support income
6 verification services provided by the federal data hub. Notwithstanding KRS 45.229, any
7 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
8 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
9 III, 24. of this Act.

10 **(5) Interim Restricted Funds Appropriation Increase:** Notwithstanding KRS
11 48.630, Medicaid Administration may request an allotment of unbudgeted Restricted
12 Funds appropriation not to exceed 10 percent per fiscal year.

13 **b. Medicaid Benefits**

	2023-24	2024-25	2025-26
14 General Fund	-0-	2,501,029,800	3,011,674,800
15 Restricted Funds	-0-	1,855,294,500	1,619,883,600
16 Federal Funds	1,096,152,800	14,747,533,400	15,468,151,600
17 TOTAL	1,096,152,800	19,103,857,700	20,099,710,000

18 **(1) Intergovernmental Transfers (IGTs):** Any funds received through an
19 Intergovernmental Transfer (IGT) agreement between the Department for Medicaid
20 Services and other governmental entities, in accordance with a federally approved State
21 Plan amendment, shall be used to provide for the health and welfare of the citizens of the
22 Commonwealth through the provision of Medicaid Benefits. Revenues from IGTs are
23 contingent upon agreement by the parties, including but not limited to the Cabinet for
24 Health and Family Services, Department for Medicaid Services, and the appropriate
25 providers. The Secretary of the Cabinet for Health and Family Services shall make the
26 appropriate interim appropriations increase requests pursuant to KRS 48.630.
27

1 **(2) Medicaid Benefits Budget Deficit:** If Medicaid Benefits expenditures are
2 projected to exceed available funds, the Secretary of the Cabinet for Health and Family
3 Services may recommend and implement that reimbursement rates, optional services,
4 eligibles, or programs be reduced or maintained at levels existing at the time of the
5 projected deficit in order to avoid a budget deficit. The projected deficit shall be
6 confirmed and approved by the Office of State Budget Director. No rate, service, eligible,
7 or program reductions shall be implemented by the Cabinet for Health and Family
8 Services without prior written notice of such action to the Interim Joint Committee on
9 Appropriations and Revenue and the State Budget Director. Such actions taken by the
10 Cabinet for Health and Family Services shall be reported, upon request, at the next
11 meeting of the Interim Joint Committee on Appropriations and Revenue.

12 **(3) Disproportionate Share Hospital (DSH) Program:** Hospitals shall report
13 the uncompensated care for which, under federal law, the hospital is eligible to receive
14 disproportionate share payments. Disproportionate share payments shall equal the
15 maximum amounts established under federal law.

16 **(4) Hospital Indigent Patient Billing:** Hospitals shall not bill patients for
17 services if the services have been reported to the Cabinet and the hospital has received
18 disproportionate share payments for the specific services.

19 **(5) Provider Tax Information:** Any provider who posts a sign or includes
20 information on customer receipts or any material distributed for public consumption
21 indicating that it has paid provider tax shall also post, in the same size typeset as the
22 provider tax information, the amount of payment received from the Department for
23 Medicaid Services during the same period the provider tax was paid. Providers who fail
24 to meet this requirement shall be excluded from the Disproportionate Share Hospital and
25 Medicaid Programs. The Cabinet for Health and Family Services shall include this
26 provision in facilities' annual licensure inspections.

27 **(6) Medicaid Budget Analysis Reports:** The Department for Medicaid Services

1 shall submit a quarterly budget analysis report to the Interim Joint Committee on
2 Appropriations and Revenue no later than 75 days after the end of the quarter. The report
3 shall provide monthly detail of actual expenditures, eligibles, and average monthly cost
4 per eligible by eligibility category along with current trailing 12-month averages for each
5 of these figures. The report shall also provide actual figures for all categories of
6 noneligible-specific expenditures such as Supplemental Medical Insurance premiums,
7 Kentucky Patient Access to Care, nonemergency transportation, drug rebates, cost
8 settlements, and Disproportionate Share Hospital payments by type of hospital. The
9 report shall compare the actual expenditure experience with those underlying the enacted
10 or revised enacted budget and explain any significant variances which may occur.

11 **(7) Medicaid Managed Care Organization Reporting:** Except as provided by
12 KRS 61.878, all records and correspondence relating to Kentucky Medicaid, revenues
13 derived from Kentucky Medicaid funds, and expenditures utilizing Kentucky Medicaid
14 funds of a Medicaid managed care company operating within the Commonwealth shall be
15 subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. All records and
16 correspondence relating to Medicaid specifically prohibited from disclosure by the
17 federal Health Insurance Portability and Accountability Act privacy rules shall not be
18 provided under this Act.

19 No later than 60 days after the end of a quarter, each Medicaid managed care
20 company operating within the Commonwealth shall prepare and submit to the
21 Department for Medicaid Services sufficient information to allow the department to meet
22 the following requirements 90 days after the end of the quarter. The Department shall
23 forward to the Legislative Research Commission, Office of Budget Review, a quarterly
24 report detailing monthly actual expenditures by service category, monthly eligibles, and
25 average monthly cost per eligible for Medicaid and the Kentucky Children's Health
26 Insurance Program (KCHIP) along with current trailing 12-month averages for each of
27 these figures. The report shall also provide actual figures for other categories such as

1 pharmacy rebates and reinsurance. Finally, the Department shall include in this report the
2 most recent information or report available regarding the amount withheld to meet
3 Department of Insurance reserve requirements, and any distribution of moneys received
4 or retained in excess of these reserve requirements.

5 **(8) Critical Access Hospitals:** Beginning on the effective date of this Act
6 through June 30, 2026, no acute care hospital shall convert to a critical access hospital
7 unless the hospital has either received funding for a feasibility study from the Kentucky
8 Office of Rural Health or filed a written request by January 1, 2024, with the Kentucky
9 Office of Rural Health requesting funding for conducting a feasibility study.

10 **(9) Appeals:** An appeal from denial of a service or services provided by a
11 Medicaid managed care organization for medical necessity, or denial, limitation, or
12 termination of a health care service in a case involving a medical or surgical specialty or
13 subspecialty, shall, upon request of the recipient, authorized person, or provider, include
14 a review by a board-eligible or board-certified physician in the appropriate specialty or
15 subspecialty area; except in the case of a health care service rendered by a chiropractor or
16 optometrist, for which the denial shall be made respectively by a chiropractor or
17 optometrist duly licensed in Kentucky as specified in KRS 304.17A-607(1)(b). The
18 physician reviewer shall not have participated in the initial review and denial of service
19 and shall not be the provider of the service or services under consideration in the appeal.

20 **(10) Medicaid Prescription Benefits Reporting:** Notwithstanding KRS 205.647,
21 the Department for Medicaid Services shall submit a report to the Interim Joint
22 Committee on Appropriations and Revenue by December 1 of each fiscal year on the
23 dispensing of prescription medications to persons eligible under KRS 205.560. The report
24 shall include:

25 (a) The total Medicaid dollars paid to the state pharmacy benefit manager by a
26 managed care organization;

27 (b) The total amount of Medicaid dollars paid to the state pharmacy benefit

1 manager by a managed care organization which were not subsequently paid to a
2 pharmacy licensed in Kentucky;

3 (c) The average reimbursement by drug ingredient cost, dispensing fee, and any
4 other fee paid by the state pharmacy benefit manager to licensed pharmacies with which
5 the state pharmacy benefit manager shares common ownership, management, or control;
6 or which are owned, managed, or controlled by any of the state pharmacy benefit
7 manager's management companies, parent companies, subsidiary companies, jointly held
8 companies, or companies otherwise affiliated by a common owner, manager, or holding
9 company; or which share any common members on the board of directors; or which share
10 managers in common;

11 (d) The average reimbursement by drug ingredient cost, dispensing fee, or any
12 other fee paid by the state pharmacy benefit manager to pharmacies licensed in Kentucky
13 which operate 10 locations, 10 or fewer locations, or 10 or more locations; and

14 (e) All common ownership, management, common members of a board of
15 directors, shared managers, or control of the state pharmacy benefit manager, or any of
16 the state pharmacy benefit manager's management companies, parent companies,
17 subsidiary companies, jointly held companies, or companies otherwise affiliated by a
18 common owner, manager, or holding company with any managed care organization
19 contracted to administer Kentucky Medicaid benefits, any entity which contracts on
20 behalf of a pharmacy, or any pharmacy services administration organization, or any
21 common ownership management, common members of a board of directors, shared
22 managers, or control of a pharmacy services administration organization that is
23 contracted with the state pharmacy benefit manager, with any drug wholesaler or
24 distributor or any of the pharmacy services administration organizations, management
25 companies, parent companies, subsidiary companies, jointly held companies, or
26 companies otherwise affiliated by a common owner, common members of a board of
27 directors, manager, or holding company.

1 **(11) Kentucky Children's Health Insurance Program (KCHIP):** Included in the
2 above appropriations is \$142,829,200 in General Fund, \$400,000 in Restricted Funds,
3 and \$583,555,200 in Federal Funds in fiscal year 2024-2025 and \$151,221,300 in
4 General Fund, \$400,000 in Restricted Funds, and \$616,231,900 in Federal Funds in fiscal
5 year 2025-2026 to support the continuation of KCHIP services.

6 **(12) Medicaid Benefits Program Support:** Included in the above appropriations
7 is \$1,096,152,800 in Federal Funds in fiscal year 2023-2024, \$123,416,800 in Restricted
8 Funds and \$1,082,541,700 in Federal Funds in fiscal year 2024-2025, and \$394,598,900
9 in General Fund and \$1,725,765,200 in Federal Funds in fiscal year 2025-2026 to support
10 estimated program needs.

11 **(13) Michelle P. Waiver Slots:** Included in the above appropriations is \$3,621,500
12 in General Fund and \$9,116,800 in Federal Funds in fiscal year 2024-2025 to support 250
13 additional slots and \$10,864,500 in General Fund and \$27,350,300 in Federal Funds in
14 fiscal year 2025-2026 to support 500 additional slots for a total of 750 slots over the
15 2024-2026 fiscal biennium. Notwithstanding KRS 45.229, any portion of General Fund
16 not expended for this purpose shall lapse to the Budget Reserve Trust Fund Account
17 (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

18 **(14) Supports for Community Living Waiver Slots:** Included in the above
19 appropriations is \$3,711,000 in General Fund and \$9,342,100 in Federal Funds in fiscal
20 year 2024-2025 to support 125 additional slots and \$11,132,900 in General Fund and
21 \$28,026,200 in Federal Funds in fiscal year 2025-2026 to support 250 additional slots for
22 a total of 375 slots over the 2024-2026 fiscal biennium. Notwithstanding KRS 45.229,
23 any portion of General Fund not expended for this purpose shall lapse to the Budget
24 Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
25 pursuant to Part III, 24. of this Act.

26 **(15) Home and Community Based Services Waiver Slots:** Included in the above
27 appropriations is \$2,405,600 in General Fund and \$6,055,900 in Federal Funds in fiscal

1 year 2024-2025 to support 250 additional slots and \$7,216,800 in General Fund and
2 \$18,167,700 in Federal Funds in fiscal year 2025-2026 to support 500 additional slots for
3 a total of 750 slots over the 2024-2026 fiscal biennium. Notwithstanding KRS 45.229,
4 any portion of General Fund not expended for this purpose shall lapse to the Budget
5 Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
6 pursuant to Part III, 24. of this Act.

7 **(16) Acquired Brain Injury - Long Term Care Waiver Slots:** Included in the
8 above appropriations is \$729,800 in General Fund and \$1,837,200 in Federal Funds in
9 fiscal year 2024-2025 to support 25 additional slots and \$1,463,200 in General Fund and
10 \$3,670,800 in Federal Funds in fiscal year 2025-2026 to support 25 additional slots for a
11 total of 50 slots over the 2024-2026 fiscal biennium. Notwithstanding KRS 45.229, any
12 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
13 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
14 III, 24. of this Act.

15 **(17) Nursing Facility Reimbursement Rates:** Included in the above
16 appropriations is \$62,546,000 in General Fund and \$157,454,000 in Federal Funds in
17 fiscal year 2024-2025 and \$66,975,000 in General Fund and \$168,025,000 in Federal
18 Funds in fiscal year 2025-2026 to support an increase and rebasing of nursing facility
19 reimbursement rates effective July 1, 2024, to reflect actual facility costs.
20 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
21 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
22 shall be submitted pursuant to Part III, 24. of this Act.

23 **(18) Serious Mental Illness Waiver:** Included in the above appropriations is
24 \$4,307,100 in Restricted Funds and \$10,842,900 in Federal Funds in fiscal year 2024-
25 2025 and \$4,626,300 in Restricted Funds and \$11,606,300 in Federal Funds in fiscal year
26 2025-2026 to implement a Section 1115 demonstration waiver to provide services to
27 Medicaid eligible individuals with a serious mental illness. Mandated reports shall be

1 submitted pursuant to Part III, 24. of this Act.

2 **(19) Substance Use Disorder Waiver:** Included in the above appropriations is
3 \$11,341,400 in Restricted Funds and \$28,550,900 in Federal Funds in fiscal year 2024-
4 2025 and \$13,041,200 in Restricted Funds and \$32,717,300 in Federal Funds in fiscal
5 year 2025-2026 to implement a Section 1115 demonstration waiver to provide services to
6 Medicaid eligible individuals with substance use disorders. Mandated reports shall be
7 submitted pursuant to Part III, 24. of this Act.

8 **(20) Waiver Rate Study Implementation:** Included in the above appropriations is
9 \$47,051,700 in General Fund and \$118,448,300 in Federal Funds in fiscal year 2024-
10 2025 and \$47,167,500 in General Fund and \$118,332,500 in Federal Funds in fiscal year
11 2025-2026 to update and increase the benchmark reimbursement rates for the Medicaid
12 Section 1915(c) Home and Community Based Services waivers. If the Acquired Brain
13 Injury (ABI), Acquired Brain Injury Long Term Care (ABI-LTC), Home and Community
14 Based (HCB), Model II Waiver (MIIW), Supports for Community Living (SCL), or the
15 Michelle P. waiver programs experience a material change in funding based upon a new
16 or amended waiver that is approved by the Centers for Medicare and Medicaid Services,
17 the Department for Medicaid Services may adjust the upper payment limit amount for an
18 ABI, ABI-LTC, HCB, MIIW, SCL, or Michelle P. waiver service as long as the upper
19 payment limit for each service is not less than the upper payment limit in effect on
20 January 1, 2024. Notwithstanding KRS 45.229, any portion of General Fund not
21 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
22 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

23 **(21) HCBS for Individuals with Serious Mental Illness and Substance Use**
24 **Disorder:** Included in the above appropriations is \$36,500,500 in General Fund and
25 \$91,886,900 in Federal Funds in fiscal year 2024-2025 and \$36,590,400 in General Fund
26 and \$91,797,000 in Federal Funds in fiscal year 2025-2026 to provide home and
27 community based services for Medicaid eligible individuals with serious mental illness

1 and substance use disorder. Notwithstanding KRS 45.229, any portion of General Fund
2 not expended for this purpose shall lapse to the Budget Reserve Trust Fund Account
3 (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

4 **(22) Child Specific Waiver:** Included in the above appropriations is \$4,201,900 in
5 General Fund and \$10,541,600 in Federal Funds in fiscal year 2025-2026 to develop a
6 HCBS Section 1915(c) waiver for children ages 0-21 with severe emotional disabilities,
7 autism spectrum disorder, and intellectual disabilities and related conditions.
8 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
9 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
10 shall be submitted pursuant to Part III, 24. of this Act.

11 **(23) Incarceration Waiver:** Included in the above appropriations is \$10,649,100
12 in Restricted Funds and \$26,808,100 in Federal Funds in fiscal year 2024-2025 and
13 \$10,962,800 in Restricted Funds and \$27,503,100 in Federal Funds in fiscal year 2025-
14 2026 to develop a Section 1115 demonstration waiver to enhance and expand substance
15 use disorder treatment services to Medicaid eligible incarcerated individuals returning to
16 the community. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

17 **(24) Personal Needs Allowance:** Included in the above General Fund
18 appropriation is \$3,775,000 in each fiscal year to increase the Personal Needs Allowance
19 from \$40 to \$60 per month effective July 1, 2024. Notwithstanding KRS 45.229, any
20 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
21 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
22 III, 24. of this Act.

23 **(25) Interim Restricted Funds Appropriation Increase:** Notwithstanding KRS
24 48.630, Medicaid Benefits may request an allotment of unbudgeted Restricted Funds
25 appropriation not to exceed 10 percent per fiscal year.

26 **(26) Kentucky Access Fund:** Notwithstanding KRS 304.17B-021, funds are
27 transferred from this source to Medicaid Benefits in each fiscal year.

1 **(27) 1915(c) Home and Community Based Services (HCBS) Waivers Wait List**

2 **Management Assessment:** The General Assembly recognizes the vital role of waiver
3 services in the daily lives of Kentuckians in home and community based settings and the
4 importance of an efficient and effective system for the delivery of those services. The
5 Department for Medicaid Services shall conduct an analysis and assessment of the wait
6 lists for all of the Kentucky Medicaid 1915(c) HCBS waiver programs. For each of the
7 waiver programs the assessment shall include:

- 8 (a) The current eligibility criteria for the waiver program;
- 9 (b) A description of the process for an individual to be assessed for a waiver
10 program;
- 11 (c) A description of the method used to determine the level of priority for
12 receiving services for an individual on the wait list;
- 13 (d) The number of current waiver participants;
- 14 (e) The number, demographics, and eligibility category of individuals on the wait
15 list;
- 16 (f) The acuity level of individuals on the wait list;
- 17 (g) The level of care and services needed by individuals on the wait list;
- 18 (h) The average cost of waiver services provided;
- 19 (i) The date of entry and length of time on the wait list; and
- 20 (j) The number of applicants on the wait list for more than one waiver program
21 as can most accurately be determined.

22 The results and findings from the assessment and recommendations to achieve a
23 more efficient and effective management of the Kentucky 1915(c) HCBS waiver
24 programs wait lists shall be reported to the Interim Joint Committees on Appropriations
25 and Revenue and Health Services by October 1, 2024.

26 **(28) Medicaid Reimbursement Rebasing Efforts:** The General Assembly
27 recognizes the need to assure that the Kentucky Medicaid program has sufficient

1 resources, including providers, to deliver Medicaid services. To that end, included in the
 2 above General Fund appropriation is \$25,000,000 in fiscal year 2025-2026 to support
 3 Medicaid reimbursement rebasing efforts contingent on the approval by the General
 4 Assembly of a comprehensive proposal to rebase Medicaid reimbursement rates. The
 5 proposal shall be developed and presented to the Interim Joint Committee on
 6 Appropriations and Revenue by December 1, 2024. Notwithstanding KRS 45.229, any
 7 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
 8 Trust Fund Account (KRS 48.705).

9 **TOTAL - MEDICAID SERVICES**

10		2023-24	2024-25	2025-26
11	General Fund	-0-	2,568,077,200	3,088,857,700
12	Restricted Funds	-0-	1,886,874,700	1,651,702,600
13	Federal Funds	1,096,152,800	15,060,888,800	15,803,010,200
14	TOTAL	1,096,152,800	19,515,840,700	20,543,570,500

15 **4. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL**
 16 **DISABILITIES**

17		2023-24	2024-25	2025-26
18	General Fund (Tobacco)	-0-	1,300,000	1,300,000
19	General Fund	-0-	190,981,100	196,300,900
20	Restricted Funds	13,000,000	245,931,800	246,283,700
21	Federal Funds	-0-	98,660,800	98,895,200
22	TOTAL	13,000,000	536,873,700	542,779,800

23 **(1) Disproportionate Share Hospital Funds:** Pursuant to KRS 205.640(3)(a)2.,
 24 mental health disproportionate share funds are budgeted at the maximum amounts
 25 permitted by Section 1923(h) of the Social Security Act. Upon publication in the Federal
 26 Register of the Annual Institutions for Mental Disease (IMD) Disproportionate Share
 27 Hospital (DSH) limit, 92.3 percent of the federal IMD DSH limit goes to the state-

1 operated mental hospitals. If there are remaining funds within the psychiatric pool after
2 all private psychiatric hospitals reach their hospital-specific DSH limit, state mental
3 hospitals may exceed the 92.3 percent limit but may not exceed their hospital-specific
4 DSH limit.

5 **(2) Lease Payments for Eastern State Hospital:** Included in the above General
6 Fund appropriation is \$9,808,200 in fiscal year 2024-2025 and \$9,810,800 in fiscal year
7 2025-2026 to make lease payments to the Lexington-Fayette Urban County Government
8 to retire its debt for the construction of the new facility.

9 **(3) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
10 appropriation is \$1,300,000 in each fiscal year for substance abuse prevention and
11 treatment for pregnant women with a history of substance abuse problems. Mandated
12 reports shall be submitted pursuant to Part III, 24. of this Act.

13 **(4) Debt Service:** Included in the above General Fund appropriation is
14 \$3,404,000 in fiscal year 2024-2025 and \$6,808,000 in fiscal year 2025-2026 for new
15 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
16 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
17 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated
18 reports shall be submitted pursuant to Part III, 24. of this Act.

19 **(5) The Healing Place:** Included in the above General Fund appropriation is
20 \$900,000 in each fiscal year to support direct services to clients provided by The Healing
21 Place. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
22 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated
23 reports shall be submitted pursuant to Part III, 24. of this Act.

24 **(6) Appalachian Regional Hospital:** Included in the above General Fund
25 appropriation is \$14,600,000 in each fiscal year to support contracted inpatient
26 psychiatric services provided within Hospital District IV under KRS 210.300. The
27 Secretary of the Cabinet for Health and Family Services shall provide a report on total

1 expenditures by fund source and program area for fiscal year 2024-2025 and estimated
2 funding required for a continuation of services in fiscal year 2025-2026 to the Interim
3 Joint Committees on Health Services and Appropriations and Revenue by September 1,
4 2025. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
5 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

6 **(7) Substance Abuse Funding Report:** The Department for Behavioral Health,
7 Developmental and Intellectual Disabilities shall compile for each fiscal year a report on
8 the funding received by the Cabinet for Health and Family Services to provide substance
9 abuse prevention, treatment, and recovery services in the Commonwealth. The report
10 shall include the amount, source, and duration of the funding, the purpose of the funding,
11 the number of individuals served, and any available information on outcomes
12 demonstrated as a result of the funding provided for substance abuse prevention,
13 treatment, and recovery services. The report shall be submitted to the Legislative
14 Research Commission, Office of Budget Review, by September 1 of each fiscal year.

15 **(8) Residential Facilities Services:** Included in the above Restricted Funds
16 appropriation is \$13,000,000 in fiscal year 2023-2024, \$16,264,600 in fiscal year 2024-
17 2025, and \$16,264,600 in fiscal year 2025-2026 to support increased costs related to
18 staffing and an increased patient census in state run psychiatric and ICF/IID facilities.
19 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

20 **(9) Tim's Law Pilot Program Expansion:** Included in the above General Fund
21 appropriation is \$2,500,000 in fiscal year 2024-2025 and \$3,000,000 in fiscal year 2025-
22 2026 to support expansion of a pilot program for individuals with severe mental illness to
23 additional locations to ensure statewide access to services offered through the pilot
24 program. Notwithstanding KRS 45.229, any portion of General Fund not expended for
25 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
26 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

27 **(10) Lee Specialty Clinic:** Included in the above General Fund appropriation is an

1 additional \$750,000 in each fiscal year to support specialty medical services for
 2 individuals with moderate developmental and intellectual disabilities living in residential
 3 and community settings. Notwithstanding KRS 45.229, any portion of General Fund not
 4 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
 5 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

6 **5. PUBLIC HEALTH**

	2023-24	2024-25	2025-26
8 General Fund (Tobacco)	-0-	10,103,300	10,580,000
9 General Fund	-0-	81,462,200	83,563,800
10 Restricted Funds	6,000,000	113,033,400	117,473,900
11 Federal Funds	-0-	267,950,700	268,636,400
12 TOTAL	6,000,000	472,549,600	480,254,100

13 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
 14 appropriation is \$5,634,000 in fiscal year 2024-2025 and \$5,980,000 in fiscal year 2025-
 15 2026 for the Health Access Nurturing Development Services (HANDS) Program,
 16 \$700,000 in each fiscal year for the Healthy Start Initiatives, \$700,000 in each fiscal year
 17 for Early Childhood Mental Health, \$700,000 in each fiscal year for Early Childhood
 18 Oral Health, \$500,000 in each fiscal year for the Lung Cancer Screening Program, and
 19 \$1,869,300 in fiscal year 2024-2025 and \$2,000,000 in fiscal year 2025-2026 for
 20 Smoking Cessation. Mandated reports shall be submitted pursuant to Part III, 24. of this
 21 Act.

22 **(2) Local and District Health Department Fees:** Notwithstanding KRS 211.170
 23 and 211.186, local and district health departments shall retain 90 percent of the fees
 24 collected for delivering foundational public health program services to fund the costs of
 25 operations, services, and the employer contributions for the Kentucky Employees
 26 Retirement System.

27 **(3) Kentucky Poison Control Center:** Included in the above General Fund

1 appropriation is \$750,000 in each fiscal year to support the Kentucky Poison Control
2 Center. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
3 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated
4 reports shall be submitted pursuant to Part III, 24. of this Act.

5 **(4) Kentucky Colon Cancer Screening Program:** Included in the above
6 General Fund appropriation is \$500,000 in each fiscal year to support the Kentucky
7 Colon Cancer Screening Program. Notwithstanding KRS 45.229, any portion of General
8 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
9 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
10 this Act.

11 **(5) Kentucky Pediatric Cancer Research Trust Fund:** Included in the above
12 General Fund appropriation is \$5,000,000 in each fiscal year to the Kentucky Pediatric
13 Cancer Research Trust Fund for general pediatric cancer research and support of
14 expansion of clinical trials at the University of Kentucky and the University of Louisville.
15 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
16 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
17 shall be submitted pursuant to Part III, 24. of this Act.

18 **(6) Folic Acid Program:** General Fund (Tobacco) continuing appropriation
19 reserves allotted to the Folic Acid Program shall be utilized by the Department for Public
20 Health during the 2024-2026 fiscal biennium to continue the Folic Acid Program.
21 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

22 **(7) Public Health Transformation:** Included in the above General Fund
23 appropriation is \$20,021,400 in fiscal year 2024-2025 and \$21,022,500 in fiscal year
24 2025-2026 to support the costs of workforce and operations for the local health
25 departments. Notwithstanding KRS 45.229, any portion of General Fund not expended
26 for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
27 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

1 **(8) Lung Cancer Screening MCO:** Each Medicaid Managed Care Organization
2 that has a participating contract with the Commonwealth for the next contract renewal
3 cycle shall provide services for lung cancer screenings, which may include genetic
4 prescreen testing.

5 **(9) Environmental Health Programs:** Included in the above Restricted Funds
6 appropriation is \$767,500 in fiscal year 2024-2025 and \$884,300 in fiscal year 2025-2026
7 to support an increase in environmental health program services. Mandated reports shall
8 be submitted pursuant to Part III, 24. of this Act.

9 **(10) HIV Pharmaceuticals:** Included in the above Restricted Funds appropriation
10 is \$6,000,000 in fiscal year 2023-2024, \$10,000,000 in fiscal year 2024-2025, and
11 \$14,000,000 in fiscal year 2025-2026 to support increased pharmacy costs in the Ryan
12 White Program. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

13 **(11) Central Laboratory Expansion:** The Cabinet for Health and Family
14 Services shall submit a yearly report detailing the progress of the Central Laboratory
15 Expansion as set forth in Part II, Capital Projects Budget, of this Act. The report shall
16 include but not be limited to the targeted and achieved milestones, expenditures incurred,
17 challenges encountered, and mitigation strategies implemented. The report shall be
18 submitted to the Interim Joint Committee on Appropriations and Revenue with the first
19 report due July 1, 2025.

20 **(12) Debt Service:** Included in the above General Fund appropriation is
21 \$1,468,500 in fiscal year 2024-2025 and \$2,937,000 in fiscal year 2025-2026 for new
22 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
23 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
24 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

25 **(13) Area Health Education Centers:** Included in the above General Fund
26 appropriation is \$2,500,000 in each fiscal year to support the operations of the
27 Commonwealth's eight regional Area Health Education Centers. Notwithstanding KRS

1 45.229, any portion of General Fund not expended for this purpose shall lapse to the
2 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
3 pursuant to Part III, 24. of this Act.

4 **(14) Kentucky Early Intervention System (KEIS):** The KEIS program plays a
5 vital role in supporting the development of young children with disabilities. To ensure the
6 program’s continued effectiveness, the Department of Public Health shall conduct a
7 feasibility study on the various coaching models used in the program. The study shall at a
8 minimum identify the existing coaching models, identify the alternative coaching models,
9 assess the feasibility and cost implications of implementing alternative coaching models,
10 and provide recommendations. The study shall be submitted to the Interim Joint
11 Committee on Health Services by December 1, 2024.

12 **6. FAMILY RESOURCE CENTERS AND VOLUNTEER SERVICES**

	2024-25	2025-26
14 General Fund	26,578,200	26,626,200
15 Federal Funds	19,731,200	19,754,100
16 TOTAL	46,309,400	46,380,300

17 **(1) Family Resource and Youth Services Centers Funds:** No more than two
18 percent of the total funds transferred from the Department of Education to the Family
19 Resource and Youth Services Centers, as consistent with KRS 156.496, shall be used for
20 administrative purposes in each fiscal year.

21 **(2) Additional Centers:** Included in the above General Fund appropriation is
22 \$3,950,000 in each fiscal year to support the operations of additional centers that
23 currently serve more than one school. Notwithstanding KRS 45.229, any portion of
24 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
25 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
26 this Act.

27 **7. INCOME SUPPORT**

	2024-25	2025-26
1		
2	General Fund	13,616,600
3	Restricted Funds	17,703,400
4	Federal Funds	102,357,700
5	TOTAL	133,677,700

6 **(1) Child Support Enforcement Contract Increase:** Included in the above
 7 appropriations is \$884,000 in Restricted Funds and \$1,716,000 in Federal Funds in each
 8 fiscal year to support increases in customer service contracts to reduce wait times.
 9 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

10 **(2) Kentucky Child Support Enforcement System (KASES):** The provisions
 11 of 2023 Ky. Acts ch. 124 transfer the Child Support Enforcement Program from the
 12 Cabinet for Health and Family Services to the Office of the Attorney General effective
 13 July 1, 2025, and 2022 Ky. Acts ch. 199, Part II, G., 5., 001. authorizes an upgrade to the
 14 KASES system. During the transition period which begins July 1, 2024, both the Cabinet
 15 and the Attorney General shall work collaboratively regarding modifications to the
 16 KASES system. All modifications shall be approved by the Attorney General prior to any
 17 work completed by the Cabinet.

18 **8. COMMUNITY BASED SERVICES**

	2024-25	2025-26
19		
20	General Fund (Tobacco)	11,800,000
21	General Fund	726,121,100
22	Restricted Funds	226,383,300
23	Federal Funds	794,424,100
24	TOTAL	1,758,728,500

25 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
 26 appropriation is \$9,800,000 in fiscal year 2024-2025 and \$9,500,000 in fiscal year 2025-
 27 2026 for the Early Childhood Development Program and \$2,000,000 in each fiscal year

1 for the Early Childhood Adoption and Foster Care Supports Program. Mandated reports
2 shall be submitted pursuant to Part III, 24. of this Act.

3 **(2) Fostering Success:** Included in the above General Fund appropriation is
4 \$500,000 in each fiscal year to support the Fostering Success Program. Notwithstanding
5 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
6 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
7 pursuant to Part III, 24. of this Act.

8 **(3) Relative Placement Support Benefit:** Included in the above General Fund
9 appropriation is \$1,000,000 in each fiscal year for start-up costs associated with placing
10 children with nonparental relatives. Notwithstanding KRS 45.229, any portion of General
11 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
12 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
13 this Act.

14 **(4) Dually Licensed Pediatric Facilities:** Included in the above General Fund
15 appropriation is \$550,000 in each fiscal year to provide supplemental payments to dually
16 licensed pediatric facilities for emergency shelter services for children. Notwithstanding
17 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
18 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
19 pursuant to Part III, 24. of this Act.

20 **(5) Child Care Assistance Program:** Included in the above General Fund
21 appropriation is \$10,600,000 in each fiscal year to provide services to families at or
22 below 160 percent of the federal poverty level as determined annually by the U.S.
23 Department of Health and Human Services. Notwithstanding KRS 45.229, any portion of
24 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
25 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
26 this Act.

27 **(6) Family Counseling and Trauma Remediation:** Included in the above

1 General Fund appropriation is \$50,000 in each fiscal year to provide forensic interviews,
2 family counseling, and trauma remediation services primarily in Jefferson County and
3 surrounding Kentucky counties. Notwithstanding KRS 45.229, any portion of General
4 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
5 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
6 this Act.

7 **(7) Family Scholar House:** Included in the above General Fund appropriation is
8 \$1,000,000 in each fiscal year to support the operations of the Family Scholar House.
9 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
10 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
11 shall be submitted pursuant to Part III, 24. of this Act.

12 **(8) Personal Care Homes:** Included in the above General Fund appropriation is
13 \$12,000,000 in each fiscal year to support reimbursements provided to personal care
14 homes. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
15 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated
16 reports shall be submitted pursuant to Part III, 24. of this Act.

17 **(9) Children's Services Contractors:** Notwithstanding KRS Chapter 45A, no
18 contracts awarded for the use and benefit of the Department for Community Based
19 Services shall interfere with the contractor's freedom of religion as set forth in KRS
20 446.350. Any such contracts shall contain a provision allowing a contractor to allow a
21 substitute contractor who is also licensed or approved by the Cabinet to deliver the
22 contracted services if the contractor cannot perform a contracted service because of
23 sincerely held religious beliefs as outlined in KRS 446.350.

24 **(10) Additional Social Service Workers:** Included in the above appropriations is
25 \$3,210,000 in Restricted Funds and \$1,800,000 in Federal Funds in fiscal year 2024-2025
26 to support an additional 50 Social Service Worker positions and \$6,420,000 in Restricted
27 Funds and \$3,600,000 in Federal Funds in fiscal year 2025-2026 to support an additional

1 50 Social Service Worker positions for a total of 100 Social Service Worker positions
2 over the 2024-2026 fiscal biennium. The Cabinet for Health and Family Services shall
3 submit a quarterly report containing the number of Social Service Worker, Social Service
4 Clinician, Social Service Specialist, and Family Services Office Supervisor filled
5 positions to the Interim Joint Committee on Appropriations and Revenue, with the first
6 report due November 1, 2024.

7 **(11) Victims Advocacy Programs:** Included in the above General Fund
8 appropriation is \$5,500,000 for the Children's Advocacy Centers, \$6,000,000 for the
9 Domestic Violence Shelters, and \$2,000,000 for the Rape Crisis Centers in each fiscal
10 year to support operational costs. Notwithstanding KRS 45.229, any portion of General
11 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
12 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
13 this Act.

14 **(12) Seven Counties Services - Family Recovery Court:** Included in the above
15 General Fund appropriation is \$375,000 in each fiscal year to support the operations of
16 the Seven Counties Services through the Jefferson County Family Recovery Court to
17 assist families involved with the child welfare system. Notwithstanding KRS 45.229, any
18 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
19 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
20 III, 24. of this Act.

21 **(13) Maryhurst:** Included in the above General Fund appropriation is \$1,350,000
22 in each fiscal year to provide a reimbursement rate increase for children in the 5
23 Specialized Program. Included in the above General Fund appropriation is an additional
24 one-time allocation of \$775,000 in each fiscal year to support facility improvements.
25 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
26 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
27 shall be submitted pursuant to Part III, 24. of this Act.

1 **(14) Foster Care Independent Living:** Included in the above General Fund
2 appropriation is \$2,000,000 in each fiscal year for independent living supports to children
3 aging out of the foster care system. Notwithstanding KRS 45.229, any portion of General
4 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
5 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
6 this Act.

7 **(15) Employee Child Care Assistance Partnership:** Included in the above
8 General Fund appropriation is \$2,000,000 in each fiscal year to support the Employee
9 Child Care Assistance Partnership for matching contributions. There shall be a two
10 percent cap on administrative costs for the oversight of this program. Notwithstanding
11 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
12 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
13 pursuant to Part III, 24. of this Act.

14 **(16) Foster Home Rate Equity:** Included in the above appropriations is
15 \$10,600,000 in Restricted Funds and \$2,400,000 in Federal Funds in each fiscal year to
16 support an increase in the DCBS foster care rate per diem and to align the rates to be
17 more equitable with the Private Child Caring and Private Child Placing agency rate per
18 diems. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

19 **(17) Relative Caregiver Rate Increase:** Included in the above appropriations is
20 \$3,000,000 in General Fund, \$2,000,000 in Restricted Funds, and \$3,000,000 in Federal
21 Funds in fiscal year 2024-2025 and \$6,000,000 in General Fund, \$2,000,000 in Restricted
22 Funds, and \$3,000,000 in Federal Funds in fiscal year 2025-2026 to support an increase
23 in rates provided to relative caregivers. Notwithstanding KRS 45.229, any portion of
24 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
25 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
26 this Act.

27 **(18) Summer EBT:** Included in the above appropriation is \$1,500,000 in

1 Restricted Funds and \$1,500,000 in Federal Funds in each fiscal year to support the
2 administrative match for the summer EBT program. Mandated reports shall be submitted
3 pursuant to Part III, 24. of this Act.

4 **(19) Child Care Provider Reimbursement Rate Increase:** Included in the above
5 appropriations is \$21,000,000 in General Fund and \$7,000,000 in Federal Funds in fiscal
6 year 2024-2025 and \$28,000,000 in General Fund in fiscal year 2025-2026 to maintain
7 reimbursements to child care providers for CCAP families at the 80th percentile of the
8 Market Rate Survey. The Department shall utilize the American Rescue Plan Act Child
9 Care Development Fund remaining balance to the fullest extent possible and shall expend
10 any additional federal funds that become available before expending the General Fund
11 moneys. Notwithstanding KRS 45.229, any portion of General Fund not expended for
12 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
13 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

14 **(20) Child Care Assistance Program (CCAP) Initiatives:** Included in the above
15 appropriations is \$12,750,000 in General Fund and \$5,050,000 in Federal Funds in fiscal
16 year 2024-2025 and \$18,500,000 in General Fund and \$1,300,000 in Federal Funds in
17 fiscal year 2025-2026 to support the CCAP program. The Department shall utilize the
18 American Rescue Plan Act Child Care Development Fund remaining balance to the
19 fullest extent possible and shall expend any additional Federal Funds that become
20 available before expending the General Fund moneys. Notwithstanding KRS 45.229, any
21 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
22 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
23 III, 24. of this Act.

24 The appropriations shall be allocated to the individual programs as follows:

25 (a) \$11,250,000 in General Fund and \$3,750,000 in Federal Funds in fiscal year
26 2024-2025 and \$15,000,000 in General Fund in fiscal year 2025-2026 to support an
27 income exclusion from eligibility determinations for child care providers;

1 (b) \$1,500,000 in General Fund in each fiscal year to support a six-month
2 transition for families no longer eligible for CCAP benefits;

3 (c) \$1,300,000 in Federal Funds in each fiscal year to cover the cost of fees for
4 child care providers for all mandatory background checks; and

5 (d) \$2,000,000 in General Fund in fiscal year 2025-2026 to establish an
6 Innovations in Early Childhood Education Delivery Grant Program. The allocation set
7 out in this paragraph shall be contingent on submission by the Department for
8 Community Based Services and approval by the General Assembly of the grant funding
9 plan.

10 **(21) Holly Hill Child and Family Solutions:** Included in the above General Fund
11 appropriation is a one-time allocation of \$6,500,000 in fiscal year 2024-2025 to support
12 an infrastructure modernization program. Notwithstanding KRS 45.229, any portion of
13 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
14 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
15 this Act.

16 **(22) Volunteers of America - Family Recovery Court:** Included in the above
17 General Fund appropriation is \$500,000 in each fiscal year to support the operations of
18 the Volunteers of America - Family Recovery Court. Notwithstanding KRS 45.229, any
19 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
20 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
21 III, 24. of this Act.

22 **(23) Victims of Crime Act Support:** Notwithstanding KRS 141.020(2)(a)2.,
23 included in the above General Fund appropriation is a one-time allocation of \$5,100,000
24 for Children's Advocacy Centers, a one-time allocation of \$7,100,000 to Domestic
25 Violence Shelters, and a one-time allocation of \$5,700,000 to Rape Crisis Centers in
26 fiscal year 2024-2025 to offset reduced Victims of Crime Act funding. These allocations
27 shall not be identified as GF appropriations when certifying the reduction conditions

1 pursuant to KRS 141.020(2)(a)5. and (d)2. to 5. Notwithstanding KRS 45.229, any
2 portion of these funds that have not been expended by the end of fiscal year 2024-2025
3 shall not lapse and shall carry forward into fiscal year 2025-2026. Mandated reports shall
4 be submitted pursuant to Part III, 24. of this Act.

5 **(24) Early Childhood Development Scholarship Program:** Included in the
6 above General Fund appropriation is \$2,500,000 in each fiscal year to support the Early
7 Childhood Development Scholarship Program. Notwithstanding KRS 45.229, any portion
8 of General Fund not expended for this purpose shall lapse to the Budget Reserve Trust
9 Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III,
10 24. of this Act.

11 **9. AGING AND INDEPENDENT LIVING**

	2024-25	2025-26
13 General Fund	59,230,400	59,801,300
14 Restricted Funds	4,137,100	4,169,500
15 Federal Funds	44,581,200	44,750,500
16 TOTAL	107,948,700	108,721,300

17 **(1) Local Match Requirements:** Notwithstanding KRS 205.460, entities
18 contracting with the Cabinet for Health and Family Services to provide essential services
19 under KRS 205.455 and 205.460 shall provide local match equal to or greater than the
20 amount in effect during fiscal year 2023-2024. Local match may include any combination
21 of materials, commodities, transportation, office space, personal services, or other types
22 of facility services or funds. The Secretary of the Cabinet for Health and Family Services
23 shall prescribe the procedures to certify the local match compliance.

24 **(2) Expansion of Senior Meals:** Included in the above General Fund
25 appropriation is \$10,000,000 in each fiscal year to support the expansion of meals to
26 senior citizens in the community. Notwithstanding KRS 45.229, any portion of General
27 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund

1 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
2 this Act.

3 (3) **Additional Staff Positions:** Included in the above Restricted Funds
4 appropriation is \$793,100 in each fiscal year for additional staff positions to support
5 training and compliance efforts. Mandated reports shall be submitted pursuant to Part III,
6 24. of this Act.

7 (4) **Office of Dementia Services and State Long-Term Care Ombudsman**
8 **Program:** Included in the above appropriations is \$1,050,300 in General Fund and
9 \$394,300 in Restricted Funds in each fiscal year to support staffing and operations in the
10 Office of Dementia Services and the State Long-Term Care Ombudsman Program.
11 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
12 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
13 shall be submitted pursuant to Part III, 24. of this Act.

14 **TOTAL - HEALTH AND FAMILY SERVICES CABINET**

	2023-24	2024-25	2025-26
15			
16	General Fund (Tobacco)	-0-	23,203,300
17	General Fund	-0-	3,689,199,700
18	Restricted Funds	19,000,000	2,582,981,800
19	Federal Funds	1,096,152,800	16,461,850,400
20	TOTAL	1,115,152,800	22,757,235,200
		23,800,156,400	

21 **H. JUSTICE AND PUBLIC SAFETY CABINET**

22 **Budget Units**

23 **1. JUSTICE ADMINISTRATION**

	2024-25	2025-26
24		
25	General Fund (Tobacco)	3,037,500
26	General Fund	50,548,700
27	Restricted Funds	3,661,100
		3,587,200

1	Federal Funds	46,152,600	41,216,200
2	TOTAL	103,399,900	98,942,700

3 **(1) Operation UNITE:** (a) Included in the above General Fund appropriation
4 is \$1,500,000 in each fiscal year for the Operation UNITE Program. Notwithstanding
5 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
6 Budget Reserve Trust Fund Account (KRS 48.705).

7 (b) For the periods ending June 30, 2024, and June 30, 2025, the Secretary of the
8 Justice and Public Safety Cabinet, in coordination with the Chief Executive Officer of
9 Operation UNITE, shall prepare reports detailing for what purpose and function the funds
10 were utilized. The reports shall be submitted to the Interim Joint Committee on
11 Appropriations and Revenue by September 1 of each fiscal year.

12 **(2) Office of Drug Control Policy:** Included in the above General Fund
13 (Tobacco) appropriation is \$2,804,000 in fiscal year 2024-2025 and \$3,000,000 in fiscal
14 year 2025-2026 for the Office of Drug Control Policy. Mandated reports shall be
15 submitted pursuant to Part III, 24. of this Act.

16 **(3) Access to Justice:** Included in the above General Fund appropriation is
17 \$500,000 in each fiscal year to support the Access to Justice Program. Notwithstanding
18 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
19 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
20 pursuant to Part III, 24. of this Act.

21 **(4) Court-Appointed Special Advocate Funding:** (a) Included in the above
22 General Fund appropriation is \$3,000,000 in each fiscal year for grants to support Court-
23 Appointed Special Advocate (CASA) funding programs. Notwithstanding KRS 45.229,
24 any portion of General Fund not expended for this purpose shall lapse to the Budget
25 Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
26 pursuant to Part III, 24. of this Act.

27 (b) No administrative costs shall be paid from the appropriation provided in

1 paragraph (a) of this subsection.

2 **(5) Restorative Justice:** Included in the above General Fund (Tobacco)
3 appropriation is \$233,500 in fiscal year 2024-2025 and \$250,000 in fiscal year 2025-2026
4 to support the Restorative Justice Program administered by the Volunteers of America.
5 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

6 **(6) Substance Abuse Treatment Programs:** The Secretary of the Justice and
7 Public Safety Cabinet shall compile for each fiscal year a report on funding received by
8 the Cabinet to provide substance abuse treatment, prevention, and recovery programs in
9 the Commonwealth. The report shall include the amount, source, and duration of the
10 funding, the purpose of the funding, the number of individuals served, and any available
11 information on program outcomes. The Secretary shall submit the report to the Interim
12 Joint Committee on Appropriations and Revenue by September 1 of each year.

13 **(7) Volunteers of America - Freedom House:** Included in the above General
14 Fund appropriation is \$5,000,000 in each fiscal year to support the Freedom House
15 administered by Volunteers of America. Included in the above General Fund
16 appropriation is \$250,000 in each fiscal year to support the Lincoln County Family
17 Recovery Court to assist families involved with the child welfare system.
18 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
19 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
20 shall be submitted pursuant to Part III, 24. of this Act.

21 **(8) Child Fatality Review Panel:** Included in the above General Fund
22 appropriation is \$594,100 in fiscal year 2024-2025 and \$592,900 in fiscal year 2025-2026
23 to support the operations of the Child Fatality and Near Fatality External Review Panel.
24 Included in the above General Fund appropriation is an additional \$200,000 in fiscal year
25 2024-2025 for a new case management system. Notwithstanding KRS 45.229, any
26 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
27 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part

1 III, 24. of this Act.

2 (9) **Northern Kentucky Regional Medical Examiners Office:** Notwithstanding
3 KRS 45.229, any unexpended funds from the \$1,800,000 authorized in 2022 Ky. Acts ch.
4 199, Part I, H., 1., (11) to reestablish the Northern Kentucky Regional Medical
5 Examiners Office shall not lapse and shall carry forward.

6 (10) **Violence Against Women Act Grant State Match:** Included in the above
7 General Fund appropriation is \$84,000 in fiscal year 2024-2025 and \$86,000 in fiscal
8 year 2025-2026 to support the state match requirement for the Violence Against Women
9 Act federal grant. Notwithstanding KRS 45.229, any portion of General Fund not
10 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
11 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

12 (11) **Rocket Docket Program:** Notwithstanding KRS 196.288(5)(b)8., included in
13 the above General Fund appropriation is \$2,000,000 in each fiscal year, which shall be
14 allocated annually in quarterly payments, to support the Rocket Docket Program at the
15 Prosecutors Advisory Council. Notwithstanding KRS 45.229, any portion of General
16 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
17 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
18 this Act.

19 **2. CRIMINAL JUSTICE TRAINING**

	2024-25	2025-26
20		
21	Restricted Funds	101,798,500 109,736,200

22 (1) **Kentucky Law Enforcement Foundation Program Fund:** Included in the
23 above Restricted Funds appropriation is \$94,684,900 in fiscal year 2024-2025 and
24 \$102,551,600 in fiscal year 2025-2026 for the Kentucky Law Enforcement Foundation
25 Program Fund.

26 (2) **Training Incentive Payments:** Notwithstanding KRS 15.460(1) and
27 15.420(2)(a)1.a., included in the above Restricted Funds appropriation is \$4,429 in fiscal

1 year 2024-2025 and \$4,562 in fiscal year 2025-2026 for each full-time participant for
2 training incentive payments, and \$2,215 in fiscal year 2024-2025 and \$2,281 in fiscal
3 year 2025-2026 for each part-time participant for training incentive payments. KRS
4 15.460(1)(b) to (f) shall remain applicable, except that the administrative expense
5 reimbursement cap under KRS 15.460(1)(c)3. shall not exceed \$1,000,000.

6 **(3) Administrative Reimbursement:** Notwithstanding KRS 15.450(3), the
7 Department of Criminal Justice Training shall not receive reimbursement for the salaries
8 and other costs of administering the fund, to include the Kentucky Law Enforcement
9 Council operations and expenses, Peace Officers Professional Standards Office, attorney
10 positions in Justice Administration, the Professional Development and Wellness Branch,
11 Office of the State School Security Marshal, Office of Kentucky Law Enforcement
12 Council Support, debt service, capital outlay, and Department personnel costs and
13 expenses in excess of \$39,936,900 in fiscal year 2024-2025 and \$41,127,700 in fiscal
14 year 2025-2026. The Department shall submit a report detailing reimbursed expenditures
15 for the prior fiscal year to the Interim Joint Committee on Appropriations and Revenue
16 by August 1 of each fiscal year.

17 **(4) Criminal Justice Council:** Pursuant to KRS 15.410 to 15.518, the
18 Department of Criminal Justice Training shall not transfer funds from the Kentucky Law
19 Enforcement Foundation Program Fund to support the Criminal Justice Council.

20 **(5) Kentucky Law Enforcement Council Funding:** Notwithstanding KRS
21 15.450 and any other statute to the contrary, funding to support the operations of the
22 Kentucky Law Enforcement Council shall not exceed \$648,900 in each fiscal year.

23 **(6) Operating Cost Increases:** Included in the above Restricted Funds
24 appropriation is \$843,500 in fiscal year 2024-2025 and \$744,600 in fiscal year 2025-2026
25 to support various operating cost increases. Mandated reports shall be submitted pursuant
26 to Part III, 24. of this Act.

27 **(7) Post-Critical Incident Seminars:** Included in the above Restricted Funds

1 appropriation is \$820,700 in each fiscal year to support an increase in the number of post-
2 critical incident seminars to 12 per year. Mandated reports shall be submitted pursuant to
3 Part III, 24. of this Act.

4 **(8) Additional Positions:** (a) Included in the above Restricted Funds
5 appropriation is \$1,335,500 in fiscal year 2024-2025 and \$1,396,300 in fiscal year 2025-
6 2026 to support additional positions, including ten law enforcement instructors, one
7 budget specialist, and one document processing specialist.

8 (b) Included in the above Restricted Funds appropriation is \$790,000 in fiscal
9 year 2025-2026 to support an additional ten law enforcement instructors. The Department
10 of Criminal Justice Training shall prepare a report detailing expenditures on these
11 additional positions, including the number of filled positions and the number of vacancies
12 supported by the provisions of paragraphs (a) and (b) of this subsection. The Department
13 shall submit this report on a quarterly basis beginning November 1, 2024, to the Interim
14 Joint Committee on Appropriations and Revenue.

15 (c) The funds for the positions in paragraph (b) of this subsection are authorized
16 contingent upon the opening of the Western Kentucky Law Enforcement Training
17 Academy.

18 **(9) Training Track Vehicles:** Included in the above Restricted Funds
19 appropriation is \$169,600 in each fiscal year to support leases for law enforcement
20 training vehicles. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

21 **(10) Officer Revocation Hearing Expenses:** Included in the above Restricted
22 Funds appropriation is \$120,000 in each fiscal year to eliminate the backlog of officer
23 revocation hearings. Mandated reports shall be submitted pursuant to Part III, 24. of this
24 Act.

25 **3. JUVENILE JUSTICE**

	2024-25	2025-26
26		
27	General Fund	146,847,000 172,526,200

1	Restricted Funds	16,695,800	13,961,500
2	Federal Funds	10,706,900	10,951,700
3	TOTAL	174,249,700	197,439,400

4 **(1) Medical Services Contract Appropriation and Reporting:** Included in the
5 above General Fund appropriation is \$20,000,000 in fiscal year 2025-2026 to support a
6 medical services contract, including primary care and mental health services, for youth
7 under the care of the Department of Juvenile Justice. The Department shall submit a
8 report to the Interim Joint Committee on Appropriations and Revenue by September 1,
9 2024, detailing the specifics of any potential requests for proposal, including but not
10 limited to services to be delivered and cost parameters. Notwithstanding any statute to the
11 contrary, no contract shall be awarded or any funds expended until the report is submitted
12 and reviewed. Notwithstanding KRS 45.229, any portion of General Fund not expended
13 for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
14 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

15 **(2) Transport Vehicles:** Included in the above Restricted Funds appropriation is
16 \$2,734,300 in fiscal year 2024-2025 to purchase vehicles for juvenile transportation.
17 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

18 **(3) Detention Alternative Programming and Support:** Included in the above
19 General Fund appropriation is \$3,883,600 in fiscal year 2024-2025 and \$3,913,000 in
20 fiscal year 2025-2026 to support increased alternatives to detention programming.
21 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
22 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
23 shall be submitted pursuant to Part III, 24. of this Act.

24 **(4) Evidence-Based Programming:** Included in the above General Fund
25 appropriation is \$3,524,600 in each fiscal year to support evidence-based programming,
26 including 21 social service specialists, youth screening tools, software, and training. The
27 Department of Juvenile Justice shall prepare a report detailing expenditures for evidence-

1 based programming provided by the Department, as well as the number of youth served
2 by each program, the number of filled positions providing services and the number of
3 program vacancies, the number of youth on waitlists for services, and any other key
4 performance indicators deemed appropriate by the Department. The Department of
5 Juvenile Justice shall submit this report on a quarterly basis to the Interim Joint
6 Committee on Appropriations and Revenue and the Juvenile Justice Oversight Council
7 beginning November 1, 2024. Notwithstanding KRS 45.229, any portion of General Fund
8 not expended for this purpose shall lapse to the Budget Reserve Trust Fund Account
9 (KRS 48.705).

10 **(5) Debt Service:** Included in the above General Fund appropriation is
11 \$2,092,500 in fiscal year 2024-2025 and \$4,185,000 in fiscal year 2025-2026 to support
12 debt service for new bonds as set forth in Part II. Capital Projects Budget, of this Act.
13 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
14 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

15 **(6) Louisville Detention Center Renovation:** The Department of Juvenile
16 Justice shall submit a report to the Interim Joint Committee on Appropriations and
17 Revenue by September 1, 2024, detailing the design and cost parameters of the Renovate
18 Louisville Detention Center project authorized in Part II, Capital Projects Budget, of this
19 Act. Notwithstanding any statute to the contrary, no contract shall be let or any funds
20 expended until the report is submitted and reviewed.

21 **(7) Diversionary Program:** Notwithstanding KRS 45.229, unexpended funds
22 from the fiscal year 2023-2024 General Fund appropriation from 2023 Ky. Acts ch 106,
23 Section 15, shall not lapse and shall carry forward.

24 **(8) Transportation Costs for Female Youth Detained:** Notwithstanding KRS
25 45.229, unexpended funds from the fiscal year 2023-2024 General fund appropriation
26 from 2023 Ky. Acts ch. 106, sec. 18, shall not lapse and shall carry forward.

27 **(9) Design Experts Retention Project:** Notwithstanding any statute to the

1 contrary, unexpended funds at the close of fiscal year 2023-2024 from the fiscal year
2 2022-2023 General Fund appropriation set out in 2023 Ky. Acts ch. 106, sec. 16, shall
3 lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

4 **(10) Juvenile Mental Health Treatment Facility:** The Department of Juvenile
5 Justice shall submit a report to the Interim Joint Committee on Appropriations and
6 Revenue by December 1, 2024, detailing the High-Acuity Juvenile Mental Health
7 Treatment Facility project, including but not limited to services provided, cost
8 parameters, design elements, and operational capacity. The report shall address possible
9 models for delivering necessary services, including contracting alternatives and
10 alternative sites for any facility.

11 **4. STATE POLICE**

	2024-25	2025-26
13 General Fund	232,878,200	255,072,800
14 Restricted Funds	34,592,200	34,740,100
15 Federal Funds	23,376,200	23,343,000
16 Road Fund	56,289,600	56,372,700
17 TOTAL	347,136,200	369,528,600

18 **(1) Call to Extraordinary Duty:** There is appropriated from the General Fund to
19 the Department of Kentucky State Police, subject to the conditions and procedures
20 provided in this Act, funds which are required as a result of the Governor's call of the
21 Kentucky State Police to extraordinary duty when an emergency situation has been
22 declared to exist by the Governor. Funding is authorized to be provided from the General
23 Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS
24 48.705).

25 **(2) Restricted Funds Uses:** Notwithstanding KRS 24A.179, 42.320(2)(h),
26 65.7631, 189A.050(3)(a), 237.110(18), and 281A.160(2)(b), funds are included in the
27 above Restricted Funds appropriation to maintain the operations and administration of the

1 Department of Kentucky State Police.

2 **(3) Telecommunicator Salary Conversion:** Included in the above General Fund
3 appropriation is sufficient funding to convert the annual training incentive stipend to a
4 \$3,100 salary increase for telecommunicators effective July 1, 2024.

5 **(4) Debt Service:** Included in the above General Fund appropriation is
6 \$3,739,500 in fiscal year 2024-2025 and \$7,479,000 in fiscal year 2025-2026 to support
7 debt service for new bonds as set forth in Part II, Capital Projects Budget, of this Act.
8 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
9 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

10 **(5) Capitol Campus Security Personnel:** Included in the above General Fund
11 appropriation is \$125,600 in each fiscal year to support two Trooper R contracts
12 designated specifically for the Capitol campus. Notwithstanding KRS 45.229, any portion
13 of General Fund not expended for this purpose shall lapse to the Budget Reserve Trust
14 Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III,
15 24. of this Act.

16 **(6) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in
17 the above Restricted Funds appropriation is \$4,429 in fiscal year 2024-2025 and \$4,562
18 in fiscal year 2025-2026 for each participant for training incentive payments. Mandated
19 reports shall be submitted pursuant to Part III, 24. of this Act.

20 **(7) Background Check Fees:** Pursuant to KRS 7.111, 7.112, and 11.160(1)(e),
21 the Department of Kentucky State Police shall not charge a fee for the cost of background
22 checks requested by the Legislative Research Commission during investigation processes
23 related to confirmations of appointments or reappointments to boards and commissions
24 and administrative law judges.

25 **(8) Statutory Salary Schedule Adjustments:** Included in the above General
26 Fund appropriation is \$8,310,600 in fiscal year 2024-2025 and \$14,213,100 in fiscal year
27 2025-2026 to support the statutory adjustment to the salary schedule based on the

1 consumer price index for troopers and commercial vehicle enforcement officers.
2 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

3 **(9) Increases to Trooper Personnel:** Included in the above General Fund
4 appropriation is \$6,031,800 in fiscal year 2024-2025 and \$16,583,800 in fiscal year 2025-
5 2026 to support the addition of personnel from two trooper cadet classes.
6 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
7 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
8 shall be submitted pursuant to Part III, 24. of this Act.

9 **(10) Kentucky Emergency Warning System Leases:** Included in the above
10 General Fund appropriation is \$3,125,000 in fiscal year 2024-2025 and \$2,925,200 in
11 fiscal year 2025-2026 to support leases for the Kentucky Emergency Warning System.
12 The Department of Kentucky State Police shall prepare a report detailing by county,
13 including but not limited to the number of leases contracted, the cost of each lease, and
14 the number of leases yet to be contracted. The Department of Kentucky State Police shall
15 submit this report to the Interim Joint Committee on Appropriations and Revenue on a
16 quarterly basis beginning November 1, 2024. Notwithstanding KRS 45.229, any portion
17 of General Fund not expended for this purpose shall lapse to the Budget Reserve Trust
18 Fund Account (KRS 48.705).

19 **(11) Licensing Cost Increases:** Included in the above General Fund appropriation
20 is \$427,000 in fiscal year 2024-2025 and \$450,000 in fiscal year 2025-2026 to support
21 licensing cost increases for network security and digital evidence systems.
22 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
23 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
24 shall be submitted pursuant to Part III, 24. of this Act.

25 **(12) Fleet Vehicles:** Included in the above General Fund appropriation is
26 \$2,550,000 in fiscal year 2025-2026 to support the purchase of 25 marked cruisers and 25
27 unmarked cruisers. The Department of Kentucky State Police shall prepare a report

1 detailing fleet vehicle purchases, including but not limited to total expenditures, price per
2 vehicle, the timing of purchases, the distribution of new vehicles purchased, as well as
3 the assigned use for each vehicle purchased. The Department of Kentucky State Police
4 shall submit this report on a quarterly basis to the Interim Joint Committee on
5 Appropriations and Revenue beginning November 1, 2025. Notwithstanding KRS
6 45.229, any portion of General Fund not expended for this purpose shall lapse to the
7 Budget Reserve Trust Fund Account (KRS 48.705).

8 **(13) Facilities Security Personnel:** Included in the above Restricted Funds
9 appropriation is \$745,300 in fiscal year 2024-2025 and \$761,300 in fiscal year 2025-2026
10 to support additional facilities security officer positions. Mandated reports shall be
11 submitted pursuant to Part III, 24. of this Act.

12 **(14) Laboratory Equipment and Service Contracts:** Included in the above
13 General Fund appropriation is \$1,100,000 in each fiscal year to support service contracts
14 for toxicology and DNA equipment, and evidence collection kits. Notwithstanding KRS
15 45.229, any portion of General Fund not expended for this purpose shall lapse to the
16 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
17 pursuant to Part III, 24. of this Act.

18 **(15) Criminal Justice Information System Messaging System:** Included in the
19 above General Fund appropriation is \$750,000 in each fiscal year to support
20 improvements to the Criminal Justice Information System Messaging System.
21 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
22 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
23 shall be submitted pursuant to Part III, 24. of this Act.

24 **(16) Cell Phones for Troopers:** Included in the above General Fund appropriation
25 is \$240,000 in each fiscal year to support agency-issued cell phones for trooper
26 personnel. Notwithstanding KRS 45.229, any portion of General Fund not expended for
27 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

1 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

2 **(17) Sex Offender Registry and Notification:** Included in the above General
3 Fund appropriation is \$710,700 in each fiscal year to support additional positions and
4 increased software service contracts to meet requirements of the Sex Offender Registry
5 and Notification Act. Notwithstanding KRS 45.229, any portion of General Fund not
6 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
7 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

8 **(18) Recruitment and Retention Reporting:** The Department of Kentucky State
9 Police shall prepare a report detailing recruitment, retention, and demographic statistics,
10 including but not limited to age, gender, race, education-level, and geography, for trooper
11 cadet classes occurring in fiscal years 2023-2024, 2024-2025, and 2025-2026. The
12 Department of Kentucky State Police shall submit this report on a quarterly basis to the
13 Interim Joint Committee on Appropriations and Revenue beginning November 1, 2024.

14 **(19) Sworn Trooper Detail:** Notwithstanding any statute to the contrary,
15 beginning with fiscal year 2025-2026, no more than 25 percent of sworn troopers shall be
16 assigned to detail other than a post.

17 **(20) Land Acquisition Authorization:** Notwithstanding KRS 56.040, the
18 Department of Kentucky State Police may directly acquire, on behalf of the
19 Commonwealth, any land required for tower sites related to the Kentucky Emergency
20 Warning System or the Emergency Radio System Replacement project authorized in Part
21 II, Capital Projects Budget, of this Act.

22 **5. CORRECTIONS**

23 **a. Corrections Management**

	2024-25	2025-26
24 General Fund	20,212,900	20,405,200
25 Restricted Funds	150,000	150,000
26 Federal Funds	124,800	124,800

1 TOTAL 20,487,700 20,680,000

2 (1) **Local Correctional Facilities:** Notwithstanding KRS 441.420, no funds are
3 provided for reimbursement to counties for design fees for architectural and engineering
4 services associated with any new local correctional facility approved by the Kentucky
5 Local Correctional Facilities Construction Authority.

6 (2) **Facility Reporting:** (a) The Department of Corrections shall
7 continuously monitor its bed utilization of county jails, halfway houses, Recovery
8 Kentucky drug treatment centers, and all other community correctional residential
9 facilities that are under contract with the Department. This monitoring shall include
10 periodic review of its classification system to ensure that all offenders are placed in the
11 least restrictive housing that provides appropriate security to protect public safety and
12 provide ample opportunity for treatment and successful reentry.

13 (b) On a monthly basis, the Department shall submit a report detailing the
14 average occupancy rate for each of these facility types outlined in paragraph (a) of this
15 subsection, as well as a projection of bed utilization one year from the reported period, to
16 the Interim Joint Committee on Appropriations and Revenue.

17 (3) **Kentucky Offender Management System:** Included in the above General
18 Fund appropriation is \$325,000 in fiscal year 2024-2025 to support upgrades to the
19 Kentucky Offender Management System. Notwithstanding KRS 45.229, any portion of
20 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
21 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
22 this Act.

23 (4) **Operational Costs for Inmate Population and Excess Local Jail Per Diem**
24 **Costs:** In the event that actual operational costs and/or actual local jail per diem
25 payments exceed the amounts appropriated to support the budgeted average daily
26 population of state felons for each fiscal year, the additional payments, up to \$5,000,000
27 in fiscal year 2023-2024 and up to \$10,000,000 in each fiscal year of the 2024-2026

1 fiscal biennium, shall be deemed necessary government expenses and shall be paid from
 2 the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund
 3 Account (KRS 48.705), subject to notification as to necessity and amount by the State
 4 Budget Director who shall report any certified expenditure to the Interim Joint
 5 Committee on Appropriations and Revenue.

6 **b. Adult Correctional Institutions**

	2024-25	2025-26
8 General Fund	448,922,400	504,847,300
9 Restricted Funds	24,854,500	21,369,600
10 Federal Funds	20,265,000	98,000
11 TOTAL	494,041,900	526,314,900

12 **(1) Debt Service:** Included in the above General Fund appropriation is
 13 \$11,866,500 in fiscal year 2024-2025 and \$25,260,000 in fiscal year 2025-2026 to
 14 support debt service for new bonds as set forth in Part II, Capital Projects Budget, of this
 15 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
 16 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

17 **(2) Transfer to State Institutions:** Notwithstanding KRS 532.100(8), state
 18 prisoners, excluding the Class C and Class D felons qualifying to serve time in county
 19 jails, may be transferred to a state institution within 90 days of final sentencing, if the
 20 county jail does not object to the additional 45 days.

21 **(3) Correctional Facilities Support:** Included in the above Federal Funds
 22 appropriation is \$19,988,100 in fiscal year 2024-2025 from the State Fiscal Recovery
 23 Fund of the American Rescue Plan Act of 2021 to support the operations of congregate
 24 facilities within the Department of Corrections. Mandated reports shall be submitted
 25 pursuant to Part III, 24. of this Act.

26 **(4) Little Sandy Correctional Complex Expansion:** Included in the above
 27 General Fund appropriation is \$9,791,700 in fiscal year 2024-2025 and \$19,830,600 in

1 fiscal year 2025-2026 to support the expansion of Little Sandy Correctional Complex.
2 The Department of Corrections shall prepare a report, including but not limited to the
3 expenditures related to the expansion, the number of full-time positions filled and vacant,
4 the number of offenders housed, and the number of offenders transferred from other
5 facilities by facility. The Department of Corrections shall submit this report on a
6 quarterly basis to the Interim Joint Committee on Appropriations and Revenue beginning
7 November 1, 2024. Notwithstanding KRS 45.229, any portion of General Fund not
8 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
9 48.705).

10 **(5) Kentucky Correctional Industries:** Included in the above General Fund
11 appropriation is \$1,284,000 in each fiscal year to support Kentucky Correctional
12 Industries. The Department of Corrections shall prepare a report detailing the cost of
13 goods produced for fiscal year 2023-2024 and the preceding five fiscal years, as well as a
14 feasibility study on managing Kentucky Correctional Industries through an external
15 contract, to include an analysis of the impact of terminating Kentucky Correctional
16 Industries. The Department of Corrections shall submit this report to the Interim Joint
17 Committee on Appropriations and Revenue by September 1, 2024. Notwithstanding KRS
18 45.229, any portion of General Fund not expended for this purpose shall lapse to the
19 Budget Reserve Trust Fund Account (KRS 48.705).

20 **(6) Institutional Support:** Included in the above appropriations is \$5,000,000 in
21 General Fund and \$9,789,500 in Restricted Funds in fiscal year 2024-2025 and
22 \$10,000,000 in General Fund and \$6,137,900 in Restricted Funds in fiscal year 2025-
23 2026 to support increased medical, utility, and capital outlay costs. Notwithstanding KRS
24 45.229, any portion of General Fund not expended for this purpose shall lapse to the
25 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
26 pursuant to Part III, 24. of this Act.

27 **(7) Environmental Impact and Feasibility Study:** Notwithstanding KRS

1 45.229, unexpended funds from the fiscal year 2023-2024 General Fund appropriation set
2 out in 2022 Ky. Acts ch. 199, Part I, H., 5., b., (8), shall not lapse and shall carry forward.

3 **c. Community Services and Local Facilities**

	2024-25	2025-26
4 General Fund	251,867,100	258,358,400
5 Restricted Funds	7,178,400	7,217,800
6 Federal Funds	874,200	874,200
7 TOTAL	259,919,700	266,450,400

8
9 **(1) Local Jails Funding:** Notwithstanding KRS 441.605 to 441.695, funds in the
10 amount of \$3,000,000 in each fiscal year shall be expended from the Kentucky Local
11 Correctional Facilities Construction Authority for local correctional facility and
12 operational support. Mandated reports shall be submitted pursuant to Part III, 24. of this
13 Act.

14 **(2) Parole for Infirm Inmates:** (a) The Commissioner of the Department of
15 Corrections shall certify and notify the Parole Board when a prisoner meets the
16 requirements of paragraph (c) of this subsection for parole.

17 (b) Notwithstanding any statute to the contrary, within 30 days of receiving
18 notification as prescribed by paragraph (a) of this subsection, the Parole Board shall grant
19 parole.

20 (c) A prisoner who has been determined by the Department of Corrections to be
21 physically or mentally debilitated, incapacitated, or infirm as a result of advanced age,
22 chronic illness, disease, or any other qualifying criteria that constitutes an infirm prisoner
23 shall be eligible for parole if:

24 1. The prisoner was not convicted of a capital offense and sentenced to death or
25 was not convicted of a sex crime as defined in KRS 17.500;

26 2. The prisoner has reached his or her parole eligibility date or has served one-
27 half of his or her sentence, whichever occurs first;

1 3. The prisoner is substantially dependent on others for the activities of daily
2 living; and

3 4. There is a low risk of the prisoner presenting a threat to society if paroled.

4 (d) Unless a new offense is committed that results in a new conviction subsequent
5 to a prisoner being paroled, paroled prisoners shall not be considered to be under the
6 custody of the state in any way.

7 (e) Prisoners paroled under this subsection shall be paroled to a licensed long-
8 term care facility, nursing home, or family placement in the Commonwealth.

9 (f) The Cabinet for Health and Family Services and the Justice and Public Safety
10 Cabinet shall provide all needed assistance and support in seeking and securing approval
11 from the United States Department of Health and Human Services for federal assistance,
12 including Medicaid funds, for the provision of long-term-care services to those eligible
13 for parole under paragraph (c) of this subsection.

14 (g) The Cabinet for Health and Family Services and the Justice and Public Safety
15 Cabinet shall have the authority to contract with community providers that meet the
16 requirements of paragraph (e) of this subsection and that are willing to house any inmates
17 deemed to meet the requirements of this subsection so long as contracted rates do not
18 exceed current expenditures related to the provisions of this subsection.

19 (h) The Cabinet for Health and Family Services and the Justice and Public Safety
20 Cabinet are encouraged to collaborate with other states that are engaged in similar efforts
21 so as to achieve the mandates of this subsection.

22 (i) The Cabinet for Health and Family Services and the Justice and Public Safety
23 Cabinet shall provide a report to the Interim Joint Committee on Appropriations and
24 Revenue by December 15 of each fiscal year concerning the administration of this
25 subsection. The report shall include the number of persons paroled, the identification of
26 the residential facilities utilized, an estimate of cost savings as a result of the project, and
27 any other relevant material to assist the General Assembly in assessing the value of

1 continuing and expanding the project.

2 **(3) Participation in Transparent Governing - Full Disclosure of Inmate**
3 **Population Forecasts and Related Materials:** The Office of State Budget Director shall
4 provide the methodology, assumptions, data, and all other related materials used to
5 project biennial offender population forecasts conducted by the Office of State Budget
6 Director, the Kentucky Department of Corrections, and any consulting firms, to the
7 Interim Joint Committee on Appropriations and Revenue by October 1, 2025. This
8 submission shall include but not be limited to the projected state, county, and community
9 offender populations for the 2026-2028 fiscal biennium and must coincide with the
10 budgeted amount for these populations. This submission shall clearly divulge the
11 methodology and reasoning behind the budgeted and projected offender population in a
12 commitment to participate in transparent governing.

13 **(4) Calculating Avoided Costs Relating to Legislative Action:**
14 Notwithstanding KRS 196.288(5)(a), \$4,630,200 has been determined to meet the intent
15 of the statute for the amount of avoided costs to be provided to the Local Corrections
16 Assistance Fund. The actions implemented pursuant to the implementation of 2011 Ky.
17 Acts ch. 2 now are no longer able to be calculated validly due to the length of time they
18 have been embedded in the criminal justice system.

19 **(5) County Jail Per Diem Increase:** Included in the above General Fund
20 appropriation are sufficient funds in each fiscal year to support the \$4 increase, from
21 \$31.34 per day to \$35.34 per day, to the per diem payments to county jails that house
22 state inmates implemented in the 2022-2024 fiscal biennium. Mandated reports shall be
23 submitted pursuant to Part III, 24. of this Act.

24 **(6) Substance Abuse, Mental Health, and Reentry Service Centers:** (a)
25 Notwithstanding any statute to the contrary, for each fiscal year, the Department of
26 Corrections shall pay each contracted provider of substance abuse, mental health, and
27 reentry centers a minimum of 65 percent of the contracted beds monthly. Any unfilled

1 contracted beds as of the effective date of this Act may, at the discretion of the provider,
2 be terminated.

3 (b) Each contracted provider, as provided for in paragraph (a) of this subsection,
4 shall report 100 percent of their occupancy to the Department of Corrections. The report
5 shall detail the total number of beds, the number of beds available, the type of individual
6 occupying bed space, and shall be prepared in a method established at the Department's
7 discretion and submitted on a monthly basis to the Interim Joint Committee on
8 Appropriations and Revenue.

9 (7) **Probation and Parole Growth:** Included in the above General Fund
10 appropriation is \$307,400 in fiscal year 2024-2025 and \$1,987,200 in fiscal year 2025-
11 2026 and in the above Restricted Funds appropriation is \$2,000,000 in each fiscal year to
12 support additional probation and parole officer positions and associated operating
13 expenses. Notwithstanding KRS 45.229, any portion of General Fund not expended for
14 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
15 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16 (8) **Addiction Services:** Included in the above General Fund appropriation is
17 \$863,100 in each fiscal year to support medications necessary for medically assisted
18 treatment services. Notwithstanding KRS 45.229, any portion of General Fund not
19 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
20 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

21 (9) **Program Completion and Sentence Credit Payments:** Notwithstanding
22 KRS 197.045(6), payments for program completions resulting in sentencing credit shall
23 not expire and shall continue through the 2024-2026 fiscal biennium. Included in the
24 above General Fund appropriation is \$12,000,000 in each fiscal year to support payments
25 for program completions resulting in sentencing credit as prescribed in KRS
26 197.045(6)(a), (b), and (c). The Department of Corrections shall prepare a report
27 annually, including but not limited to the number of program completions, the cost of

1 payments for each category of sentencing credit, and the programmatic impact on
 2 recidivism. The Department of Corrections shall submit this report to the Interim Joint
 3 Committee on Appropriations and Revenue by October 1 of each year. Notwithstanding
 4 KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the
 5 Budget Reserve Trust Fund Account (KRS 48.705).

6 **d. Local Jail Support**

	2024-25	2025-26
8 General Fund	16,788,600	16,788,600

9 **(1) Local Corrections Assistance Fund Allocation:** Notwithstanding KRS
 10 196.288(5)(a), included in the above General Fund appropriation is \$4,630,200 in each
 11 fiscal year for the Local Corrections Assistance Fund. Moneys in the fund shall be
 12 distributed to the counties each year. Amounts distributed from the fund shall be used to
 13 support local correctional facilities and programs, including the transportation of
 14 prisoners, as follows:

15 (a) In each fiscal year, the first \$3,000,000 received by the fund, or, if the fund
 16 receives less than \$3,000,000, the entire balance of the fund, shall be divided equally
 17 among all counties; and

18 (b) Any moneys remaining after making the distributions required by paragraph
 19 (a) of this subsection shall be distributed to each county based on a ratio, the numerator
 20 of which shall be the county's county inmate population on the second Thursday in
 21 January during the prior fiscal year, and the denominator of which shall be the total
 22 counties' county inmate population for the entire state on the second Thursday in January
 23 during the prior fiscal year. Mandated reports shall be submitted pursuant to Part III, 24.
 24 of this Act.

25 **(2) Life Safety or Closed Jails:** Included in the above General Fund
 26 appropriation is \$860,000 in each fiscal year to provide a monthly payment of an annual
 27 amount of \$20,000 to each county with a life safety jail or closed jail. The payment shall

1 be in addition to the payment required by KRS 441.206(2). Notwithstanding KRS 45.229,
2 any portion of General Fund not expended for this purpose shall lapse to the Budget
3 Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
4 pursuant to Part III, 24. of this Act.

5 **(3) Inmate Medical Care Expenses:** Included in the above General Fund
6 appropriation is \$792,800 in each fiscal year for medical care contracts to be distributed,
7 upon approval of the Department of Corrections, to counties by the formula codified in
8 KRS 441.206, and \$851,800 in each fiscal year, on a partial reimbursement basis, for
9 medical claims in excess of the statutory threshold pursuant to KRS 441.045. The
10 funding support for medical contracts and catastrophic medical expenses for indigents
11 shall be maintained in discrete accounts. Any medical claim that exceeds the statutory
12 threshold may be reimbursed for that amount in excess of the statutory threshold.
13 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

14 **(4) Pretrial Housing Study:** (a) County jails shall cooperate with the
15 Department of Corrections to produce a detailed report determining the costs to the
16 county jails, costs to the Department of Corrections, and the projected savings to county
17 jails, if defendants who are charged during the 2024-2025 fiscal year with a capital crime,
18 capital crime with aggravators, Class A felony, or Class B felony sex offense were
19 transferred to a state prison upon the expiration of 60 days subsequent to arraignment in
20 Circuit Court on one or more of said charges.

21 (b) The report shall include the costs and savings analysis referenced in paragraph
22 (a) of this subsection and shall include the following:

23 1. The average number of days of pre-adjudication incarceration by each offense
24 listed in paragraph (a) of this subsection, from arraignment in District Court until
25 conviction in Circuit Court and until post-conviction sentencing. Analysis of the average
26 shall include that of the total state aggregate, of the regional Circuit Courts, and of each
27 specific Circuit Court;

1 2. The average number of days of pre-adjudication incarceration by each offense
 2 listed in paragraph (a) of this subsection, from arraignment in District Court to
 3 arraignment in Circuit Court. Analysis of the average shall include that of the total state
 4 aggregate, of the regional District Courts, and of each specific District Court;

5 3. The average number of days of pre-adjudication incarceration by each offense
 6 listed in paragraph (a) of this subsection, from arraignment in Circuit Court until
 7 conviction and until post-conviction sentencing. Analysis of the average shall include that
 8 of the total state aggregate, of the regional Circuit Courts, and of each specific Circuit
 9 Court; and

10 4. Any other data or analysis deemed relevant by both the Department of
 11 Corrections and the county jails.

12 (c) The report shall be submitted to the Interim Joint Committee on
 13 Appropriations and Revenue on or before October 1, 2025.

14 **TOTAL - CORRECTIONS**

	2024-25	2025-26
15 General Fund	737,791,000	800,399,500
16 Restricted Funds	32,182,900	28,737,400
17 Federal Funds	21,264,000	1,097,000
18 TOTAL	791,237,900	830,233,900

20 **6. PUBLIC ADVOCACY**

	2024-25	2025-26
21 General Fund	96,178,700	98,448,500
22 Restricted Funds	4,511,100	4,511,100
23 Federal Funds	2,392,400	2,392,400
24 TOTAL	103,082,200	105,352,000

25 **(1) Jefferson County Public Advocacy Office:** Included in the above General
 26 Fund appropriation is \$10,984,300 in fiscal year 2024-2025 and \$11,378,300 in fiscal
 27

1 year 2025-2026 to support costs associated with state assumption of the Louisville-
 2 Jefferson County Public Defender's Office. Notwithstanding KRS 45.229, any portion of
 3 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
 4 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
 5 this Act.

6 **TOTAL - JUSTICE AND PUBLIC SAFETY CABINET**

	2024-25	2025-26
8 General Fund (Tobacco)	3,037,500	3,250,000
9 General Fund	1,264,243,600	1,377,336,300
10 Restricted Funds	193,441,600	195,273,500
11 Federal Funds	103,892,100	79,000,300
12 Road Fund	56,289,600	56,372,700
13 TOTAL	1,620,904,400	1,711,232,800

14 **I. PERSONNEL CABINET**

15 **Budget Units**

16 **1. GENERAL OPERATIONS**

	2024-25	2025-26
18 Restricted Funds	33,776,000	33,296,500

19 **(1) Public Employee Health Insurance Trust Fund Actuarial Projections:**

20 The Department of Employee Insurance shall prepare a report that includes actuarial
 21 projections of the operating net gain or loss, recommended reserves, and remaining
 22 balance after reserves, by plan year, for all active plan years and a minimum of two
 23 upcoming plan years for the Public Employee Health Insurance Trust Fund, as of
 24 September 30 of each fiscal year. This report shall be submitted to the Interim Joint
 25 Committee on Appropriations and Revenue by December 1 of each year.

26 **(2) Salary Compression Report:** Included in the above Restricted Funds
 27 appropriation is \$1,000,000 in fiscal year 2024-2025 for the Personnel Cabinet to contract

1 with an independent consultant to review all personnel and payroll records of all current
2 employees from January 1, 2018, thru June 30, 2024, to determine the exact salary
3 compression issues which exist in the Executive Branch. The consultant shall, by
4 December 15, 2024, present a comprehensive data-driven report with at least three
5 options for potential corrective actions to address any issues by the General Assembly to
6 the Interim Joint Committee on Appropriations and Revenue. The comprehensive data-
7 driven report with options for potential corrective actions shall include and contain the
8 following items at a minimum:

9 (a) The report shall provide data driven detail on each of the types of personnel
10 actions and salary establishment practices or salary increase practices that caused the
11 issues and the consultants' recommendations of potential corrective options to address
12 the issues;

13 (b) The report shall include a review of the practice of employing individuals up
14 to the mid-point of the salary schedule, allowing individuals to resign and then be
15 reappointed at a higher salary, and the compression of the salary difference that exist in
16 employee salaries when a special entrance rate is established for a classification and all
17 employees in the classification are raised to the same new entrance salary;

18 (c) The review shall include all other types of salary increases and practices that
19 have been utilized by the Executive Branch to increase the salary of employees including
20 locality pay;

21 (d) The report shall include any other personnel practice or policy that is
22 identified by the data to have contributed to the salary compression issues of the
23 Executive Branch;

24 (e) The report shall also make recommendations on all potential changes to the
25 current administrative regulations and/or, KRS Chapter 18A to prevent the type of
26 personnel actions or practices that have caused salary compression; and

27 (f) The report shall also contain all other recommendations the consultant feels

1 are appropriate to prevent salary compression in the future.

2 The Personnel Cabinet Secretary shall determine the cost to implement each of the
3 options provided by the consultant, effective July 16, 2025, and provide those estimates
4 by option, fund source, and appropriation unit to the Interim Joint Committee on
5 Appropriations and Revenue within 30 days of receipt of the report and
6 recommendations.

7 The Personnel Cabinet Secretary shall also provide a response to the consultant’s
8 recommendation for changes to the administrative regulations, KRS Chapter 18A, and
9 the personnel practices of the Executive Branch to both the Interim Joint Committees of
10 Appropriations & Revenue and State Government within 30 days of receipt of the report
11 and recommendations.

12 **(3) Local District Health Insurance:** It is the intent of the 2024 General
13 Assembly that future appropriations supporting health insurance for active local school
14 district employees under the Learning and Results Services budget unit shall be made
15 directly to local school districts to provide maximum flexibility in offering employee
16 benefits and compensation. The Kentucky Group Health Insurance Board shall develop a
17 high deductible health insurance benefit option for the state employee health insurance
18 group to be offered for local school district employees by July 1, 2025. The benefit
19 option shall be available for the open enrollment period beginning in October 2025 for
20 coverage beginning January 1, 2026.

21 **2. PUBLIC EMPLOYEES DEFERRED COMPENSATION AUTHORITY**

	2024-25	2025-26
22		
23	8,462,900	8,520,000

24 **3. WORKERS' COMPENSATION BENEFITS AND RESERVE**

	2024-25	2025-26
25		
26	24,379,600	24,404,900

27 **4. FIXED ALLOCATION NON-HAZARDOUS PENSION FUND**

1		2024-25	2025-26
2	General Fund	75,657,300	69,750,400

3 **(1) Quasi-State Agency Subsidy Distributions:** (a) Included in the above
4 General Fund appropriation is \$332,100 in each fiscal year to maintain each Non-P1 state
5 agency's fiscal year 2019-2020 baseline subsidy.

6 (b) Included in the above General Fund appropriation is \$18,882,100 in each
7 fiscal year to maintain each Regional Mental Health Unit's fiscal year 2019-2020 baseline
8 subsidy.

9 (c) Included in the above General Fund appropriation is \$25,151,300 in each
10 fiscal year to maintain each health department's fiscal year 2019-2020 baseline subsidy.

11 (d) The distribution of the baseline subsidy to each employer classification
12 identified in paragraphs (a), (b), and (c) of this subsection shall be distributed in the
13 following manner: In July and January of each year, the Office of State Budget Director
14 shall obtain the total creditable compensation reported by each employer to the Kentucky
15 Public Pensions Authority and utilize that number to determine how much of each total
16 appropriation shall be distributed to each employer within its own unique employer
17 classification. Payments to each employer shall be made on September 1 and April 1 of
18 each fiscal year. The Office of State Budget Director shall provide a report to the Interim
19 Joint Committee on Appropriations and Revenue by May 1 of each fiscal year. The report
20 shall detail the disbursement of funds in this subsection and include the creditable
21 compensation, by employer, for which disbursements are made.

22 (e) Notwithstanding KRS 61.5991(6)(b), included in the above General Fund
23 appropriation is \$31,291,800 in fiscal year 2024-2025 and \$25,384,900 in fiscal year
24 2025-2026 to support each employer's share of the anticipated retirement costs over each
25 employer's fiscal year 2019-2020 baseline contribution as adjusted and posted under the
26 2024 Budget Bills tile on the Legislative Research Commission's website.

27 **5. STATE SALARY AND COMPENSATION FUND**

1 **(2) Cancer Research and Screening:** Included in the above General Fund
2 (Tobacco) appropriation is \$5,843,200 in fiscal year 2024-2025 and \$6,250,000 in fiscal
3 year 2025-2026 for cancer research and screening. The appropriation in each fiscal year
4 shall be equally shared between the University of Kentucky and the University of
5 Louisville. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

6 **(3) Southern Regional Education Board Dues:** Included in the above General
7 Fund appropriation is \$224,800 in each fiscal year for Southern Regional Education
8 Board dues. Notwithstanding KRS 45.229, any portion of General Fund not expended for
9 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
10 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

11 **(4) Doctoral Scholars:** Included in the above General Fund appropriation is
12 \$50,000 in each fiscal year for the Southern Regional Education Board Doctoral Scholars
13 Program. Notwithstanding KRS 45.229, any portion of General Fund not expended for
14 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
15 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16 **(5) Ovarian Cancer Screening:** Included in the above General Fund
17 appropriation is \$1,000,000 in each fiscal year for the Ovarian Cancer Screening
18 Outreach Program at the University of Kentucky. Notwithstanding KRS 45.229, any
19 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
20 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
21 III, 24. of this Act.

22 **(6) Redistribution of Resources:** Notwithstanding KRS 164.028 to 164.0282, no
23 General Fund is provided for Professional Education Preparation.

24 **(7) Postsecondary Education Debt:** Notwithstanding KRS 45.750 to 45.810, in
25 order to lower the cost of borrowing, any university that has issued or caused to be issued
26 debt obligations through a not-for-profit corporation or a municipality or county
27 government for which the rental or use payments of the university substantially meet the

1 debt service requirements of those debt obligations is authorized to refinance those debt
2 obligations if the principal amount of the debt obligations is not increased and the rental
3 payments of the university are not increased. Any funds used by a university to meet debt
4 obligations issued by a university pursuant to this subsection shall be subject to
5 interception of state-appropriated funds pursuant to KRS 164A.608.

6 **(8) Disposition of Postsecondary Institution Property:** Notwithstanding KRS
7 45.777, a postsecondary institution's governing board may elect to sell or dispose of real
8 property or major items of equipment and proceeds from the sale shall be designated to
9 the funding sources, on a proportionate basis, used for acquisition of the equipment or
10 property to be sold.

11 **(9) Spinal Cord and Head Injury Research:** Included in the above General
12 Fund appropriation is \$2,000,000 in each fiscal year for spinal cord and head injury
13 research. In accordance with KRS 211.500 to 211.504, the appropriation in each fiscal
14 year shall be shared between the University of Kentucky and the University of Louisville.
15 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
16 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
17 shall be submitted pursuant to Part III, 24. of this Act.

18 **(10) Kentucky State University Oversight:** Included in the above General Fund
19 appropriation is \$750,000 in fiscal year 2024-2025 for the administrative oversight of
20 Kentucky State University's financial stability. Notwithstanding KRS 45.229, these funds
21 shall not lapse and shall carry forward. The Council on Postsecondary Education shall
22 submit a report to the Interim Joint Committee on Appropriations and Revenue detailing
23 a timeline for the conclusion of their oversight of Kentucky State University by
24 November 1, 2024.

25 **(11) Kentucky Healthcare Workforce Investment Fund:** Included in the above
26 General Fund appropriation is \$7,000,000 in fiscal year 2024-2025 and \$3,000,000 in
27 fiscal year 2025-2026 for the Kentucky Healthcare Workforce Investment Fund.

1 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

2 **(12) Postbaccalaureate Initiatives:** Included in the above General Fund
3 appropriation is \$2,000,000 in fiscal year 2023-2024 to contract with an outside entity to
4 conduct a study on the postbaccalaureate initiatives of each of the comprehensive
5 universities. The study shall be prioritized according to 2024 Regular Session SJR 170.
6 Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward to fiscal
7 year 2024-2025. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

8 **(13) Immunity for Postsecondary Institutions:** Notwithstanding any statute to
9 the contrary, a public postsecondary institution, including any affiliated corporation, its
10 officers, employees, and agents, shall be immune from all claims, including class action
11 claims for damages, a declaratory judgment, and equitable relief based on an act or
12 omission if:

13 (a) The claim arises out of or in connection with tuition paid to the public
14 postsecondary institution for an academic term that included the months of March, April,
15 and May 2020;

16 (b) The claim alleges losses or damages arising from an act or omission by the
17 public postsecondary institution during or in response to the COVID-19 emergency;

18 (c) The alleged act or omission of the public postsecondary institution was related
19 to protecting public health and safety interests in response to the COVID-19 emergency
20 in compliance with federal, state, or local guidance, including but not limited to:

21 1. Transition to online or otherwise remote instruction;

22 2. Pause or modification to instruction available through the institution of higher
23 education;

24 3. Closure of, or modification to, operation of on-campus facilities of the public
25 postsecondary institution; or

26 4. The public postsecondary institution offered online and otherwise remote
27 learning options that allowed students to complete the coursework in the academic term

1 that included the months of March, April, and May 2020 and receive academic credit.

2 **(14) Simmons College:** Included in the above Federal Funds appropriation is
 3 \$1,280,200 in fiscal year 2023-2024 from the State Fiscal Recovery Fund of the
 4 American Rescue Plan Act of 2021 to support the Teacher Education Initiative and public
 5 health initiatives.

6 **2. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY**

	2024-25	2025-26
7		
8 General Fund	369,805,400	393,373,800
9 Restricted Funds	130,922,600	118,686,100
10 Federal Funds	86,000	86,000
11 TOTAL	500,814,000	512,145,900

12 **(1) College Access Program:** Notwithstanding KRS 154A.130(4), included in
 13 the above General Fund appropriation is \$163,809,100 in fiscal year 2024-2025 and
 14 \$179,344,800 in fiscal year 2025-2026 for the College Access Program. Included in the
 15 above Restricted Funds appropriation is \$79,319,500 in fiscal year 2024-2025 and
 16 \$69,612,500 in fiscal year 2025-2026 from previous fiscal years' excess Lottery funds
 17 held in a trust and agency account. Mandated reports shall be submitted pursuant to Part
 18 III, 24. of this Act.

19 **(2) Kentucky Tuition Grant Program:** Notwithstanding KRS 154A.130(4),
 20 included in the above General Fund appropriation is \$45,975,000 in each fiscal year for
 21 the Kentucky Tuition Grant Program. Mandated reports shall be submitted pursuant to
 22 Part III, 24. of this Act.

23 **(3) Kentucky National Guard Tuition Award Program:** Notwithstanding KRS
 24 154A.130(4), included in the above General Fund appropriation is \$7,398,100 in each
 25 fiscal year for the National Guard Tuition Award Program. Mandated reports shall be
 26 submitted pursuant to Part III, 24. of this Act.

27 **(4) Kentucky Educational Excellence Scholarships (KEES):** Notwithstanding

1 KRS 154A.130(4), included in the above General Fund appropriation is \$86,771,500 in
2 fiscal year 2024-2025 and \$90,556,600 in fiscal year 2025-2026 for the Kentucky
3 Educational Excellence Scholarships (KEES). Included in the above Restricted Funds
4 appropriation is \$27,796,300 in fiscal year 2024-2025 and \$25,151,800 in fiscal year
5 2025-2026 for KEES. Mandated reports shall be submitted pursuant to Part III, 24. of this
6 Act.

7 **(5) Work Ready Kentucky Scholarship Program:** Notwithstanding KRS
8 154A.130(4), included in the above General Fund appropriation is \$20,000,000 in each
9 fiscal year for the Work Ready Kentucky Scholarship Program. Notwithstanding KRS
10 164.787, the dual credit component of the Work Ready Kentucky Scholarship Program
11 for high school students shall be funded and administered through the Dual Credit
12 Scholarship Program. It is the intent of the General Assembly for Work Ready Kentucky
13 Scholarships to only be awarded to recipients that complete eligible courses. Mandated
14 reports shall be submitted pursuant to Part III, 24. of this Act.

15 **(6) Dual Credit Scholarship Program:** (a) Notwithstanding KRS
16 154A.130(4), included in the above General Fund appropriation is \$13,150,000 in each
17 fiscal year for the Dual Credit Scholarship Program. Mandated reports shall be submitted
18 pursuant to Part III, 24. of this Act.

19 (b) Notwithstanding KRS 164.786(1)(f) and 164.787(2)(d), the dual credit tuition
20 rate ceiling shall be one-half of the per credit hour tuition amount charged by the
21 Kentucky Community and Technical College System for in-state students.
22 Notwithstanding KRS 164.786(4)(c), eligible high school students may receive a dual
23 credit scholarship for two career and technical education dual credit courses per academic
24 year and four general education dual credit courses over the junior and senior years, up to
25 a maximum of 12 approved dual credit courses.

26 **(7) Veterinary Medicine Contract Spaces:** Included in the above General Fund
27 appropriation is \$5,659,000 in fiscal year 2024-2025 and \$5,800,400 in fiscal year 2025-

1 2026 to fund 164 veterinary slots. Mandated reports shall be submitted pursuant to Part
2 III, 24. of this Act.

3 **(8) Optometry Scholarship Program:** Included in the above General Fund
4 appropriation is \$848,400 in each fiscal year for the Optometry Scholarship Program.
5 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

6 **(9) Use of Lottery Revenues:** Notwithstanding KRS 154A.130(3) and (4),
7 lottery revenues in the amount of \$344,103,700 in fiscal year 2024-2025 and
8 \$363,424,500 in fiscal year 2025-2026 are appropriated to the Kentucky Higher
9 Education Assistance Authority. Notwithstanding KRS 154A.130(4) and any provisions
10 of this Act to the contrary, if lottery receipts received by the Commonwealth, excluding
11 any unclaimed prize money received under Part III, 20. of this Act, exceed \$340,574,700
12 in fiscal year 2023-2024, \$350,679,200 in fiscal year 2024-2025, or \$370,000,000 in
13 fiscal year 2025-2026, the additional excess shall be transferred to a trust and agency
14 account and shall not be expended or appropriated without the express authority of the
15 General Assembly.

16 **(10) Redistribution of Resources:** Notwithstanding KRS 164.740 to 164.764,
17 164.7890(11)(c), 164.7891(11)(b), and 164.7894, no General Fund is provided for Work
18 Study, Coal County Pharmacy Scholarships, Osteopathic Medicine Scholarships, and
19 Coal County College Completion Scholarships in order to provide additional funding to
20 the College Access Program and Kentucky Tuition Grant Program.

21 **(11) Teacher Scholarship Program:** Notwithstanding KRS 154A.130(4),
22 included in the above appropriation is \$2,000,000 in General Fund in each fiscal year and
23 \$300,000 in Restricted Funds in each fiscal year for the Teacher Scholarship Program.
24 The Kentucky Higher Education Assistance Authority, in coordination with the Council
25 on Postsecondary Education, shall submit a report on the number of teacher scholarships
26 provided in each fiscal year, the program of study in which recipients are enrolled,
27 recipient retention rates, total number of applications, and the impact of the scholarships

1 on recruitment. This report shall be submitted to the Interim Joint Committee on
2 Education by September 1 of each fiscal year. Mandated reports shall be submitted
3 pursuant to Part III, 24. of this Act.

4 **(12) General Administration and Support:** Included in the above General Fund
5 appropriation is \$6,000,000 in each fiscal year to support general administration and
6 support services. Notwithstanding KRS 45.229, any portion of General Fund not
7 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
8 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

9 **(13) John R. Justice Grant Program:** Included in the above Federal Funds
10 appropriation is \$86,000 in each fiscal year for the John R. Justice Grant Program.
11 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

12 **(14) Student Teacher Stipend Program:** Included in the above General Fund
13 appropriation is \$7,300,000 in each fiscal year to assist postsecondary students who are
14 enrolled in a teacher preparatory program complete their student teaching requirement by
15 offering a stipend program administered by the Kentucky Higher Education Assistance
16 Authority and providing a \$5,000 stipend for each student completing this graduation and
17 certification requirement. Mandated reports shall be submitted pursuant to Part III, 24. of
18 this Act.

19 **(15) Teacher Recruitment Student Loan Forgiveness Pilot Program:** Included
20 in the above General Fund appropriation is \$4,800,000 in fiscal year 2024-2025 and
21 \$10,000,000 in fiscal year 2025-2026 to assist teachers with student debt by providing a
22 loan forgiveness program administered by the Kentucky Higher Education Assistance
23 Authority to qualifying candidates. Mandated reports shall be submitted pursuant to Part
24 III, 24. of this Act.

25 **(16) Innovative Scholarship Pilot Project:** Notwithstanding KRS 154A.130(4),
26 included in the above General Fund appropriation is \$5,000,000 in each fiscal year for the
27 Innovative Scholarship pilot project. The Kentucky Higher Education Assistance

1 Authority shall work in coordination with the Council on Postsecondary Education to
2 develop and implement the Innovative Scholarship pilot project. Notwithstanding KRS
3 45.229, any portion of funds that have not been expended by the end of fiscal year 2024-
4 2025 shall not lapse and shall carry forward into fiscal year 2025-2026. Mandated reports
5 shall be submitted pursuant to Part III, 24. of this Act.

6 (17) **KEES Merit Scholarships:** It is the intent of the General Assembly for
7 Kentucky Higher Education Assistance Authority to conduct an evaluation and examine
8 the effectiveness of the distribution of KEES merit scholarships based off a recipient's
9 high school grade point average.

10 (18) **Kentucky Rural Veterinarian Loan Repayment Program:** Included in the
11 above General Fund appropriation is \$1,093,800 in fiscal year 2024-2025 for the
12 Kentucky Rural Veterinarian Loan Repayment Program. Notwithstanding KRS 45.229,
13 these funds shall not lapse and shall carry forward. Mandated reports shall be submitted
14 pursuant to Part III, 24. of this Act.

15 **3. EASTERN KENTUCKY UNIVERSITY**

	2024-25	2025-26
16 General Fund	81,067,200	84,645,700
17 Restricted Funds	216,509,400	216,509,400
18 Federal Funds	135,500,000	135,500,000
19 TOTAL	433,076,600	436,655,100

20
21 (1) **Mandated Programs:** Included in the above General Fund appropriation are
22 the following:

- 23 (a) \$4,571,900 in each fiscal year for the Model Laboratory School;
- 24 (b) Notwithstanding KRS 61.5991(6)(b)1.a. and b., \$6,236,800 in fiscal year
25 2024-2025 and \$5,345,800 in fiscal year 2025-2026 to support the university's share of
26 the anticipated retirement costs over the university's fiscal year 2019-2020 baseline
27 contribution as adjusted and posted under the 2024 Budget Bills tile on the Legislative

1 Research Commission's website; and

2 (c) \$3,125,500 in each fiscal year to cover the increase in the state's Fire and
3 Tornado Fund Insurance Premium.

4 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

5 (2) **Debt Service:** Included in the above General Fund appropriation is
6 \$3,424,500 in fiscal year 2024-2025 and \$7,894,000 in fiscal year 2025-2026 for new
7 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
8 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
9 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

10 (3) **Advancement of Childhood Education:** Eastern Kentucky University and
11 the Model Laboratory School shall collaborate on advancing childhood education in the
12 Commonwealth.

13 (4) **University Inflation Adjustment:** Included in the above General Fund
14 appropriation is \$2,866,200 in each fiscal year to offset inflationary increases in
15 expenses. Notwithstanding KRS 45.229, any portion of General Fund not expended for
16 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
17 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

18 **4. KENTUCKY STATE UNIVERSITY**

	2023-24	2024-25	2025-26
19 General Fund	2,107,500	32,650,900	35,272,400
20 Restricted Funds	-0-	39,641,500	52,519,700
21 Federal Funds	-0-	22,323,600	20,163,200
22 TOTAL	2,107,500	94,616,000	107,955,300

23
24 (1) **Mandated Programs:** Included in the above General Fund appropriation are
25 the following:

26 (a) \$2,107,500 in fiscal year 2023-2024 and \$10,381,000 in each fiscal year of
27 the 2024-2026 biennium to fund the state match payments required of land-grant

1 universities under federal law;

2 (b) \$822,000 in each fiscal year to cover the increase in the state's Fire and
3 Tornado Fund Insurance Premium; and

4 (c) \$895,000 in each fiscal year as a one-time allocation for litigation support,
5 with the provision that no funds shall be used for settlements.

6 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

7 (2) **Debt Service:** Included in the above General Fund appropriation is
8 \$1,209,000 in fiscal year 2024-2025 and \$3,830,500 in fiscal year 2025-2026 for new
9 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
10 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
11 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

12 (3) **University Inflation Adjustment:** Included in the above General Fund
13 appropriation is \$1,108,400 in each fiscal year to offset inflationary increases in
14 expenses. Notwithstanding KRS 45.229, any portion of General Fund not expended for
15 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
16 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

17 (4) **Design Health Sciences Center:** The project authorization set out in Part II,
18 Capital Projects Budget, of this Act shall be contingent on approval by the General
19 Assembly.

20 **5. MOREHEAD STATE UNIVERSITY**

	2024-25	2025-26
21 General Fund	51,396,200	56,354,900
22 Restricted Funds	110,360,300	115,189,000
23 Federal Funds	43,707,700	43,707,700
24 TOTAL	205,464,200	215,251,600

25
26 (1) **Mandated Programs:** Included in the above General Fund appropriation are
27 the following:

1 (a) \$5,134,700 in fiscal year 2024-2025 and \$5,442,700 in fiscal year 2025-2026
2 for the Craft Academy for Excellence in Science and Mathematics;

3 (b) Notwithstanding KRS 61.5991(6)(b)1.a. and b., \$3,439,100 in fiscal year
4 2024-2025 and \$2,947,800 in fiscal year 2025-2026 to support the university's share of
5 the anticipated retirement costs over the university's fiscal year 2019-2020 baseline
6 contribution as adjusted and posted under the 2024 Budget Bills tile on the Legislative
7 Research Commission's website; and

8 (c) \$1,775,000 in each fiscal year to cover the increase in the state's Fire and
9 Tornado Fund Insurance Premium.

10 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

11 (2) **Debt Service:** Included in the above General Fund appropriation is
12 \$4,382,000 in fiscal year 2024-2025 and \$9,524,000 in fiscal year 2025-2026 for new
13 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
14 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
15 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

16 (3) **University Inflation Adjustment:** Included in the above General Fund
17 appropriation is \$1,733,900 in each fiscal year to offset inflationary increases in
18 expenses. Notwithstanding KRS 45.229, any portion of General Fund not expended for
19 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
20 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

21 **6. MURRAY STATE UNIVERSITY**

	2024-25	2025-26
22		
23 General Fund	52,804,800	56,218,800
24 Restricted Funds	114,723,600	114,723,600
25 Federal Funds	34,812,400	34,812,400
26 TOTAL	202,340,800	205,754,800

27 (1) **Mandated Programs:** Included in the above General Fund appropriation are

1 the following:

- 2 (a) \$4,034,200 in each fiscal year for the Breathitt Veterinary Center;
- 3 (b) Notwithstanding KRS 61.5991(6)(b)1.a. and b., \$1,800,000 in each fiscal year
- 4 to support the university's share of the anticipated retirement costs over the university's
- 5 fiscal year 2019-2020 baseline contribution as adjusted and posted under the 2024 Budget
- 6 Bills tile on the Legislative Research Commission's website; and
- 7 (c) \$2,069,600 in each fiscal year to cover the increase in the state's Fire and
- 8 Tornado Fund Insurance Premium.

9 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

10 (2) **Debt Service:** Included in the above General Fund appropriation is
11 \$2,472,500 in fiscal year 2024-2025 and \$5,886,500 in fiscal year 2025-2026 for new
12 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
13 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
14 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

15 (3) **University Inflation Adjustment:** Included in the above General Fund
16 appropriation is \$1,874,700 in each fiscal year to offset inflationary increases in
17 expenses. Notwithstanding KRS 45.229, any portion of General Fund not expended for
18 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
19 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

20 **7. NORTHERN KENTUCKY UNIVERSITY**

	2024-25	2025-26
21 General Fund	60,649,400	65,990,400
22 Restricted Funds	214,312,200	214,312,200
23 Federal Funds	14,029,500	14,029,500
24 TOTAL	288,991,100	294,332,100

26 (1) **Mandated Programs:** Included in the above General Fund appropriation are
27 the following:

- 1 (a) \$1,323,900 in each fiscal year for the Kentucky Center for Mathematics; and
- 2 (b) \$1,902,000 in each fiscal year to cover the increase in the state's Fire and
- 3 Tornado Fund Insurance Premium.

4 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

5 (2) **Debt Service:** Included in the above General Fund appropriation is

6 \$4,410,000 in fiscal year 2024-2025 and \$9,751,000 in fiscal year 2025-2026 for new

7 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this

8 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this

9 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

10 (3) **University Inflation Adjustment:** Included in the above General Fund

11 appropriation is \$2,089,900 in each fiscal year to offset inflationary increases in

12 expenses. Notwithstanding KRS 45.229, any portion of General Fund not expended for

13 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

14 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

15 **8. UNIVERSITY OF KENTUCKY**

	2024-25	2025-26
16 General Fund	308,359,100	321,374,600
17 Restricted Funds	6,605,603,100	7,243,898,900
18 Federal Funds	445,827,900	485,335,200
19 TOTAL	7,359,790,100	8,050,608,700

20
21 (1) **Mandated Programs:** Included in the above General Fund appropriation are
22 the following:

23 (a) \$35,420,800 in each fiscal year for the College of Agriculture, Food and

24 Environment’s Cooperative Extension Service. Of this amount, \$4,145,500 in each fiscal

25 year is provided to support extension agent compensation;

26 (b) \$31,434,100 in each fiscal year for the Kentucky Agricultural Experiment

27 Station;

- 1 (c) \$10,176,200 in each fiscal year for the Center for Applied Energy Research;
- 2 (d) \$4,076,300 in each fiscal year for the Kentucky Geological Survey;
- 3 (e) \$4,034,200 in each fiscal year for the Veterinary Diagnostic Laboratory;
- 4 (f) \$2,040,500 in each fiscal year for the Sanders-Brown Center on Aging;
- 5 (g) \$1,800,000 in each fiscal year for the College of Agriculture, Food and
6 Environment's Division of Regulatory Services;
- 7 (h) \$600,000 in each fiscal year for the College of Agriculture, Food and
8 Environment's Kentucky Small Business Development Center;
- 9 (i) \$586,300 in each fiscal year for the University Press of Kentucky;
- 10 (j) Notwithstanding KRS 154A.130(4), \$500,000 in each fiscal year for the
11 Human Development Institute for the Supported Higher Education Project;
- 12 (k) \$450,200 in each fiscal year for the Center of Excellence in Rural Health;
- 13 (l) \$950,200 in each fiscal year for the Kentucky Cancer Registry;
- 14 (m) \$100,000 in each fiscal year for the Sports Medicine Research Institute; and
- 15 (n) \$9,944,600 in each fiscal year to cover the increase in the state's Fire and
16 Tornado Fund Insurance Premium.

17 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

18 **(2) Debt Service:** Included in the above General Fund appropriation is
19 \$10,530,500 in fiscal year 2024-2025 and \$23,546,000 in fiscal year 2025-2026 to
20 provide new debt service to support new bonds as set forth in Part II, Capital Projects
21 Budget, of this Act. Notwithstanding KRS 45.229, any portion of General Fund not
22 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
23 48.705).

24 **(3) University Inflation Adjustment:** Included in the above General Fund
25 appropriation is \$11,053,200 in each fiscal year to offset inflationary increases in
26 expenses. Notwithstanding KRS 45.229, any portion of General Fund not expended for
27 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

1 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

2 **9. UNIVERSITY OF LOUISVILLE**

	2024-25	2025-26
4 General Fund	150,882,700	162,326,200
5 Restricted Funds	1,360,861,900	1,407,019,000
6 Federal Funds	209,406,600	217,100,400
7 TOTAL	1,721,151,200	1,786,445,600

8 **(1) Mandated Programs:** Included in the above General Fund appropriation are
9 the following:

- 10 (a) \$695,200 in each fiscal year for the Rural Health Education Program;
- 11 (b) \$150,000 in each fiscal year for the Kentucky Autism Training Center;
- 12 (c) \$100,000 in each fiscal year for the School of Dentistry to provide dental care
13 to patients with dental issues related to drug use;
- 14 (d) \$450,000 in fiscal year 2024-2025 and \$150,000 in fiscal year 2025-2026 for
15 the Mid-South REACH Grant; and
- 16 (e) \$4,826,600 in each fiscal year to cover the increase in the state's Fire and
17 Tornado Fund Insurance Premium.

18 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

19 **(2) Debt Service:** Included in the above General Fund appropriation is
20 \$11,851,000 in fiscal year 2024-2025 and \$25,094,500 in fiscal year 2025-2026 to
21 provide new debt service to support new bonds as set forth in Part II, Capital Projects
22 Budget, of this Act. Notwithstanding KRS 45.229, any portion of General Fund not
23 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
24 48.705).

25 **(3) University Inflation Adjustment:** Included in the above General Fund
26 appropriation is \$5,098,300 in each fiscal year to offset inflationary increases in
27 expenses. Notwithstanding KRS 45.229, any portion of General Fund not expended for

1 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
2 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

3 (4) **Immigration Law Clinic:** Included in the above General Fund appropriation
4 is a one-time allocation of \$1,500,000 in fiscal year 2024-2025 for a five-year
5 Immigration Law Clinic at the Louis D. Brandeis School of Law. No funds shall be
6 utilized to provide legal services to individuals deemed to be residing in the country
7 illegally. The University of Louisville shall submit an annual report on the utilization of
8 services beginning August 1, 2025. Notwithstanding KRS 45.229, these funds shall not
9 lapse and shall carry forward.

10 **10. WESTERN KENTUCKY UNIVERSITY**

	2024-25	2025-26
12 General Fund	91,070,600	100,119,600
13 Restricted Funds	277,036,900	280,443,800
14 Federal Funds	31,144,000	31,144,000
15 TOTAL	399,251,500	411,707,400

16 (1) **Mandated Programs:** Included in the above General Fund appropriation are
17 the following:

18 (a) \$5,134,700 in fiscal year 2024-2025 and \$5,442,700 in fiscal year 2025-2026
19 for the Gatton Academy of Mathematics and Science in Kentucky;

20 (b) \$1,750,000 in each fiscal year for the Kentucky Mesonet;

21 (c) Notwithstanding KRS 61.5991(6)(b)1.a. and b., \$1,522,200 in each fiscal year
22 to support the university’s share of the anticipated retirement costs over the university’s
23 fiscal year 2019-2020 baseline contribution as adjusted and posted under the 2024 Budget
24 Bills tile on the Legislative Research Commission’s website; and

25 (d) \$2,180,800 in each fiscal year to cover the increase in the state's Fire and
26 Tornado Fund Insurance Premium.

27 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

1 **(2) Debt Service:** Included in the above General Fund appropriation is
 2 \$7,589,000 in fiscal year 2024-2025 and \$16,330,000 in fiscal year 2025-2026 to provide
 3 new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of
 4 this Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for
 5 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

6 **(3) LifeWorks at WKU:** Included in the above General Fund appropriation is a
 7 one-time allocation of \$2,200,000 in each fiscal year for the LifeWorks at WKU
 8 Program. Notwithstanding KRS 45.229, any portion of General Fund not expended for
 9 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
 10 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

11 **(4) University Inflation Adjustment:** Included in the above General Fund
 12 appropriation is \$3,074,900 in each fiscal year to offset inflationary increases in
 13 expenses. Notwithstanding KRS 45.229, any portion of General Fund not expended for
 14 this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).
 15 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16 **(5) Reimbursement of Design Expenditures:** Notwithstanding any statute to the
 17 contrary, the Office of State Budget Director shall release funds from monies authorized
 18 in 2022 Ky. Acts ch. 199, Part II, I., 11., 002. to reimburse Western Kentucky University
 19 for all expenses incurred prior to July 1, 2023, associated with the design of the Gordon
 20 Ford College of Business building.

21 **11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

	2024-25	2025-26
23 General Fund	187,556,400	196,810,900
24 Restricted Funds	578,815,300	584,717,900
25 Federal Funds	294,770,800	294,770,700
26 TOTAL	1,061,142,500	1,076,299,500

27 **(1) Mandated Programs:** Included in the above General Fund appropriation are

1 the following:

2 (a) \$4,149,800 in each fiscal year for KCTCS-TRAINS;

3 (b) \$1,869,900 in each fiscal year for the Kentucky Fire Commission;

4 (c) \$1,000,000 in each fiscal year for Adult Agriculture Education; and

5 (d) \$4,637,500 in each fiscal year to cover the increase in the state's Fire and
6 Tornado Fund Insurance Premium; and

7 (e) \$1,000,000 in fiscal year 2025-2026 as a one-time allocation for a forensic
8 audit.

9 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

10 **(2) Firefighters Foundation Program Fund:** (a) Included in the above
11 Restricted Funds appropriation is \$59,101,700 in fiscal year 2024-2025 and \$59,972,100
12 in fiscal year 2025-2026 for the Firefighters Foundation Program Fund.

13 (b) Notwithstanding KRS 95A.250(1)(a), included in the above Restricted Funds
14 appropriation are sufficient funds for an incentive payment of \$4,429 in fiscal year 2024-
15 2025 and \$4,562 in fiscal year 2025-2026, plus an amount equal to the required
16 employer's contribution on the supplement in each fiscal year for each qualified
17 professional firefighter under the Firefighters Foundation Program Fund. KRS
18 95A.250(1)(b) to (e) shall remain applicable, except that the administrative expense
19 reimbursement cap under KRS 95A.250(1)(e)(3) shall not exceed \$500,000.

20 (c) Notwithstanding KRS 95A.262(2), included in the above Restricted Funds
21 appropriation is \$15,000 in each fiscal year for aid payments for each qualified volunteer
22 fire department.

23 (d) Notwithstanding KRS 95A.200 to 95A.300, \$16,800,000 in fiscal year 2024-
24 2025 shall be transferred to support projects as set forth in Part II, Capital Projects
25 Budget, of this Act.

26 **(3) Firefighters Training Center Fund:** Notwithstanding KRS 95A.262(3),
27 \$1,000,000 in Restricted Funds is provided in each fiscal year for the Firefighters

1 Training Center Fund.

2 **(4) Guaranteed Energy Savings Performance Contracts:** Notwithstanding
3 KRS 56.770 and 56.774, guaranteed energy savings performance contracts may be
4 executed for buildings operated by the Kentucky Community and Technical College
5 System under agreements governed by KRS 164.593.

6 **(5) Debt Service:** Included in the above General Fund appropriation is
7 \$3,202,500 in fiscal year 2024-2025 and \$11,457,000 in fiscal year 2025-2026 for new
8 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
9 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
10 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

11 **(6) Community and Technical College Inflation Adjustment:** Included in the
12 above General Fund appropriation is \$6,935,100 in each fiscal year to offset inflationary
13 increases in expenses. Notwithstanding KRS 45.229, any portion of General Fund not
14 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
15 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16 **(7) Commonwealth West Healthcare Workforce Innovation Center - Carry**
17 **Forward of Appropriation Balance:** Notwithstanding KRS 45.229, the Federal Fund
18 appropriation balance from 2022 Ky. Acts ch. 199, Part I, J., 11., (6) shall not lapse and
19 shall carry forward.

20 **(8) Efficient Operations and Innovation Plan:** The General Assembly
21 recognizes the need to improve and advance the existing Kentucky Community and
22 Technical College System. To address this need, the project authorization set out in Part
23 II, Capital Projects Budget, of this Act is contingent on the Kentucky Community and
24 Technical College System, in collaboration with the Council on Postsecondary
25 Education, submitting a proposal for approval by the General Assembly that analyzes the
26 Huron Group's recommendations. The proposal shall include action steps on the
27 following topics:

- 1 (a) Academic programming and training offering, including the quality of
2 credentials and program relevancy;
- 3 (b) A comprehensive statewide KCTCS workforce plan which may include
4 financial and academic supports, comprehensive career counseling, and experiential
5 learning elements;
- 6 (c) The KCTCS geographic footprint, including but not limited to the need for
7 mergers and consolidations;
- 8 (d) Single system accreditation versus individual college accreditation;
- 9 (e) Governance reform, including the KCTCS Board of Regents and the 16
10 college board of directors;
- 11 (f) The KCTCS funding model and its adequacy, including state appropriations,
12 existing performance funding, the funding of the system office, and modern outcome-
13 based funding structures;
- 14 (g) Tuition rates, with a commitment to ensuring affordability and return on
15 investment;
- 16 (h) The personnel system for KCTCS employees;
- 17 (i) Effectiveness and affordability of dual credit course offerings;
- 18 (j) Transferability of associate's degrees to four-year institutions; and
- 19 (k) Outdated or conflicting statutory language.

20 The Kentucky Community and Technical College System, in collaboration with the
21 Council on Postsecondary Education, shall develop the proposal and submit it to the
22 Legislative Research Commission by December 1, 2024.

23 **(9) Disposition of KCTCS Property:** Notwithstanding KRS 45.777, the KCTCS
24 governing board may elect to sell or dispose of real property or major equipment and
25 proceeds that are surplus to its needs and retain the proceeds of any sale.

26 **12. POSTSECONDARY EDUCATION PERFORMANCE FUND**

27 **2024-25** **2025-26**

1	General Fund		105,000,000	115,000,000
2	TOTAL - POSTSECONDARY EDUCATION			
3		2023-24	2024-25	2025-26
4	General Fund (Tobacco)	-0-	5,843,200	6,250,000
5	General Fund	4,107,500	1,513,695,600	1,605,407,800
6	Restricted Funds	-0-	9,653,694,200	10,352,839,700
7	Federal Funds	1,280,200	1,240,551,400	1,278,157,000
8	TOTAL	5,387,700	12,413,784,400	13,242,654,500

K. PUBLIC PROTECTION CABINET

Budget Units

1. SECRETARY

12			2024-25	2025-26
13	Restricted Funds		13,228,900	12,344,700
14	Federal Funds		1,900	1,900
15	TOTAL		13,230,800	12,346,600

16 **(1) Additional Personnel:** Included in the above Restricted Funds appropriation
 17 is \$1,612,500 in fiscal year 2024-2025 and \$1,613,500 in fiscal year 2025-2026 to
 18 support additional personnel. Mandated reports shall be submitted pursuant to Part III,
 19 24. of this Act.

2. PROFESSIONAL LICENSING

21			2024-25	2025-26
22	Restricted Funds		5,449,500	5,561,900
23	Federal Funds		204,700	204,700
24	TOTAL		5,654,200	5,766,600

3. BOXING AND WRESTLING AUTHORITY

26			2024-25	2025-26
27	Restricted Funds		241,500	247,100

1 **(1) Increase Part-Time Hours:** Included in the above Restricted Funds
 2 appropriation is \$40,000 in each fiscal year to support an increase in hours for part-time
 3 employees. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

4 **4. ALCOHOLIC BEVERAGE CONTROL**

	2024-25	2025-26
6 Restricted Funds	6,963,200	7,149,600
7 Federal Funds	1,011,400	1,014,700
8 TOTAL	7,974,600	8,164,300

9 **(1) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in
 10 the above Restricted Funds appropriation is \$4,429 in fiscal year 2024-2025 and \$4,562
 11 in fiscal year 2025-2026 for each participant for training incentive payments.

12 **(2) Special Temporary Nonprofit License:** (a) Notwithstanding any provisions
 13 of KRS Chapters 241 to 244, or regulations promulgated thereunder to the contrary, a
 14 special temporary nonprofit license shall be issued to a nonprofit organization for its use
 15 at a national conference.

16 (b) A special temporary nonprofit license shall authorize the holder and its
 17 employees or agents to purchase, transport, receive, possess, store, sell, donate, deliver,
 18 and serve alcoholic beverages, including wine, malt beverages, and distilled spirits, to be
 19 sold by the package or the drink, or to be served free of charge by the drink, in-person to
 20 attendees of national conferences, by auction, or by raffle, or sold or served free of charge
 21 by the drink to attendees of national conferences, and to receive alcoholic beverages from
 22 distillers, rectifiers, wineries, small farm wineries, brewers, microbreweries, wholesalers,
 23 distributors, retailers, or any other person, by gift or donation, for its use at a national
 24 conferences.

25 (c) The location at which the alcoholic beverages are auctioned, sold, raffled,
 26 served, or consumed under the provisions of this subsection shall not constitute a public
 27 place for the purposes of KRS Chapter 222. Nonprofit events, including national

1 conferences, may be conducted on licensed or unlicensed premises.

2 (d) A special temporary nonprofit license shall not be issued for any period longer
3 than thirty days.

4 (e) Notwithstanding any other provision of KRS Chapters 241 to 244, a distiller,
5 rectifier, winery, small farm winery, brewer, microbrewery, wholesaler, distributor, or
6 retailer may donate, give away, or deliver any of its products to a nonprofit organization
7 possessing a special temporary nonprofit license.

8 (f) Nothing herein shall prohibit the employees of a nonprofit organization that
9 holds a special temporary nonprofit license from serving or selling wine, malt beverages,
10 and distilled spirits by the drink to attendees of national conferences.

11 (g) Nothing herein shall prohibit the employees of retail drink licensees,
12 including but not limited to NQ1, NQ2, NQ3, and licensed caterers from serving or
13 selling wine, malt beverages, and distilled spirits by the drink at a national conference on
14 the account of or on behalf of a nonprofit organization that holds a special temporary
15 nonprofit license.

16 **5. CHARITABLE GAMING**

	2024-25	2025-26
18 Restricted Funds	4,264,300	4,380,000

19 **(1) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in
20 the above Restricted Funds appropriation is \$4,429 in fiscal year 2024-2025 and \$4,562
21 in fiscal year 2025-2026 for each participant for training incentive payments.

22 **6. FINANCIAL INSTITUTIONS**

	2024-25	2025-26
24 Restricted Funds	18,310,600	18,675,300

25 **(1) Additional Personnel:** Included in the above Restricted Funds appropriation
26 is \$2,600,000 in each fiscal year to support additional personnel and salary increases
27 equivalent to the salaries paid by the Federal Deposit Insurance Corporation, Securities

1 and Exchange Commission, and other federal supervisory agencies of similar jurisdiction.
2 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

3 **7. HORSE RACING COMMISSION**

	2024-25	2025-26
4 General Fund	3,666,500	3,771,200
6 Restricted Funds	116,451,000	116,575,300
7 TOTAL	120,117,500	120,346,500

8 **(1) Kentucky Thoroughbred Development Fund Supplemental Purse:**
9 Included in the above Restricted Funds appropriation is \$45,000,000 in each fiscal year to
10 support the Kentucky Thoroughbred Development Fund supplemental purse money.
11 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

12 **(2) Kentucky Standardbred Development Fund Supplemental Purse:**
13 Included in the above Restricted Funds appropriation is \$20,000,000 in each fiscal year to
14 support the Kentucky Standardbred Development Fund supplemental purse money.
15 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16 **8. HOUSING, BUILDINGS AND CONSTRUCTION**

	2024-25	2025-26
18 General Fund	3,085,400	3,178,000
19 Restricted Funds	25,455,200	26,040,300
20 TOTAL	28,540,600	29,218,300

21 **(1) School Building Plan Reviews and Inspections:** Notwithstanding KRS
22 198B.060, local governments may have jurisdiction for plan review, inspection, and
23 enforcement responsibilities over buildings intended for educational purposes, other than
24 licensed day-care centers, at the discretion of the local school districts.

25 **(2) Industrial or Business Project Plan Reviews and Inspections:**
26 Notwithstanding KRS 198B.060, permit applicants may request local or state
27 governments to perform plan review, inspection, and enforcement responsibilities related

1 to industrial or business projects.

2 **(3) Inspectors and Reviewers Reporting Requirement:** The Department of
3 Housing, Buildings and Construction shall submit a report to the Legislative Research
4 Commission, Office of Budget Review, by December 1 of each fiscal year detailing the
5 number of full-time inspectors and reviewers, in addition to the number of completed
6 inspections and plan reviews.

7 **(4) Replacement Vehicles:** Included in the above Restricted Funds appropriation
8 is \$420,000 in each fiscal year to replace inspector vehicles. Mandated reports shall be
9 submitted pursuant to Part III, 24. of this Act.

10 **(5) Uniforms:** Included in the above Restricted Funds appropriation is \$80,000 in
11 each fiscal year to support the purchase of uniforms and gear for field inspection staff.
12 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

13 **(6) Plumbing Code Books:** Included in the above Restricted Funds appropriation
14 is \$16,000 in fiscal year 2024-2025 to support printing updated booklets of the Kentucky
15 State Plumbing Law, Regulations, and Code. Mandated reports shall be submitted
16 pursuant to Part III, 24. of this Act.

17 **(7) Building Codes Enforcement Updates:** Included in the above Restricted
18 Funds appropriation is \$130,000 in fiscal year 2024-2025 and \$290,000 in fiscal year
19 2025-2026 to support the purchase of updated equipment and additional operating
20 expenses. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

21 **(8) Additional Plumbing Personnel:** Included in the above Restricted Funds
22 appropriation is \$663,700 in fiscal year 2024-2025 and \$548,700 in fiscal year 2025-2026
23 to support additional personnel and vehicles. Mandated reports shall be submitted
24 pursuant to Part III, 24. of this Act.

25 **(9) Additional HVAC Personnel:** Included in the above Restricted Funds
26 appropriation is \$152,300 in fiscal year 2024-2025 and \$113,300 in fiscal year 2025-2026
27 to support additional personnel and vehicles. Mandated reports shall be submitted

1 pursuant to Part III, 24. of this Act.

2 **9. INSURANCE**

	2024-25	2025-26
4 Restricted Funds	17,845,800	18,060,300

5 **(1) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in
6 the above Restricted Funds appropriation is \$4,429 in fiscal year 2024-2025 and \$4,562
7 in fiscal year 2025-2026 for each participant for training incentive payments.

8 **(2) National Association of Insurance Commissioners Database:** Included in
9 the above Restricted Funds appropriation is \$100,000 in fiscal year 2024-2025 to support
10 the update and revision of the technology database to comply with proposed changes.
11 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

12 **(3) Additional Insurance Personnel:** Included in the above Restricted Funds
13 appropriation is \$300,000 in each fiscal year to support additional personnel. Mandated
14 reports shall be submitted pursuant to Part III, 24. of this Act.

15 **(4) Additional Health and Life and Managed Care Personnel:** Included in the
16 above Restricted Funds appropriation is \$312,500 in fiscal year 2024-2025 and \$313,500
17 in fiscal year 2025-2026 to support additional personnel. Mandated reports shall be
18 submitted pursuant to Part III, 24. of this Act.

19 **(5) Additional Financial Standards and Examination Personnel:** Included in
20 the above Restricted Funds appropriation is \$242,800 in fiscal year 2024-2025 and
21 \$243,800 in fiscal year 2025-2026 to support additional personnel. Mandated reports
22 shall be submitted pursuant to Part III, 24. of this Act.

23 **10. CLAIMS AND APPEALS**

	2023-24	2024-25	2025-26
24 General Fund	1,000,000	2,215,700	2,246,800
25 Restricted Funds	-0-	1,317,200	1,317,300
26 Federal Funds	-0-	768,100	769,100

1 TOTAL 1,000,000 4,301,000 4,333,200

2 (1) **Crime Victims' Compensation Fund:** Included in the above General Fund
 3 appropriation is \$1,000,000 in fiscal years 2023-2024, 2024-2025, and 2025-2026 to
 4 support the Crime Victims' Compensation Fund. Notwithstanding KRS 45.229, any
 5 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
 6 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
 7 III, 24. of this Act.

8 (2) **Additional Personnel:** Included in the above Federal Funds appropriation is
 9 \$104,100 in fiscal year 2024-2025 and \$105,100 in fiscal year 2025-2026 to support
 10 additional personnel. Mandated reports shall be submitted pursuant to Part III, 24. of this
 11 Act.

12 **TOTAL - PUBLIC PROTECTION CABINET**

	2023-24	2024-25	2025-26
14 General Fund	1,000,000	8,967,600	9,196,000
15 Restricted Funds	-0-	209,527,200	210,351,800
16 Federal Funds	-0-	1,986,100	1,990,400
17 TOTAL	1,000,000	220,480,900	221,538,200

18 **L. TOURISM, ARTS AND HERITAGE CABINET**

19 **Budget Units**

20 **1. SECRETARY**

	2024-25	2025-26
22 General Fund	3,830,500	3,908,000
23 Restricted Funds	22,750,000	25,250,000
24 TOTAL	26,580,500	29,158,000

25 (1) **Kentucky Center for African American Heritage:** Included in the above
 26 General Fund appropriation is \$500,000 in each fiscal year for the Kentucky Center for
 27 African American Heritage. Notwithstanding KRS 45.229, any portion of General Fund

1 not expended for this purpose shall lapse to the Budget Reserve Trust Fund Account
2 (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

3 (2) **Kentucky Mountain Regional Recreation Authority:** Restricted Funds in
4 the amount of \$1,750,000 in fiscal year 2024-2025 and \$1,250,000 in fiscal year 2025-
5 2026 shall be transferred to the Department for Local Government from taxes collected
6 pursuant to KRS 142.400(2) to support the Kentucky Mountain Regional Recreation
7 Authority. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

8 (3) **Tourism Marketing:** Included in the above Restricted Funds appropriation is
9 an additional \$3,000,000 in fiscal year 2024-2025 and \$7,000,000 in fiscal year 2025-
10 2026 for tourism marketing. Mandated reports shall be submitted pursuant to Part III, 24.
11 of this Act.

12 (4) **National Quilt Museum:** Included in the above Restricted Funds
13 appropriation is \$500,000 in fiscal year 2024-2025 to support a new temporary structure
14 for the National Quilt Museum. Mandated reports shall be submitted pursuant to Part III,
15 24. of this Act.

16 (5) **Southern Kentucky Tourism Initiative:** Included in the above Restricted
17 Funds appropriation is \$500,000 in fiscal year 2024-2025 to support the Southeast
18 Kentucky Chamber of Commerce for the Southern Kentucky Tourism Initiative.
19 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

20 **2. ARTISANS CENTER**

	2024-25	2025-26
21		
22 General Fund	1,239,200	1,286,100
23 Restricted Funds	1,641,900	1,648,400
24 TOTAL	2,881,100	2,934,500

25 **3. TOURISM**

	2024-25	2025-26
26		
27 General Fund	3,624,900	3,709,400

1	Restricted Funds	22,700	22,700
2	TOTAL	3,647,600	3,732,100

3 **(1) Whitehaven Welcome Center:** Included in the above General Fund
4 appropriation is \$130,000 in each fiscal year to support the Whitehaven Welcome Center.
5 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
6 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
7 shall be submitted pursuant to Part III, 24. of this Act.

8 **4. PARKS**

9		2024-25	2025-26
10	General Fund	65,406,600	72,386,300
11	Restricted Funds	52,651,900	52,699,500
12	TOTAL	118,058,500	125,085,800

13 **(1) Park Capital Maintenance and Renovation Fund:** Notwithstanding KRS
14 148.810, no transfer to the Park Capital Maintenance and Renovation Fund shall be
15 made.

16 **(2) Debt Service:** Included in the above General Fund appropriation is
17 \$2,159,500 in fiscal year 2024-2025 and \$7,236,500 in fiscal year 2025-2026 for new
18 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
19 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
20 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

21 **(3) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in
22 the above Restricted Funds appropriation is \$4,429 in fiscal year 2024-2025 and \$4,562
23 in fiscal year 2025-2026 for each participant for training incentive payments.

24 **(4) Parks Capital Project Tracking Plan and Report:** The Department of Parks
25 shall establish a project tracking plan and prepare a report on capital projects authorized
26 in Part II, Capital Projects Budget, of this Act, including but not limited to the projects
27 funded, the current status of each project and projected completion date, the amount

1 expended on each project, and filled positions associated to the projects. The Department
 2 of Parks shall submit this report on a quarterly basis beginning August 1, 2024, to the
 3 Interim Joint Budget Review Subcommittee on Economic Development, Tourism, and
 4 Environmental Protection.

5 **5. HORSE PARK COMMISSION**

	2024-25	2025-26
6 General Fund	2,389,100	2,572,700
7 Restricted Funds	12,729,500	12,906,600
8 Federal Funds	89,900	-0-
9 TOTAL	15,208,500	15,479,300

10
 11 **(1) Debt Service:** Included in the above General Fund appropriation is \$63,000 in
 12 fiscal year 2024-2025 and \$189,000 in fiscal year 2025-2026 for new debt service to
 13 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
 14 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
 15 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

16 **(2) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in
 17 the above Restricted Funds appropriation is \$4,429 in fiscal year 2024-2025 and \$4,562
 18 in fiscal year 2025-2026 for each participant for training incentive payments.

19 **(3) Additional Operating:** Included in the above Restricted Funds appropriation
 20 is \$350,000 in each fiscal year to support increased operating costs. Mandated reports
 21 shall be submitted pursuant to Part III, 24. of this Act.

22 **6. STATE FAIR BOARD**

	2023-24	2024-25	2025-26
23 General Fund	-0-	10,055,500	24,562,200
24 Restricted Funds	1,900,000	56,076,200	56,293,700
25 TOTAL	1,900,000	66,131,700	80,855,900

26
 27 **(1) Debt Service:** Included in the above General Fund appropriation is

1 \$3,228,500 in fiscal year 2024-2025 and \$15,096,500 in fiscal year 2025-2026 for new
2 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
3 Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
4 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

5 **(2) Kentucky Exposition Center Equipment Replacement:** Included in the
6 above General Fund appropriation is \$2,050,000 in fiscal year 2025-2026 for the
7 replacement of equipment at the Kentucky Exposition Center. Notwithstanding KRS
8 45.229, any portion of General Fund not expended for this purpose shall lapse to the
9 Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports shall be submitted
10 pursuant to Part III, 24. of this Act.

11 **(3) Kentucky Exposition Center Operations:** Included in the above Restricted
12 Funds appropriation is \$1,700,000 in fiscal year 2023-2024, \$2,158,500 in fiscal year
13 2024-2025, and \$2,163,100 in fiscal year 2025-2026 to support increased operating costs
14 at the Kentucky Exposition Center. Mandated reports shall be submitted pursuant to Part
15 III, 24. of this Act.

16 **(4) Kentucky International Convention Center Operations:** Included in the
17 above Restricted Funds appropriation is \$200,000 in fiscal year 2023-2024 and in each
18 year of the 2024-2026 fiscal biennium to support increased operating costs at the
19 Kentucky International Convention Center. Mandated reports shall be submitted pursuant
20 to Part III, 24. of this Act.

21 **(5) State Fair Board Property Improvements:** Notwithstanding any statute to
22 the contrary, the State Fair Board shall offer a right of first refusal to Kentucky
23 businesses with which the Board has existing relationships before offering partnership
24 opportunities to other businesses to make improvements to hotel redevelopment. The
25 Board shall recommend the participation of Kentucky-based businesses with which it has
26 existing relationships and shall also recommend the participation of other Kentucky-
27 based businesses offering solutions to accomplish the goal of improving hotel

1 redevelopment. For the purposes of this subsection, "Kentucky-based business" means a
2 business that has employees working in Kentucky and that operates a principle executive
3 office in Kentucky from which those employees, other offices, and affiliated entities are
4 directed and controlled.

5 **(6) Kentucky Exposition Center Redevelopment Plan - Phase II:** The General
6 Assembly recognizes the need to secure the future of Kentucky State Fair Board
7 properties. To address this need, the project authorization set out in Part II, Capital
8 Projects Budget, of this Act is contingent on the State Fair Board's submission and
9 approval by the General Assembly via joint resolution of a comprehensive statewide
10 proposal regarding improvements to the properties. The proposal shall include the
11 following:

12 (a) Recommendations for private and/or local government partnerships. In
13 developing its proposal regarding private partnerships, the Board shall offer a right of
14 first refusal to Kentucky-based businesses with which it has existing relationships and
15 shall also recommend the participation of other Kentucky-based businesses offering
16 solutions to accomplish the goal of improving Board properties. For the purposes of this
17 paragraph, "Kentucky-based business" means a business that has employees working in
18 Kentucky and that operates a principle executive office in Kentucky from which those
19 employees, other offices, and affiliated entities are directed and controlled;

20 (b) Detailed financial information regarding return on investment resulting from
21 partnerships; and

22 (c) A 50 percent match of the state contribution from private and/or local
23 government partners.

24 The proposal may also include a plan of action regarding disposal of property to
25 local governments. The State Fair Board shall develop the proposal and present it to the
26 Interim Joint Committee on Appropriations and Revenue by December 1, 2024.

27 **(7) Public-Private Partnerships Sunset:** Notwithstanding KRS 45A.077(8), the

1 utilization of the public-private partnership delivery method for State Fair Board projects
2 of at least \$25,000,000 does not need to be explicitly authorized by the General
3 Assembly.

4 **7. FISH AND WILDLIFE RESOURCES**

	2024-25	2025-26
6 Restricted Funds	68,557,900	69,671,300
7 Federal Funds	36,625,000	36,446,400
8 TOTAL	105,182,900	106,117,700

9 **(1) Fish and Wildlife Resources Peace Officers' Stipend:** Notwithstanding
10 KRS 15.460(1), included in the above Restricted Funds appropriation is \$4,429 in fiscal
11 year 2024-2025 and \$4,562 in fiscal year 2025-2026 for each participant for training
12 incentive payments.

13 **(2) Fees-in-Lieu-of Stream Mitigation Reporting:** The Department of Fish and
14 Wildlife Resources shall develop a report of all projects managed by the Fees-in-Lieu-of
15 Stream Mitigation Program. The Department shall present this report to the Interim Joint
16 Committee on Tourism, Small Business, and Information Technology by August 1 of
17 each fiscal year.

18 **(3) Conservation Camps:** Included in the above Restricted Funds appropriation
19 is \$250,000 in each fiscal year to support conservation camps. Mandated reports shall be
20 submitted pursuant to Part III, 24. of this Act.

21 **(4) Bio-Acoustic Fish Fence at Lake Barkley Lock:** Included in the above
22 appropriations is \$200,000 in Restricted Funds and \$600,000 in Federal Funds in fiscal
23 year 2024-2025 for a bio-acoustic fish fence at Lake Barkley Lock. Mandated reports
24 shall be submitted pursuant to Part III, 24. of this Act.

25 **8. HISTORICAL SOCIETY**

	2024-25	2025-26
27 General Fund	10,310,100	10,849,600

1	Restricted Funds	351,200	316,200
2	Federal Funds	170,000	170,000
3	TOTAL	10,831,300	11,335,800

4 **(1) Debt Service:** Included in the above General Fund appropriation is \$51,000 in
 5 fiscal year 2024-2025 and \$144,500 in fiscal year 2025-2026 for new debt service to
 6 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
 7 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
 8 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

9 **(2) Sestercentennial Commissions:** Included in the above General Fund
 10 appropriation is \$2,180,000 in fiscal year 2024-2025 and \$2,505,000 in fiscal year 2025-
 11 2026 to support the Kentucky Sestercentennial Commission and the Harrodsburg
 12 Sestercentennial Commission. Notwithstanding KRS 45.229, any portion of General
 13 Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
 14 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
 15 this Act.

16 **9. ARTS COUNCIL**

		2024-25	2025-26
17			
18	General Fund	1,833,500	1,860,300
19	Restricted Funds	87,200	87,200
20	Federal Funds	828,000	831,300
21	TOTAL	2,748,700	2,778,800

22 **10. HERITAGE COUNCIL**

		2024-25	2025-26
23			
24	General Fund	1,783,800	1,844,900
25	Restricted Funds	691,700	691,700
26	Federal Funds	1,060,500	1,078,400
27	TOTAL	3,536,000	3,615,000

1 **(1) Kentucky African American Heritage Commission:** Included in the above
 2 General Fund appropriation is \$50,000 in each fiscal year to support the Kentucky
 3 African American Heritage Commission. Notwithstanding KRS 45.229, any portion of
 4 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
 5 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part III, 24. of
 6 this Act.

7 **(2) American Battlefield Trust:** Notwithstanding KRS 45.229, any unexpended
 8 balance from the appropriation set forth in 2022 Ky. Acts ch. 199, Part I, L., 10., (2),
 9 shall not lapse and shall carry forward into fiscal year 2025-2026.

10 **11. KENTUCKY CENTER FOR THE ARTS**

	2024-25	2025-26
11		
12 General Fund	622,500	622,500

13 **(1) Governor's School for the Arts:** Included in the above General Fund
 14 appropriation is \$622,500 in each fiscal year to support the Governor's School for the
 15 Arts. Notwithstanding KRS 45.229, any portion of General Fund not expended for this
 16 purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated
 17 reports shall be submitted pursuant to Part III, 24. of this Act.

18 **TOTAL - TOURISM, ARTS AND HERITAGE CABINET**

	2023-24	2024-25	2025-26
19			
20 General Fund	-0-	101,095,700	123,602,000
21 Restricted Funds	1,900,000	215,560,200	219,587,300
22 Federal Funds	-0-	38,773,400	38,526,100
23 TOTAL	1,900,000	355,429,300	381,715,400

24 **M. BUDGET RESERVE TRUST FUND**

25 **Budget Unit**

26 **1. BUDGET RESERVE TRUST FUND**

	2023-24	2024-25	2025-26
27			

1 **(4) Appropriations for Projects Not Line-Itemized:** Inasmuch as the
2 identification of specific projects in a variety of areas of the state government cannot be
3 ascertained with absolute certainty at this time, amounts are appropriated for specific
4 purposes to projects which are not individually identified in this Act in the following
5 areas: Kentucky Infrastructure Authority Water and Sewer projects; Flood Control
6 projects; Repair of State-Owned Dams; Guaranteed Energy Savings Performance
7 Contract projects; Wetland and Stream Mitigation projects; General Fund, Investment
8 Income, Restricted Fund, Federal Fund, Bond-funded, and Aircraft maintenance pools;
9 Economic Development projects, which shall include authorization for the High-Tech
10 Construction Pool and the High-Tech Investment Pool; Postsecondary Education pools;
11 Legacy System Retirement Pool; Wastewater Treatment Upgrades Pool; Utility
12 Infrastructure Replacement Pool; and State Fair Board property improvements.
13 Notwithstanding any statute to the contrary, projects estimated to cost \$1,000,000 and
14 over and equipment estimated to cost \$200,000 and over shall be reported to the Capital
15 Projects and Bond Oversight Committee.

16 **(5) Capital Construction and Equipment Purchase Contingency Account:** If
17 funds in the Capital Construction and Equipment Purchase Contingency Account are not
18 sufficient, then up to \$1,000,000 of expenditures are to be paid first from the General
19 Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust
20 Fund Account (KRS 48.705), subject to the conditions and procedures provided in this
21 Act.

22 **(6) Emergency Repair, Maintenance, and Replacement Account:** If funds in
23 the Emergency Repair, Maintenance, and Replacement Account are not sufficient, then
24 up to \$2,500,000 of expenditures are to be paid first from the General Fund Surplus
25 Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account
26 (KRS 48.705), subject to the conditions and procedures provided in this Act.

27 **(7) Appropriation-Supported Debt:** To lower the cost of borrowing, the

1 agencies identified in KRS 45A.850(1)(a) and (2)(a) are authorized to refinance
 2 appropriation-supported debt obligations that have previously been issued and for which
 3 the Commonwealth is currently making lease-rental payments to meet the current debt
 4 service requirements. Such action is authorized provided that the principal amount of any
 5 such debt obligation is not increased and the term of the debt obligation is not extended.
 6 Any such refinancing shall still be subject to the requirements of KRS 45.750 to 45.810
 7 for reporting to the Capital Projects and Bond Oversight Committee.

8 **(8) Cash Defeasance:** State agencies identified in KRS 45A.850(1)(a) and (2)(a)
 9 are authorized to economically or legally defease debt obligations that have previously
 10 been issued by the agency, or through a third party but for which the Commonwealth or
 11 the agency is currently making lease-rental payments to meet the current debt service
 12 requirements. If Restricted Funds are used for the defeasance of bonds, the agency may
 13 use a prior Agency Bond authorization for a new debt obligation so long as the debt
 14 service for the new debt obligation is not greater than the debt service of the defeased
 15 bonds and the term of the new debt obligation is not greater than the term of the defeased
 16 bonds. Any such refinancing shall still be subject to the requirements of KRS 45.750 to
 17 45.810 for reporting to the Capital Projects and Bond Oversight Committee.

18 **(9) Public-Private Partnerships Sunset:** Notwithstanding KRS 45A.077(8), the
 19 utilization of the public-private partnership delivery method for projects of at least
 20 \$25,000,000 does not need to be explicitly authorized by the General Assembly.

21 **A. GENERAL GOVERNMENT**

22 Budget Units	2023-24	2024-25	2025-26
23 1. VETERANS' AFFAIRS			
24 001. Maintenance Pool - 2024-2026			
25 Investment Income	-0-	1,000,000	1,000,000
26 002. Renovate Interior/Exterior Thomson-Hood Veterans Center			
27 Bond Funds	-0-	-0-	7,000,000

1	003.	Replace Roof Eastern Kentucky Veterans Center			
2		Bond Funds	-0-	1,500,000	-0-
3	004.	Replace Exterior Lighting Thomson-Hood Veterans Center			
4		Bond Funds	-0-	1,500,000	-0-
5	005.	Replace Fire System Western Kentucky Veterans Center			
6		Bond Funds	-0-	1,500,000	-0-
7	006.	Replace Roof Western Kentucky Veterans Center			
8		Bond Funds	-0-	1,500,000	-0-
9	007.	Expansion of Columbarium Wall Kentucky Veterans Cemetery West			
10		Federal Funds	1,281,000	-0-	-0-
11	008.	Expansion of Columbarium Wall Kentucky Veterans Cemetery Central			
12		Federal Funds	1,862,000	-0-	-0-
13	009.	Radcliff Veterans Center HVAC System Replacement			
14		Bond Funds	-0-	9,000,000	-0-
15	2.	KENTUCKY INFRASTRUCTURE AUTHORITY			
16	001.	KIA Fund A - Federally Assisted Wastewater Program			
17		Federal Funds	38,784,000	51,881,000	54,291,000
18		Bond Funds	-0-	4,563,000	9,369,000
19		Agency Bonds	-0-	-0-	30,000,000
20		TOTAL	38,784,000	56,444,000	93,660,000
21	002.	KIA Fund F - Drinking Water Revolving Loan Program			
22		Federal Funds	69,596,000	84,218,000	86,546,000
23		Bond Funds	-0-	3,766,000	8,286,000
24		Agency Bonds	-0-	-0-	30,000,000
25		TOTAL	69,596,000	87,984,000	124,832,000
26	003.	KIA Fund B - Infrastructure Revolving Fund			
27		Bond Funds	-0-	-0-	25,000,000

1	3. MILITARY AFFAIRS			
2	001. Construct Readiness Center Somerset - Additional			
3	Federal Funds	-0-	5,438,000	-0-
4	Bond Funds	-0-	4,032,000	-0-
5	TOTAL	-0-	9,470,000	-0-
6	002. Construct Armory Addition - Shelbyville			
7	Federal Funds	-0-	3,000,000	-0-
8	Bond Funds	-0-	1,000,000	-0-
9	TOTAL	-0-	4,000,000	-0-
10	003. Armory Installation Facility Maintenance Pool - 2024-2026			
11	Bond Funds	-0-	4,000,000	4,000,000
12	004. Bluegrass Station Facility Maintenance Pool - 2024-2026			
13	Restricted Funds	-0-	1,000,000	1,000,000
14	005. Construct Support Building W. H. Ford Reserve Training Center - Additional			
15	Federal Funds	-0-	1,000,000	-0-
16	006. Extension of Utilities W. H. Ford Training Site			
17	Federal Funds	-0-	2,000,000	-0-
18	007. Construct Improve Sewer System Bluegrass Station			
19	Restricted Funds	-0-	5,000,000	-0-
20	008. Construct Armory 4 - Frankfort			
21	Federal Funds	-0-	3,000,000	-0-
22	Bond Funds	-0-	1,000,000	-0-
23	TOTAL	-0-	4,000,000	-0-
24	009. Modernization Pool KY National Guard - 2024-2026			
25	Federal Funds	-0-	6,000,000	-0-
26	Bond Funds	-0-	2,000,000	-0-
27	TOTAL	-0-	8,000,000	-0-

1	010. Construct Fitness Center Facility at WHFRTC			
2	Federal Funds	-0-	5,000,000	-0-
3	011. Construct Civil Support Team Facility - Additional			
4	Federal Funds	-0-	7,200,000	-0-
5	012. KY Youth Challenge Academy Maintenance Pool - 2024-2026			
6	Investment Income	-0-	1,000,000	1,000,000
7	013. Upgrade of HVAC JSO			
8	Federal Funds	-0-	2,000,000	-0-
9	014. Construct New Barracks at HLDTS			
10	Federal Funds	-0-	3,000,000	-0-
11	015. Construct New Barracks at WHFRTC - Additional			
12	Federal Funds	-0-	1,000,000	-0-
13	016. Construct HLDTS Athletic Field - Additional			
14	Federal Funds	-0-	1,000,000	-0-
15	017. Restoration Ashland Armory - Phase 1			
16	Federal Funds	-0-	3,000,000	-0-
17	Bond Funds	-0-	1,000,000	-0-
18	TOTAL	-0-	4,000,000	-0-
19	018. Construct HLDTS Drainage Improvement			
20	Federal Funds	-0-	2,000,000	-0-
21	019. Construct Bowman Organizational Maintenance Shop Restoration			
22	Federal Funds	-0-	3,000,000	-0-
23	020. Construct Facilities Operations Maintenance Complex WHFRTC			
24	Federal Funds	-0-	3,000,000	-0-
25	021. Construct Jackson Field Maintenance Shop			
26	Federal Funds	-0-	15,000,000	-0-
27	022. Construct FMS Burlington-Additional			

1	Federal Funds	-0-	1,750,000	-0-
2	023. Bluegrass Station Setzer Properties - Lease			
3	024. Bluegrass Station BLDGS 341 & 344 - Lease			
4	025. Bluegrass Station Building 197 - Lease			
5	026. Bluegrass Station BLDG 102 - Lease			
6	027. Bluegrass Station Crumley Hangar BLDG 352 - Lease			
7	4. DEPARTMENT FOR LOCAL GOVERNMENT			
8	001. Flood Control Local Match			
9	Bond Funds	-0-	6,000,000	6,000,000
10	5. ATTORNEY GENERAL			
11	001. Franklin County - Lease			
12	6. TREASURY			
13	001. Xerox Check Printer			
14	Investment Income	-0-	66,000	66,000
15	002. Xerox Check Printer - Secondary			
16	Investment Income	-0-	66,000	66,000
17	7. COMMONWEALTH'S ATTORNEYS			
18	001. Jefferson County - Lease			
19	8. AGRICULTURE			
20	001. Franklin County - Lease			
21	9. KENTUCKY RIVER AUTHORITY			
22	001. Design and Repair Dam 7 Reauthorization (\$6,400,000 Restricted Funds)			
23	002. Design Lock 5 Reauthorization (\$800,000 Restricted Funds)			
24	003. Locks 2 & 3 Upper Guide Wall Repairs Reauthorization (\$4,131,000			
25	Restricted Funds)			
26	10. SCHOOL FACILITIES CONSTRUCTION COMMISSION			
27	001. Offers of Assistance - 2022-2024			

1	Bond Funds	-0-	85,000,000	-0-
2	002. School Facilities Construction Commission Reauthorization (\$75,900,000			
3	Bond Funds)			
4	003. Special Offers of Assistance - 2024-2025			
5	Bond Funds	-0-	61,641,000	-0-
6	004. Secondary Area Technology Center Renovation Pool - 2025-2026			
7	Bond Funds	-0-	-0-	50,000,000
8	005. School Facility Assistance Fund - 2025-2026			
9	Bond Funds	-0-	-0-	146,696,000
10	11. KENTUCKY COMMUNICATIONS NETWORK AUTHORITY			
11	001. KentuckyWired Critical Infrastructure Upgrades			
12	Bond Funds	-0-	6,464,000	6,463,000
13	002. KentuckyWired Critical Infrastructure Purchases			
14	Bond Funds	-0-	12,432,000	-0-

B. ECONOMIC DEVELOPMENT CABINET

16 **(1) Economic Development Bond Issues:** Before any economic development
17 bonds are issued, the proposed bond issue shall be approved by the Secretary of the
18 Finance and Administration Cabinet and the State Property and Buildings Commission
19 under KRS 56.440 to 56.590. In addition to the terms and conditions of KRS 154.12-100,
20 administration of the Economic Development Bond Program by the Secretary of the
21 Cabinet for Economic Development is subject to the following guideline: project
22 selection shall be documented when presented to the Secretary of the Finance and
23 Administration Cabinet. Included in the documentation shall be the rationale for selection
24 and expected economic development impact.

25 **(2) Use of New Economy Funds:** Notwithstanding KRS 154.12-100, 154.12-
26 278(4) and (5), and 154.20-035, the Secretary of the Cabinet for Economic Development
27 may use funds appropriated in the Economic Development Fund Program, High-Tech

1 Construction/Investment Pool, and the Kentucky Economic Development Finance
 2 Authority Loan Pool interchangeably for economic development projects.

3 **Budget Unit** **2024-25** **2025-26**

4 **1. ECONOMIC DEVELOPMENT**

5 **001.** Economic Development Bond Programs - 2024-2026

6 Bond Funds 5,000,000 5,000,000

7 **002.** High-Tech Construction/Investment Pool - 2024-2026

8 Bond Funds 5,000,000 5,000,000

9 **003.** Kentucky Economic Development Finance Authority Loan Pool - 2024-2026

10 Bond Funds 5,000,000 5,000,000

11 **C. DEPARTMENT OF EDUCATION**

12 **Budget Units** **2024-25** **2025-26**

13 **1. OPERATIONS AND SUPPORT SERVICES**

14 **001.** Maintenance Pool - 2024-2026

15 Investment Income 3,100,000 -0-

16 **002.** Education Finance Application Phase 2

17 Bond Funds 2,000,000 -0-

18 **2. LEARNING AND RESULTS SERVICES**

19 **001.** Dormitory Cottage Renovation

20 Investment Income 500,000 -0-

21 **002.** McDaniel/Scoggin Classroom Building Upgrades

22 Bond Funds 8,000,000 -0-

23 **003.** State Schools Exterior Building Maintenance

24 Bond Funds 1,000,000 -0-

25 **004.** State Schools Safety and Security Pool

26 Bond Funds 1,000,000 -0-

27 **005.** Future Farmers of America Activity Center

1	Bond Funds	1,000,000	-0-
2	D. EDUCATION AND LABOR CABINET		
3	Budget Units	2024-25	2025-26
4	1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT		
5	001. Maintenance Pool - 2024-2026		
6	Investment Income	500,000	500,000
7	2. KENTUCKY EDUCATIONAL TELEVISION		
8	001. Maintenance Pool - 2024-2026		
9	Investment Income	750,000	750,000
10	002. KET Capitol Production Center Maintenance Pool - 2024-2026		
11	Investment Income	500,000	500,000
12	003. KET Studio Lighting		
13	General Fund	1,750,000	-0-
14	3. LIBRARIES AND ARCHIVES		
15	a. General Operations		
16	001. Franklin County - Lease		
17	4. WORKFORCE DEVELOPMENT		
18	001. Maintenance Pool - 2024-2026		
19	Investment Income	700,000	700,000
20	002. Replace Vocational Rehabilitation Case Management System		
21	Federal Funds	3,180,000	-0-
22	003. Replace Workforce Innovation and Opportunity Act/Career Development		
23	Office Case Management System		
24	Federal Funds	2,250,000	1,000,000
25	004. Replace Wastewater Treatment Plant - Carl D. Perkins Treatment Facility		
26	Federal Funds	3,000,000	-0-
27	005. Replace Unemployment Insurance System Additional Reauthorization		

1	1. CONTROLLER		
2	001. Upgrade & Enhancement eMARS Systems		
3	Bond Funds	3,500,000	-0-
4	2. FACILITIES AND SUPPORT SERVICES		
5	001. Guaranteed Energy Savings Performance Contracts		
6	Other Funds	50,000,000	-0-
7	002. Maintenance Pool - 2024-2026		
8	Investment Income	7,500,000	7,500,000
9	003. Renovate Cabinet for Human Resources Phase 1		
10	Bond Funds	5,000,000	-0-
11	004. Asphalt Pool		
12	Bond Funds	1,500,000	-0-
13	005. Roof Pool		
14	Bond Funds	3,000,000	-0-
15	006. Replace Roof for Transportation Building		
16	Bond Funds	-0-	8,000,000
17	007. Replace Roof for Central Lab Building		
18	Bond Funds	8,000,000	-0-
19	008. Historic Properties Deferred Maintenance Pool - 2024-2026		
20	Bond Funds	6,000,000	-0-
21	009. Capitol Annex Renovation		
22	Bond Funds	168,000,000	-0-
23	3. COMMONWEALTH OFFICE OF TECHNOLOGY		
24	001. Replace and Modernize Legacy Systems		
25	Bond Funds	5,000,000	5,000,000
26	002. Alternate Data Center Lease		
27	003. Kentucky Business OneStop (KyBOS) Phase IV Reauthorization (\$4,128,000		

1 General Fund)

2 **G. HEALTH AND FAMILY SERVICES CABINET**

3 **Budget Units** **2024-25** **2025-26**

4 **1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

5 **001. Maintenance Pool - 2024-2026**

6 Investment Income 12,154,000 12,154,000

7 **2. OFFICE FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS**

8 **001. Jefferson County - Lease**

9 **3. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL**
 10 **DISABILITIES**

11 **001. Construct Forensic Psychiatric Hospital - KCPC**

12 Bond Funds 63,863,000 -0-

13 **002. Upgrade Mechanical Lines - WSH**

14 Bond Funds 3,985,000 -0-

15 **003. Replace Water Lines - Oakwood**

16 Bond Funds 4,507,000 -0-

17 **004. Replace HVAC Piping - WSH**

18 Bond Funds 12,019,000 -0-

19 **4. PUBLIC HEALTH**

20 **001. Expand Central Laboratory**

21 Bond Funds 36,450,000 -0-

22 **5. INCOME SUPPORT**

23 **001. Franklin County - Lease**

24 **6. COMMUNITY BASED SERVICES**

25 **001. Kenton County - Lease**

26 **002. Fayette County - Lease**

27 **003. Warren County - Lease**

- 1 **004.** Daviess County - Lease
- 2 **005.** Perry County - Lease
- 3 **006.** Boone County - Lease
- 4 **007.** Hardin County - Lease
- 5 **008.** Boyd County - Lease
- 6 **009.** Campbell County - Lease
- 7 **010.** Johnson County - Lease
- 8 **011.** Shelby County - Lease
- 9 **012.** Greenup County - Lease
- 10 **013.** Muhlenberg County - Lease
- 11 **014.** Madison County - Lease
- 12 **015.** Marshall County - Lease

H. JUSTICE AND PUBLIC SAFETY CABINET

14 Budget Units	2023-24	2024-25	2025-26
15 1. JUSTICE ADMINISTRATION			
16 001. Northern Kentucky Medical Examiner Office - Lease			
17 2. CRIMINAL JUSTICE TRAINING			
18 001. Maintenance Pool - 2024-2026			
19 Restricted Funds	-0-	3,000,000	3,000,000
20 3. JUVENILE JUSTICE			
21 001. Maintenance Pool - 2024-2026			
22 Investment Income	-0-	5,000,000	5,000,000
23 002. Renovate Louisville Detention Center Additional Reauthorization			
24 (\$13,400,000 General Fund)			
25 Bond Funds	-0-	25,500,000	-0-
26 003. Renovate Lyndon Facility Additional Reauthorization (\$4,500,000 General			
27 Fund)			

1	Bond Funds	-0-	3,000,000	-0-
2	004. Retrofit McCracken County Juvenile Detention Center			
3	Bond Funds	-0-	11,000,000	-0-
4	005. Retrofit Breathitt County Juvenile Detention Center			
5	Bond Funds	-0-	9,600,000	-0-
6	006. Retrofit Fayette County Juvenile Detention Center			
7	Bond Funds	-0-	2,600,000	-0-
8	4. STATE POLICE			
9	001. Maintenance Pool - 2024-2026			
10	Bond Funds	-0-	7,000,000	-0-
11	Investment Income	-0-	-0-	5,000,000
12	TOTAL	-0-	7,000,000	5,000,000
13	002. Construct New Skills Pad at Training Academy			
14	Bond Funds	-0-	3,900,000	-0-
15	003. Purchase of New Helicopter			
16	Bond Funds	-0-	8,000,000	-0-
17	004. Replace and Repair Various HVAC			
18	Bond Funds	-0-	5,000,000	-0-
19	005. Upgrade Telecommunicator Technology			
20	Bond Funds	-0-	2,200,000	-0-
21	006. Construct Post 1 (Hickory) Radio Room Expansion			
22	Bond Funds	-0-	1,000,000	-0-
23	007. Emergency Radio System Replacement Additional			
24	Bond Funds	-0-	47,900,000	-0-
25	008. Posts 7 (Richmond) & 10 (Harlan) Construction Additional Reauthorization			
26	(\$8,456,000 Bond Funds)			
27	Bond Funds	-0-	7,250,000	-0-

1	5. CORRECTIONS			
2	a. Adult Correctional Institutions			
3	001. Maintenance Pool - 2024-2026			
4	Bond Funds	-0-	20,000,000	20,000,000
5	002. Repair Northpoint Training Center - Exterior Dorms Masonry Tuckpoint			
6	Bond Funds	-0-	2,320,000	-0-
7	003. Replace KY State Penitentiary - Gates & Controls at Cellhouses 3, 4, 5, & 6			
8	Bond Funds	-0-	-0-	5,950,000
9	004. Install Little Sandy Correctional Complex - Furniture Package			
10	Bond Funds	-0-	5,000,000	-0-
11	005. Renovate Northpoint Training Center - Restricted Housing Unit			
12	Bond Funds	-0-	1,800,000	-0-
13	006. Replace Northpoint Training Center - HVAC at Dormitories			
14	Bond Funds	-0-	-0-	4,720,000
15	007. Upgrade Green River Correctional Complex - Full Electrical System			
16	Bond Funds	-0-	4,000,000	-0-
17	008. Assess Statewide Electrical System			
18	Bond Funds	-0-	2,000,000	-0-
19	009. Design Level 4 Prison in Eastern KY			
20	Bond Funds	-0-	29,000,000	-0-
21	010. Replace KY State Penitentiary - Utilities Infrastructure			
22	Bond Funds	-0-	4,320,000	-0-
23	011. Southeast State Correctional Complex - Lease			
24	012. Repair and Paint Various Water Towers - Additional			
25	Bond Funds	-0-	2,400,000	-0-
26	013. Relocate Medical Services Phase II			
27	Bond Funds	-0-	58,013,000	-0-

1	014. Eastern Kentucky Correctional Complex - Facade and Structural			
2	Repair/Replacement			
3	Bond Funds	-0-	85,400,000	-0-
4	015. Eastern Kentucky Correctional Complex - HVAC Replacement			
5	Bond Funds	-0-	80,000,000	-0-
6	016. Kentucky State Reformatory - Demolition			
7	Bond Funds	-0-	-0-	7,036,000
8	017. Kentucky State Penitentiary Security Fence Additional Reauthorization			
9	(\$1,517,000 General Fund)			
10	General Fund	2,100,000	-0-	-0-

11 **b. Community Services and Local Facilities**

12 **001.** Bellevue Probation and Parole - Lease

13 **002.** Lexington Probation and Parole - Lease

14 **6. PUBLIC ADVOCACY**

15 **001.** Franklin County - Lease

16 **002.** Fayette County - Lease

17 **003.** Louisville/Jefferson County - Lease

18 **004.** Case Management System Reauthorization (\$1,650,000 General Fund)

19 **I. POSTSECONDARY EDUCATION**

20 **(1) Postsecondary Education Asset Preservation Pool:** The Postsecondary
 21 Education Asset Preservation Pool provides funding for individual asset preservation,
 22 renovation, and maintenance projects at Kentucky’s public postsecondary institutions in
 23 Education, General, and state-owned and operated residential housing facilities. For fiscal
 24 years 2024-2025 and 2025-2026, each project for research institutions shall be matched at
 25 25 percent from funds provided by each research institution. Capital projects as defined
 26 in KRS 45.750(1)(f) are hereby authorized from these funds or combination of funds
 27 thereof and shall be reported to the Capital Projects and Bond Oversight Committee.

1	Budget Units	2024-25	2025-26
2	1. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY		
3	001. Mobile Outreach Vehicle		
4	Restricted Funds	950,000	-0-
5	2. KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION		
6	001. Jefferson County - Lease		
7	3. EASTERN KENTUCKY UNIVERSITY		
8	001. Asset Preservation Pool - 2024-2026		
9	Bond Funds	25,910,000	25,910,000
10	002. Construct New Model Laboratory School Phase II		
11	Bond Funds	59,100,000	-0-
12	003. Athletics Capital Improvements Pool - 2024-2026		
13	Restricted Funds	25,000,000	-0-
14	Agency Bonds	25,000,000	-0-
15	Other Funds	25,000,000	-0-
16	TOTAL	75,000,000	-0-
17	004. Maintain/Expand Begley Building		
18	Agency Bonds	40,000,000	-0-
19	005. Upgrade Campus Infrastructure		
20	Other Funds	40,000,000	-0-
21	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
22	006. Miscellaneous Maintenance Pool - 2024-2026		
23	Restricted Funds	20,000,000	-0-
24	007. Innovation and Commercialization Pool - 2024-2026		
25	Restricted Funds	5,000,000	-0-
26	Other Funds	10,000,000	-0-
27	TOTAL	15,000,000	-0-

1	008. Improve Campus Pedestrian, Park and Transportation Pool - 2024-2026		
2	Restricted Funds	3,000,000	-0-
3	Agency Bonds	8,000,000	-0-
4	Other Funds	3,000,000	-0-
5	TOTAL	14,000,000	-0-
6	009. Campus Data Network Pool - 2024-2026		
7	Restricted Funds	13,000,000	-0-
8	010. Property Acquisitions Pool - 2024-2026		
9	Restricted Funds	5,000,000	-0-
10	Other Funds	5,000,000	-0-
11	TOTAL	10,000,000	-0-
12	011. Upgrade and Improve Residence Halls Pool - 2024-2026		
13	Restricted Funds	10,000,000	-0-
14	012. Academic Computing Pool - 2024-2026		
15	Restricted Funds	8,000,000	-0-
16	013. Scientific and Research Equipment Pool - 2024-2026		
17	Restricted Funds	3,000,000	-0-
18	Federal Funds	2,200,000	-0-
19	Other Funds	2,200,000	-0-
20	TOTAL	7,400,000	-0-
21	014. Administrative Computing Pool - 2024-2026		
22	Restricted Funds	6,500,000	-0-
23	015. Renovate/Repurpose Commonwealth Hall		
24	Restricted Funds	6,000,000	-0-
25	016. Aviation Acquisition Pool - 2024-2026		
26	Restricted Funds	5,000,000	-0-
27	017. Renovate Additional University Services Space		

1	Restricted Funds	2,000,000	-0-
2	Other Funds	500,000	-0-
3	TOTAL	2,500,000	-0-
4	018. Chemistry and Translational Research Pool - 2024-2026		
5	Restricted Funds	900,000	-0-
6	Other Funds	425,000	-0-
7	TOTAL	1,325,000	-0-
8	019. Natural Areas Improvement Pool - 2024-2026		
9	Restricted Funds	1,000,000	-0-
10	020. Asset Preservation Pool - 2022-2024 Reauthorization (\$8,222,000 Restricted		
11	Funds)		
12	021. Guaranteed Energy Savings Performance Contracts		
13	022. Lease - Aviation		
14	023. Lease - New Housing Space		
15	024. Lease - Madison County - Student Housing		
16	025. Lease - Madison County - Land		
17	026. Lease 1 - Multi-Property - Multi-Use		
18	027. Lease 2 - Multi-Property - Multi-Use		
19	4. KENTUCKY STATE UNIVERSITY		
20	001. Asset Preservation Pool - 2024-2026		
21	Bond Funds	30,000,000	30,000,000
22	002. Design Health Sciences Center		
23	Bond Funds	-0-	5,000,000
24	003. Acquire Land		
25	Restricted Funds	1,044,000	-0-
26	Federal Funds	1,044,000	-0-
27	TOTAL	2,088,000	-0-

1	004. Asset Preservation Pool - 2022-2024 Reauthorization (\$2,412,000 Restricted		
2	Funds)		
3	5. MOREHEAD STATE UNIVERSITY		
4	001. Asset Preservation Pool - 2024-2026		
5	Bond Funds	18,835,000	18,835,000
6	002. Construct Multi-Disciplinary Classroom Building		
7	Bond Funds	90,000,000	-0-
8	003. Construct New Residence Hall #1		
9	Agency Bonds	49,800,000	-0-
10	004. Construct New Residence Hall #2		
11	Agency Bonds	40,350,000	-0-
12	005. Capital Renewal and Maintenance Pool - Auxiliary Additional		
13	Reauthorization (\$4,639,000 Agency Bonds)		
14	Agency Bonds	6,428,000	-0-
15	006. Renovate Fields Residence Hall Additional Reauthorization (\$4,920,000		
16	Agency Bonds)		
17	Agency Bonds	4,124,000	-0-
18	007. Renovate Grote-Thompson Residence Hall Additional Reauthorization		
19	(\$4,920,000 Agency Bonds)		
20	Agency Bonds	4,124,000	-0-
21	008. Renovate and Replace Exterior Precast Panels - Nunn Hall Additional		
22	Reauthorization (\$3,148,000 Agency Bonds)		
23	Agency Bonds	630,000	-0-
24	009. Renovate Normal Residence Hall Additional Reauthorization (\$3,840,000		
25	Agency Bonds)		
26	Agency Bonds	580,000	-0-
27	010. Comply with ADA - Auxiliary Reauthorization (\$2,079,000 Agency Bonds)		

1	011. Construct New Residence Hall Reauthorization (\$38,792,000 Agency Bonds)		
2	012. Guaranteed Energy Savings Performance Contracts		
3	6. MURRAY STATE UNIVERSITY		
4	001. Asset Preservation Pool - 2024-2026		
5	Bond Funds	23,341,000	23,341,000
6	002. Construct Learning Commons with Housing		
7	Bond Funds	38,000,000	-0-
8	003. Athletic Facilities Improvement Pool - 2024-2026		
9	Restricted Funds	20,000,000	-0-
10	Agency Bonds	20,000,000	-0-
11	TOTAL	40,000,000	-0-
12	004. Construct/Renovate Dining Facility		
13	Restricted Funds	30,000,000	-0-
14	005. Replace College Courts Apartments		
15	Agency Bonds	15,000,000	-0-
16	006. Asset Preservation Pool - Residence Halls		
17	Agency Bonds	6,000,000	-0-
18	007. Enhance Dining Facility		
19	Restricted Funds	4,884,000	-0-
20	008. Acquire Property		
21	Restricted Funds	4,180,000	-0-
22	009. Construct New Auxiliary Services Building		
23	Restricted Funds	1,350,000	-0-
24	Agency Bonds	1,350,000	-0-
25	TOTAL	2,700,000	-0-
26	010. Acquire Agriculture Research Farm Land		
27	Restricted Funds	1,254,000	-0-

1	011. Acquire Nuclear Magnetic Resonance Equipment		
2	Restricted Funds	650,000	-0-
3	012. Construct Residential Housing Reauthorization (\$68,970,000 Agency Bonds)		
4	013. Renovate Residence Hall Electrical System Reauthorization (\$4,369,000		
5	Agency Bonds)		
6	014. Renovate Residence Hall HVAC System Reauthorization (\$3,661,000		
7	Agency Bonds)		
8	015. Renovate Residence Hall Interior Reauthorization (\$1,674,000 Agency		
9	Bonds)		
10	016. Replace Residence Hall Domestic Water Piping Reauthorization (\$1,195,000		
11	Agency Bonds)		
12	017. Guaranteed Energy Savings Performance Contracts		
13	7. NORTHERN KENTUCKY UNIVERSITY		
14	001. Asset Preservation Pool - 2024-2026		
15	Bond Funds	23,076,000	23,076,000
16	002. Renew/Renovate Steely Library		
17	Bond Funds	49,000,000	-0-
18	Other Funds	3,000,000	-0-
19	TOTAL	52,000,000	-0-
20	003. Enhance Online Programs		
21	Bond Funds	20,000,000	-0-
22	004. Expand/Renovate Soccer Complex		
23	Agency Bonds	16,000,000	-0-
24	Other Funds	20,000,000	-0-
25	TOTAL	36,000,000	-0-
26	005. Renovate/Expand Civic Center for Northern Kentucky Medical Examiner and		
27	Kentucky State Police Crime Lab Relocation		

1	Restricted Funds	3,700,000	-0-
2	Bond Funds	17,300,000	-0-
3	TOTAL	21,000,000	-0-
4	006. Renovate Nunn Hall Phase I		
5	Other Funds	4,500,000	-0-
6	007. Replace Event Center Technology		
7	Other Funds	4,500,000	-0-
8	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
9	008. Renew/Repair Parking Garage Pool		
10	Agency Bonds	3,000,000	-0-
11	009. Asset Preservation Pool - 2022-2024 Reauthorization (\$7,020,000 Restricted		
12	Funds)		
13	010. Acquire Land/Master Plan 2010-2012 Reauthorization (\$17,500,000 Agency		
14	Bonds, \$4,000,000 Restricted Funds, \$4,000,000 Other Funds)		
15	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
16	011. Renovate Residence Halls Additional Reauthorization (\$15,000,000 Agency		
17	Bonds)		
18	012. Replace Recreation Field Turf Reauthorization (\$2,000,000 Restricted Funds)		
19	013. Expand Herrmann Science Center Additional Reauthorization (\$79,900,000		
20	Bond Funds, \$5,000,000 Other Funds)		
21	014. Guaranteed Energy Savings Performance Contracts		

8. UNIVERSITY OF KENTUCKY

(1) University of Kentucky Acquisitions: Notwithstanding any statute to the contrary, the University of Kentucky or one of its affiliated corporations, for the benefit of the University’s multifaceted education, healthcare, research, and service mission shall be permitted to assume any and all leases, debt instruments, and liabilities associated with the acquisition of St. Claire Medical Center, Inc, a nonprofit corporation duly organized

1 and existing by virtue of the Laws of the Commonwealth of Kentucky with its principal
 2 place of business located at 222 Medical Circle, Morehead, Kentucky 40351. Assumption
 3 of leases and debt instruments shall be reported to the Capital Projects and Bond
 4 Oversight Committee.

5 **001.** Acquire/Partnership Academic/HealthCare Enterprise 1 (Restricted Funds)

6 **002.** Asset Preservation Pool - 2024-2026

7	Bond Funds	61,725,000	61,725,000
8	Agency Bonds	15,431,000	15,431,000
9	TOTAL	77,156,000	77,156,000

10 **003.** Construct Agriculture Research Facility 1

11	Restricted Funds	30,000,000	-0-
12	Bond Funds	200,000,000	-0-
13	TOTAL	230,000,000	-0-

14 **004.** Construct/Improve Medical/Administrative Facility 3 Additional
 15 Reauthorization (\$200,000,000 Restricted Funds)

16	Restricted Funds	1,000,000,000	-0-
17	Agency Bonds	800,000,000	-0-
18	TOTAL	1,800,000,000	-0-

19 **005.** Construct/Improve Medical/Administrative Facility 6

20	Restricted Funds	300,000,000	-0-
21	Other Funds	300,000,000	-0-
22	TOTAL	600,000,000	-0-

23 **(1) Authorization:** The above authorization is approved pursuant to KRS 45.763.

24 **006.** Construct/Improve Medical/Administrative Facility 1 Additional
 25 Reauthorization (\$250,000,000 Restricted Funds)

26	Restricted Funds	50,000,000	-0-
27	Other Funds	500,000,000	-0-

1	TOTAL	550,000,000	-0-
2	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
3	007. Construct Multi-Use Living Complex		
4	Restricted Funds	100,000,000	-0-
5	Other Funds	400,000,000	-0-
6	TOTAL	500,000,000	-0-
7	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
8	008. Acquire/Improve Medical/Administrative Facility 4		
9	Restricted Funds	500,000,000	-0-
10	009. Construct/Improve Medical/Administrative Facility 5		
11	Restricted Funds	500,000,000	-0-
12	010. Construct/Improve Medical/Administrative Facility 7		
13	Restricted Funds	500,000,000	-0-
14	011. Construct/Improve Medical/Administrative Facility 8		
15	Restricted Funds	500,000,000	-0-
16	012. Construct/Improve Medical/Administrative Facility 9		
17	Other Funds	500,000,000	-0-
18	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
19	013. Construct/Improve Student Housing		
20	Restricted Funds	50,000,000	-0-
21	Other Funds	400,000,000	-0-
22	TOTAL	450,000,000	-0-
23	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
24	014. Improve Central Plants		
25	Restricted Funds	200,000,000	-0-
26	Other Funds	200,000,000	-0-
27	TOTAL	400,000,000	-0-

1	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
2	015. Acquire/Improve Medical/Administrative Facility 2		
3	Restricted Funds	400,000,000	-0-
4	016. Construct/Improve Medical/Administrative Facility 4		
5	Restricted Funds	400,000,000	-0-
6	017. Construct/Improve Utilities Infrastructure UK HealthCare		
7	Restricted Funds	200,000,000	-0-
8	Other Funds	200,000,000	-0-
9	TOTAL	400,000,000	-0-
10	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
11	018. Construct Utilities Infrastructure - Hamburg		
12	Restricted Funds	200,000,000	-0-
13	Other Funds	200,000,000	-0-
14	TOTAL	400,000,000	-0-
15	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
16	019. Construct Cancer/Ambulatory Facility Phase 2		
17	Restricted Funds	350,000,000	-0-
18	020. Acquire/Partnership Medical System 1		
19	Restricted Funds	350,000,000	-0-
20	021. Acquire/Partnership Medical System 2		
21	Restricted Funds	350,000,000	-0-
22	022. Construct/Improve Dining Facilities		
23	Restricted Funds	150,000,000	-0-
24	Other Funds	150,000,000	-0-
25	TOTAL	300,000,000	-0-
26	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
27	023. Acquire/Improve Medical/Administrative Facility 1		

1	Restricted Funds	300,000,000	-0-
2	024. Construct/Improve Medical/Administrative Facility 2		
3	Restricted Funds	150,000,000	-0-
4	Other Funds	150,000,000	-0-
5	TOTAL	300,000,000	-0-
6	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
7	025. Improve UK HealthCare IT Systems		
8	Restricted Funds	300,000,000	-0-
9	026. Construct/Improve Innovation Complex		
10	Restricted Funds	100,000,000	-0-
11	Other Funds	150,000,000	-0-
12	TOTAL	250,000,000	-0-
13	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
14	027. Construct/Improve Research Data Center		
15	Restricted Funds	240,000,000	-0-
16	028. Construct/Improve Academic/Research Facility		
17	Restricted Funds	225,000,000	-0-
18	029. Improve Campus Parking and Transportation System		
19	Restricted Funds	100,000,000	-0-
20	Other Funds	100,000,000	-0-
21	TOTAL	200,000,000	-0-
22	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
23	030. Implement Land Use Plan 1		
24	Restricted Funds	200,000,000	-0-
25	031. Improve Parking/Transportation Systems - UK HealthCare		
26	Other Funds	200,000,000	-0-
27	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		

1	032. Construct Parking/Transportation System - Hamburg		
2	Other Funds	200,000,000	-0-
3	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
4	033. Improve Utilities Infrastructure - King's Daughters Medical Center		
5	Restricted Funds	100,000,000	-0-
6	Other Funds	100,000,000	-0-
7	TOTAL	200,000,000	-0-
8	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
9	034. Construct Digital Village Building 3		
10	Restricted Funds	95,000,000	-0-
11	Other Funds	95,000,000	-0-
12	TOTAL	190,000,000	-0-
13	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
14	035. Construct Hotel/Conference Center		
15	Other Funds	150,000,000	-0-
16	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
17	036. Acquire E&G Enterprise 1		
18	Restricted Funds	150,000,000	-0-
19	037. Acquire E&G Enterprise 2		
20	Restricted Funds	150,000,000	-0-
21	038. Improve UK HealthCare Facilities - UK Chandler Hospital		
22	Restricted Funds	150,000,000	-0-
23	039. Implement Land Use Plan 2		
24	Restricted Funds	150,000,000	-0-
25	040. Construct Academic Building		
26	Restricted Funds	149,000,000	-0-
27	041. Construct/Improve Dental Sciences Building		

1	Restricted Funds	130,000,000	-0-
2	042. Construct Agriculture Federal Research Facility I		
3	Federal Funds	108,000,000	-0-
4	043. Acquire Land		
5	Restricted Funds	75,000,000	-0-
6	Agency Bonds	25,000,000	-0-
7	TOTAL	100,000,000	-0-
8	044. Construct/Improve Research Space		
9	Restricted Funds	100,000,000	-0-
10	045. Construct Retail/Parking Facility 2		
11	Other Funds	100,000,000	-0-
12	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
13	046. Construct Retail/Parking Facility 1		
14	Other Funds	100,000,000	-0-
15	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
16	047. Construct Medical Facility - King's Daughters Medical Center		
17	Restricted Funds	100,000,000	-0-
18	048. Improve Medical Facility 1 - King's Daughters Medical Center		
19	Restricted Funds	100,000,000	-0-
20	049. Acquire/Improve Service Core Systems - King's Daughters Medical Center		
21	Restricted Funds	100,000,000	-0-
22	050. Improve Building Systems - King's Daughters Medical Center		
23	Restricted Funds	100,000,000	-0-
24	051. Improve Parking/Transportation Systems - King's Daughters Medical Center		
25	Restricted Funds	100,000,000	-0-
26	052. Improve Site/Civil Infrastructure - King's Daughters Medical Center		
27	Restricted Funds	100,000,000	-0-

1	053. Construct Equine/Horticulture Campus		
2	Restricted Funds	90,000,000	-0-
3	054. Construct Meats/Food Development Center		
4	Restricted Funds	90,000,000	-0-
5	055. Improve Funkhouser Building Additional Reauthorization (\$15,000,000		
6	Restricted Funds, \$15,000,000 Other Funds)		
7	Restricted Funds	90,000,000	-0-
8	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
9	056. Improve Chemistry/Physics Building Phase 3		
10	Restricted Funds	88,000,000	-0-
11	057. Improve White Hall Classroom Building		
12	Restricted Funds	83,000,000	-0-
13	058. Improve Taylor Education Building		
14	Restricted Funds	80,000,000	-0-
15	059. Improve King Library		
16	Restricted Funds	80,000,000	-0-
17	060. Improve Fine Arts Building		
18	Restricted Funds	80,000,000	-0-
19	061. Improve Singletary Center		
20	Restricted Funds	80,000,000	-0-
21	062. Improve Johnson Center		
22	Agency Bonds	75,000,000	-0-
23	063. Construct Agriculture Research Facility 2		
24	Restricted Funds	75,000,000	-0-
25	064. Construct Agriculture Research Facility 3		
26	Restricted Funds	75,000,000	-0-
27	065. Improve Center for Applied Energy Research (CAER) Facilities		

1	Restricted Funds	75,000,000	-0-
2	066. Upgrade/Renovate/Expand Research Labs		
3	Restricted Funds	75,000,000	-0-
4	067. Construct/Improve Parking I		
5	Restricted Funds	75,000,000	-0-
6	068. Acquire/Improve Service Core Systems - UK HealthCare		
7	Restricted Funds	75,000,000	-0-
8	069. Construct Service Core Systems - Hamburg		
9	Restricted Funds	75,000,000	-0-
10	070. Improve Building Systems - UK HealthCare		
11	Restricted Funds	75,000,000	-0-
12	071. Construct/Improve Greek Housing		
13	Restricted Funds	36,000,000	-0-
14	Other Funds	36,000,000	-0-
15	TOTAL	72,000,000	-0-
16	072. Improve Scovell Hall		
17	Restricted Funds	70,000,000	-0-
18	073. Construct Academic Facility		
19	Restricted Funds	68,000,000	-0-
20	074. Construct Office Park at Coldstream		
21	Other Funds	65,000,000	-0-
22	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
23	075. Construct/Improve Research Administration Space		
24	Restricted Funds	60,000,000	-0-
25	076. Improve Oswald Building		
26	Restricted Funds	60,000,000	-0-
27	077. Construct/Improve Enterprise Data Center		

1	Restricted Funds	60,000,000	-0-
2	078. Construct/Improve Athletics Facility 1		
3	Other Funds	60,000,000	-0-
4	079. Construct/Improve Office Building		
5	Restricted Funds	55,000,000	-0-
6	080. Improve Kastle Hall		
7	Restricted Funds	54,000,000	-0-
8	081. Construct Tennis Facility		
9	Restricted Funds	27,000,000	-0-
10	Other Funds	27,000,000	-0-
11	TOTAL	54,000,000	-0-
12	082. Improve Campus Core Quadrangle Facilities		
13	Restricted Funds	54,000,000	-0-
14	083. Construct/Relocate/Replace Greenhouses		
15	Restricted Funds	50,000,000	-0-
16	084. Purchase/Construct CO2 Capture Process Plant		
17	Restricted Funds	1,500,000	-0-
18	Federal Funds	40,000,000	-0-
19	Other Funds	8,500,000	-0-
20	TOTAL	50,000,000	-0-
21	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
22	085. Improve Health Sciences Research Building		
23	Restricted Funds	50,000,000	-0-
24	086. Improve Angliana Facilities		
25	Restricted Funds	50,000,000	-0-
26	087. Construct/Improve Parking II		
27	Restricted Funds	50,000,000	-0-

1	088. Improve Coldstream Research Campus		
2	Restricted Funds	50,000,000	-0-
3	089. Improve Site/Civil Infrastructure		
4	Restricted Funds	50,000,000	-0-
5	090. Decommission Facilities		
6	Restricted Funds	50,000,000	-0-
7	091. Construct West End Zone Club Space		
8	Other Funds	50,000,000	-0-
9	092. Improve Clinical/Ambulatory Services Facilities		
10	Restricted Funds	50,000,000	-0-
11	093. Improve State Street Medical Facilities		
12	Restricted Funds	50,000,000	-0-
13	094. Construct/Improve Ambulatory Care		
14	Restricted Funds	50,000,000	-0-
15	095. Construct Building Systems - Hamburg		
16	Restricted Funds	50,000,000	-0-
17	096. Improve Site/Civil Infrastructure - UK HealthCare		
18	Restricted Funds	50,000,000	-0-
19	097. Construct Site/Civil Infrastructure - Hamburg		
20	Restricted Funds	50,000,000	-0-
21	098. Construct Health Education Building Additional Reauthorization		
22	(\$250,000,000 Bond Funds, \$50,000,000 Agency Bonds, \$50,000,000 Other Funds,		
23	\$30,000,000 Restricted Funds)		
24	Restricted Funds	50,000,000	-0-
25	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
26	099. Improve Jacobs Science Building		
27	Restricted Funds	48,000,000	-0-

1	100. Improve McVey Hall		
2	Restricted Funds	48,000,000	-0-
3	101. Construct/Improve Wildcat Coal Lodge		
4	Other Funds	48,000,000	-0-
5	102. Improve Memorial Hall		
6	Restricted Funds	45,000,000	-0-
7	103. Construct/Improve Library Depository Facility		
8	Restricted Funds	45,000,000	-0-
9	104. Improve Willard Medical Education/Science Building		
10	Restricted Funds	40,000,000	-0-
11	105. Construct/Improve Student Success/Academic Facility		
12	Restricted Funds	40,000,000	-0-
13	106. Improve Building Shell Systems		
14	Restricted Funds	40,000,000	-0-
15	107. Improve Markey Cancer Center Facilities		
16	Restricted Funds	40,000,000	-0-
17	108. Construct Teaching Pavilion		
18	Restricted Funds	38,000,000	-0-
19	109. Construct Police Headquarters		
20	Restricted Funds	35,000,000	-0-
21	110. Construct Support Services Building		
22	Restricted Funds	35,000,000	-0-
23	111. Construct/Improve Recreation Quad 1		
24	Restricted Funds	35,000,000	-0-
25	112. Improve Building Mechanical Systems		
26	Restricted Funds	35,000,000	-0-
27	113. Improve Moloney Building		

1	Restricted Funds	35,000,000	-0-
2	114. Improve Pence Hall		
3	Restricted Funds	32,000,000	-0-
4	115. Improve Seaton Center		
5	Restricted Funds	30,000,000	-0-
6	116. Improve Student Services Space II		
7	Restricted Funds	30,000,000	-0-
8	117. Research Equipment Pool - 2024-2026		
9	Restricted Funds	30,000,000	-0-
10	118. Construct/Improve Alumni Center		
11	Restricted Funds	15,000,000	-0-
12	Other Funds	15,000,000	-0-
13	TOTAL	30,000,000	-0-
14	119. Improve Parking Garage 1		
15	Restricted Funds	30,000,000	-0-
16	120. Improve Parking Garage 2		
17	Restricted Funds	30,000,000	-0-
18	121. Improve UK Good Samaritan Hospital Facilities		
19	Restricted Funds	30,000,000	-0-
20	122. Construct/Improve Patient Support Facility		
21	Restricted Funds	30,000,000	-0-
22	123. Improve Medical Facility 2 - King's Daughters Medical Center		
23	Restricted Funds	30,000,000	-0-
24	124. Improve Medical Facility 7 - King's Daughters Medical Center		
25	Restricted Funds	30,000,000	-0-
26	125. Improve Electrical Infrastructure		
27	Restricted Funds	28,000,000	-0-

1	126. Improve Lexington Theological Seminary (LTS) Facilities		
2	Restricted Funds	27,000,000	-0-
3	127. Improve Library Facility		
4	Restricted Funds	27,000,000	-0-
5	128. Improve Mechanical Infrastructure		
6	Restricted Funds	26,000,000	-0-
7	129. Improve Academic and Tech Science Building		
8	Restricted Funds	25,000,000	-0-
9	130. Improve W.T. Young Facility		
10	Restricted Funds	25,000,000	-0-
11	131. Improve Barnhart Building		
12	Restricted Funds	25,000,000	-0-
13	132. Construct/Improve Transformative Learning Center		
14	Restricted Funds	25,000,000	-0-
15	133. Improve Life Safety		
16	Restricted Funds	25,000,000	-0-
17	134. Construct Childcare Center Facility		
18	Restricted Funds	25,000,000	-0-
19	135. Improve Student Center Space 2		
20	Restricted Funds	25,000,000	-0-
21	136. Improve Student Center Space 3		
22	Restricted Funds	25,000,000	-0-
23	137. Repair Critical Infrastructure/Building Systems		
24	Restricted Funds	25,000,000	-0-
25	138. Improve Medical Facility 3		
26	Restricted Funds	25,000,000	-0-
27	139. Improve Medical Facility 4		

1	Restricted Funds	25,000,000	-0-
2	140. Improve Medical Facility 5		
3	Restricted Funds	25,000,000	-0-
4	141. Improve Medical Facility 6		
5	Restricted Funds	25,000,000	-0-
6	142. Improve Medical Facility 7		
7	Restricted Funds	25,000,000	-0-
8	143. Implement Patient Communication System		
9	Restricted Funds	25,000,000	-0-
10	144. Construct/Improve Machine Lab		
11	Restricted Funds	20,000,000	-0-
12	145. Acquire/Improve Service Core Systems		
13	Restricted Funds	20,000,000	-0-
14	146. Improve Academic Facility 1		
15	Restricted Funds	20,000,000	-0-
16	147. Improve Academic/Administrative Space 1		
17	Restricted Funds	20,000,000	-0-
18	148. Improve Academic/Administrative Space 2		
19	Restricted Funds	20,000,000	-0-
20	149. Improve Academic/Administrative Space 3		
21	Restricted Funds	20,000,000	-0-
22	150. Improve Academic/Administrative Space 4		
23	Restricted Funds	20,000,000	-0-
24	151. Lease/Purchase Enterprise IT Systems		
25	Restricted Funds	20,000,000	-0-
26	152. Improve Athletics Facility 1		
27	Other Funds	20,000,000	-0-

1	153. Construct UK HealthCare Medical Transport Facility		
2	Restricted Funds	20,000,000	-0-
3	154. Improve Medical Facility 3 - King's Daughters Medical Center		
4	Restricted Funds	20,000,000	-0-
5	155. Improve Medical Facility 4 - King's Daughters Medical Center		
6	Restricted Funds	20,000,000	-0-
7	156. Improve Medical Facility 5 - King's Daughters Medical Center		
8	Restricted Funds	20,000,000	-0-
9	157. Improve Medical Facility 6 - King's Daughters Medical Center		
10	Restricted Funds	20,000,000	-0-
11	158. Improve Medical Facility 8 - King's Daughters Medical Center		
12	Restricted Funds	20,000,000	-0-
13	159. Improve Medical Facility 9 - King's Daughters Medical Center		
14	Restricted Funds	20,000,000	-0-
15	160. Improve Medical Facility 10 - King's Daughters Medical Center		
16	Restricted Funds	20,000,000	-0-
17	161. Construct/Improve King's Daughters Medical Center Medical Transport		
18	Facility		
19	Restricted Funds	20,000,000	-0-
20	162. Improve King's Daughters Medical Center Medical Pavilion		
21	Restricted Funds	20,000,000	-0-
22	163. Improve Hilary J. Boone Center		
23	Restricted Funds	18,000,000	-0-
24	164. Improve Medical Center Library		
25	Restricted Funds	17,000,000	-0-
26	165. Improve Lancaster Aquatic Center 1		
27	Other Funds	17,000,000	-0-

1	166. Improve Multi-Disciplinary Science Building		
2	Restricted Funds	15,000,000	-0-
3	167. Improve Student Services Space III		
4	Restricted Funds	15,000,000	-0-
5	168. Construct/Fit-up Retail Space		
6	Restricted Funds	10,000,000	-0-
7	Other Funds	5,000,000	-0-
8	TOTAL	15,000,000	-0-
9	169. Improve Spindletop Hall Facilities		
10	Restricted Funds	15,000,000	-0-
11	170. Construct/Improve Athletics Facility 2		
12	Other Funds	15,000,000	-0-
13	171. Improve Athletics Facility 2		
14	Other Funds	15,000,000	-0-
15	172. Improve Kroger Field 1		
16	Other Funds	15,000,000	-0-
17	173. Improve Boone Tennis Center		
18	Other Funds	15,000,000	-0-
19	174. Acquire Data Center Hardware		
20	Restricted Funds	15,000,000	-0-
21	175. Construct Metal Arts/Digital Media Building		
22	Restricted Funds	14,000,000	-0-
23	176. Improve Gray Design Building		
24	Restricted Funds	14,000,000	-0-
25	177. Improve CAFE Motor Pool Building		
26	Restricted Funds	14,000,000	-0-
27	178. Construct Agriculture Federal Research Facility II		

1	Federal Funds	14,000,000	-0-
2	179. Improve Peterson Service Building		
3	Restricted Funds	14,000,000	-0-
4	180. Improve Baseball Facility Phase II		
5	Other Funds	14,000,000	-0-
6	181. Improve Patterson Office Tower		
7	Restricted Funds	12,000,000	-0-
8	182. Improve University Storage Facility		
9	Restricted Funds	12,000,000	-0-
10	183. Acquire/Improve Clinical/Research Facility		
11	Restricted Funds	11,000,000	-0-
12	184. Improve Campus Infrastructure		
13	Restricted Funds	10,000,000	-0-
14	185. Improve DLAR Facilities		
15	Restricted Funds	10,000,000	-0-
16	186. ADA Compliance Pool - 2024-2026		
17	Restricted Funds	10,000,000	-0-
18	187. Acquire/Improve Administrative Facility		
19	Restricted Funds	10,000,000	-0-
20	188. Improve Building Electrical Systems		
21	Restricted Funds	10,000,000	-0-
22	189. Improve Senior Center		
23	Restricted Funds	10,000,000	-0-
24	190. Improve Fume Hood Systems		
25	Restricted Funds	10,000,000	-0-
26	191. Improve Vaughan Facility		
27	Restricted Funds	10,000,000	-0-

1	192. Expand Arboretum Visitor Center		
2	Restricted Funds	10,000,000	-0-
3	193. Lease/Purchase Enterprise Network Security		
4	Restricted Funds	10,000,000	-0-
5	194. Lease/Purchase High Performance Computer		
6	Restricted Funds	10,000,000	-0-
7	195. Lease/Purchase Campus IT System		
8	Restricted Funds	10,000,000	-0-
9	196. Improve Memorial Coliseum		
10	Restricted Funds	10,000,000	-0-
11	197. Acquire Equipment/Furnishings Pool - 2024-2026		
12	Other Funds	10,000,000	-0-
13	198. Construct/Improve Gymnastics Practice Facility		
14	Other Funds	10,000,000	-0-
15	199. Improve Athletics Facility 3		
16	Other Funds	10,000,000	-0-
17	200. Improve Lancaster Aquatic Center 2		
18	Other Funds	10,000,000	-0-
19	201. Acquire Telemedicine/Virtual ICU		
20	Restricted Funds	10,000,000	-0-
21	202. Renovate/Improve Nursing Units		
22	Restricted Funds	10,000,000	-0-
23	203. Improve Administrative/Medical Facility - King's Daughters Medical Center		
24	Restricted Funds	10,000,000	-0-
25	204. Improve Anderson Tower		
26	Restricted Funds	9,000,000	-0-
27	205. Improve Mineral Industries Building		

1	Restricted Funds	9,000,000	-0-
2	206. Renovate Carnahan House		
3	Restricted Funds	8,000,000	-0-
4	207. Acquire/Improve Golf Facility		
5	Other Funds	8,000,000	-0-
6	208. Improve Kroger Field 2		
7	Other Funds	8,000,000	-0-
8	209. Improve Whalen Building and Bay Facility - Kentucky Advanced		
9	Manufacturing		
10	Restricted Funds	7,000,000	-0-
11	210. Improve Medical Plaza		
12	Restricted Funds	7,000,000	-0-
13	211. Renovate Space for a Testing Center		
14	Restricted Funds	7,000,000	-0-
15	212. Improve Nursing Building		
16	Restricted Funds	7,000,000	-0-
17	213. Improve Enterprise Networking 1		
18	Restricted Funds	7,000,000	-0-
19	214. Improve Enterprise Networking 2		
20	Restricted Funds	7,000,000	-0-
21	215. Lease/Purchase Enterprise Infrastructure		
22	Restricted Funds	7,000,000	-0-
23	216. Improve Nutter Training Facility		
24	Other Funds	7,000,000	-0-
25	217. Improve Soccer/Softball Facility		
26	Other Funds	7,000,000	-0-
27	218. Improve Cooper House		

1	Restricted Funds	6,000,000	-0-
2	219. Expand KGS Well Sample and Core Repository		
3	Restricted Funds	6,000,000	-0-
4	220. Improve Parking Structure 2 Enterprise Data Center		
5	Restricted Funds	6,000,000	-0-
6	221. Improve Athletics Facility 4		
7	Other Funds	6,000,000	-0-
8	222. Improve Athletics Facility 5		
9	Other Funds	6,000,000	-0-
10	223. Improve Joe Craft Center		
11	Other Funds	6,000,000	-0-
12	224. Improve Student Services Space I		
13	Restricted Funds	5,000,000	-0-
14	225. Improve Counseling Center Space		
15	Restricted Funds	5,000,000	-0-
16	226. Improve Enterprise Cable Infrastructure		
17	Restricted Funds	5,000,000	-0-
18	227. Lease/Purchase Enterprise Call Center System		
19	Restricted Funds	5,000,000	-0-
20	228. Lease/Purchase Enterprise Voice Infrastructure		
21	Restricted Funds	5,000,000	-0-
22	229. Acquire Information Technology Systems		
23	Other Funds	5,000,000	-0-
24	230. Construct Athletics Hall of Fame Plaza		
25	Other Funds	5,000,000	-0-
26	231. Improve Sturgill Development Building		
27	Restricted Funds	4,000,000	-0-

1	232. Acquire Transportation Buses		
2	Restricted Funds	3,000,000	-0-
3	233. Improve Indoor/Outdoor Track		
4	Other Funds	3,000,000	-0-
5	234. Construct Cross Country Trail		
6	Other Funds	3,000,000	-0-
7	235. Construct/Improve Athletics Surfaces 1		
8	Other Funds	3,000,000	-0-
9	236. Construct/Improve Athletics Surfaces 2		
10	Other Funds	3,000,000	-0-
11	237. Improve Joe Craft Football Practice Facility		
12	Other Funds	3,000,000	-0-
13	238. Replace Basketball Playing Floors		
14	Other Funds	3,000,000	-0-
15	239. Construct/Improve Athletics Surfaces 3		
16	Other Funds	2,000,000	-0-
17	240. Facilities Renewal and Modernization 1 Reauthorization (\$125,000,000		
18	Restricted Funds)		
19	241. Lease - Off-Campus 1 - Fayette Co.		
20	242. Lease - Off-Campus 3		
21	243. Lease - Off-Campus 4		
22	244. Lease - Off-Campus 6		
23	245. Lease - Off-Campus 7		
24	246. Lease - Off-Campus 12		
25	247. Lease - Off-Campus 13		
26	248. Lease - Off-Campus 14		
27	249. Lease - Off-Campus 15		

- 1 **250.** Lease - Off-Campus 16
- 2 **251.** Lease - Off-Campus 17
- 3 **252.** Lease - Off-Campus 18
- 4 **253.** Lease - Off-Campus 19
- 5 **254.** Lease - Off-Campus 20
- 6 **255.** Lease - Off-Campus 21
- 7 **256.** Lease - Off-Campus 22
- 8 **257.** Lease - Off-Campus Housing 1
- 9 **258.** Lease - Off-Campus Housing 2
- 10 **259.** Lease - Health Science Colleges 1
- 11 **260.** Lease - Health Science Colleges 2
- 12 **261.** Lease - Health Science College 3
- 13 **262.** Lease - Off-Campus Athletics 1
- 14 **263.** Lease - Off-Campus Athletics 2
- 15 **264.** Lease - Health Affairs Office 1
- 16 **265.** Lease - Health Affairs Office 3
- 17 **266.** Lease - Health Affairs Office 5
- 18 **267.** Lease - Health Affairs Office 11
- 19 **268.** Lease - Health Affairs Office 12
- 20 **269.** Lease - Health Affairs Office 14
- 21 **270.** Lease - Health Affairs Office 15
- 22 **271.** Lease - Health Affairs Office 18
- 23 **272.** Lease - Health Affairs Office 19
- 24 **273.** Lease - Lease Health Affairs 20
- 25 **274.** Lease - UK HealthCare Off-Campus Facility 2
- 26 **275.** Lease - UK HealthCare Off-Campus Facility 3
- 27 **276.** Lease - UK HealthCare Off-Campus Facility 12

- 1 **277.** Lease - UK HealthCare Off-Campus Facility 13
- 2 **278.** Lease - UK HealthCare Off-Campus Facility 14
- 3 **279.** Lease - UK HealthCare Off-Campus Facility 15
- 4 **280.** Lease - UK HealthCare Off-Campus Facility 16
- 5 **281.** Lease - UK HealthCare Off-Campus Facility 17
- 6 **282.** Lease - UK HealthCare Off-Campus Facility 18
- 7 **283.** Lease - UK HealthCare Off-Campus Facility 19
- 8 **284.** Lease - UK HealthCare Off-Campus Facility 20
- 9 **285.** Lease - UK HealthCare Off-Campus Facility 21
- 10 **286.** Lease - UK HealthCare Off-Campus Facility 22
- 11 **287.** Lease - UK HealthCare Off-Campus Facility 23
- 12 **288.** Lease - UK HealthCare Off-Campus Facility 24
- 13 **289.** Lease - UK HealthCare Off-Campus Facility 25
- 14 **290.** Lease - UK HealthCare Off-Campus Facility 26
- 15 **291.** Lease - UK HealthCare Off-Campus Facility 27
- 16 **292.** Lease - UK HealthCare Off-Campus Facility 28
- 17 **293.** Lease - UK HealthCare Off-Campus Facility 29
- 18 **294.** Lease - UK HealthCare Off-Campus Facility 30
- 19 **295.** Lease - UK HealthCare Off-Campus Facility 31
- 20 **296.** Lease - UK HealthCare Off-Campus Facility 32
- 21 **297.** Lease - UK HealthCare Off-Campus 33
- 22 **298.** Lease - UK HealthCare Off-Campus 34
- 23 **299.** Lease - Off-Campus 2
- 24 **300.** Lease - Off-Campus 11
- 25 **301.** Lease - College of Medicine 1
- 26 **302.** Lease - College of Medicine 2
- 27 **303.** Lease - Health Affairs Office 2

- 1 **304.** Lease - Health Affairs Office 4
- 2 **305.** Lease - Health Affairs Office 6
- 3 **306.** Lease - Health Affairs Office 7
- 4 **307.** Lease - Health Affairs Office 8
- 5 **308.** Lease - Health Affairs Office 9
- 6 **309.** Lease - Health Affairs Office 10
- 7 **310.** Lease - Health Affairs Office 13
- 8 **311.** Lease - Health Affairs Office 16
- 9 **312.** Lease - Health Affairs Office 17
- 10 **313.** Lease - Good Samaritan - UK Healthcare
- 11 **314.** Lease - UK HealthCare Off-Campus Facility 1
- 12 **315.** Lease - UK HealthCare Off-Campus Facility 4
- 13 **316.** Lease - UK HealthCare Off-Campus Facility 5
- 14 **317.** Lease - UK HealthCare Off-Campus Facility 6
- 15 **318.** Lease - UK HealthCare Off-Campus Facility 7
- 16 **319.** Lease - UK HealthCare Off-Campus Facility 8
- 17 **320.** Lease - UK HealthCare Off-Campus Facility 9
- 18 **321.** Lease - UK HealthCare Off-Campus Facility 10
- 19 **322.** Lease - UK HealthCare Off-Campus Facility 11
- 20 **323.** Lease - Off-Campus 8
- 21 **324.** Lease - Off-Campus 9
- 22 **325.** Lease - Off-Campus 10
- 23 **326.** Lease - UK HealthCare Royal Blue Health 1
- 24 **327.** Lease - UK HealthCare Royal Blue Health 2
- 25 **328.** Lease - UK HealthCare Royal Blue Health 3
- 26 **329.** Lease - UK HealthCare Royal Blue Health 4
- 27 **330.** Lease - UK HealthCare Royal Blue Health 5

1	331. Lease - UK HealthCare Royal Blue Health 6		
2	332. Lease - UK HealthCare Royal Blue Health 7		
3	333. Lease - UK HealthCare Royal Blue Health 8		
4	334. Guaranteed Energy Savings Performance Contracts		
5	335. Guaranteed Energy Savings Performance Contracts UK Healthcare		
6	9. UNIVERSITY OF LOUISVILLE		
7	001. Asset Preservation Pool - 2024-2026		
8	Bond Funds	34,553,000	34,553,000
9	Agency Bonds	8,638,000	8,638,000
10	TOTAL	43,191,000	43,191,000
11	002. Construct Health Sciences Simulation Center and Collaboration Hub		
12	Bond Funds	260,000,000	-0-
13	Agency Bonds	20,000,000	-0-
14	TOTAL	280,000,000	-0-
15	003. Construct Athletics Village		
16	Other Funds	150,000,000	-0-
17	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
18	004. Construct STEM Building		
19	Other Funds	142,000,000	-0-
20	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
21	005. Modernize Campus Infrastructure		
22	Other Funds	100,000,000	-0-
23	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
24	006. Construct P3 Housing Complex		
25	Other Funds	80,000,000	-0-
26	(1) Authorization: The above authorization is approved pursuant to KRS		
27	45A.077.		

1	007. Construct Resident Hall		
2	Agency Bonds	80,000,000	-0-
3	008. Purchase Residence Housing Facility		
4	Other Funds	75,000,000	-0-
5	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
6	009. Arts and Sciences Reinvention		
7	Other Funds	70,000,000	-0-
8	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
9	010. Construct Natatorium		
10	Other Funds	60,000,000	-0-
11	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
12	011. Guaranteed Energy Savings Contract		
13	Agency Bonds	50,000,000	-0-
14	012. Structural Improvement Pool - 2024-2026		
15	Other Funds	40,000,000	-0-
16	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
17	013. Modernize Steam and Chill Water Plant		
18	Agency Bonds	40,000,000	-0-
19	014. Replace Building Mechanical/Electrical/Plumbing		
20	Other Funds	25,000,000	-0-
21	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
22	015. Expand Basketball/Lacrosse Practice Facility		
23	Other Funds	25,000,000	-0-
24	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
25	016. Renovate Cardinal Football Stadium		
26	Other Funds	25,000,000	-0-
27	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		

1	017. Renovate Exterior Envelope Replacement-55A		
2	Agency Bonds	20,000,000	-0-
3	018. Vivarium Equipment Replacement and Upgrade Pool - 2024-2026		
4	Other Funds	20,000,000	-0-
5	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
6	019. Expand Patterson Stadium/Construct Indoor Facility		
7	Other Funds	20,000,000	-0-
8	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
9	020. Construct Indoor Facility		
10	Other Funds	20,000,000	-0-
11	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
12	021. Purchase Next Generation/Enterprise Resource Planning Support System		
13	Other Funds	20,000,000	-0-
14	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
15	022. Construct Student Commons and Recreational Fields		
16	Agency Bonds	17,000,000	-0-
17	023. Renovate School of Nursing		
18	Other Funds	17,000,000	-0-
19	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
20	024. Frazier Rehabilitation, Renovation, Build-Out and Equip		
21	Other Funds	16,000,000	-0-
22	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
23	025. Renovate College of Business Academic Space		
24	Agency Bonds	15,000,000	-0-
25	026. Improve Housing Facilities Pool		
26	Other Funds	15,000,000	-0-
27	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		

1	027. Purchase Land		
2	Agency Bonds	15,000,000	-0-
3	028. Expand Ulmer Softball Stadium/Construct Indoor Facility		
4	Other Funds	15,000,000	-0-
5	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
6	029. Speed School Multidisciplinary Engineering Building 1 - Speed School		
7	Addition Reauthorization (\$65,000,000 Bond Funds, \$10,000,000 Restricted Funds)		
8	Agency Bonds	15,000,000	-0-
9	030. Campus Code Improvement Pool - 2024-2026		
10	Other Funds	10,000,000	-0-
11	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
12	031. Purchase Content Management System		
13	Other Funds	10,000,000	-0-
14	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
15	032. Construct Connector Speed School to Research Park		
16	Agency Bonds	10,000,000	-0-
17	033. Replace Electronic Video Boards		
18	Other Funds	10,000,000	-0-
19	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
20	034. Expand and Renovate Marshall Center Complex		
21	Other Funds	10,000,000	-0-
22	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
23	035. Renovate Cardinal Park		
24	Other Funds	10,000,000	-0-
25	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
26	036. Capital Renewal for Athletic Venues		
27	Other Funds	10,000,000	-0-

1	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
2	046. Demolish Resident Halls		
3	Other Funds	6,000,000	-0-
4	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
5	047. Renovate and Update Student/Athlete Dormitory		
6	Other Funds	6,000,000	-0-
7	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
8	048. Purchase Security and Firewall Infrastructure		
9	Other Funds	5,000,000	-0-
10	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
11	049. ADA Building Upgrade Pool - 2024-2026		
12	Agency Bonds	3,000,000	-0-
13	Other Funds	2,000,000	-0-
14	TOTAL	5,000,000	-0-
15	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
16	050. Construct Athletic Grounds Building		
17	Other Funds	5,000,000	-0-
18	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
19	051. Construct Football Practice Field Lighting		
20	Other Funds	5,000,000	-0-
21	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
22	052. Renovate Bass Rudd Tennis Center		
23	Other Funds	5,000,000	-0-
24	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
25	053. Renovate Lynn Soccer Stadium		
26	Other Funds	5,000,000	-0-
27	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		

1	054. Renovate Thornton's Academic Center		
2	Other Funds	5,000,000	-0-
3	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
4	055. Renovate Trager Football Practice Facility		
5	Other Funds	5,000,000	-0-
6	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
7	056. Renovate Patterson Baseball Stadium		
8	Other Funds	5,000,000	-0-
9	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
10	057. Construct Practice Bubble		
11	Other Funds	5,000,000	-0-
12	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
13	058. Demolish and Construct Golf Maintenance/Chemical Building		
14	Other Funds	5,000,000	-0-
15	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
16	059. Expand and Renovate Athletic Parking Lots		
17	Other Funds	5,000,000	-0-
18	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
19	060. Expand and Renovate Tailgate Space		
20	Other Funds	5,000,000	-0-
21	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
22	061. Renovate Garvin Brown Boathouse		
23	Other Funds	4,000,000	-0-
24	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
25	062. Renovate and Expand ACC Network Studio		
26	Other Funds	4,000,000	-0-
27	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		

1	063. Update and Replace Equipment in ACCN Studio		
2	Other Funds	4,000,000	-0-
3	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
4	064. Renovate Parking Structures		
5	Other Funds	3,600,000	-0-
6	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
7	065. Purchase Fiber Infrastructure		
8	Other Funds	3,500,000	-0-
9	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
10	066. Purchase Computer Processing System and Storage		
11	Other Funds	3,500,000	-0-
12	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
13	067. Renovate College of Education Academic Space Pool - 2024-2026		
14	Other Funds	3,000,000	-0-
15	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
16	068. Renovate Gross Anatomy Lab		
17	Other Funds	3,000,000	-0-
18	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
19	069. Renovate Golf Club - Shelby County		
20	Other Funds	3,000,000	-0-
21	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
22	070. Renovate and Expand Lee Street Facility		
23	Other Funds	3,000,000	-0-
24	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
25	071. Replace Fiber Pathway from ACC Studio to Venues		
26	Other Funds	3,000,000	-0-
27	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		

1	072. Expand, Replace and Maintain Grass Practice Fields		
2	Other Funds	3,000,000	-0-
3	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
4	073. Renovate Miller IT Building		
5	Other Funds	2,500,000	-0-
6	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
7	074. Construct Belknap Stormwater Mitigation Improvements		
8	Other Funds	2,500,000	-0-
9	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
10	075. Renovate Resurface and Repair Parking Lot		
11	Other Funds	2,500,000	-0-
12	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
13	076. Construct Belknap 3rd Street Improvements		
14	Restricted Funds	2,500,000	-0-
15	077. Construct Belknap Stormwater Mitigation Improvement		
16	Other Funds	2,500,000	-0-
17	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
18	078. Update Green Health Sciences Campus Courtyard		
19	Other Funds	2,000,000	-0-
20	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
21	079. Build Out Space for UofL Departments in P3 building		
22	Other Funds	2,000,000	-0-
23	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
24	080. Renovate Dental School Space		
25	Other Funds	2,000,000	-0-
26	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
27	081. Workday Enhancements - Post Implementation		

1	Other Funds	2,000,000	-0-
2	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
3	082. Replace Artificial Turf Field IV		
4	Other Funds	2,000,000	-0-
5	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
6	083. Replace Artificial Turf Field V		
7	Other Funds	2,000,000	-0-
8	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
9	084. Renovate Interfaith Center		
10	Other Funds	1,500,000	-0-
11	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
12	085. Upgrade Plumbing and Sanitary Lines Dental School		
13	Other Funds	1,200,000	-0-
14	(1) Authorization: The above authorization is approved pursuant to KRS 45.763.		
15	086. Asset Preservation Pool - 2022-2024 Reauthorization (\$24,566,000 Restricted		
16	Funds)		
17	087. Lease - Medical Center One		
18	088. Lease - Kidney Dialysis Center		
19	089. Lease - Nucleus 1 Building		
20	090. Lease - University Pointe		
21	091. Lease - Cardinal Towne		
22	092. Lease - Province Apartments		
23	093. Lease - Trager Institute		
24	094. Lease - 1212 S. 4th St, Louisville, KY		
25	095. Lease - Liberty Green Community Center		
26	096. Lease - Western Kentucky Community and Technical College		
27	097. Lease - Denny Crum Hall		

- 1 **098.** Lease - Soccer Stadium
- 2 **099.** Lease - Founders Square
- 3 **100.** Lease - Cardinal Station - Human Resources and Risk Management
- 4 **101.** Lease - Rowan Building - A&S Fine Arts
- 5 **102.** Lease - Academic Space 1
- 6 **103.** Lease - Academic Space 2
- 7 **104.** Lease - Arthur Street - Tafel Building
- 8 **105.** Lease - Athletic/Student Dormitory
- 9 **106.** Lease - Housing Facilities
- 10 **107.** Lease - Housing 1
- 11 **108.** Lease - Housing 2
- 12 **109.** Lease - Housing 3
- 13 **110.** Lease - Housing 4
- 14 **111.** Lease - Jefferson County Clinic Space - State of Kentucky
- 15 **112.** Lease - Jefferson County Clinic Space 1
- 16 **113.** Lease - Jefferson County Clinic Space 2
- 17 **114.** Lease - Jefferson County Clinic Space 3
- 18 **115.** Lease - Jefferson County - Office Space 1
- 19 **116.** Lease - Jefferson County - Office Space 2
- 20 **117.** Lease - Jefferson County - Office Space 3
- 21 **118.** Lease - Jefferson County - Office Space 4
- 22 **119.** Lease - Medical Center One 2
- 23 **120.** Lease - Nucleus 1 Building 2
- 24 **121.** Lease - Support Space 1
- 25 **122.** Lease - Cardinal Station - Development Office
- 26 **10. WESTERN KENTUCKY UNIVERSITY**
- 27 **001.** Asset Preservation Pool - 2024-2026

1	Bond Funds	28,581,000	28,581,000
2	002. Replace Academic Complex		
3	Bond Funds	160,000,000	-0-
4	003. Renovate Center for Research and Development Phase I		
5	Restricted Funds	6,000,000	-0-
6	Other Funds	6,000,000	-0-
7	TOTAL	12,000,000	-0-
8	004. Reauthorize WKU Asset Preservation Restricted Match		
9	Restricted Funds	10,212,000	-0-
10	005. Construct Parking Structure IV Additional Reauthorization (\$25,000,000		
11	Agency Bonds)		
12	Agency Bonds	10,000,000	-0-
13	006. Renovate and Expand Clinical Education Complex		
14	Other Funds	10,000,000	-0-
15	007. Expand Track and Field Facilities		
16	Other Funds	6,500,000	-0-
17	008. Renovate South Campus		
18	Restricted Funds	6,000,000	-0-
19	009. Construct Baseball Grandstand		
20	Other Funds	6,000,000	-0-
21	010. Renovate/Expand Cliff Todd Center		
22	Agency Bonds	6,000,000	-0-
23	011. Construct Football Press Box		
24	Other Funds	6,000,000	-0-
25	012. Acquire Furniture, Fixtures, and Equipment Diddle Arena		
26	Other Funds	5,000,000	-0-
27	013. Acquire Furniture Fixtures & Equipment Pool		

1	Restricted Funds	5,000,000	-0-
2	014. Remove and Replace Student Housing at Farm		
3	Other Funds	5,000,000	-0-
4	015. Add Club Seating at Diddle Arena		
5	Other Funds	5,000,000	-0-
6	016. Enhance Avenue of Champions Streetscaping		
7	Restricted Funds	2,000,000	-0-
8	Other Funds	2,000,000	-0-
9	TOTAL	4,000,000	-0-
10	017. Construct South Plaza		
11	Other Funds	3,600,000	-0-
12	018. Purchase Property/Parking and Street Improve		
13	Restricted Funds	3,000,000	-0-
14	019. Purchase Property for Campus Expansion		
15	Restricted Funds	3,000,000	-0-
16	020. Acquire Furniture, Fixtures, and Equipment for Hilltopper Fieldhouse		
17	Other Funds	3,000,000	-0-
18	021. Install New Turf on Athletic Fields		
19	Other Funds	3,000,000	-0-
20	022. Renovate State/Normal Street Properties		
21	Restricted Funds	2,000,000	-0-
22	023. Asset Preservation - 2022-2024 Reauthorization (\$10,212,000 Restricted		
23	Funds)		
24	024. Construct New Gordon Ford College of Business Additional Reauthorization		
25	(\$74,400,000 Bond Funds, \$25,000,000 Agency Bonds)		
26	025. Construct, Renovate, and Improve Athletics Facilities Reauthorization		
27	(\$8,434,300 Agency Bonds)		

1	026. Guaranteed Energy Savings Performance Contracts		
2	027. Lease - Alumni Center		
3	028. Lease - Parking Garage		
4	029. Lease - Nursing/Physical Therapy		
5	11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM		
6	001. Asset Preservation Pool - 2024-2026		
7	Bond Funds	35,500,000	35,500,000
8	002. Efficient Operations and Innovation Plan		
9	Bond Funds	-0-	90,000,000
10	003. Renovate Occupational Technical Building Phase II - Elizabethtown CTC		
11	Bond Funds	44,000,000	-0-
12	004. Construct Quad and Green Space - Jefferson CTC		
13	Restricted Funds	8,000,000	-0-
14	005. Construct Fire Academy Dormitory - Fire Commission		
15	Restricted Funds	7,800,000	-0-
16	006. Expand Culinary Arts Program - Elizabethtown CTC		
17	Restricted Funds	5,000,000	-0-
18	007. Property Acquisition Pool - Fire Commission - 2024-2026		
19	Restricted Funds	5,000,000	-0-
20	008. KCTCS Equipment Pool - 2024-2026		
21	Restricted Funds	2,500,000	-0-
22	Federal Funds	2,500,000	-0-
23	TOTAL	5,000,000	-0-
24	009. KCTCS Property Acquisition Pool - 2024-2026		
25	Restricted Funds	5,000,000	-0-
26	010. Acquisition of System Office Building		
27	Restricted Funds	4,000,000	-0-

1	011. Construct Multicultural Center Atrium Enclosure - JCTC		
2	Restricted Funds	3,000,000	-0-
3	012. Procure Training Equipment - Fire Commission		
4	Restricted Funds	2,000,000	-0-
5	013. Construct Fire Academy Maintenance Building - Fire Commission		
6	Restricted Funds	2,000,000	-0-
7	014. Acquire and Improve Parking Lots - JCTC - Additional Reauthorization		
8	(\$5,000,000 Restricted Funds)		
9	Restricted Funds	2,000,000	-0-
10	015. Procure CDL Simulators - Gateway CTC		
11	Restricted Funds	800,000	-0-
12	016. Asset Preservation Pool - 2022-2024 Reauthorization (\$26,890,000 Restricted		
13	Funds)		
14	017. Lease - Elizabethtown CTC - Hardin County		
15	018. Lease - Jefferson CTC - Bullitt County Campus		
16	019. Lease - Jefferson CTC - Jefferson Education Center		
17	020. Lease - KCTCS System Office		

J. PUBLIC PROTECTION CABINET

19	Budget Unit	2024-25	2025-26
20	1. HOUSING, BUILDINGS AND CONSTRUCTION		
21	001. Modernize Application System		
22	Restricted Funds	1,944,000	1,644,000

K. TOURISM, ARTS AND HERITAGE CABINET

24	Budget Units	2024-25	2025-26
25	1. ARTISANS CENTER		
26	001. Maintenance Pool - 2024-2026		
27	Investment Income	500,000	500,000

1	2. PARKS		
2	001. Maintenance Pool - 2024-2026		
3	Investment Income	10,000,000	10,000,000
4	002. Utility Infrastructure Replacement Phase 2		
5	Bond Funds	25,000,000	20,000,000
6	003. Wastewater Treatment Plant System Upgrades - Multiple Parks		
7	Bond Funds	9,000,000	9,000,000
8	004. Jenny Wiley Marina Reconstruction		
9	Bond Funds	-0-	12,200,000
10	005. JJ Audubon Beach House Conversion		
11	Bond Funds	1,045,000	-0-
12	006. Kenlake Structure Refurbishment (Cherokee)		
13	Bond Funds	1,500,000	-0-
14	007. Cumberland Falls Lodge Room Upgrade/Reconfiguration		
15	Bond Funds	1,500,000	8,500,000
16	008. Lake Barkley - Lodge Wing Exterior Repair		
17	Bond Funds	2,000,000	4,000,000
18	009. Yatesville Marina Replacement		
19	Bond Funds	1,000,000	14,000,000
20	010. JJ Audubon New Conference Center		
21	Bond Funds	3,125,000	4,375,000
22	011. Big Bone Lick State Park Nature Center		
23	Restricted Funds	3,125,000	-0-
24	012. Conference Center Upgrades		
25	Bond Funds	3,065,000	-0-
26	013. Lake Barkley Fitness Center Upgrades		
27	Bond Funds	3,000,000	-0-

1	014. Perryville ADA Accessible Restroom Facility		
2	Restricted Funds	1,545,000	-0-
3	015. Jenny Wiley New Archery Center		
4	Bond Funds	1,450,000	-0-
5	016. Pennyriple Beach Complex Repair/Upgrade		
6	Bond Funds	1,200,000	-0-
7	3. HORSE PARK COMMISSION		
8	001. Maintenance Pool - 2024-2026		
9	Bond Funds	1,500,000	1,500,000
10	4. STATE FAIR BOARD		
11	001. Kentucky Exposition Center Paving Pool		
12	Bond Funds	10,000,000	-0-
13	002. Construct Kentucky Exposition Center Dirt/Salt Storage Facility		
14	Investment Income	500,000	-0-
15	003. Maintenance Pool - 2024-2026		
16	Investment Income	3,000,000	3,000,000
17	004. Backup Power Supply		
18	Bond Funds	30,000,000	-0-
19	005. Upgrade Air Handling and Filtration System		
20	Bond Funds	2,000,000	2,000,000
21	006. Replace IT Infrastructure		
22	Bond Funds	2,100,000	-0-
23	007. Land Acquisition		
24	Investment Income	1,090,000	-0-
25	008. Kentucky Exposition Center Redevelopment Plan Phase II		
26	Bond Funds	-0-	212,709,000
27	5. FISH AND WILDLIFE RESOURCES		

1	001. Fees-in-Lieu-of Stream Mitigation Projects Pool		
2	Restricted Funds	64,500,000	48,600,000
3	002. Construct Camp Earl Wallace Dining Hall		
4	Restricted Funds	1,935,000	-0-
5	Federal Funds	2,565,000	-0-
6	TOTAL	4,500,000	-0-
7	003. Cumberland Forest Conservation Program/Ataya		
8	Federal Funds	6,650,000	-0-
9	004. Construct Lakes and Streams Building		
10	Restricted Funds	430,000	-0-
11	Federal Funds	1,173,000	-0-
12	TOTAL	1,603,000	-0-
13	005. Ballard Wildlife Management Area Big Pump - Additional		
14	Federal Funds	4,125,000	-0-
15	Other Funds	1,375,000	-0-
16	TOTAL	5,500,000	-0-
17	006. Construct Critical Species Investigation Building		
18	Federal Funds	1,602,000	-0-
19	007. Construct Veterans' Memorial Shooting Range		
20	Restricted Funds	400,000	-0-
21	Federal Funds	3,600,000	-0-
22	TOTAL	4,000,000	-0-
23	008. Maintenance Pool - 2024-2026		
24	Restricted Funds	1,500,000	1,500,000
25	Federal Funds	1,500,000	1,500,000
26	TOTAL	3,000,000	3,000,000
27	6. HISTORICAL SOCIETY		

1	001. Kentucky Old State Capitol Preservation		
2	Bond Funds	1,192,000	993,000
3	Other Funds	105,000	64,000
4	TOTAL	1,297,000	1,057,000

5 **7. KENTUCKY CENTER FOR THE ARTS**

6	001. Maintenance Pool - 2024-2026		
7	Investment Income	550,000	550,000
8	002. Renovate Building to Improve Security		
9	Investment Income	625,000	900,000

10 **PART III**

11 **GENERAL PROVISIONS**

12 **1. Funds Designations:** Restricted Funds designated in the biennial budget bills
13 are classified in the state financial records and reports as the Agency Revenue Fund, State
14 Enterprise Funds (State Parks, State Fair Board, Insurance Administration, and Kentucky
15 Horse Park), Internal Services Funds (Fleet Management, Computer Services,
16 Correctional Industries, Central Printing, Risk Management, and Property Management),
17 and selected Fiduciary Funds (Other Expendable Trust Funds). Separate fund records and
18 reports shall be maintained in a manner consistent with the branch budget bills.

19 The sources of Restricted Funds appropriations in this Act shall include all fees
20 (which includes fees for room and board, athletics, and student activities) and rentals,
21 admittances, sales, bond proceeds, licenses collected by law, gifts, subventions,
22 contributions, income from investments, and other miscellaneous receipts produced or
23 received by a budget unit, except as otherwise specifically provided, for the purposes,
24 use, and benefit of the budget unit as authorized by law. Restricted Funds receipts shall
25 be credited and allotted to the respective fund or account out of which a specified
26 appropriation is made in this Act. All receipts of Restricted Funds shall be deposited in
27 the State Treasury and credited to the proper account as provided in KRS Chapters 12,

1 42, 45, and 48.

2 The sources of Federal Funds appropriations in this Act shall include federal
3 subventions, grants, contracts, or other Federal Funds received, income from investments,
4 other miscellaneous federal receipts received by a budget unit, and the Unemployment
5 Compensation Fund, except as otherwise provided, for the purposes, use, and benefit of
6 the budget unit as authorized by law. Federal Funds receipts shall be credited and allotted
7 to the respective fund account out of which a specified appropriation is made in this Act.
8 All Federal Funds receipts shall be deposited in the State Treasury and credited to the
9 proper account as provided in KRS Chapters 12, 42, 45, and 48.

10 **2. Expenditure of Excess Restricted Funds or Federal Funds Receipts:** If
11 receipts received or credited to the Restricted Funds accounts or Federal Funds accounts
12 of a budget unit during fiscal year 2024-2025 or fiscal year 2025-2026, and any balance
13 forwarded to the credit of these same accounts from the previous fiscal year, exceed the
14 appropriation made by a specific sum for these accounts of the budget unit as provided in
15 Part I, Operating Budget, of this Act, for the fiscal year in which the excess occurs, the
16 excess funds in the accounts of the budget unit shall become available for expenditure for
17 the purpose of the account during the fiscal year only upon compliance with the
18 conditions and procedures specified in KRS 48.400, 48.500, 48.600, 48.605, 48.620,
19 48.630, 48.730, and 48.800, and with the authorization of the State Budget Director and
20 approval of the Secretary of the Finance and Administration Cabinet.

21 Prior to authorizing the appropriation of any excess, unbudgeted Restricted Funds
22 pursuant to this section, the State Budget Director and the Secretary of the Finance and
23 Administration Cabinet shall review the adequacy of the General Fund Surplus Account
24 with respect to its availability to support authorized expenditures from the General Fund
25 Surplus Account, known as Necessary Government Expenses. If General Fund Surplus
26 Account moneys are determined by this review to be adequate to meet known or
27 anticipated Necessary Government Expenses during fiscal year 2024-2025 or fiscal year

1 2025-2026, respectively, then the appropriation increase may be approved. If the review
2 indicates that there are insufficient funds available or reasonably estimated to become
3 available to the General Fund Surplus Account to meet known or projected Necessary
4 Government Expenses for the fiscal years enumerated above, the State Budget Director
5 and the Secretary of the Finance and Administration Cabinet may disapprove the request
6 for additional Restricted Funds expenditure authority and may direct the excess
7 Restricted Funds identified to the General Fund Surplus Account in order to meet
8 Necessary Government Expense obligations. The results of any review shall be reported
9 to the Interim Joint Committee on Appropriations and Revenue in accordance with KRS
10 48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630, 48.730, and 48.800.

11 Any request made by a budget unit pursuant to KRS 48.630 that relates to
12 Restricted Funds or Federal Funds shall include documentation showing a comparative
13 statement of revised estimated receipts by fund source and the proposed expenditures by
14 proposed use, with the appropriated sums specified in the Budget of the Commonwealth,
15 and statements which explain the cause, source, and use for any variances which may
16 exist.

17 Notwithstanding KRS 48.630(2), any request for allotment of unbudgeted
18 appropriations from any fund source shall be made in writing 14 days in advance of any
19 allotment revision by the head of the budget unit and transmitted simultaneously to the
20 State Budget Director and the Interim Joint Committee on Appropriations and Revenue.
21 The State Budget Director shall report all approved revisions of unbudgeted
22 appropriations to the Interim Joint Committee on Appropriations and Revenue within 14
23 days of the revision. This report shall include analysis, including but not limited to the
24 amount, necessity, remaining unbudgeted funds, and anticipated future needs for
25 unbudgeted funds.

26 Each budget unit shall submit its reports in print and electronic format consistent
27 with the Restricted Funds and Federal Funds records contained in the fiscal biennium

1 2024-2026 Branch Budget Request Manual and according to the following schedule in
2 each fiscal year: (a) on or before the beginning of each fiscal year; (b) on or before
3 October 1; (c) on or before January 1; and (d) on or before April 1.

4 **3. Interim Appropriation Increases:** No appropriation from any fund source
5 shall exceed the sum specified in this Act until the agency has documented the necessity,
6 purpose, use, and source, and the documentation has been submitted to the Interim Joint
7 Committee on Appropriations and Revenue for its review and action in accordance with
8 KRS 48.630 and Section 2. of this Part. Proposed revisions to an appropriation contained
9 in the enacted State/Executive Branch Budget or allotment of an unbudgeted
10 appropriation shall conform to the conditions and procedures of KRS 48.630 and this
11 Act.

12 **4. Revision of Appropriation Allotments:** Allotments within appropriated
13 sums for the activities and purposes contained in the enacted State/Executive Branch
14 Budget shall conform to KRS 48.610 and may be revised pursuant to KRS 48.605 and
15 this Act.

16 **5. Permitted Appropriation Obligations:** No state agency, cabinet,
17 department, office, or program shall incur any obligation against the General Fund or
18 Road Fund appropriations contained in this Act unless the obligation may be reasonably
19 determined to have been contemplated in the enacted State/Executive Branch Budget and
20 is based upon supporting documentation considered by the General Assembly and
21 legislative and executive records.

22 **6. Lapse of General Fund or Road Fund Appropriations Supplanted by**
23 **Federal Funds:** Notwithstanding KRS 45.229, any General Fund appropriation made in
24 anticipation of a lack, loss, or reduction of Federal Funds shall lapse to the Budget
25 Reserve Trust Fund Account (KRS 48.705) to the extent the Federal Funds otherwise
26 become available. Any Road Fund appropriation made in anticipation of a lack, loss, or
27 reduction of Federal Funds shall lapse to the Road Fund Surplus Account to the extent

1 the Federal Funds otherwise become available.

2 **7. Federally Funded Agencies:** A state agency entitled to Federal Funds, which
3 would represent 100 percent of the cost of a program, shall conform to KRS 48.730.

4 **8. Lapse of General Fund or Road Fund Excess Debt Service**
5 **Appropriations:** Notwithstanding KRS 48.720, any excess General Fund debt service
6 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705) unless otherwise
7 directed in this Act. Pursuant to KRS 48.720, any excess Road Fund debt service shall
8 lapse to the Road Fund Surplus Account unless otherwise directed in this Act.

9 **9. Statutes in Conflict:** All statutes and portions of statutes in conflict with any
10 of the provisions of this Act, to the extent of the conflict, are suspended unless otherwise
11 provided by this Act.

12 **10. Interpretation of Appropriations:** Notwithstanding KRS 48.500, all
13 questions that arise in interpreting this Act and the Transportation Cabinet budget shall be
14 decided by the Attorney General, and the decision of the Attorney General shall be final
15 and conclusive.

16 **11. Publication of the Budget of the Commonwealth:** The State Budget
17 Director shall cause the Governor's Office for Policy and Management, within 60 days of
18 adjournment of the 2024 Regular Session of the General Assembly, to publish a final
19 enacted budget document, styled the Budget of the Commonwealth, based upon the
20 Legislative Branch Budget, State/Executive Branch Budget, Transportation Cabinet
21 Budget, and Judicial Branch Budget as enacted by the 2024 Regular Session, as well as
22 other Acts which contain appropriation provisions for the 2024-2026 fiscal biennium, and
23 based upon supporting documentation and legislative records as considered by the 2024
24 Regular Session. This document shall include, for each agency and budget unit, a
25 consolidated budget summary statement of available regular and continuing appropriated
26 revenue by fund source, corresponding appropriation allocations by program or
27 subprogram as appropriate, budget expenditures by principal budget class, and any other

1 fiscal data and commentary considered necessary for budget execution by the Governor's
2 Office for Policy and Management and oversight by the Interim Joint Committee on
3 Appropriations and Revenue. The enacted State/Executive Branch Budget and
4 Transportation Cabinet Budget shall be revised or adjusted only upon approval by the
5 Governor's Office for Policy and Management as provided in each Part of this Act and by
6 KRS 48.400 to 48.810, and upon review and approval by the Interim Joint Committee on
7 Appropriations and Revenue.

8 **12. State Financial Condition:** Pursuant to KRS 48.400, the State Budget
9 Director shall monitor and report on the financial condition of the Commonwealth.

10 **13. Prorating Administrative Costs:** The Secretary of the Finance and
11 Administration Cabinet is authorized to establish a system or formula or a combination of
12 both for prorating the administrative costs of the Finance and Administration Cabinet, the
13 Department of the Treasury, and the Office of the Attorney General relative to the
14 administration of programs in which there is joint participation by the state and federal
15 governments for the purpose of receiving the maximum amount of participation
16 permitted under the appropriate federal laws and regulations governing the programs. The
17 receipts and allotments under this section shall be reported to the Interim Joint
18 Committee on Appropriations and Revenue prior to any transfer of funds.

19 **14. Construction of Budget Provisions Regarding Executive Reorganization**
20 **Orders:** Nothing in this Act shall be construed to confirm or ratify, under KRS 12.028,
21 any executive reorganization order unless the executive order was confirmed or ratified
22 by appropriate amendment to the Kentucky Revised Statutes in another Act of the 2024
23 Regular Session of the General Assembly.

24 **15. Executive Orders:** For the purpose of ensuring transparent government, the
25 Governor shall provide a comprehensive report to the Legislative Research Commission
26 simultaneously with each and every executive order issued pertaining to:

27 (1) Authorizing the expenditure of state funds over \$10,000;

- 1 (2) Establishing or altering the organization of state agencies;
- 2 (3) Establishing or altering the services provided by state government; or
- 3 (4) Establishing a new program or altering an existing program administered by
- 4 state government.

5 The comprehensive report shall contain the following items:

- 6 (1) A complete statement of each essential fact upon which the order is based;
- 7 (2) A complete statement of each goal sought through issuance of the order;
- 8 (3) A comprehensive analysis explaining how the executive order achieves each
- 9 stated goal with the least burden placed upon the constitutional rights of the citizens of
- 10 the Commonwealth of Kentucky and how each stated goal is accomplished with the most
- 11 efficient use of taxpayer money;
- 12 (4) A detailed estimate of the anticipated expenditures of all state funds and all
- 13 state employee time required for implementation or enforcement itemized in the smallest
- 14 categories reasonably identifiable and stated in weekly increments; and
- 15 (5) A detailed statement of all state funds and all state employee time actually
- 16 expended for implementation or enforcement of each and every prior executive order
- 17 upon the same issue or event or substantially similar issue or event itemized in the
- 18 smallest categories reasonably identifiable and stated in weekly increments.

19 Each comprehensive report shall be updated every 30 days subsequent to issuance

20 of an executive order and shall be provided to the Legislative Research Commission.

21 Notwithstanding any statute to the contrary, except as provided in this Act, no state

22 funds or state employee time shall be expended by any person or agency to implement or

23 enforce any executive order issued other than as authorized by KRS Chapters 39A to

24 39F, as amended by 2021 Regular Session SB 1 and further amended by subsequent acts

25 of the 2021 General Assembly, or other than as may be implemented or enforced for a

26 total sum not exceeding \$100,000, inclusive of all state employee time and costs, or other

27 than as may relate to an emergency order issued relative to a natural disaster, or other

1 than as may be approved by the General Assembly.

2 **16. Tax Expenditure Revenue Loss Estimates:** By September 1 of each fiscal
3 year, the Office of State Budget Director shall provide to each branch of government
4 detailed estimates for the General Fund and Road Fund for the current and next two fiscal
5 years of the revenue loss resulting from tax expenditures. The Department of Revenue
6 shall provide assistance and furnish data, which is not restricted by KRS 131.190. "Tax
7 expenditure" as used in this section means an exemption, exclusion, or deduction from
8 the base of a tax, a credit against the tax, a deferral of a tax, or a preferential tax rate. The
9 estimates shall include for each tax expenditure the amount of revenue loss, a citation of
10 the legal authority for the tax expenditure, the year in which it was enacted, and the tax
11 year in which it became effective.

12 **17. Duplicate Appropriations:** Any appropriation item and sum in Parts I to X
13 of this Act and in an appropriation provision in any Act of the 2024 Regular Session
14 which constitutes a duplicate appropriation shall be governed by KRS 48.312.

15 **18. Priority of Individual Appropriations:** KRS 48.313 shall control when a
16 total or subtotal figure in this Act conflicts with the sum of the appropriations of which it
17 consists.

18 **19. Severability of Budget Provisions:** Appropriation items and sums in Parts I
19 to X of this Act shall conform to KRS 48.311. If any section, any subsection, or any
20 provision is found by a court of competent jurisdiction in a final, unappealable order to be
21 invalid or unconstitutional, the decision of the courts shall not affect or impair any of the
22 remaining sections, subsections, or provisions.

23 **20. Unclaimed Lottery Prize Money:** For fiscal year 2024-2025 and fiscal year
24 2025-2026, all unclaimed lottery prize money under KRS 154A.110(3) shall be credited
25 to the Kentucky Educational Excellence Scholarship Reserve Account to be held as a
26 subsidiary account within the Finance and Administration Cabinet for the purpose of
27 funding the KEES Program as appropriated in this Act. If the Kentucky Higher Education

1 Assistance Authority certifies to the State Budget Director that the appropriations in this
2 Act for the KEES Program under the existing award schedule are insufficient to meet
3 funds required for eligible applicants, then the State Budget Director shall provide the
4 necessary allotment of funds in the balance of the KEES Reserve Account to fund the
5 KEES Program. Actions taken under this section shall be reported to the Interim Joint
6 Committee on Appropriations and Revenue on a timely basis.

7 **21. Workers' Compensation:** Notwithstanding KRS 342.340(1) and 803 KAR
8 25:021, Section 4, the Personnel Cabinet shall be exempt from procuring excess risk
9 insurance in fiscal year 2024-2025 and fiscal year 2025-2026 for the Workers'
10 Compensation Benefits and Reserve Program administered by the Cabinet.

11 **22. Carry Forward and Undesignated General Fund and Road Fund Carry**
12 **Forward:** Notwithstanding KRS 48.700 and 48.705, and other Parts of this Act, the
13 Secretary of the Finance and Administration Cabinet shall determine and certify, within
14 30 days of the close of fiscal year 2023-2024 and fiscal year 2024-2025, the actual
15 amount of undesignated balance of the General Fund and the Road Fund for the year just
16 ended. The amounts from the undesignated fiscal year 2023-2024 and fiscal year 2024-
17 2025 General Fund and Road Fund balances that are designated and carried forward for
18 budgeted purposes in the 2024-2026 fiscal biennium shall be determined by the State
19 Budget Director during the close of the respective fiscal year and shall be reported to the
20 Interim Joint Committee on Appropriations and Revenue within 30 days of the close of
21 the fiscal year. Any General Fund undesignated balance in excess of the amount
22 designated for budgeted purposes under this section shall be made available for the
23 General Fund Surplus Expenditure Plan contained in Part VII of this Act unless otherwise
24 provided in this Act. The Road Fund undesignated balance in excess of the amount
25 designated for budgeted purposes under this section shall be made available for the Road
26 Fund Surplus Expenditure Plan contained in Part IX of this Act unless otherwise
27 provided in this Act.

1 **23. Reallocation of Appropriations Among Budget Units:** Notwithstanding any
2 statute to the contrary, or provisions of this Act, the Secretary of a Cabinet, the
3 Commissioner of the Department of Education, and other agency heads may request a
4 reallocation among budget units under his or her administrative authority up to five
5 percent of General Fund appropriations contained in Part I, Operating Budget, of this Act
6 for fiscal years 2023-2024, 2024-2025, and 2025-2026 for approval by the State Budget
7 Director. A request shall explain the need and use for the transfer authority under this
8 section. The amount of transfer of General Fund appropriations shall be separately
9 recorded and reported in the system of financial accounts and reports provided in KRS
10 Chapter 45. The State Budget Director shall report a transfer made under this section, in
11 writing, to the Interim Joint Committee on Appropriations and Revenue.

12 **24. Budget Implementation:** The General Assembly directs that the Executive
13 Branch shall carry out all appropriations and budgetary language provisions as contained
14 in the State/Executive Branch Budget. The Legislative Research Commission shall
15 review quarterly expenditure data to determine if an agency is out of compliance with this
16 directive. If the Legislative Research Commission suspects that any entity has acted in
17 non-conformity with this section, the Legislative Research Commission may order an
18 audit or review at the agency's expense. Such audit findings, reviews, and reports shall be
19 subject to the Kentucky Open Records Law. The Secretary of each Cabinet, the
20 Commissioner of Education, or agency head shall provide a comprehensive semiannual
21 report, beginning February 1, 2025, to the standing Appropriations and Revenue
22 Committees of the General Assembly or the Interim Joint Committee on Appropriations
23 and Revenue, as appropriate, detailing expenditures related to the appropriations
24 contained within the budgetary language provisions for each budget unit within their
25 cabinet. If an agency does not expend the full General Fund appropriation contained
26 within a budgetary language provision, the unexpended funds shall be transferred to the
27 Budget Reserve Trust Fund Account (KRS 48.705).

1 **25. Appropriations Expenditure Purpose and Transfer Restrictions:** Funds
2 appropriated in this Act shall be expended only for the purposes specified and authorized
3 by the General Assembly in this Act. No funds appropriated in this Act shall be
4 transferred to or between any cabinet, department, board, commission, institution,
5 agency, or budget unit of state government unless specifically authorized by the General
6 Assembly in this Act and KRS 48.400 to 48.810. Semiannually, beginning February 1,
7 2025, the State Budget Director shall submit a letter to the Legislative Research
8 Commission certifying any known violations of any provision of this section for that six-
9 month period or any prior six-month period. Compliance with the provisions of this
10 section shall be reviewed and determined by the Interim Joint Committee on
11 Appropriations and Revenue.

12 **26. Information Technology:** All authorized computer information technology
13 projects shall submit a semiannual progress report to the Capital Projects and Bond
14 Oversight Committee. The reporting process shall begin six months after the project is
15 authorized and shall continue through completion of the project. The initial report shall
16 establish a timeline for completion and cash disbursement schedule. Each subsequent
17 report shall update the timeline and budgetary status of the project and explain in detail
18 any issues with completion date and funding.

19 **27. Equipment Service Contracts and Energy Efficiency Measures:** The
20 General Assembly mandates that the Finance and Administration Cabinet review all
21 equipment service contracts to maximize savings to the Commonwealth to strictly adhere
22 to the provisions of KRS 56.772, 56.782, and 56.784 in maximizing the use of energy
23 efficiency measures.

24 **28. Debt Restructuring:** Notwithstanding any other provision of the Kentucky
25 Revised Statutes, no General Fund or Road Fund debt restructuring transactions shall be
26 undertaken during the 2024-2026 fiscal biennium.

27 **29. Effects of Subsequent Legislation:** If any measure enacted during the 2024

1 Regular Session of the General Assembly subsequent to this Act contains an
2 appropriation or is projected to increase or decrease General Fund revenues, the amount
3 in the Budget Reserve Trust Fund shall be revised to accommodate the appropriation or
4 the reduction or increase in projected revenues. Notwithstanding any provision of KRS
5 48.120(3) and (4) to the contrary, the official enacted revenue estimates of the
6 Commonwealth described in KRS 48.120(4) shall be adjusted at the conclusion of the
7 2024 Regular Session of the General Assembly, respectively, to incorporate any
8 projected revenue increases or decreases that will occur as a result of actions taken by the
9 General Assembly subsequent to the passage of this Act by both chambers.

10 **30. Permitted Use of Water and Sewer Bond Funds:** Notwithstanding Part II,
11 (3) of this Act and any statute to the contrary, any balances remaining for either closed or
12 open project grant agreements authorized pursuant to bond pools set forth in 2003 Ky.
13 Acts ch. 156, Part II, A., 3., d. Water and Sewer Resources Development Fund for
14 Tobacco Counties and e. Water and Sewer Resources Development Fund For Coal
15 Producing Counties; 2005 Ky. Acts ch. 173, Part II, A., 3., 003. Infrastructure for
16 Economic Development Fund for Coal-Producing Counties and 004. Infrastructure for
17 Economic Development Fund for Tobacco Counties; 2006 Ky. Acts ch. 252, Part II, A.,
18 2., 003. Infrastructure for Economic Development Fund for Non-Coal Producing
19 Counties and 004. Infrastructure for Economic Development Fund for Coal-Producing
20 Counties; 2008 Ky. Acts ch. 123, Section 3., 004. Infrastructure for Economic
21 Development Fund for Coal-Producing Counties and 005. Infrastructure for Economic
22 Development Fund for Non-Coal Producing Counties; 2008 Ky. Acts ch. 174, Section 2.;
23 and 2009 Ky. Acts ch. 87, Section 2. shall not lapse and shall remain to the credit of
24 projects previously authorized by the General Assembly unless expressly reauthorized
25 and reallocated by action of the General Assembly.

26 **31. COVID-19 Federal Funds:** No Federal Funds received from the Coronavirus
27 Aid, Relief, and Economic Security (CARES) Act or any other Federal Funds related to

1 the COVID-19 emergency response shall be used to establish any new programs unless
2 those new programs can be fully supported from existing appropriation amounts once all
3 of the Federal Funds have been expended. No new positions shall be established unless
4 those new positions are established as federally funded time-limited positions. The Office
5 of State Budget Director shall submit a report to the Interim Joint Committee on
6 Appropriations and Revenue by December 1 of each fiscal year on the expenditure of all
7 Federal Funds and associated matching funds related to the COVID-19 emergency
8 response. Any unexpended Federal Funds that require an interim reallocation must be
9 approved by both the Governor and the State Treasurer.

10 **32. Approval of State Aircraft Travel:** Notwithstanding KRS 45.101, 174.508,
11 and any other statute or administrative regulation to the contrary, the use of state aircraft
12 by any secretary or other state official of any Executive Branch cabinet for out-of-state
13 travel shall be approved by the State Treasurer. The State Treasurer shall only approve
14 requests which document that the use of state aircraft is the lowest cost option as
15 measured by both travel costs and travel time. The State Treasurer shall not designate
16 approval authority for out-of-state travel on state aircraft by Executive Branch cabinet
17 secretaries or other state officials to any other person. Any requests and documentation
18 regarding the use of state aircraft collected by the State Treasurer shall be subject to the
19 Kentucky Open Records Act, KRS 61.870 to 61.884.

20 **33. Lapse of General Fund or Road Fund Appropriations Supplanted by**
21 **Pandemic Relief Funds:** Notwithstanding KRS 45.229, any General Fund
22 appropriations that become available due to supplantation of Federal Funds related to
23 COVID-19 emergency response or pandemic relief shall lapse to the Budget Reserve
24 Trust Fund Account (KRS 48.705). Any Road Fund appropriations that become available
25 due to supplantation of Federal Funds related to the COVID-19 emergency response or
26 pandemic relief shall lapse to the Emergency Disaster Relief Account.

27 **34. Federal Acts:** Notwithstanding KRS 48.630, Section 2. of this Part, and any

1 statute to the contrary, the state portion of the Coronavirus State and Local Fiscal
2 Recovery Fund and the Coronavirus Capital Projects Fund of the American Rescue Plan
3 Act of 2021 shall not be expended or appropriated without the express authority of the
4 General Assembly.

5 **35. Pandemic Relief Funds:** No Federal Funds received related to COVID-19
6 emergency response or pandemic relief shall be used to establish any new programs
7 unless those new programs can be fully supported from existing appropriation amounts
8 once all of the Federal Funds have been expended. No new positions shall be established
9 unless those new positions are established as federally funded time-limited positions. The
10 Office of State Budget Director shall prepare a monthly report for all federal pandemic
11 relief funds. The report shall include, at a minimum, the federal grant program name, the
12 recipient, the purpose of the funding, the total award amount, monthly detail of actual
13 expenditures by object code, and the fund source and amounts of any state funds that
14 have been supplanted. The report shall be submitted to the Legislative Research
15 Commission, Office of Budget Review, by the 15th of each month during the 2024-2026
16 fiscal biennium.

17 **36. Electronic Access to Budget Information:** In accordance with KRS 48.950,
18 the State Budget Director shall continue to work cooperatively with the Legislative
19 Research Commission to provide relevant budgetary information in a timely manner. To
20 ensure that this information is transmitted in its most useful format, the State Budget
21 Director shall provide electronic versions of all documents requested by the Legislative
22 Research Commission in an editable format in order for documents to be manipulated
23 without the use of specialized software. Electronic access shall also include the ability to
24 access and view, but not edit, documents contained in KBUD and all related or successor
25 budgetary systems of record.

26 **37. Motor Vehicles:** Notwithstanding any statute to the contrary, no agency,
27 department, air pollution control district, or political subdivision of the Commonwealth,

1 including the Transportation Cabinet, shall mandate the purchase of electric vehicles, and
2 no Request for Proposal shall limit purchasing of vehicles to solely electric vehicles.

3 **PART IV**

4 **STATE SALARY/COMPENSATION, BENEFIT, AND EMPLOYMENT POLICY**

5 **1. Authorized Personnel Complement:** On July 1, 2024, and July 1, 2025, the
6 Personnel Cabinet and the Office of State Budget Director shall establish a record for
7 each budget unit of authorized permanent full-time and other positions based upon the
8 enacted State/Executive Branch Budget of the Commonwealth and any adjustments
9 authorized by provisions in this Act. The total number of filled permanent full-time and
10 all other positions shall not exceed the authorized complements pursuant to this section.
11 An agency head may request an increase in the number of authorized positions to the
12 State Budget Director. Upon approval of the State Budget Director, the Secretary of the
13 Personnel Cabinet may authorize the employment of individuals in addition to the
14 authorized complement. A report of the actions authorized in this section shall be
15 provided to the Legislative Research Commission on a monthly basis.

16 **2. Salary Increment:** Notwithstanding KRS 18A.355, relating to anniversary
17 date, and notwithstanding KRS 156.808(6)(e), a three percent salary increase is provided,
18 effective July 1, 2024, and a three percent salary increase is provided, effective July 1,
19 2025, on the base salary or wages of each eligible state employee.

20 **3. Employee Cross-Reference:** The Personnel Cabinet may permit married
21 couples who are both eligible to participate in the state health insurance plan to be
22 covered under one family health benefit plan.

23 **4. Full-Time Positions:** Notwithstanding KRS 18A.005(18)(a), full-time
24 positions in the state parks, where the work assigned is dependent upon fluctuations in
25 tourism, may be assigned work hours from 25 hours per week and remain in full-time
26 positions.

27 **5. Employer Retirement Contribution Rates:** Notwithstanding KRS 61.565

1 and 61.702, the employer contribution rates for Kentucky Employees Retirement System
2 from July 1, 2024, through June 30, 2026, and except as otherwise provided in this Act,
3 shall be 23.74 percent, consisting of 23.74 percent for pension for hazardous duty
4 employees; for the same period, the employer contribution for employees of the State
5 Police Retirement System shall be 68.10 percent, consisting of 65.79 percent for pension
6 and 2.31 percent for health insurance. Notwithstanding any other provision of this Act or
7 KRS 61.565 or 61.702 to the contrary, the initial actuarially accrued liability employer
8 contribution rate from July 1, 2024, through June 30, 2026, for nonhazardous employees
9 in the Executive Branch departments shall be determined by the State Budget Director by
10 May 1, 2024. The employer contribution rate shall include the normal cost contribution
11 of 8.44 percent and be sufficient to adhere to the prorated amount of the actuarially
12 accrued liability to each individual nonhazardous employer as determined by the
13 Kentucky Employees Retirement System. The rates in this section apply to wages and
14 salaries earned for work performed during the described period regardless of when the
15 employee is paid for the time worked.

16 **6. Health Care Spending Account:** Notwithstanding KRS 18A.2254(2)(a) and
17 (b), if a public employee waives coverage provided by his or her employer under the
18 Public Employee Health Insurance Program, the employer shall forward a monthly
19 amount to be determined by the Secretary of the Personnel Cabinet for that employee as
20 an employer contribution to a health reimbursement account or a health flexible spending
21 account, but not less than \$175 per month, subject to any conditions or limitations
22 imposed by the Secretary of the Personnel Cabinet to comply with applicable federal law.
23 The administrative fees associated with a health reimbursement account or health flexible
24 spending account shall be an authorized expense to be charged to the Public Employee
25 Health Insurance Trust Fund.

26 **7. State Group Health Insurance Plan - Transfer Between Plan Years:**
27 Notwithstanding KRS 18A.2254, the Secretary of the Finance and Administration

1 Cabinet and the Secretary of the Personnel Cabinet are authorized to use the excess funds
2 from any prior plan year to satisfy claims or expenses in Plan Year 2021, Plan Year 2022,
3 Plan Year 2023, Plan Year 2024, Plan Year 2025, and Plan Year 2026.

4 **8. State Group Health Insurance Plan – Plan Year Closure:** Notwithstanding
5 KRS 18A.2254, Plan Year 2020 shall be considered closed as of June 30, 2024, and the
6 balance from that Plan Year shall be transferred to Plan Year 2021. All other income and
7 expenses attributable to the closed Plan Year shall be deposited in or charged to the Plan
8 Year 2021 account after that date.

9 **PART V**

10 **FUNDS TRANSFER**

11 The General Assembly finds that the financial condition of state government
12 requires the following action.

13 Notwithstanding the statutes or requirements of the Restricted Funds enumerated
14 below, there is transferred to the General Fund the following amounts in fiscal year 2024-
15 2025 and fiscal year 2025-2026:

16 **2024-25** **2025-26**

17 **A. ENERGY AND ENVIRONMENT**

18 **1. Secretary**

19	Kentucky Pride Trust Fund	227,900	209,000
20	(KRS 224.43-505(2)(a)3.)		

21 Notwithstanding KRS 224.43-505(2)(a)3., these funds transfers to the General Fund
22 support the General Fund debt service on the bonds sold as appropriated by 2003 Ky.
23 Acts ch. 156, Part II, A., 3., c.

24 **B. JUSTICE AND PUBLIC SAFETY**

25 **1. Criminal Justice Training**

26	Criminal Justice Training	2,301,000	2,301,000
27	(KRS 15.430 and 136.392(2))		

1 Notwithstanding KRS 15.430 and 136.392(2), these funds transfers to the General
 2 Fund support the General Fund debt service for the capital project in 2022 Ky. Acts ch.
 3 199, Part II, H., 2., 002.

4 TOTAL - FUNDS TRANSFER 2,528,900 2,510,000

5 **PART VI**

6 **GENERAL FUND BUDGET REDUCTION PLAN**

7 Pursuant to KRS 48.130 and 48.600, a General Fund Budget Reduction Plan is
 8 enacted for state government in the event of an actual or projected revenue shortfall in
 9 General Fund revenue receipts, excluding Tobacco Settlement – Phase I receipts, of
 10 \$15,554,500,000 in fiscal year 2023-2024, \$15,549,500,000 in fiscal year 2024-2025, and
 11 \$15,643,600,000 in fiscal year 2025-2026, as modified pursuant to Part III, 29. of this Act
 12 and by related Acts and actions of the General Assembly in any subsequent extraordinary
 13 or regular session. Notwithstanding KRS 48.130, direct services, obligations essential to
 14 the minimum level of constitutional functions, and other items that may be specified in
 15 this Act, are exempt from the requirements of this Plan. Each branch head shall prepare a
 16 specific plan to address the proportionate share of the General Fund revenue shortfall
 17 applicable to the respective branch. No budget revision action shall be taken by a branch
 18 head in excess of the actual or projected revenue shortfall.

19 The Governor, the Secretary of State, the Attorney General, the Treasurer, the
 20 Commissioner of Agriculture, the Auditor of Public Accounts, the Chief Justice, and the
 21 Legislative Research Commission shall direct and implement reductions in allotments
 22 and appropriations only for their respective branch budget units as may be necessary, as
 23 well as take other measures which shall be consistent with the provisions of this Part and
 24 biennial branch budget bills.

25 Pursuant to KRS 48.130(4), in the event of a revenue shortfall of five percent or
 26 less, the following General Fund budget reduction actions shall be implemented:

- 27 (1) The Local Government Economic Assistance Fund and the Local Government

1 Economic Development Fund shall be adjusted by the Secretary of the Finance and
2 Administration Cabinet to equal revised estimates of receipts pursuant to KRS 42.4582 as
3 modified by the provisions of this Act;

4 (2) Transfers of excess unappropriated Restricted Funds, notwithstanding any
5 statutes to the contrary, other than fiduciary funds, to the General Fund shall be applied
6 as determined by the head of each branch for its respective budget units. No transfers to
7 the General Fund shall be made from the following:

8 (a) Local Government Economic Assistance Fund and Local Government
9 Economic Development Fund;

10 (b) Unexpended debt service from the Tobacco-Settlement Phase I Funds,
11 including but not limited to unexpended debt service and the Tobacco Unbudgeted
12 Interest Income-Rural Development Trust Fund, in either fiscal year; and

13 (c) The Kentucky Permanent Pension Fund;

14 (3) Unexpended debt service;

15 (4) Any unanticipated Phase I Master Settlement Agreement revenues in both
16 fiscal years shall be appropriated according to Part X of this Act and shall not be
17 transferred to the General Fund;

18 (5) Use of the unappropriated balance of the General Fund surplus shall be
19 applied;

20 (6) Any language provision that expresses legislative intent regarding a specific
21 appropriation shall not be reduced by a greater percentage than the reduction to the
22 General Fund appropriation for that budget unit;

23 (7) Contributions appropriated to pensions in excess of statutory requirements;

24 (8) Contributions appropriated to pension insurance in excess of actuarially
25 required contributions;

26 (9) Reduce General Fund appropriations in Executive Branch agencies' operating
27 budget units by a sufficient amount to balance either fiscal year. No reductions of

1 General Fund appropriations shall be made from the Local Government Economic
2 Assistance Fund or the Local Government Economic Development Fund;

3 (10) Notwithstanding subsection (9) of this Part, no reductions shall be made to the
4 Secretary of State, the Attorney General, the Treasurer, the Commissioner of Agriculture,
5 or the Auditor of Public Accounts, or their offices, Commonwealth's Attorneys or their
6 offices, or County Attorneys or their offices. The Governor may request their
7 participation in a budget reduction; however, the level of participation shall be at the
8 discretion of the Constitutional Officer or the Prosecutors Advisory Council, and shall
9 not exceed the actual percentage of revenue shortfall;

10 (11) Excess General Fund appropriations which accrue as a result of personnel
11 vacancies and turnover, and reduced requirements for operating expenses, grants, and
12 capital outlay shall be determined and applied by the heads of the executive, judicial, and
13 legislative departments of state government for their respective branches. The branch
14 heads shall certify the available amounts which shall be applied to budget units within the
15 respective branches and shall promptly transmit the certification to the Secretary of the
16 Finance and Administration Cabinet and the Legislative Research Commission. The
17 Secretary of the Finance and Administration Cabinet shall execute the certified actions as
18 transmitted by the branch heads.

19 Branch heads shall take care, by their respective actions, to protect, preserve, and
20 advance the fundamental health, safety, legal and social welfare, and educational well-
21 being of the citizens of the Commonwealth; and

22 (12) Pursuant to KRS 48.130 and 48.600, if the actions contained in subsections
23 (1) to (11) of this Part are insufficient to eliminate an actual or projected General Fund
24 revenue shortfall, then the Governor is empowered and directed to take necessary actions
25 with respect to the Executive Branch budget units to balance the budget by such actions
26 conforming with the criteria expressed in this Part.

27

PART VII

1 **GENERAL FUND SURPLUS EXPENDITURE PLAN**

2 (1) Notwithstanding KRS 48.130(7), 48.140(3), 48.700, and 48.705, there is
3 established a plan for the expenditure of General Fund surplus moneys pursuant to a
4 General Fund Surplus Expenditure Plan contained in this Part for fiscal years 2023-2024,
5 2024-2025, and 2025-2026. Pursuant to the enactment of the Surplus Expenditure Plan,
6 General Fund moneys made available for the General Fund Surplus Expenditure Plan
7 pursuant to Part III, General Provisions, Section 22. of this Act are appropriated to the
8 following:

9 (a) Expenditures without a sum-specific appropriation amount, known as
10 Necessary Government Expenses, as authorized in Part I of this Act;

11 (b) The entire remaining amount to the Budget Reserve Trust Fund; and

12 (c) No surplus moneys in any fiscal year shall be reserved for Necessary
13 Government Expenses in a subsequent fiscal year.

14 (2) The Secretary of the Finance and Administration Cabinet shall determine,
15 within 30 days after the close of each fiscal year, based on the official financial records of
16 the Commonwealth, the amount of actual General Fund undesignated fund balance for
17 the General Fund Surplus Account that may be available for expenditure pursuant to the
18 Plan in fiscal year 2024-2025 and fiscal year 2025-2026. The Secretary of the Finance
19 and Administration Cabinet shall certify the amount of actual General Fund undesignated
20 fund balance available for expenditure to the Legislative Research Commission.

21 **PART VIII**

22 **ROAD FUND BUDGET REDUCTION PLAN**

23 There is established a Road Fund Budget Reduction Plan for fiscal years 2023-
24 2024, 2024-2025, and 2025-2026. Notwithstanding KRS 48.130(1) and (3) relating to
25 statutory appropriation adjustments related to the revenue sharing of motor fuels taxes, in
26 the event of an actual or projected revenue shortfall in Road Fund revenue receipts of
27 \$1,881,700,000 in fiscal year 2023-2024, \$1,825,000,000 in fiscal year 2024-2025, and

1 \$1,894,300,000 in fiscal year 2025-2026, as modified by related Acts and actions of the
2 General Assembly in an extraordinary or regular session, the Governor shall implement
3 sufficient reductions as may be required to protect the highest possible level of service.

4 **PART IX**

5 **ROAD FUND SURPLUS EXPENDITURE PLAN**

6 Notwithstanding KRS 48.110, 48.140, and 48.710, there is established a plan for the
7 expenditure of the Road Fund Surplus Account. All moneys in the Road Fund Surplus
8 Account shall be appropriated to the State Construction Account within the Highways
9 budget unit and utilized to support projects in the 2024-2026 Biennial Highway
10 Construction Program.

11 **PART X**

12 **PHASE I TOBACCO SETTLEMENT**

13 **(1) General Purpose:** This Part prescribes the policy implementing aspects of the
14 national settlement agreement between the tobacco industry and the collective states as
15 described in KRS 248.701 to 248.727. In furtherance of that agreement, the General
16 Assembly recognizes that the Commonwealth of Kentucky is a party to the Phase I
17 Master Settlement Agreement (MSA) between the Participating Tobacco Manufacturers
18 and 46 Settling States which provides reimbursement to states for smoking-related
19 expenditures made over time.

20 **(2) State's MSA Share:** The Commonwealth's share of the MSA is equal to
21 1.7611586 percent of the total settlement amount. Payments under the MSA are made to
22 the states annually in April of each year.

23 **(3) MSA Payment Amount Variables:** The total settlement amount to be
24 distributed on each payment date is subject to change pursuant to several variables
25 provided in the MSA, including inflation adjustments, volume adjustments, previously
26 settled states adjustments, and the nonparticipating manufacturers adjustment.

27 **(4) Distinct Identity of MSA Payment Deposits:** The General Assembly has

1 determined that it shall be the policy of the Commonwealth that all Phase I Tobacco
2 Settlement payments shall be deposited to the credit of the General Fund and shall
3 maintain a distinct identity as Phase I Tobacco Settlement payments that shall not lapse to
4 the credit of the General Fund surplus but shall continue forward from each fiscal year to
5 the next fiscal year to the extent that any balance is unexpended.

6 **(5) MSA Payment Estimates and Adjustments:** Based on the official estimates
7 of the Consensus Forecasting Group, the amount of MSA payments expected to be
8 received in fiscal year 2024-2025 is \$97,800,000 and in fiscal year 2025-2026 is
9 \$93,100,000. It is recognized that payments to be received by the Commonwealth are
10 estimated and are subject to change. If MSA payments received are less than the official
11 estimates, appropriation reductions shall be applied as follows: after exempting
12 appropriations for debt service, the Attorney General, and the Department of Revenue, 50
13 percent to the Agricultural Development Fund, 30 percent to the Early Childhood
14 Development Fund, and 20 percent to the Health Care Improvement Fund. If MSA
15 payments received exceed the official estimates, appropriation increases shall be applied
16 as follows: after exempting appropriations for debt service, the Attorney General, and the
17 Department of Revenue, 50 percent to the Agricultural Development Fund, 30 percent to
18 the Early Childhood Development Fund, and 20 percent to the Health Care Improvement
19 Fund.

20 **a. State Enforcement:** Notwithstanding KRS 248.654 and 248.703(4), a total of
21 \$150,000 of the MSA payments in each fiscal year is appropriated to the Attorney
22 General for the state's diligent enforcement of noncompliant nonparticipating
23 manufacturers.

24 **b. State Enforcement:** Notwithstanding KRS 248.654 and 248.703(4), a total of
25 \$250,000 of the MSA payments in each fiscal year is appropriated to the Finance and
26 Administration Cabinet, Department of Revenue for the state's diligent enforcement of
27 noncompliant nonparticipating manufacturers.

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B. DEBT SERVICE

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 248.654 and 248.703(4), appropriations for debt service shall be as follows:

1. FINANCE AND ADMINISTRATION CABINET

Budget Unit	2024-25	2025-26
a. Debt Service	23,466,900	16,783,700

(1) Debt Service: To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco-supported funding program accounts to other accounts of the General Fund.

(2) General Fund (Tobacco) Debt Service Lapse: Notwithstanding Part X, (4) of this Act, \$1,318,000 in fiscal year 2024-2025 and \$1,124,700 in fiscal year 2025-2026 shall lapse to the General Fund.

(3) Appropriation of Unexpended Tobacco Debt Service: Any unexpended balance from the fiscal year 2024-2025 or fiscal year 2025-2026 General Fund (Tobacco) debt service appropriation in the Finance and Administration Cabinet, Debt Service budget unit, shall continue and be appropriated to the Department of Agriculture, Kentucky Office of Agricultural Policy.

C. AGRICULTURAL DEVELOPMENT APPROPRIATIONS

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

Notwithstanding KRS 248.654 and 248.703(4), appropriations for Agricultural Development shall be as follows:

1. DEPARTMENT OF AGRICULTURE

1 Budget Unit	2024-25	2025-26
2 a. Agriculture	38,967,100	39,961,000
3 (1) Tobacco Settlement Funds - Allocations:	Notwithstanding KRS 248.711(2),	
4 and from the allocation provided therein, counties that are allocated in excess of \$20,000		
5 annually may provide up to four percent of the individual county allocation, not to exceed		
6 \$15,000 annually, to the county council in that county for administrative costs.		
7 (2) Counties Account:	Notwithstanding KRS 248.703(1), included in the above	
8 General Fund (Tobacco) appropriation is \$12,938,200 in fiscal year 2024-2025 and		
9 \$13,285,300 in fiscal year 2025-2026 for the counties account as specified in KRS		
10 248.703(1)(a). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.		
11 (3) State Account:	Notwithstanding KRS 248.703(1), included in the above	
12 General Fund (Tobacco) appropriation is \$24,028,900 in fiscal year 2024-2025 and		
13 \$24,675,700 in fiscal year 2025-2026 for the state account as specified in KRS		
14 248.703(1)(b). Mandated reports shall be submitted pursuant to Part III, 24. of this Act.		
15 (4) Farms to Food Banks Program:	Included in the above General Fund	
16 (Tobacco) appropriation is \$850,000 in fiscal year 2024-2025 and \$1,000,000 in fiscal		
17 year 2025-2026 to support the Farms to Food Banks Program. The use of the moneys		
18 provided by this appropriation shall be restricted to purchases of Kentucky-grown		
19 produce from Kentucky farmers who participate in the Farms to Food Banks Program.		
20 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.		
21 (5) Kentucky Rural Mental Health and Suicide Prevention Program:	Included in the above General Fund (Tobacco) appropriation is \$1,000,000 in each fiscal	
22 year to support the Kentucky Rural Mental Health, Suicide Prevention, and Farm Safety		
23 Program known as the Raising Hope Initiative. The Department of Agriculture shall		
24 enhance awareness of the National Suicide Prevention Lifeline (988) in rural		
25 communities in Kentucky, improve access to information on rural mental health issues		
26 and available treatment services, provide outreach, and provide other necessary services		
27		

1 to improve the mental health outcomes of rural communities in Kentucky. The
 2 Department of Agriculture may apply for Federal Funds. The Department of Agriculture
 3 may utilize up to \$100,000 in each fiscal year for program administration purposes. The
 4 Department of Agriculture shall coordinate with the Raising Hope Initiative to take
 5 custody of and maintain any intellectual property assets that were created or developed
 6 by any state agency in connection with the Raising Hope Initiative. Mandated reports
 7 shall be submitted pursuant to Part III, 24. of this Act.

8 **(6) Comprehensive Agriculture Plan:** Included in the above General Fund
 9 (Tobacco) appropriation is \$150,000 in fiscal year 2024-2025 for the Department of
 10 Agriculture to complete a comprehensive plan to review the short and long-term goals,
 11 strategies, and investments in Kentucky agriculture. At a minimum, the plan shall include
 12 recommendations to increase net farm income, to diversify Kentucky agriculture products
 13 beyond tobacco, and to address the current and future needs of Kentucky’s agriculture
 14 industry. The plan shall be submitted to the Interim Joint Committee on Appropriations
 15 and Revenue on or before October 1, 2025.

16 **2. ENERGY AND ENVIRONMENT CABINET**

17 Budget Unit	2024-25	2025-26
18 a. Natural Resources	3,000,000	3,000,000

19 **(1) Environmental Stewardship Program:** Included in the above General Fund
 20 (Tobacco) appropriation is \$2,000,000 in each fiscal year for the Environmental
 21 Stewardship Program. Mandated reports shall be submitted pursuant to Part III, 24. of
 22 this Act.

23 **(2) Conservation District Local Aid:** Included in the above General Fund
 24 (Tobacco) appropriation is \$1,000,000 in each fiscal year for the Division of
 25 Conservation to provide direct aid to local conservation districts. Mandated reports shall
 26 be submitted pursuant to Part III, 24. of this Act.

27 TOTAL - AGRICULTURAL	41,967,100	42,961,000
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1 APPROPRIATIONS

2 **D. EARLY CHILDHOOD DEVELOPMENT**

3 **GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS**

4 Notwithstanding KRS 248.654, appropriations for Early Childhood Development
5 shall be as follows:

6 **1. EDUCATION AND LABOR CABINET**

7 Budget Unit	2024-25	2025-26
8 a. General Administration and Program Support	1,200,000	1,200,000

9 **(1) Early Childhood Development:** Included in the above General Fund
10 (Tobacco) appropriation is \$1,200,000 in each fiscal year for the Early Childhood
11 Advisory Council. Mandated reports shall be submitted pursuant to Part III, 24. of this
12 Act.

13 **2. CABINET FOR HEALTH AND FAMILY SERVICES**

14 Budget Units	2024-25	2025-26
15 a. Community Based Services	11,800,000	11,500,000

16 **(1) Early Childhood Development Program:** Included in the above General
17 Fund (Tobacco) appropriation is \$9,800,000 fiscal year 2024-2025 and \$9,500,000 in
18 fiscal year 2025-2026 for the Early Childhood Development Program. Mandated reports
19 shall be submitted pursuant to Part III, 24. of this Act.

20 **(2) Early Childhood Adoption and Foster Care Supports:** Included in the
21 above General Fund (Tobacco) appropriation is \$2,000,000 in each fiscal year for the
22 Early Childhood Adoption and Foster Care Supports Program. Mandated reports shall be
23 submitted pursuant to Part III, 24. of this Act.

24	2024-25	2025-26
25 b. Public Health	8,234,000	8,580,000

26 **(1) HANDS Program, Healthy Start, Early Childhood Mental Health, and**
27 **Early Childhood Oral Health:** Included in the above General Fund (Tobacco)

1 appropriation is \$5,634,000 in fiscal year 2024-2025 and \$5,980,000 in fiscal year 2025-
 2 2026 for the Health Access Nurturing Development Services (HANDS) Program,
 3 \$700,000 in each fiscal year for Healthy Start initiatives, \$700,000 in each fiscal year for
 4 Early Childhood Mental Health, \$700,000 in each fiscal year for Early Childhood Oral
 5 Health, and \$500,000 in each fiscal year for Lung Cancer Screening. Mandated reports
 6 shall be submitted pursuant to Part III, 24. of this Act.

7 **(2) Folic Acid Program:** General Fund (Tobacco) continuing appropriation
 8 reserves allotted to the Folic Acid Program shall be utilized by the Department for Public
 9 Health in each fiscal year to continue the Folic Acid Program.

10	c. Behavioral Health, Developmental and	2024-25	2025-26
11	Intellectual Disabilities Services	1,300,000	1,300,000

12 **(1) Substance Abuse Prevention and Treatment:** Included in the above
 13 General Fund (Tobacco) appropriation is \$1,300,000 in each fiscal year for substance
 14 abuse prevention and treatment for pregnant women with a history of substance abuse
 15 problems. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16	TOTAL - EARLY CHILDHOOD	22,534,000	22,580,000
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17 APPROPRIATIONS

18 **E. HEALTH CARE IMPROVEMENT APPROPRIATIONS**

19 **GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS**

20 Notwithstanding KRS 164.476, 248.654 and 304.17B-003(5), appropriations for
 21 health care improvement shall be as follows:

22 **1. CABINET FOR HEALTH AND FAMILY SERVICES**

23	Budget Unit	2024-25	2025-26
24	a. Public Health	1,869,300	2,000,000

25 **(1) Smoking Cessation Program:** Included in the above General Fund
 26 (Tobacco) appropriation is \$1,869,300 in fiscal year 2024-2025 and \$2,000,000 in fiscal
 27 year 2025-2026 for Smoking Cessation. Mandated reports shall be submitted pursuant to

1 Part III, 24. of this Act.

2 **2. JUSTICE AND PUBLIC SAFETY CABINET**

3 Budget Unit	2024-25	2025-26
4 a. Justice Administration	3,037,500	3,250,000

5 **(1) Office of Drug Control Policy:** Included in the above General Fund
 6 (Tobacco) appropriation is \$2,804,000 in fiscal year 2024-2025 and \$3,000,000 in fiscal
 7 year 2025-2026 for the Office of Drug Control Policy. Mandated reports shall be
 8 submitted pursuant to Part III, 24. of this Act.

9 **(2) Restorative Justice:** Included in the above General Fund (Tobacco)
 10 appropriation is \$233,500 in fiscal year 2024-2025 and \$250,000 in fiscal year 2025-2026
 11 to support the Restorative Justice Program administered by the Volunteers of America.
 12 Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

13 **3. POSTSECONDARY EDUCATION**

14 Budget Unit	2024-25	2025-26
15 a. Council on Postsecondary Education	5,843,200	6,250,000

16 **(1) Cancer Research and Screening:** Included in the above General Fund
 17 (Tobacco) appropriation is \$5,843,200 in fiscal year 2024-2025 and \$6,250,000 in fiscal
 18 year 2025-2026 for cancer research and screening. The appropriation in each fiscal year
 19 shall be equally shared between the University of Kentucky and the University of
 20 Louisville. Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

21 TOTAL - HEALTH CARE	10,750,000	11,500,000
22 TOTAL - PHASE I TOBACCO SETTLEMENT		
23 FUNDING PROGRAM	99,118,000	94,224,700

24 **PART XI**

25 **STATE/EXECUTIVE BRANCH BUDGET SUMMARY**

26 **OPERATING BUDGET**

27	2023-24	2024-25	2025-26
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1	General Fund (Tobacco)	-0-	99,118,000	94,224,700
2	General Fund	2,032,516,900	14,821,070,700	15,246,424,000
3	Restricted Funds	28,077,300	13,941,020,700	14,427,253,100
4	Federal Funds	1,097,433,000	21,258,903,500	21,852,281,300
5	Road Fund	-0-	56,289,600	56,372,700
6	SUBTOTAL	3,158,027,200	50,176,402,500	51,676,555,800

CAPITAL PROJECTS BUDGET

8		2023-24	2024-25	2025-26
9	General Fund	2,100,000	2,250,000	500,000
10	Restricted Funds	275,000	14,791,103,000	55,744,000
11	Federal Funds	111,523,000	400,876,000	143,337,000
12	Bond Funds	-0-	2,337,514,000	995,318,000
13	Agency Bonds	-0-	1,465,455,000	84,069,000
14	Investment Income	-0-	49,580,000	49,719,000
15	Other Funds	-0-	6,180,505,000	64,000
16	SUBTOTAL	113,898,000	25,227,283,000	1,328,751,000

TOTAL - STATE/EXECUTIVE BUDGET

18		2023-24	2024-25	2025-26
19	General Fund (Tobacco)	-0-	99,118,000	94,224,700
20	General Fund	2,034,616,900	14,823,320,700	15,246,924,000
21	Restricted Funds	28,352,300	28,732,123,700	14,482,997,100
22	Federal Funds	1,208,956,000	21,659,779,500	21,995,618,300
23	Road Fund	-0-	56,289,600	56,372,700
24	Bond Funds	-0-	2,337,514,000	995,318,000
25	Agency Bonds	-0-	1,465,455,000	84,069,000
26	Investment Income	-0-	49,580,000	49,719,000
27	Other Funds	-0-	6,180,505,000	64,000

1	TOTAL FUNDS	3,271,925,200	75,403,685,500	53,005,306,800
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COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

Andy Beshear
GOVERNOR

Capitol Building, Suite 100
700 Capitol Avenue
Frankfort, KY 40601
(502) 564-2611
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**VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 265 OF THE 2024 REGULAR SESSION**

Highway Construction Contingency Account

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 5, line 9, after “Account.”, delete the rest of the line.
Page 5, lines 10 through 11, in their entirety.

I am vetoing this part because it suspends the longstanding statute governing the use of the funds by eliminating statutory uses that include economic or industrial development and matching higher than expected federal funds. Not allowing these uses could cause Kentucky to lose grants or economic development projects.

County Priority Projects Program

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 9, line 6, after “roads.”, delete the rest of the line.
Page 9, lines 7 through 12, in their entirety.
Page 9, lines 17 through 22, in their entirety.

I am vetoing this part because it requires the approval of the General Assembly before the Transportation Cabinet can allocate the critical road dollars in fiscal year 2025-2026. The Transportation Cabinet receives and evaluates county road projects submitted by the counties on a continuous basis. Their past decisions have benefitted all 120 Kentucky counties. House Bill 265 changes that process so that the General Assembly would perform annual budgeting during the odd-numbered year legislative sessions and select the projects to be awarded from this funding. There is also a requirement for a continuous reporting of any county project submitted to be funded from the highway construction contingency account. This is an additional administrative burden, as the Transportation Cabinet already provides periodic reporting of these projects to the legislature.

Funding for Mega Projects

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 11, lines 13 through 16, in their entirety.

I am vetoing this part because this provision will halt the planned work on the Mountain Parkway, the I-69 Ohio River Crossing, and the Hal Rogers Parkway projects until and unless a federal grant is awarded for these projects. Without state funding it is highly unlikely that Kentucky will receive a federal grant. I proposed to use \$300 million in surplus state funds for these projects to be used as the state share for federal grant applications. Recently, the United States Department of Transportation issued an historic notice of funding opportunity for the Multimodal Project Discretionary Grant program, with applications due in early May 2024, from one of the largest pools of federal competitive highway funding ever, \$5.1 billion. Without state funding to enhance Kentucky's chances to be selected for awards, this lack of funding will result in Kentucky being less competitive in this historic opportunity.

Driver Licensing Level of Service Report

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 13, lines 14 through 23, in their entirety.

I am vetoing this part because it requires a detailed reporting of every visit to Kentucky's driver licensing offices around the state requiring each office to put a stopwatch on every person entering for any reason. This provision didn't seek a study which normally would include a sampling of data, like most service time studies use. As a result, it will divert significant office staff away from customer service and therefore increase wait times. This item is also an unfunded mandate.

Budget Implementation Reporting

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

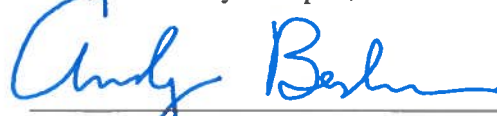
Page 2, line 22, after "Law.", delete "The Secretary".

Page 2, lines 23 through 26, in their entirety.

Page 2, line 27, delete "budgetary language provisions for each budget unit within the Transportation Cabinet."

I am vetoing this part because it imposes a new reporting requirement on the Transportation Cabinet about spending for programs that is redundant of reporting already provided. Moreover, the Cabinet provides numerous reports on their programs and associated spending that are comprehensive in nature, along with regular appearances before legislative committees and task forces updating on all aspects of their programs.

This, the 9th day of April, 2024.



Andy Beshear
Governor

1 AN ACT relating to appropriations providing financing and conditions for the
2 operations, maintenance, support, and functioning of the Transportation Cabinet of the
3 Commonwealth of Kentucky.

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

5 ➔Section 1. The Transportation Cabinet Budget is as follows:

6 **PART I**

7 **OPERATING BUDGET**

8 **(1) Funds Appropriations:** There is appropriated out of the General Fund, Road
9 Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for
10 the fiscal year beginning July 1, 2023, and ending June 30, 2024, for the fiscal year
11 beginning July 1, 2024, and ending June 30, 2025, and for the fiscal year beginning July
12 1, 2025, and ending June 30, 2026, the following discrete sums, or so much thereof as
13 may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710.
14 Each appropriation is made by source of respective fund or funds accounts.
15 Appropriations for the budget units of the Transportation Cabinet are subject to the
16 provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and
17 compliance with the conditions and procedures set forth in this Act.

18 **A. TRANSPORTATION CABINET**

19 **Budget Units**

20 **1. GENERAL ADMINISTRATION AND SUPPORT**

	2024-25	2025-26
21		
22	500,000	500,000
23	2,754,800	2,771,500
24	83,526,100	84,407,400
25	86,780,900	87,678,900

26 **(1) Biennial Highway Construction Plan:** The Secretary of the Transportation
27 Cabinet shall produce a single document that shall detail the enacted fiscal biennium

1 2024-2026 Biennial Highway Construction Program, the 2026-2030 Highway
2 Preconstruction Program, and the County Priority Projects Program.

3 (2) **Debt Service:** Included in the above Road Fund appropriation is \$340,900 in
4 fiscal year 2024-2025 and \$341,500 in fiscal year 2025-2026 for debt service on
5 previously authorized bonds.

6 (3) **Adopt-A-Highway Litter Program:** The Transportation Cabinet and the
7 Energy and Environment Cabinet may receive, accept, and solicit grants, contributions of
8 money, property, labor, or other things of value from any governmental agency,
9 individual, nonprofit organization, or private business to be used for the Adopt-a-
10 Highway Litter Program or other statewide litter programs. Any contribution of this
11 nature shall be deemed to be a contribution to a state agency for a public purpose and
12 shall be treated as Restricted Funds under KRS Chapter 45 and reported according to
13 KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter
14 11A.

15 (4) **Budget Implementation:** The General Assembly directs that the
16 Transportation Cabinet shall carry out all appropriations and budgetary language
17 provisions as contained in the Transportation Cabinet Budget. The Legislative Research
18 Commission shall review quarterly expenditure data to determine if an agency is out of
19 compliance with this directive. If the Legislative Research Commission suspects that any
20 entity has acted in non-conformity with this subsection, the Legislative Research
21 Commission may order an audit or review at the agency's expense. Such audit findings,
22 reviews, and reports shall be subject to the Kentucky Open Records Law. The Secretary
23 of the Transportation Cabinet shall provide a comprehensive semiannual report,
24 beginning February 1, 2025, to the standing Appropriations and Revenue Committees of
25 the General Assembly or the Interim Joint Committee on Appropriations and Revenue, as
26 appropriate, detailing expenditures related to the appropriations contained within the
27 budgetary language provisions for each budget unit within the Transportation Cabinet. If

1 an agency does not expend the full General Fund appropriation contained within a
2 budgetary language provision, the unexpended funds shall be transferred to the Budget
3 Reserve Trust Fund Account (KRS 48.705).

4 **(5) Riverport Improvements:** Included in the above General Fund appropriation
5 is \$500,000 in each fiscal year to improve public riverports within Kentucky. The
6 Secretary of the Transportation Cabinet, in conjunction with the Kentucky Water
7 Transportation Advisory Board, shall determine how the funds are distributed.
8 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
9 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
10 shall be submitted pursuant to Part I, A., 1., (4) of this Act.

11 **2. AVIATION**

	2024-25	2025-26
13 General Fund	1,150,000	1,150,000
14 Restricted Funds	18,915,000	18,991,100
15 Federal Funds	500,800	500,800
16 Road Fund	838,500	837,500
17 TOTAL	21,404,300	21,479,400

18 **(1) Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted
19 Funds appropriation includes operational costs of the program in each fiscal year.

20 **(2) Debt Service:** Included in the above Road Fund appropriation is \$838,500 in
21 fiscal year 2024-2025 and \$837,500 in fiscal year 2025-2026 for debt service on
22 previously authorized bonds. Notwithstanding KRS 183.525, \$838,500 in fiscal year
23 2024-2025 and \$837,500 in fiscal year 2025-2026 is transferred to the Road Fund from
24 the Kentucky Aviation Economic Development Fund to support debt service on those
25 bonds.

26 **(3) Road Fund and Restricted Funds Replacement:** Included in the above
27 General Fund appropriation is \$1,150,000 in each fiscal year to support the Capital City

1 Airport Division. Notwithstanding KRS 45.229, any portion of General Fund not
2 expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS
3 48.705). Mandated reports shall be submitted pursuant to Part I, A., 1., (4) of this Act.

4 **3. DEBT SERVICE**

	2024-25	2025-26
6 Road Fund	137,206,400	118,683,100

7 **(1) Economic Development Road Lease-Rental Payments:** Included in the
8 above Road Fund appropriation is \$136,956,400 in fiscal year 2024-2025 and
9 \$118,433,100 in fiscal year 2025-2026 for Economic Development Road lease-rental
10 payments relating to projects financed by Economic Development Road Revenue Bonds
11 previously authorized by the General Assembly and issued by the Kentucky Turnpike
12 Authority.

13 **(2) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505,
14 no portion of the revenues to the state Road Fund provided by the adjustments in KRS
15 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment
16 Acceleration Fund account during the 2024-2026 fiscal biennium.

17 **4. HIGHWAYS**

	2024-25	2025-26
19 Restricted Funds	188,462,900	342,164,000
20 Federal Funds	1,256,222,200	1,272,307,100
21 Road Fund	1,244,441,900	1,150,167,400
22 TOTAL	2,689,127,000	2,764,638,500

23 **(1) Debt Service:** Included in the above Federal Funds appropriation is
24 \$69,981,400 in fiscal year 2024-2025 and \$69,898,400 in fiscal year 2025-2026 for debt
25 service on already issued Grant Anticipation Revenue Vehicle (GARVEE) Bonds
26 previously appropriated by the General Assembly.

27 **(2) State Supported Construction Program:** Included in the above Road Fund

1 appropriation is \$717,555,100 in fiscal year 2024-2025 and \$617,297,500 in fiscal year
2 2025-2026 for the State Supported Construction Program.

3 **(3) Biennial Highway Construction Program:** Included in the State Supported
4 Construction Program is \$535,665,100 in fiscal year 2024-2025 and \$435,407,500 in
5 fiscal year 2025-2026 from the Road Fund for state construction projects and the state
6 match for federal projects in the 2024-2026 Biennial Highway Construction Program.

7 **(4) Highway Construction Contingency Account:** Included in the State
8 Supported Construction Program is \$11,890,000 in each fiscal year for the Highway
9 Construction Contingency Account. Notwithstanding KRS 45.247(2), (4), (5), (6), (7),
10 (8), the Secretary shall only expend Highway Construction Contingency moneys for
11 projects of an emergency nature or for projects that relieve a hazardous condition.
12 Notwithstanding KRS 224.43-505(2), included in the Highway Construction Contingency
13 Account is \$5,000,000 in each fiscal year to support the Kentucky Pride Fund created in
14 KRS 224.43-505. Notwithstanding KRS 45.247 and 177.320(4), included in the Highway
15 Construction Contingency Account is \$290,000 in each fiscal year for the Kentucky
16 Transportation Center. Also included in the Highway Construction Contingency Account
17 for Railroads is \$1,600,000 in each fiscal year for public safety and service improvements
18 which shall not be expended unless matched with nonstate funds equaling at least 20
19 percent of the total amount for any individual project. Additionally, in each fiscal year,
20 up to \$350,000 of the \$1,600,000 appropriation may be used to establish and administer
21 the Kentucky Rail Office in the Kentucky Transportation Cabinet.

22 **(5) 2022-2024 Biennial Highway Construction Plan:** Projects in the enacted
23 2022-2024 Biennial Highway Construction Plan are authorized to continue their current
24 authorization into the 2024-2026 fiscal biennium. If projects in previously enacted
25 highway construction plans conflict with the 2024-2026 Biennial Highway Construction
26 Plan, the projects in the 2024-2026 Biennial Highway Construction Plan shall control.
27 The Secretary shall make every effort to maintain highway program delivery by adhering

1 to the timeframes included in the 2024-2026 Biennial Highway Construction Plan for
2 those projects. It is the intent of the General Assembly that older projects will be removed
3 from the Biennial Highway Construction Plan in future budget bills.

4 **(6) State Match Provisions:** The Transportation Cabinet is authorized to utilize
5 Road Fund or General Fund state construction moneys or Toll Credits to match federal
6 highway moneys.

7 **(7) Federal Aid Highway Funds:** If additional federal highway moneys are
8 made available to Kentucky by the United States Congress, the funds shall be used
9 according to the following priority: (a) Any demonstration-specific or project-specific
10 moneys shall be used on the project identified; and (b) All other funds shall be used to
11 ensure that projects in the fiscal biennium 2024-2026 Biennial Highway Construction
12 Plan are funded. If additional federal moneys remain after these priorities are met, the
13 Transportation Cabinet may select projects from the Highway Preconstruction Program.

14 **(8) Road Fund Cash Management:** The Secretary of the Transportation Cabinet
15 may continue the Cash Management Plan to address the policy of the General Assembly
16 to expeditiously initiate and complete projects in the fiscal biennium 2024-2026 Biennial
17 Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including
18 KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial
19 Highway Construction Plan by employing management techniques that maximize the
20 Cabinet's ability to contract for and effectively administer the project work. Under the
21 approved Cash Management Plan, the Secretary shall continuously ensure that the
22 unspent project and Road Fund balances available to the Transportation Cabinet are
23 sufficient to meet expenditures consistent with appropriations provided. The
24 Transportation Cabinet shall provide quarterly reports to the Interim Joint Committee on
25 Appropriations and Revenue when the General Assembly is not in session and the
26 Standing Committees on Appropriations and Revenue when the General Assembly is in
27 session beginning July 1, 2024.

1 **(9) Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229,
2 unexpended Road Fund and General Fund appropriations in the Highways budget unit for
3 the Construction program, the Maintenance program, and the Research program in fiscal
4 year 2023-2024 and in fiscal year 2024-2025 shall not lapse but shall carry forward.
5 Unexpended Federal Funds and Restricted Funds appropriations in the Highways budget
6 unit for the Construction program, the Maintenance program, the Equipment Services
7 program, and the Research program in fiscal year 2023-2024 and in fiscal year 2024-
8 2025, up to the amount of ending cash balances and unissued Highway and GARVEE
9 Bond Funds, to include any interest income earned on those bond funds, and grant
10 balances shall not lapse but shall carry forward.

11 **(10) Federally Supported Construction Program:** Included in the above Federal
12 Funds appropriation is \$1,149,071,500 in fiscal year 2024-2025 and \$1,149,385,400 in
13 fiscal year 2025-2026 for federal construction projects.

14 **(11) Highways Maintenance:** Included in the above Road Fund appropriation is
15 \$445,929,400 in fiscal year 2024-2025 and \$450,066,700 in fiscal year 2025-2026 for
16 Highways Maintenance. Of this amount, \$10,000,000 in each fiscal year is provided to
17 support inflationary increases; \$1,200,000 in each fiscal year is provided to increase
18 mowing to three full cycles for interstates, parkways, and rural routes; and \$750,000 in
19 each fiscal year is provided to support sign rehabilitation and panel sign maintenance.

20 **(12) Delayed Projects Status Report:** The Secretary of the Transportation
21 Cabinet shall report by September 30 of each fiscal year to the Interim Joint Committee
22 on Transportation any project included in the enacted Biennial Highway Construction
23 Plan which has been delayed beyond the fiscal year for which the project was authorized.
24 The report shall include:

- 25 (a) The county name;
- 26 (b) The Transportation Cabinet project identification number;
- 27 (c) The route where the project is located;

- 1 (d) The length of the project;
- 2 (e) A description of the project and the scope of improvement;
- 3 (f) The type of local, state, or federal funds to be used on the project;
- 4 (g) The stage of development for the design, right-of-way, utility, and
5 construction phases;
- 6 (h) The fiscal year in which each phase of the project was scheduled to
7 commence;
- 8 (i) The estimated cost for each phase of the project;
- 9 (j) A detailed description of the circumstances leading to the delay; and
- 10 (k) The same information required in paragraphs (a) to (i) of this subsection for
11 the project or projects advanced with funds initially scheduled for the delayed project.

12 **(13) Maintenance Reentry Employment Program:** Included in the above Road
13 Fund appropriation is \$1,000,000 in each fiscal year to support contracting with a
14 501(c)(3) nonprofit organization that employs individuals on probation or parole
15 supervision to perform crew-based maintenance services. These individuals shall be
16 selected with input from the Department of Corrections and shall provide assistance with
17 litter abatement, graffiti removal, and vegetation control in highway districts three, five,
18 six, and seven.

19 **(14) Federal Highways Match:** Notwithstanding KRS 45.229, the General Fund
20 appropriation balance for Federal Highways Match for fiscal years 2023-2024 and 2024-
21 2025 shall not lapse and shall carry forward.

22 **(15) Grant Anticipation Revenue Vehicle (GARVEE) Bonds:** Included in the
23 above Restricted Funds appropriation is \$150,000,000 in fiscal year 2025-2026 for
24 GARVEE Bond Funds to be issued for the I-69 Ohio River Crossing Project and the
25 completion of the Mountain Parkway Widening Project.

26 **(16) New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service:**
27 Included in the above appropriations is \$7,584,400 in Federal Funds and \$1,896,100 in

1 Road Fund in fiscal year 2025-2026 to support GARVEE Bonds debt service payments
2 relating to the I-69 Ohio River Crossing Project and the completion of the Mountain
3 Parkway Widening Project.

4 **(17) County Priority Projects Program:** Included in the State Supported
5 Construction Program is \$20,000,000 in each fiscal year from the Road Fund to establish
6 the County Priority Projects Program to assist with county and city roads. This funding
7 will be contingent on the Transportation Cabinet's submission of projects and approval
8 by the General Assembly. The submission of projects shall include a detailed listing of
9 qualified projects that were ranked either an 8, 9, or 10 to be completed using funds from
10 the Highway Construction Contingency Account by November 1 of each fiscal year.
11 Projects received after December 1 of each fiscal year may not be included in the
12 following year's County Priority Projects Program.

13 The County Priority Projects for fiscal year 2024-2025 are the projects approved
14 and itemized in 2024 Regular Session HJR 92. Notwithstanding KRS 48.710, any
15 unexpended funds in fiscal year 2024-2025 shall not lapse and shall carry forward to
16 fiscal year 2025-2026.

17 The Transportation Cabinet shall provide an additional report to the Legislative
18 Research Commission and the Interim Joint Committee on Appropriations and Revenue
19 detailing any project submitted to be completed using funds from the Highway
20 Construction Contingency Account within 30 days after it has been ranked and shall
21 detail the work requested, the county that requested the project, and the date the request
22 was received.

23 When a County Priority Project is completed, the Transportation Cabinet shall
24 notify the Legislative Research Commission and the Interim Joint Committee on
25 Appropriations and Revenue in writing.

26 **(18) County and City Bridge Improvement Program:** Included in the State
27 Supported Construction Program is \$25,000,000 in each fiscal year in Road Fund to

1 establish the County and City Bridge Improvement Program. Notwithstanding KRS
2 48.710, these funds shall not lapse and shall carry forward. The Transportation Cabinet
3 shall prepare a report for the County and City Bridge Improvement Program. This report
4 shall include a list of bridge repairs and replacements that have been completed, the date
5 in which they were completed, and a status report for all other ongoing projects. This
6 report shall be submitted to the Interim Joint Committee on Appropriations and Revenue
7 by November 1 of each year.

8 **(19) Grant Anticipation Revenue Vehicle (GARVEE) Bonds Reauthorization:**
9 The \$150,000,000 GARVEE Bond Funds to be issued for the Brent Spence Bridge
10 Project pursuant to 2022 Ky. Acts ch. 214, Part I, A., 4., (15) are reauthorized.

11 **(20) Reauthorized Grant Anticipation Revenue Vehicle (GARVEE) Bonds**
12 **Debt Service:** Included in the above appropriations is \$7,584,400 in Federal Funds and
13 \$1,896,100 in Road Fund in fiscal year 2024-2025 and \$15,168,800 in Federal Funds and
14 \$3,792,200 in Road Fund in fiscal year 2025-2026 to support GARVEE Bonds debt
15 service payments relating to the Brent Spence Bridge Project.

16 **(21) Federal Emergency Management Reimbursements:** Included in the above
17 Restricted Funds appropriation is \$14,194,300 in each fiscal year to support federal
18 emergency reimbursements for cleanup and repair of damage to roadways caused by
19 declared disasters.

20 **(22) Equipment Replacement for Federal Compliance Standards:** Included in
21 the above Road Fund appropriation is \$2,674,500 in fiscal year 2024-2025 to support
22 equipment replacement within the Division of Materials.

23 **(23) Division of Equipment Operations:** Included in the above Restricted Funds
24 appropriation is \$12,400,000 in fiscal year 2024-2025 and \$15,400,000 in fiscal year
25 2025-2026 to maintain current operations and support the Modified Replacement
26 Schedule within the Division of Equipment.

27 **(24) Strategic Highway Investment Formula for Tomorrow Scores and**

1 **Reporting:** The Transportation Cabinet shall provide Strategic Highway Investment
2 Formula for Tomorrow (SHIFT) scores for each district and statewide project to the
3 Interim Joint Committee on Appropriations and Revenue by October 1 of each year.

4 **(25) Recycled Asphalt Products:** The Transportation Cabinet shall not restrict the
5 use of recycled asphalt products for any asphalt mixture used on a project, provided that
6 the asphalt mixture meets the established performance criteria. The Transportation
7 Cabinet shall report on the percentage of recycled asphalt products used in state projects
8 to the Interim Joint Committee on Appropriations and Revenue on or before November 1,
9 2025. It is the intent of the General Assembly that by 2030, the Transportation Cabinet
10 shall use an asphalt mixture that utilizes 30 percent or greater recycled asphalt products.

11 **(26) Microsurfacing:** It is the intent of the General Assembly that the
12 Transportation Cabinet shall no longer use microsurfacing by the year 2030.

13 **(27) Funding for Mega Projects:** It is the intent of the General Assembly that no
14 funds for any projects involving the Mountain Parkway, the I-69 Ohio River Crossing, or
15 the Hal Rogers Parkway shall be expended unless those projects first acquire a federal
16 grant.

17 **5. JUDGMENTS**

18 **(1) Payment of Judgments:** Road Fund resources required to pay judgments
19 shall be transferred from the State Construction Account at the time when actual
20 payments must be disbursed from the State Treasury.

21 **6. PUBLIC TRANSPORTATION**

	2024-25	2025-26
22		
23	15,575,800	15,575,800
24	706,400	721,400
25	80,638,600	80,679,800
26	96,920,800	96,977,000

27 **(1) Nonpublic School Transportation:** Included in the above General Fund

1 appropriation is \$5,000,000 in each fiscal year for nonpublic school transportation.
 2 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
 3 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
 4 shall be submitted pursuant to Part I, A., 1., (4) of this Act.

5 **7. REVENUE SHARING**

	2024-25	2025-26
6		
7	Road Fund	389,335,000 416,771,700

8 **(1) County Road Aid Program:** Included in the above Road Fund appropriation
 9 is \$146,874,400 in fiscal year 2024-2025 and \$157,268,800 in fiscal year 2025-2026 for
 10 the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and
 11 179.440.

12 **(2) Rural Secondary Program:** Included in the above Road Fund appropriation
 13 is \$178,175,600 in fiscal year 2024-2025 and \$190,785,200 in fiscal year 2025-2026 for
 14 the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340,
 15 177.350, and 177.360.

16 **(3) Municipal Road Aid Program:** Included in the above Road Fund
 17 appropriation is \$61,799,600 in fiscal year 2024-2025 and \$66,173,200 in fiscal year
 18 2025-2026 for the Municipal Road Aid Program in accordance with KRS 177.365,
 19 177.366, and 177.369.

20 **(4) Energy Recovery Road Fund:** Included in the above Road Fund
 21 appropriation is \$276,000 in fiscal year 2024-2025 and \$287,000 in fiscal year 2025-2026
 22 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771,
 23 177.978, 177.979, and 177.981.

24 **(5) Continuation of the Flex Funds and 80/20 Bridge Replacement**
 25 **Programs:** The Transportation Cabinet shall continue the Flex Funds and the 80/20
 26 Bridge Replacement Programs within the Rural Secondary Program.

27 **(6) County Judge/Executive Expense Allowance:** Notwithstanding KRS

1 67.220, County Judges/Executive not serving in a consolidated local government that
 2 served as a County Judge/Executive prior to November 2022 shall receive an annual
 3 expense allowance of \$3,600. County Judges/Executive newly elected in November 2022
 4 or thereafter and those serving in counties with a consolidated local government shall not
 5 receive an annual expense allowance.

6 **8. VEHICLE REGULATION**

	2024-25	2025-26
8 Restricted Funds	19,854,200	20,444,800
9 Federal Funds	4,627,100	4,627,100
10 Road Fund	54,657,000	55,522,100
11 TOTAL	79,138,300	80,594,000

12 (1) **Debt Service:** Included in the above Road Fund appropriation is \$1,507,000
 13 in each fiscal year for debt service on previously authorized bonds.

14 (2) **Regional Driver Licensing Offices Level of Service Report:** The
 15 Department of Vehicle Regulation shall develop a level of service report that will provide
 16 data regarding the wait times at each regional driver licensing office and an overall
 17 statewide summary. This report shall include data of actual wait times from customers’
 18 arrivals to the time they reach the transaction window, broken down by customers with
 19 appointments and walk-ins for each regional driver licensing office. This report shall also
 20 include the total number of customer transactions by type of service provided for each
 21 regional driver licensing office and recommendations to improve business processes to
 22 reduce customer wait times. This report shall be submitted to the Interim Joint Committee
 23 on Transportation by September 1, 2025.

24 (3) **Motor Vehicle Licensing Postage Cost:** Included in the above Road Fund
 25 appropriation is \$74,500 in each fiscal year to support increased postage costs.

26 (4) **Motor Vehicle Licensing Modernization:** Included in the above Restricted
 27 Funds appropriation is \$600,000 in each fiscal year to support Kentucky Automated

1 Vehicle Information System (KAVIS) personnel to complete motor vehicle licensing
2 modernization efforts.

3 **(5) County Clerk Information Technology Improvement:** Included in the
4 above Restricted Funds appropriation is \$500,000 in each fiscal year to support increased
5 costs for existing and integrating new County Clerks offices into the KentuckyWired
6 network.

7 **(6) Vision Testing:** Notwithstanding KRS 186.577, an individual applying for
8 renewal of an operator's license or instruction permit shall not be required to submit to a
9 test of visual acuity and visual field. The Transportation Cabinet may establish a pilot
10 project to allow for the voluntary vision testing upon renewal at regional driver licensing
11 offices.

12 **(7) Driver Licensing Regional Offices:** Included in the above Road Fund
13 appropriation is \$3,963,100 in each fiscal year for establishing three new regional offices.
14 These funds shall only be used to establish and operate regional offices.

15 **(8) Driver Licensing Additional Personnel:** Included in the above Road Fund
16 appropriation is \$2,365,400 in fiscal year 2024-2025 and \$2,417,800 in fiscal year 2025-
17 2026 for 22 additional personnel for the Division of Driver Licensing.

18 **(9) Motor Vehicle Commission:** Included in the above Restricted Funds
19 appropriation is \$1,189,300 in fiscal year 2024-2025 and \$1,689,300 in fiscal year 2025-
20 2026 to support additional legal services, training costs, and an internal Dealer Data Base
21 Administration System.

22 **TOTAL - TRANSPORTATION CABINET**

	2024-25	2025-26
23		
24	17,225,800	17,225,800
25	230,693,300	385,092,800
26	1,341,988,700	1,358,114,800
27	1,910,004,900	1,826,389,200

1	Reauthorization (\$2,070,000 Road Fund)			
2	Road Fund	-0-	700,000	-0-
3	008. Construct Ballard County Maintenance Facility and Salt Storage Additional			
4	Reauthorization (\$2,513,000 Road Fund)			
5	Road Fund	1,000,000	-0-	-0-
6	009. Construct Clay County District Office Additional Reauthorization			
7	(\$12,945,000 Road Fund)			
8	Road Fund	-0-	3,500,000	-0-
9	010. Construct Boyle County Bridge Crew Facility Additional Reauthorization			
10	(\$1,500,000 Road Fund)			
11	Road Fund	500,000	-0-	-0-
12	011. Permanent Salt Conveyor System - Graves County Reauthorization (\$350,000			
13	Road Fund)			
14	012. Construct District 2 Office and Materials Lab Reauthorization (\$2,000,000			
15	Road Fund)			
16	2. AVIATION			
17	001. Aircraft Major Maintenance Pool - 2024-2026			
18	General Fund	-0-	1,200,000	1,200,000
19	002. Construct Sixteen New T-Hangars			
20	Restricted Funds	-0-	2,750,000	-0-
21	003. Construct One Aircraft Maintenance Hangar			
22	Restricted Funds	-0-	-0-	6,910,000
23	004. Construct Two Medium Sized Box Hangars			
24	Restricted Funds	-0-	-0-	1,600,000
25	005. Construct Capital City Airport Terminal Building			
26	Restricted Funds	-0-	500,000	8,500,000

27 **3. HIGHWAYS**

1	001. Repair Loadometers and Rest Areas - 2024-2026			
2	Road Fund	-0-	4,000,000	4,000,000
3	002. Road Maintenance Parks - 2024-2026			
4	Road Fund	-0-	1,500,000	1,500,000
5	003. Various Environmental Compliance - 2024-2026			
6	Road Fund	-0-	500,000	500,000
7	004. Statewide Chemical Storage Buildings			
8	Road Fund	-0-	450,000	450,000
9	005. Jefferson County - Lease			
10	006. Knott County - Lease			
11	4. VEHICLE REGULATION			
12	001. Replace Kentucky Driver Licensing System Additional Reauthorization			
13	(\$12,000,000 Bond Funds)			
14	Restricted Funds	-0-	9,000,000	4,000,000
15	Road Fund	-0-	3,000,000	3,000,000
16	TOTAL	-0-	12,000,000	7,000,000

PART III

FUNDS TRANSFER

19 The General Assembly finds that the financial condition of state government
20 requires the following action.

21 Notwithstanding the statutes or requirements of the Restricted Funds enumerated
22 below, there is transferred to the General Fund the following amounts in fiscal year 2024-
23 2025 and fiscal year 2025-2026:

24 **2024-25** **2025-26**

A. TRANSPORTATION CABINET

26 **1. Aviation**

27	Agency Revenue Fund		2,025,000	2,010,900
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1 (KRS 183.525(4) and (5))

2 TOTAL - FUNDS TRANSFER 2,025,000 2,010,900

3 **PART IV**

4 **TRANSPORTATION CABINET BUDGET SUMMARY**

5 **OPERATING BUDGET**

6		2023-24	2024-25	2025-26
7	General Fund	-0-	17,225,800	17,225,800
8	Restricted Funds	-0-	230,693,300	385,092,800
9	Federal Funds	-0-	1,341,988,700	1,358,114,800
10	Road Fund	-0-	1,910,004,900	1,826,389,200
11	SUBTOTAL	-0-	3,499,912,700	3,586,822,600

12 **CAPITAL PROJECTS BUDGET**

13		2023-24	2024-25	2025-26
14	General Fund	-0-	1,200,000	1,200,000
15	Restricted Funds	-0-	12,250,000	21,010,000
16	Road Fund	2,500,000	19,400,000	14,350,000
17	SUBTOTAL	2,500,000	32,850,000	36,560,000

18 **TOTAL - TRANSPORTATION CABINET BUDGET**

19		2023-24	2024-25	2025-26
20	General Fund	-0-	18,425,800	18,425,800
21	Restricted Funds	-0-	242,943,300	406,102,800
22	Federal Funds	-0-	1,341,988,700	1,358,114,800
23	Road Fund	2,500,000	1,929,404,900	1,840,739,200
24	TOTAL FUNDS	2,500,000	3,532,762,700	3,623,382,600



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

Andy Beshear
GOVERNOR

Capitol Building, Suite 100
700 Capitol Avenue
Frankfort, KY 40601
(502) 564-2611
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**VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 1 OF THE 2024 REGULAR SESSION**

Government Resources Accelerating Needed Transformation Program

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 18, line 22, after “to”, delete “the Department of Agriculture”.
Page 18, line 23, delete “budget unit to”.

I am vetoing this part because it is an error. House Bill 723 moves the program to the Cabinet for Economic Development to administer instead of the Department of Agriculture.

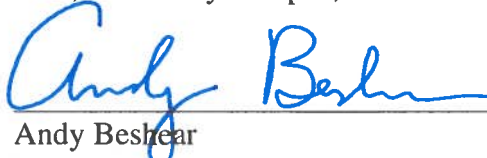
Economic Development Project

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 21, line 16, after “Authority”, delete “for the purchase”.
Page 21, line 17, delete “of real property. The land shall be used only”.

I am vetoing this part because the intent of the provision is to use funds for the purchase and improvement of the property, and not just the purchase.

This, the 9th day of April, 2024.


Andy Beshear
Governor

1 AN ACT relating to government agencies, making an appropriation therefor, and
2 declaring an emergency.

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

4 ➔Section 1. Notwithstanding KRS 141.020(2)(a)2., the appropriations contained
5 in this section are supported solely by funds from the Budget Reserve Trust Fund
6 Account established by KRS 48.705 and shall not be identified as GF appropriations
7 when certifying the reduction conditions pursuant to KRS 141.020(2)(a)5. and (d)2. to 5.

8 There is hereby appropriated General Fund moneys in the amount of \$203,500,000
9 in fiscal year 2023-2024, \$1,517,150,400 in fiscal year 2024-2025, and \$1,018,952,900 in
10 fiscal year 2025-2026 from the Budget Reserve Trust Fund Account established by KRS
11 48.705 to support the following one-time appropriations:

12 (1) \$100,000 in each fiscal year to the Department of Military Affairs budget unit
13 to be distributed to the Kentucky Air National Guard to provide care for the special
14 tactics squadron canines;

15 (2) \$1,000,000 in fiscal year 2024-2025 to the Department of Veterans' Affairs
16 budget unit to be distributed to Kentucky Valor to support services to veterans;

17 (3) \$750,000 in each fiscal year to the Department of Veterans' Affairs budget
18 unit to be distributed to HBOT for Kentucky Vets to support hyperbaric oxygen treatment
19 services to veterans;

20 (4) \$75,000,000 in each fiscal year to the Kentucky Infrastructure Authority
21 budget unit to support the Kentucky WWATERS program or the Emergency Kentucky
22 Water or Wastewater Assistance for Troubled or Economically Restrained Systems Fund;

23 (5) \$5,000,000 in each fiscal year to the Kentucky Infrastructure Authority budget
24 unit to be distributed to the Crittenden-Livingston County Water District to support
25 expansion of capacities to support regional needs;

26 (6) \$13,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure
27 Authority budget unit to be distributed to the City of Guthrie to support construction of a

1 wastewater treatment center;

2 (7) \$2,500,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
3 budget unit to be distributed to the City of Adairville to support construction of a
4 wastewater treatment center;

5 (8) \$3,900,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
6 budget unit to be distributed to the City of Lewisburg to support construction of a
7 wastewater treatment processing center and water lines;

8 (9) \$1,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
9 budget unit to be distributed to the Edmonson County Water District to support the
10 installation of a water line and booster pumping station;

11 (10) \$3,500,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
12 budget unit to be distributed to the Edmonson County Water District to support
13 operations and federal matching dollars if federal funds become available;

14 (11) \$2,500,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
15 budget unit to be distributed to the Allen County Water District to support water mains
16 that will loop into the Highway 101 service area;

17 (12) \$2,800,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
18 budget unit to be distributed to the Franklin County Fiscal Court to support the Forks of
19 Elkhorn sanitary sewer extension;

20 (13) \$18,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure
21 Authority budget unit to be distributed to the Gateway Area Development District to
22 support a regional water project;

23 (14) \$1,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
24 budget unit to be distributed to the City of Albany to support reduction and water loss;

25 (15) \$1,933,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
26 budget unit to be distributed to the City of Booneville to support the Booneville Water
27 Line Replacement Phase 3 project;

1 (16) \$681,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
2 budget unit to be distributed to the Martin County Water and Sanitation District to
3 support the purchase and installation of a water tank;

4 (17) \$2,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
5 budget unit to be distributed to the Martin County Water and Sanitation District to
6 support the purchase and installation of water meters;

7 (18) \$2,600,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
8 budget unit to be distributed to the City of Evarts to support a new water storage tank,
9 clear well, and water line replacement;

10 (19) \$3,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
11 budget unit to be distributed to the City of Jenkins to extend water and sewer
12 infrastructure to the Raven Rock Resort;

13 (20) \$5,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
14 budget unit to be distributed to the City of Beattyville for water and sewer expansion near
15 the Red River Gorge;

16 (21) \$5,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
17 budget unit to be distributed to the City of Campton for water and sewer expansion near
18 the Red River Gorge;

19 (22) \$2,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
20 budget unit to be distributed to the City of Stanton for water and sewer expansion near
21 the Red River Gorge;

22 (23) \$1,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
23 budget unit to be distributed to the City of Powell Valley for water and sewer expansion
24 near the Red River Gorge;

25 (24) \$2,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
26 budget unit to be distributed to the City of Beach Fork for water and sewer expansion
27 near the Red River Gorge;

1 (25) \$1,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
2 budget unit to be distributed to Booneville Water and Sewer District for a water telemetry
3 system;

4 (26) \$2,500,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
5 budget unit to be distributed to Jackson County Water Association for expansion of water
6 lines;

7 (27) \$5,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
8 budget unit to be distributed to the Jackson County Water Association for extension of a
9 10-inch water line along KY Highway 30;

10 (28) \$3,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
11 budget unit to be distributed to the City of Williamsburg for water and wastewater
12 extensions to the Kentucky Splash Campground and surrounding areas;

13 (29) \$3,500,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
14 budget unit to be distributed to the Corbin Utilities Commission for sewer line
15 extensions;

16 (30) \$1,400,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
17 budget unit to be distributed to the Corbin Utilities Commission for KY-1232 sewer
18 extension;

19 (31) \$1,100,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
20 budget unit to be distributed to the Knox County Fiscal Court for replacement of the
21 Stinking Creek water tank;

22 (32) \$650,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
23 budget unit to be distributed to the Knox County Fiscal Court for rehabilitation of the
24 water tank at the Tri-County Industrial Park;

25 (33) \$800,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
26 budget unit to be distributed to the City of Barbourville for replacement of the Canon
27 Water Tank;

1 (34) \$2,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
2 budget unit to be distributed to the City of Manchester for emergency repair of the water
3 intake;

4 (35) \$8,500,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
5 budget unit to be distributed to the Woodford County Fiscal Court to support a
6 wastewater project in conjunction with the Frankfort Plant Board;

7 (36) \$1,500,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
8 budget unit to be distributed to the City of Springfield to expand the Springfield
9 Wastewater Treatment Plant;

10 (37) \$10,050,000 in fiscal year 2024-2025 to the Kentucky Infrastructure
11 Authority budget unit to be distributed to the Spencer County Fiscal Court to update the
12 wastewater treatment facility in conjunction with the Spencer County Sanitation District;

13 (38) \$25,618,500 in fiscal year 2024-2025 to the Kentucky Infrastructure
14 Authority budget unit to be distributed to the City of Maysville to support the Maysville
15 Long-Term Control Plan;

16 (39) \$15,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure
17 Authority budget unit to be distributed to the City of Guthrie to support the Guthrie
18 Wastewater Treatment Plant;

19 (40) \$5,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
20 budget unit to be distributed to the Sanitation District 1 of Northern Kentucky to support
21 consent decree remediation;

22 (41) \$500,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
23 budget unit to be distributed to the City of Taylor Mill to study sewer expansion on
24 Locust Pike;

25 (42) \$2,500,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
26 budget unit to be distributed to the City of Adairville to construct a wastewater treatment
27 center;

1 (43) \$3,900,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
2 budget unit to be distributed to the City of Lewisburg to construct water lines and a
3 wastewater treatment center;

4 (44) \$7,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
5 budget unit to be distributed to the City of Georgetown for various wastewater
6 infrastructure projects for Georgetown Municipal Water and Sewer Service;

7 (45) \$50,000,000 in each fiscal year to the Department for Local Government
8 budget unit to be distributed to Louisville Metro Government for the revitalization of
9 downtown Louisville to include these projects:

- 10 (a) The Belvedere;
- 11 (b) Community Care Campus;
- 12 (c) LOUMED Campus;
- 13 (d) Louisville Gardens;
- 14 (e) Downtown Vacant Lot Revitalization; and
- 15 (f) Butchertown Sports District;

16 (46) \$10,300,000 in fiscal year 2024-2025 and \$1,700,000 in fiscal year 2025-2026
17 to the Department for Local Government budget unit to be distributed to the Pikeville
18 Medical Center for the upgrades of the facilities to include these projects:

- 19 (a) Expansion of the psychiatric and mental health ward;
- 20 (b) Renovation of the intensive care unit;
- 21 (c) Renovation of the obstetrics/labor/delivery ward; and
- 22 (d) Renovation of the obstetrics operating room;

23 (47) \$10,000,000 in fiscal year 2024-2025 to the Department for Local
24 Government budget unit to be distributed to the Lexington-Fayette Urban County
25 Government to support Lexington's Transformational Housing Affordability Partnership;

26 (48) \$12,500,000 in each fiscal year to the Department for Local Government
27 budget unit to be distributed to the City of Ashland to construct a new conference center

1 complex;

2 (49) \$6,000,000 in each fiscal year to the Department for Local Government
3 budget unit to be distributed to Appalachian Regional Healthcare to construct a cancer
4 treatment center in the City of Middlesboro;

5 (50) \$10,000,000 in fiscal year 2024-2025 and \$115,000,000 in fiscal year 2025-
6 2026 to the Department for Local Government budget unit to be distributed to the Kenton
7 County Fiscal Court and deployed through the Northern Kentucky Port Authority to plan,
8 design, and construct a Commonwealth Center for Biomedical Excellence in the City of
9 Covington in partnership with Northern Kentucky University and the University of
10 Kentucky;

11 (51) \$500,000 in fiscal year 2024-2025 to the Department for Local Government
12 budget unit to be distributed to the Hickman County Fiscal Court to support upgrades and
13 enhancements to the park;

14 (52) \$2,000,000 in fiscal year 2024-2025 to the Department for Local Government
15 budget unit to be distributed to the City of Paducah to support the Build Ready Grant for
16 the City of Paducah Infrastructure project;

17 (53) \$500,000 in fiscal year 2024-2025 to the Department for Local Government
18 budget unit to be distributed to the Kevil Rural Fire Department to support upgrades and
19 enhancements for the Kevil Fire Station;

20 (54) \$725,000 in fiscal year 2024-2025 to the Department for Local Government
21 budget unit to be distributed to the Carlisle County Fiscal Court to support upgrades and
22 enhancements to the park;

23 (55) \$1,000,000 in fiscal year 2024-2025 and \$750,000 in fiscal year 2025-2026 to
24 the Department for Local Government budget unit to be distributed to the Cayce Fire
25 Department to support facility upgrades and enhancements;

26 (56) \$500,000 in fiscal year 2024-2025 to the Department for Local Government
27 budget unit to be distributed to the City of Mayfield to support the demolition and

1 removal of the Hall's Hotel;

2 (57) \$2,000,000 in fiscal year 2024-2025 to the Department for Local Government
3 budget unit to be distributed to the Kuttawa Fire Department to support enhancements to
4 the station;

5 (58) \$1,700,000 in fiscal year 2025-2026 to the Department for Local Government
6 budget unit to be distributed to the Marshall County Fiscal Court to install a package
7 wastewater treatment plant at the Aurora Wastewater Treatment Plant;

8 (59) \$1,000,000 in fiscal year 2024-2025 to the Department for Local Government
9 budget unit to be distributed to the Caldwell County Fiscal Court to support a roof repair
10 at the Caldwell County Courthouse;

11 (60) \$330,000 in fiscal year 2025-2026 to the Department for Local Government
12 budget unit to be distributed to the YMCA of Owensboro to support ongoing operations
13 and additional programming;

14 (61) \$500,000 in fiscal year 2024-2025 to the Department for Local Government
15 budget unit to be distributed to the Family Wellness Center - Ohio County to support a
16 new pool filtration system;

17 (62) \$3,000,000 in fiscal year 2024-2025 to the Department for Local Government
18 budget unit to be distributed to the Logan County Fiscal Court to support upgrades and
19 equipment for county and city parks;

20 (63) \$1,750,000 in fiscal year 2024-2025 to the Department for Local Government
21 budget unit to be distributed to the Todd County Fiscal Court to support upgrades and
22 equipment for county and city parks and the high school technology center;

23 (64) \$500,000 in fiscal year 2024-2025 to the Department for Local Government
24 budget unit to be distributed to the City of Crofton to support upgrades and equipment for
25 the city park;

26 (65) \$250,000 in fiscal year 2024-2025 to the Department for Local Government
27 budget unit to be distributed to the Core of Scottsville and Allen County, Inc. to support

1 the construction of a community center;

2 (66) \$2,000,000 in fiscal year 2024-2025 to the Department for Local Government
3 budget unit to be distributed to the T.J. Samson Community Hospital to support the build
4 out of the third floor pavilion;

5 (67) \$4,300,000 in fiscal year 2024-2025 to the Department for Local Government
6 budget unit to be distributed to the Louisville Orchestra to support ongoing operations
7 and programming;

8 (68) \$400,000 in fiscal year 2025-2026 to the Department for Local Government
9 budget unit to be distributed to the Kentucky Science Center to support ongoing
10 operations and program enhancements;

11 (69) \$5,000,000 in fiscal year 2024-2025 to the Department for Local Government
12 budget unit to be distributed to the National Society of the Sons of the American
13 Revolution to support the education center and museum;

14 (70) \$2,500,000 in each fiscal year to the Department for Local Government
15 budget unit to be distributed to the Kentucky College of Arts and Design to support
16 ongoing operations and programming;

17 (71) \$4,550,000 in each fiscal year to the Department for Local Government
18 budget unit to be distributed to the City of Campbellsville to support raw and finished
19 water transmission upgrades;

20 (72) \$4,000,000 in fiscal year 2024-2025 to the Department for Local Government
21 budget unit to be distributed to the City of Monticello to support economic development
22 initiatives;

23 (73) \$4,000,000 in fiscal year 2024-2025 to the Department for Local Government
24 budget unit to be distributed to the Bluegrass Land Conservancy to provide the match for
25 a federal grant;

26 (74) \$2,500,000 in each fiscal year to the Department for Local Government
27 budget unit to be distributed to the City of Fort Thomas to support the Tower Park

1 Community Complex project;

2 (75) \$1,000,000 in fiscal year 2025-2026 to the Department for Local Government
3 budget unit to be distributed to the City of Berea to support the Kenway Street expansion;

4 (76) \$2,367,000 in fiscal year 2024-2025 and \$2,300,000 in fiscal year 2025-2026
5 to the Department for Local Government budget unit to be distributed to the Rockcastle
6 County Fiscal Court to support a recreational complex;

7 (77) \$3,000,000 in fiscal year 2024-2025 to the Department for Local Government
8 budget unit to be distributed to the Bourbon County Fiscal Court to support the
9 development of a community park;

10 (78) \$1,500,000 in fiscal year 2024-2025 to the Department for Local Government
11 budget unit to be distributed to the City of Paris to support the transfer station relocation;

12 (79) \$3,000,000 in fiscal year 2025-2026 to the Department for Local Government
13 budget unit to be distributed to the Clark County Fiscal Court to support a water project;

14 (80) \$1,000,000 in fiscal year 2024-2025 to the Department for Local Government
15 budget unit to be distributed to the Nicholas County Fiscal Court to support the purchase
16 and installation of an industrial fire pumper;

17 (81) \$300,000 in fiscal year 2024-2025 to the Department for Local Government
18 budget unit to be distributed to Compose Arts to support Thy Will Be Done Productions
19 statewide;

20 (82) \$3,000,000 in fiscal year 2024-2025 to the Department for Local Government
21 budget unit to be distributed to the Russell County Fiscal Court to support the Russell
22 County Library Community Development Center project;

23 (83) \$1,000,000 in fiscal year 2024-2025 to the Department for Local Government
24 budget unit to be distributed to the Owsley County Fiscal Court to support the Sturgeon
25 Creek Bridge project;

26 (84) \$2,400,000 in fiscal year 2024-2025 to the Department for Local Government
27 budget unit to be distributed to the Knox County Fiscal Court to support the Knox

1 County Sports Complex project;

2 (85) \$1,000,000 in each fiscal year to the Department for Local Government
3 budget unit to be distributed to the City of Pineville to support construction, renovation,
4 and water expansion of the Pineville Courthouse Square;

5 (86) \$4,000,000 in fiscal year 2024-2025 to the Department for Local Government
6 budget unit to be distributed to the Jackson County Fiscal Court to support the Jackson
7 County Park development project;

8 (87) \$3,400,000 in fiscal year 2024-2025 to the Department for Local Government
9 budget unit to be distributed to the Leslie County Fiscal Court to support a gas line
10 project;

11 (88) \$3,500,000 in fiscal year 2024-2025 to the Department for Local Government
12 budget unit to be distributed to the Knott County Fiscal Court to support a water project;

13 (89) \$3,800,000 in fiscal year 2024-2025 to the Department for Local Government
14 budget unit to be distributed to the Harlan County Fiscal Court to support the Harlan
15 County Wellness and Recreation Center;

16 (90) \$500,000 in fiscal year 2024-2025 to the Department for Local Government
17 budget unit to be distributed to the Greenup County Fiscal Court to support the purchase
18 of ambulances and the renovation of the Emergency Management Services headquarters
19 and training facility;

20 (91) \$10,000,000 in fiscal year 2024-2025 to the Department for Local
21 Government budget unit to be distributed to the Russell County Fiscal Court to support a
22 hospital expansion;

23 (92) \$3,500,000 in each fiscal year to the Department for Local Government
24 budget unit to be distributed to the Louisville Metro Government for Louisville Parks and
25 Recreation to support the Shawnee Outdoor Learning Center;

26 (93) \$500,000 in fiscal year 2024-2025 to the Department for Local Government
27 budget unit to be distributed to Mercy Chefs, Inc. to support expansion of services in

1 Kentucky;

2 (94) \$135,000 in fiscal year 2024-2025 to the Department for Local Government
3 budget unit to be distributed to the City of McDaniels for a community ballpark project;

4 (95) \$850,000 in fiscal year 2024-2025 to the Department for Local Government
5 budget unit to be distributed to the City of Perryville for the restoration of the Dye House
6 on the grounds of the Perryville Battlefield;

7 (96) \$11,500,000 in fiscal year 2024-2025 to the Department for Local
8 Government budget unit to be distributed to the Mercer County Fiscal Court for the
9 Wilkinson Farm Mega Site;

10 (97) \$1,100,000 in fiscal year 2024-2025 to the Department for Local Government
11 budget unit to be distributed to the Owensboro Museum of Science and History for
12 building infrastructure;

13 (98) \$500,000 in each fiscal year to the Department for Local Government budget
14 unit to be distributed to Partners for Rural Impact to secure federal grant funding;

15 (99) \$50,000 in each fiscal year to the Department for Local Government budget
16 unit to be distributed to Ballard County Fiscal Court to support the Ballard-Carlisle
17 County Public Library;

18 (100) \$1,000,000 in fiscal year 2024-2025 to the Department for Local Government
19 budget unit to be distributed to the Lincoln County Fiscal Court for the Lincoln Civic
20 Center project;

21 (101) \$1,000,000 in fiscal year 2024-2025 to the Department for Local Government
22 budget unit to be distributed to the Hardin County Fiscal Court for the Elizabethtown
23 Parks and Trails Conservancy;

24 (102) \$3,500,000 in fiscal year 2024-2025 to the Department for Local Government
25 budget unit to be distributed to the Menifee County Fiscal Court for new athletic fields at
26 the Menifee County Community Park;

27 (103) \$2,000,000 in fiscal year 2024-2025 to the Department for Local Government

1 budget unit to be distributed to the Bath County Fiscal Court for youth baseball fields;

2 (104)\$500,000 in each fiscal year to the Department for Local Government budget
3 unit to be distributed to the Harlan County Fiscal Court for Backroads of Appalachia;

4 (105)\$1,500,000 in each fiscal year to the Department for Local Government
5 budget unit to be distributed to the Pulaski County Fiscal Court for the Connect
6 Community Village;

7 (106)\$8,000,000 in fiscal year 2024-2025 and \$500,000 in fiscal year 2025-2026 to
8 the Department for Local Government budget unit to be distributed to the Lake
9 Cumberland Area Development District for a regional training center;

10 (107)\$150,000 in fiscal year 2024-2025 and \$350,000 in fiscal year 2025-2026 to
11 the Department for Local Government budget unit to be distributed to the Taylor County
12 Fiscal Court for rural economic development initiatives in conjunction with
13 Campbellsville University;

14 (108)\$1,265,500 in fiscal year 2024-2025 to the Department for Local Government
15 budget unit to be distributed to the Washington County Fiscal Court for natural gas
16 infrastructure upgrades;

17 (109)\$1,000,000 in fiscal year 2024-2025 to the Department for Local Government
18 budget unit to be distributed to the City of Murray to purchase a firetruck;

19 (110)\$6,000,000 in fiscal year 2024-2025 to the Department for Local Government
20 budget unit to be distributed to the Kenton County Fiscal Court for SparkHaus;

21 (111)\$5,000,000 in fiscal year 2024-2025 to the Department for Local Government
22 budget unit to be distributed to the Kenton County Fiscal Court for Brownfield site
23 readiness;

24 (112)\$60,000 in fiscal year 2024-2025 to the Department for Local Government
25 budget unit to be distributed to the Breckenridge County Fiscal Court for the Joseph Holt
26 Home;

27 (113)\$100,000 in fiscal year 2024-2025 and \$259,000 in fiscal year 2025-2026 to

1 the Department for Local Government budget unit to be distributed to the Webster
2 County Fiscal Court for the Webster County Park Welcome Center;

3 (114)\$150,000 in each fiscal year to the Department for Local Government budget
4 unit to be distributed to the Henderson County Fiscal Court for the Harbor House;

5 (115)\$3,000,000 in fiscal year 2024-2025 to the Department for Local Government
6 budget unit to be distributed to Goodwill Industries of Kentucky for the West Louisville
7 Opportunity Center;

8 (116)\$2,000,000 in fiscal year 2024-2025 to the Department for Local Government
9 budget unit to be distributed to the Leslie County Fiscal Court for the Leeco Park Project;

10 (117)\$460,000 in each fiscal year to the Department for Local Government budget
11 unit to be distributed to Challenger Learning Center of Kentucky for STEM educational
12 resources;

13 (118)\$1,272,500 in fiscal year 2024-2025 and \$600,000 in fiscal year 2025-2026 to
14 the Department for Local Government budget unit to be distributed to the City of
15 Beattyville for the Radio Read Meter Replacement Project;

16 (119)\$5,000,000 in fiscal year 2024-2025 to the Department for Local Government
17 budget unit to be distributed to the McCreary County Heritage Foundation for the Stearns
18 Revitalization Project;

19 (120)\$1,000,000 in fiscal year 2024-2025 to the Department for Local Government
20 budget unit to be distributed to the Laurel County Fiscal Court for regional fair grounds;

21 (121)\$150,000 in fiscal year 2024-2025 to the Department for Local Government
22 budget unit to be distributed to the Kentucky Music Hall of Fame for facility upgrades;

23 (122)\$100,000 in each fiscal year to the Department for Local Government budget
24 unit to be distributed to the Fayette County Fiscal Court to support The Nest in
25 Lexington;

26 (123)\$125,000 in fiscal year 2024-2025 to the Department for Local Government
27 budget unit to be distributed to the Harlan County Fiscal Court to support construction of

1 the KY 160 Black Mountain Roadside Overlook;

2 (124)\$945,000 in fiscal year 2024-2025 and \$925,000 in fiscal year 2025-2026 to
3 the Department for Local Government budget unit to be distributed to the Letcher County
4 Fiscal Court to support the Fleming-Neon Rising initiative;

5 (125)\$3,000,000 in fiscal year 2024-2025 to the Department for Local Government
6 budget unit to be distributed to the Letcher County Fiscal Court to support the renovation
7 of the City of Whitesburg's historic Daniel Boone Hotel;

8 (126)\$1,000,000 in fiscal year 2024-2025 to the Department for Local Government
9 budget unit to be distributed to the Johnson County Fiscal Court to support the operations
10 of the eKentucky Advanced Manufacturing Institute;

11 (127)\$2,950,000 in each fiscal year to the Department for Local Government
12 budget unit to be distributed to the Taylor County Fiscal Court to support the Taylor
13 County Community Development Project;

14 (128)\$1,000,000 in fiscal year 2024-2025 to the Department for Local Government
15 budget unit to be distributed to the Adair County Fiscal Court to support the revitalization
16 of the Historic Adair County Courthouse;

17 (129)\$250,000 in fiscal year 2024-2025 to the Department for Local Government
18 budget unit to be distributed to the Allen County Fiscal Court to support construction of a
19 Community Center with the Core of Scottsville;

20 (130)\$1,250,000 in fiscal year 2024-2025 to the Department for Local Government
21 budget unit to be distributed to the City of Booneville for city renovations;

22 (131)\$1,250,000 in fiscal year 2024-2025 to the Department for Local Government
23 budget unit to be distributed to the Owsley County Fiscal Court for land acquisition;

24 (132)\$500,000 in fiscal year 2024-2025 to the Department for Local Government
25 budget unit to be distributed to the Owsley County Fiscal Court for a homeless initiative;

26 (133)\$1,500,000 in fiscal year 2024-2025 to the Department for Local Government
27 budget unit to be distributed to the City of Williamsburg for the RV campground and

1 water park;

2 (134)\$3,500,000 in fiscal year 2024-2025 to the Department for Local Government
3 budget unit to be distributed to the City of Corbin for a tourism initiative;

4 (135)\$7,500,000 in fiscal year 2024-2025 to the Department for Local Government
5 budget unit to be distributed to the Whitley County Fiscal Court for corrections-related
6 renovations;

7 (136)\$1,500,000 in fiscal year 2024-2025 to the Department for Local Government
8 budget unit to be distributed to the City of Barbourville for the completion of the City
9 Hall and EMS buildings;

10 (137)\$8,500,000 in fiscal year 2024-2025 to the Department for Local Government
11 budget unit to be distributed to the Knox County Fiscal Court for a new County
12 Administrative Office;

13 (138)\$1,500,000 in fiscal year 2024-2025 to the Department for Local Government
14 budget unit to be distributed to the Knox County Fiscal Court for RV park upgrades;

15 (139)\$4,000,000 in fiscal year 2024-2025 to the Department for Local Government
16 budget unit to be distributed to the Clay County Fiscal Court for construction of a Multi-
17 Purpose Building;

18 (140)\$10,000,000 in fiscal year 2024-2025 to the Department for Local
19 Government budget unit to be distributed to ICC for various economic development
20 projects;

21 (141)\$1,000,000 in fiscal year 2024-2025 to the Department for Local Government
22 budget unit to be distributed to the Barren County Fiscal Court for multi-county regional
23 projects;

24 (142)\$1,500,000 in fiscal year 2024-2025 to the Department for Local Government
25 budget unit to be distributed to the Hart County Fiscal Court for various projects;

26 (143)\$2,000,000 in fiscal year 2024-2025 to the Department for Local Government
27 budget unit to be distributed to the Green County Fiscal Court for employment

1 stabilization and workforce development;

2 (144)\$2,000,000 in fiscal year 2025-2026 to the Department for Local Government
3 budget unit to be distributed to the Green County Fiscal Court for various projects;

4 (145)\$301,400 in each fiscal year to the Department for Local Government budget
5 unit to be distributed to the Warren County Fiscal Court for beautification of the I-65
6 corridor;

7 (146)\$1,500,000 in fiscal year 2024-2025 to the Department for Local Government
8 budget unit to be distributed to Save Our Appalachian Region for remote talent attraction;

9 (147)\$3,500,000 in fiscal year 2024-2025 to the Department for Local Government
10 budget unit to be distributed to the City of Paducah to complete a federally funded Build
11 Grant project;

12 (148)\$1,250,000 in each fiscal year to the Department for Local Government
13 budget unit to be distributed to the Covington Life Science Center for equipment and
14 facilities;

15 (149)\$500,000 in each fiscal year to the Department for Local Government budget
16 unit to be distributed to the City of Covington for Covington Partners for violence
17 prevention efforts;

18 (150)\$1,250,000 in each fiscal year to the Department for Local Government
19 budget unit to be distributed to the Louisville Metro Government for the Jefferson
20 Memorial Forest;

21 (151)\$3,750,000 in each fiscal year to the Department for Local Government
22 budget unit to be distributed to the Campbell County Fiscal Court for the General James
23 Taylor Park;

24 (152)\$11,250,000 in fiscal year 2024-2025 to the Department for Local
25 Government budget unit to be distributed to the City of Frankfort to support construction
26 of the Frankfort Convention Center subject to funding the project balance of
27 \$22,500,000;

1 (153)\$750,000 in each fiscal year to the Department for Local Government budget
2 unit to be distributed to the Louisville Metro Government for the Grand Lyric Theater;

3 (154)\$10,000 in each fiscal year to the Department for Local Government budget
4 unit to be distributed to the Jessamine County Fiscal Court to support maintenance of the
5 High Bridge Fire House;

6 (155)\$300,000 in each fiscal year to the Department for Local Government budget
7 unit to be distributed to the Jessamine County Fiscal Court to support infrastructure and
8 utilities for the Enterprise Industrial Park;

9 (156)\$367,500 in each fiscal year to the Department for Local Government budget
10 unit to be distributed to the Jessamine County Fiscal Court to support various projects at
11 the John Preece Park;

12 (157)\$11,000,000 in each fiscal year to the Department for Local Government
13 budget unit to be distributed to the Kentucky Cattleman's Association for the
14 construction of the Livestock Innovation Center at the University of Kentucky C. Oran
15 Little Research Farm;

16 (158)\$2,350,000 in each fiscal year to the Department of Local Government budget
17 unit to be distributed to the City of Pikeville to support various infrastructure projects at
18 Bear Mountain;

19 (159)\$8,500,000 in fiscal year 2024-2025 to the Department of Local Government
20 budget unit to be distributed to the Southern Kentucky Performing Arts Center to support
21 the addition to the building;

22 (160)\$200,000,000 in fiscal year 2023-2024 to the Department of Agriculture
23 budget unit to support matching funds under the Government Resources Accelerating
24 Needed Transformation Program. Notwithstanding KRS 147A.158(3)(b), no more than
25 \$2,000,000 in fiscal year 2023-2024 shall be used for administrative expenses.
26 Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward;

27 (161)\$100,000 in fiscal year 2024-2025 to the Department of Agriculture budget

1 unit to distribute to the Western Kentucky State Fair to support facilities and operations;

2 (162)\$25,000,000 in each fiscal year to the Kentucky Public Pensions Authority
3 budget unit to be applied to the unfunded pension liability of the State Police Retirement
4 Systems pension fund. These funds shall only be distributed on a monthly basis and shall
5 not be distributed until the system has certified that the previous month's distribution has
6 been invested;

7 (163)\$50,000,000 in each fiscal year to the Kentucky Public Pensions Authority
8 budget unit to be applied to the unfunded pension liability of the Kentucky Employees
9 Retirement System Nonhazardous pension fund. These funds shall only be distributed on
10 a monthly basis and shall not be distributed until the system has certified that the
11 previous month's distribution has been invested;

12 (164)\$40,000,000 in each fiscal year to the Teachers' Retirement System budget
13 unit to be applied to the unfunded actuarially accrued liability of the pension fund. These
14 funds shall only be distributed on a monthly basis and shall not be distributed until the
15 system has certified that the previous month's distribution has been invested;

16 (165)\$3,550,000 in each fiscal year to the School Facilities Construction
17 Commission budget unit to be distributed to the Butler County School District to support
18 upgrades, renovations, and enhancements to the district's facilities;

19 (166)\$2,000,000 in fiscal year 2024-2025 to the School Facilities Construction
20 Commission budget unit to be distributed to the Logan County School District to support
21 technology center upgrades and equipment;

22 (167)\$3,500,000 in each fiscal year to the School Facilities Construction
23 Commission budget unit to be distributed to the Lincoln County School District to
24 support upgrades, renovations, and enhancements to the district's facilities;

25 (168)\$3,500,000 in each fiscal year to the School Facilities Construction
26 Commission budget unit to be distributed to the Garrard County School District to
27 support upgrades, renovations, and enhancements to the district's facilities;

1 (169)\$7,000,000 in fiscal year 2024-2025 to the School Facilities Construction
2 Commission budget unit to be distributed to the Christian County School District to
3 support construction of athletic fields at the new high school location;

4 (170)\$1,000,000 in fiscal year 2024-2025 to the School Facilities Construction
5 Commission budget unit to be distributed to the McCreary County School District for
6 middle school and high school campus road construction;

7 (171)\$5,000,000 in each fiscal year to the Kentucky Rural Housing Trust Fund
8 established in KRS 198A.744;

9 (172)\$50,000,000 in each fiscal year to the Economic Development budget unit to
10 support approved mega-development projects of at least \$10,000,000, with an exception
11 for certain economic development projects as recommended by the Cabinet based on
12 unique conditions of the county where the project may occur, including but not limited to
13 the population, per capita income, or county wages that are lower than the median for the
14 state;

15 (173)\$50,000,000 in fiscal year 2024-2025 to the Economic Development budget
16 unit to support the Kentucky Economic Development Finance Authority Loan Pool. The
17 appropriation contained in this subsection shall be used to provide funding to Hardin and
18 Warren Counties, communities experiencing significant economic development growth
19 due to announced projects with investments exceeding \$2,000,000,000 for supporting
20 critical infrastructure improvements, such as water and sewer requirements, for continued
21 economic development. Assistance may be in the form of a loan with the ability for
22 forgiveness due to meeting negotiated requirements related to increased economic
23 development for the community;

24 (174)\$35,000,000 in each fiscal year to the Economic Development budget unit to
25 support development projects. These funds shall be allocated in accordance with the
26 Kentucky Product Development Initiative of 2024. The Cabinet for Economic
27 Development may retain \$100,000 of this appropriation for administrative expenses,

1 including \$75,000 to reimburse the Kentucky Association for Economic Development for
2 technical support and evaluation services;

3 (175) \$35,000,000 in fiscal year 2024-2025 to the Economic Development budget
4 unit to support capital improvements at Kentucky Commercial Airports in the following
5 allocations:

6 (a) \$5,000,000 for the Bluegrass Airport;

7 (b) \$5,000,000 for the Louisville Muhammad Ali International Airport;

8 (c) \$20,000,000 for the Cincinnati/Northern Kentucky International Airport;

9 (d) \$2,500,000 for the Barkley Regional Airport; and

10 (e) \$2,500,000 for the Owensboro-Daviess County Regional Airport;

11 (176) \$25,000,000 in fiscal year 2025-2026 to the Economic Development budget
12 unit to be distributed to the Shelby County Fiscal Court to support economic
13 development for an energy development project. The funds shall be contingent on the
14 approval by the 2025 General Assembly;

15 (177) \$62,000,000 in fiscal year 2024-2025 to the Economic Development budget
16 unit to be distributed to RGL Regional Industrial Development Authority for the purchase
17 of real property. The land shall be used only for purposes approved by the Cabinet for
18 Economic Development and the Kentucky Economic Development Finance Authority;

19 (178) \$1,364,000 in fiscal year 2024-2025 to the Economic Development budget
20 unit to be distributed to the Bell County Fiscal Court to support the development of the
21 industrial park;

22 (179) \$10,000,000 in fiscal year 2024-2025 to the Economic Development budget
23 unit to be allocated to the Leitchfield-Grayson County Airport to purchase acreage for the
24 expansion of runways to promote economic growth;

25 (180) \$2,000,000 in each fiscal year to the Economic Development budget unit to be
26 allocated to the Louisville Botanical Gardens;

27 (181) \$2,500,000 in fiscal year 2024-2025 to the Operations and Support Services

1 budget unit in the Department of Education to purchase automated external defibrillators
2 for public schools;

3 (182)\$500,000 in each fiscal year to the General Administration and Support
4 budget unit in the Education and Labor Cabinet to be distributed to the Boys & Girls
5 Clubs Kentucky Alliance to support workforce readiness and academic programs;

6 (183)\$2,000,000 in fiscal year 2024-2025 to the Kentucky Heritage Land
7 Conservation Fund established by KRS 146.570;

8 (184)\$1,000,000 in each fiscal year to the General Operations budget unit in
9 Libraries and Archives to be distributed to the Louisville Free Public Library to support
10 enhancements and operations at the Fern Creek Library;

11 (185)\$10,000,000 in each fiscal year to the Workforce Development budget unit to
12 be distributed to Kentuckiana Works to support workforce development programming;

13 (186)\$62,000,000 in fiscal year 2024-2025 to the Medicaid Benefits budget unit to
14 support ongoing needs of the Medicaid benefits program;

15 (187) \$10,000,000 in each fiscal year to the Behavioral Health, Developmental and
16 Intellectual Disabilities budget unit to be distributed to the Barren River Area
17 Development District to develop and implement a regional substance use disorder
18 services pilot program as provided in paragraphs (a) to (d) of this subsection. The pilot
19 program shall:

20 (a) Provide substance use treatment services;

21 (b) Have a regional focus encompassing the counties included in the BRADD
22 service region;

23 (c) Include the appropriate organizations and entities involved in the delivery of
24 substance use disorder stabilization and treatment services in the region; and

25 (d) Assess community needs and available resources for substance use prevention
26 and treatment services in the region.

27 The Barren River Area Development District shall hold no less than four meetings

1 during the 2024-2025 fiscal year in the affected communities to allow for public input
2 and comment on the construction of any facilities and services to be offered using the
3 funds appropriated in this subsection. No more than \$500,000 of appropriated funds may
4 be used to support the facilitation of the public community meetings. BRADD shall
5 provide a report on the outcomes of the pilot project including the number of individuals
6 served, the types and number of community partners, the types and location of services
7 provided, any capital constructions projects included in the pilot program, and
8 expenditures to the Interim Joint Committee on Appropriations and Revenue by
9 December 1 of each fiscal year;

10 (188)\$450,000 in fiscal year 2024-2025 to the Behavioral Health, Developmental
11 and Intellectual Disabilities budget unit to be distributed to the Wendell Foster Aquatic
12 Therapy Center to support aquatic therapy services for individuals with intellectual and
13 development disabilities;

14 (189)\$1,000,000 in fiscal year 2024-2025 to the Department for Behavioral Health,
15 Developmental, and Intellectual Disabilities budget unit to be distributed to the Daviess
16 County Fiscal Court for the Friends of Sinners Men’s Facility;

17 (190)\$1,500,000 in each fiscal year to the Department for Behavioral Health,
18 Developmental, and Intellectual Disabilities budget unit to be distributed to Letcher
19 County Fiscal Court for the Transitioning from Recovery to Society program;

20 (191)\$30,000,000 in fiscal year 2025-2026 to the Community Based Services
21 budget unit to be distributed to the Home of the Innocents for the expansion of the Kosair
22 for Kids Complex Care Center. The funds shall not be distributed unless an equal match
23 is provided by the Home of the Innocents;

24 (192)\$6,000,000 in each fiscal year to the Community Based Services budget unit
25 to be distributed to the Life Learning Center to support an integrated pathway to
26 treatment, rehabilitation, and community reintegration in partnership with Odyssey, Inc.;

27 (193)\$500,000 in fiscal year 2024-2025 to the Community Based Services budget

1 unit to be distributed to Prevent Child Abuse Kentucky to support ongoing operations;

2 (194)\$500,000 in fiscal year 2024-2025 to the Department for Community Based
3 Services to be distributed to Prevent Child Abuse Kentucky to support the Upstream
4 Academy;

5 (195)\$1,500,000 in fiscal year 2024-2025 to the Community Based Services budget
6 unit to be distributed to Buckhorn Children and Family Services to support ongoing
7 operations;

8 (196)\$1,000,000 in each fiscal year to the Community Based Services budget unit
9 to be distributed to Ramey Estep Homes to support ongoing operations;

10 (197)\$6,000,000 in fiscal year 2024-2025 to the Community Based Services budget
11 unit to be distributed to the Children's Home of Northern Kentucky to support ongoing
12 operations;

13 (198)\$5,000,000 in fiscal year 2024-2025 to the Department for Community Based
14 Services budget unit to support campus completion for the Harbor House of Louisville;

15 (199)\$2,000,000 in each fiscal year to the Kentucky Pediatric Cancer Research
16 Trust Fund established in KRS 211.595 to support the families of Kentucky's pediatric
17 cancer patients;

18 (200)\$1,250,000 in each fiscal year to the Justice Administration budget unit to be
19 distributed to Operation UNITE to support ongoing operations;

20 (201)\$8,000,000 in each fiscal year to the Council on Postsecondary Education
21 budget unit to be distributed to Appalachian Regional Healthcare to establish a
22 psychiatric residency program to serve eastern Kentucky;

23 (202)\$12,500,000 in each fiscal year to the Eastern Kentucky University budget
24 unit to support the aviation program;

25 (203)\$5,000,000 in fiscal year 2024-2025 to the Eastern Kentucky University
26 budget unit for the Eastern Scholar House Program expansion;

27 (204)\$2,500,000 in fiscal year 2025-2026 to the Morehead State University budget

1 unit for the advancement, development, and implementation of new space science
2 satellites for the University's space science program;

3 (205) \$10,000,000 in fiscal year 2025-2026 to the Murray State University budget
4 unit for construction, renovation, and operations for the University's cybersecurity
5 program;

6 (206) \$10,000,000 in fiscal year 2024-2025 and \$50,000,000 in fiscal year 2025-
7 2026 to the Murray State University budget unit to construct a facility for the veterinary
8 technician program;

9 (207) \$20,000,000 in each fiscal year to the University of Kentucky budget unit to
10 be invested as a quasi-endowment by the University. The interest earned on the
11 investment shall be used for the Center for Applied Energy Research's administration and
12 support of the Kentucky Nuclear Energy Development Authority and the Energy
13 Planning and Inventory Commission;

14 (208) \$12,500,000 in each fiscal year to the University of Louisville budget unit to
15 be distributed to the University of Louisville Health System for cancer care, research,
16 screening, and educational programs at the Center for Rural Cancer Education and
17 Research;

18 (209) \$10,000,000 in fiscal year 2025-2026 to the University of Louisville budget
19 unit to support construction, renovation, and operations for the University's cybersecurity
20 program;

21 (210) \$5,300,000 in each fiscal year to the University of Louisville budget unit for
22 the Kentucky Manufacturing Extension Partnership;

23 (211) \$900,000 in fiscal year 2024-2025 to the University of Louisville budget unit
24 to be distributed to the Rural Dental Outreach Program;

25 (212) \$10,000,000 in fiscal year 2025-2026 to the Western Kentucky University
26 budget unit to support operations for the University's Innovation Campus program;

27 (213) \$2,200,000 in each fiscal year to the Western Kentucky University budget

1 unit to be distributed to the LifeWorks Transition Academy and Bridge Program;

2 (214)\$1,400,000 in fiscal year 2025-2026 to the Kentucky Community and
3 Technical College System budget unit to be distributed to the Western Kentucky
4 Community and Technical College to support aviation programs;

5 (215)\$18,000,000 in each fiscal year to the Kentucky Horse Park Commission
6 budget unit for facility upgrades to be allocated as follows:

7 (a) \$2,500,000 for the renovation of the restaurant;

8 (b) \$15,000,000 for the replacement of competition barns and stalls;

9 (c) \$7,000,000 for the renovation of entertainment pavilions;

10 (d) \$5,000,000 for the replacement of campground sites and bathhouse;

11 (e) \$1,500,000 for a maintenance pool; and

12 (f) \$5,000,00 for the renovation of the International Museum of the Horse;

13 (216)\$500,000 in fiscal year 2024-2025 to the Secretary budget unit in the Tourism,
14 Arts and Heritage Cabinet to be distributed to the International Bluegrass Music
15 Museum, Inc. to support the Bluegrass Capital Initiative;

16 (217)\$4,000,000 in fiscal year 2024-2025 to the Secretary budget unit in the
17 Tourism, Arts and Heritage Cabinet to be distributed to the Aviation Museum of
18 Kentucky to support the relocation of the museum;

19 (218)\$200,000 in fiscal year 2024-2025 to the Secretary budget unit in the Tourism,
20 Arts and Heritage Cabinet to be distributed to the Muhlenberg County Tourism
21 Commission to provide matching funds to purchase playground equipment at Lake
22 Malone State Park;

23 (219)\$400,000 in fiscal year 2024-2025 to the Secretary budget unit in the Tourism,
24 Arts and Heritage Cabinet to be distributed to the National Quilt Museum to support a
25 roof replacement project;

26 (220)\$720,000 in fiscal year 2024-2025 to the Secretary budget unit in the Tourism,
27 Arts and Heritage Cabinet budget unit to support Trail Town grants not to exceed

1 \$30,000;

2 (221)\$6,000,000 in fiscal year 2024-2025 to the Secretary budget unit in the
3 Tourism, Arts and Heritage Cabinet to be distributed to the East Kentucky Heritage
4 Foundation for construction of cabins at the Raven Rock Resort;

5 (222)\$100,000 in fiscal year 2024-2025 to the Parks budget unit to be distributed to
6 the Dream Big Burnside Authority to support a feasibility study for the development of a
7 lodge and other amenities at General Burnside Island State Park;

8 (223)\$6,000,000 in each fiscal year to the Kentucky Center for the Arts budget unit
9 to be distributed to the Kentucky Center for the Performing Arts to support facility
10 renovations;

11 (224)\$3,500,000 in fiscal year 2023-2024 to the General Administration and
12 Support budget unit in the Kentucky Transportation Cabinet to be distributed to the
13 Paducah-McCracken Riverport Authority to support the Riverport West project;

14 (225)\$7,500,000 in each fiscal year to the General Administration and Support
15 budget unit in the Kentucky Transportation Cabinet to improve public riverports within
16 Kentucky. Each existing public riverport shall receive \$750,000 in each fiscal year for
17 construction and maintenance as authorized by KRS 65.520 and for eligible use as
18 described in KRS 174.210(3), and no local match shall be required. Any remaining
19 balance shall be distributed at the Transportation Cabinet Secretary's discretion and may
20 be disbursed to riverport authorities for existing and developing riverports.
21 Notwithstanding KRS 45.229, any portion of these funds that have not been expended by
22 the end of fiscal year 2024-2025 shall not lapse and shall carry forward into fiscal year
23 2025-2026;

24 (226)\$1,300,000 in fiscal year 2024-2025 to the General Administration and
25 Support budget unit in the Kentucky Transportation Cabinet to be distributed to the
26 Owensboro Riverport Authority to support the construction of the Owensboro riverport
27 waterline loop;

1 (227)\$10,600,000 in fiscal year 2024-2025 to the Department of Aviation budget
2 unit in the Kentucky Transportation Cabinet to support grants of \$200,000 to each
3 General Aviation airport provided that the recipient shall have an automated dependent
4 surveillance broadcast system installed at the airport in order to automate the tracking of
5 aircraft operations and reporting. If a recipient does not have an automated dependent
6 surveillance broadcast system, these grant funds may be used to purchase a system;

7 (228)\$600,000 in fiscal year 2024-2025 to the Department of Aviation budget unit
8 in the Kentucky Transportation Cabinet to be distributed to the Danville-Boyle County
9 Airport for the Stuart-Powell Field;

10 (229)\$7,500,000 in each fiscal year to the Department of Highways budget unit in
11 the Kentucky Transportation Cabinet to implement the Short Line Infrastructure
12 Preservation Pilot Project. The Cabinet shall coordinate with and make grants to Class II
13 and Class III railroads to preserve and enhance existing rail lines and corridors, retain
14 existing rail-served industries, and attract new industries, and preserve and modernize
15 Kentucky's rail system. Funds from the pilot project shall be used for the purpose of
16 leveraging state matching dollars in partnership with participating railroads for the
17 railroad federal grant applications, equipment, construction, reconstruction, improvement,
18 or rehabilitation of rail facilities or engineering work associated with capital projects. No
19 funds shall be expended from the pilot project unless matched with non-state funds
20 equaling at least 50 percent of the total amount for any individual project. No single
21 project shall receive more than \$2,000,000 in grant funds from the pilot project.
22 Notwithstanding KRS 45.229, any portion of these funds that have not been expended by
23 the end of fiscal year 2024-2025 shall not lapse and shall carry forward into fiscal year
24 2025-2026. The Kentucky Transportation Cabinet shall submit a report to the Legislative
25 Research Commission and the Interim Joint Committee on Appropriations and Revenue
26 by September 1, 2025, detailing the disbursement of funds in this subsection;

27 (230)\$7,500,000 in each fiscal year to the Department of Highways budget unit in

1 the Kentucky Transportation Cabinet to implement the Industrial Access and Safety
2 Improvement Pilot Project. The Kentucky Transportation Cabinet, in conjunction with
3 the Cabinet for Economic Development, shall review project proposals and the benefits
4 provided in Kentucky. Projects must provide one or more of the following applicable
5 economic development and safety improvement benefits:

6 (a) Provide Kentucky communities and industries with transportation options,
7 connectivity, and opportunities;

8 (b) Enhance rail line corridors to increase on-time performance; and

9 (c) Improve rail services to existing industries and encourage investment in the
10 Commonwealth;

11 The Kentucky Transportation Cabinet shall coordinate with and make grants to
12 eligible freight railroads operating in the Commonwealth, as well as to any Railroad
13 Authority, Port Authority, rail-served industries, and Industrial and Economic
14 Development Authority Board to expand rail access, enhance the marketability of
15 available industrial sites, increase job creation and capital investment, and increase
16 safety. Funds from the pilot project shall be used for equipment, construction,
17 reconstruction, improvement, or rehabilitation of rail facilities or engineering work
18 associated with capital projects. No funds shall be expended from the pilot project unless
19 matched with non-state funds equaling at least 50 percent of the total amount for any
20 individual project. No single project shall receive more than \$2,000,000 in grant funds
21 from the pilot project. No one entity shall be eligible to receive more than 25 percent of
22 total program funds in a fiscal year. Notwithstanding KRS 45.229, any portion of these
23 funds that have not been expended by the end of fiscal year 2024-2025 shall not lapse and
24 shall carry forward into fiscal year 2025-2026. The Kentucky Transportation Cabinet
25 shall submit a report to the Legislative Research Commission and the Interim Joint
26 Committee on Appropriations and Revenue by September 1, 2025, detailing the
27 disbursement of funds in this subsection;

1 (231) \$250,000,000 in fiscal year 2024-2025 and \$200,000,000 in fiscal year 2025-
2 2026 to the Department of Highways budget unit in the Kentucky Transportation Cabinet
3 to support the State Supported Construction Program and select construction projects
4 within the 2024-2026 Biennial Highway Construction Program. The select construction
5 projects are identified for industrial development, economic and quality improvement, or
6 located in counties that are projected to have the largest change in total population in both
7 numeric and percentage gain. Notwithstanding KRS 45.299, these funds shall not lapse
8 and shall carry forward;

9 (232) \$10,000,000 in fiscal year 2024-2025 to the Department for Local
10 Government budget unit to be distributed to the City of Covington for infrastructure at
11 the Covington Central Riverfront site;

12 (233) \$5,000,000 in fiscal year 2024-2025 to the Emergency and Targeted
13 Investment Fund established by KRS 157.618; and

14 (234) \$2,000,000 in fiscal year 2024-2025 to the Department for Local Government
15 budget unit to be distributed to the Edmonson County Fiscal Court to provide an
16 emergency infrastructure grant. This grant will require a local match of at least
17 \$1,000,000.

18 ➔Section 2. Notwithstanding KRS 15.470, the appropriations contained in this
19 section are supported solely by funds from the Kentucky Law Enforcement Foundation
20 Program Fund established by KRS 15.430.

21 There is hereby appropriated Restricted Funds in the amount of \$56,395,000 in
22 fiscal year 2024-2025 to support the following one-time appropriations:

23 (1) \$50,000,000 to the Criminal Justice Training budget unit to construct to the
24 Western Kentucky Law Enforcement Training Academy in the City of Madisonville. The
25 Department shall collaborate with the City of Madisonville to plan, design, and construct
26 the training academy; and

27 (2) \$6,395,000 in fiscal year 2024-2025 to the State Police budget unit to

1 purchase lab equipment consisting of:

2 (a) One mobile DNA response unit;

3 (b) One single nucleotide polymorphism instrument, including validation services
4 and testing kits;

5 (c) Six GS/MC detector instruments;

6 (d) One 3-D firearm imaging system;

7 (e) Two gas chromatography/mass spectrometry instruments;

8 (f) Two GC/MS/FID instruments;

9 (g) One scanning electron microscope;

10 (h) 240 intoxilyzer instruments;

11 (i) One time-of-flight mass spectrometer; and

12 (j) 15 laboratory fleet vehicles.

13 ➔Section 3. Whereas the provisions of this Act provide ongoing support for state
14 government agencies and their functions, an emergency is declared to exist, and this Act
15 takes effect upon its passage and approval by the Governor or upon its otherwise
16 becoming a law.



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

Andy Beshear
GOVERNOR

Capitol Building, Suite 10C
700 Capitol Avenue
Frankfort, KY 40601
(502) 564-2611
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VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING SENATE BILL 91 OF THE
2024 REGULAR SESSION

Diversion of Privately Donated Funds

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 23, lines 16 through 22, in their entirety.

I am vetoing this part because these are private funds donated to the Team Eastern Kentucky Flood Relief Fund by donors who were promised they would be used for specific purposes. Moreover, most of these funds have already been obligated to construct housing for survivors of the 2022 eastern Kentucky flooding disaster. Some of these homes – such as those in Wayland – are already under construction, and taking these funds would default on the Commonwealth’s obligations and leave Kentuckians without homes.

State Fair Board Property Improvements

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 16, line 9, after “businesses”, delete “with which the Board has existing relationships”.
Page 16, line 12, after “businesses”, delete “with which it has existing relationships”.

I am vetoing this part because it appears to be special legislation aimed at favoring certain businesses over others and runs contrary to competitive bidding in procurement.

This, the 19th day of April, 2024.



Andy Beshear
Governor

1 AN ACT providing funding and establishing conditions for state government
2 agencies and institutions, making an appropriation therefor, and declaring an emergency.

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

4 ➔Section 1. 2024 Regular Session HB 1/VO, Section 1, subsection (14), at page
5 2, is amended to read as follows:

6 (14) \$1,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
7 budget unit to be distributed to the City of Albany to support reduction ~~of land~~ water
8 loss;

9 ➔Section 2. 2024 Regular Session HB 1/VO, Section 1, subsection (23), at page
10 3, is amended to read as follows:

11 (23) \$1,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
12 budget unit to be distributed to the ***Powell Valley Water District***~~[City of Powell Valley]~~
13 for water and sewer expansion near the Red River Gorge;

14 ➔Section 3. 2024 Regular Session HB 1/VO, Section 1, subsection (24), at page
15 3, is amended to read as follows:

16 (24) \$2,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
17 budget unit to be distributed to the ***Beech Fork Water Commission***~~[City of Beach Fork]~~
18 for water and sewer expansion near the Red River Gorge;

19 ➔Section 4. 2024 Regular Session HB 1/VO, Section 1, subsection (35), at page
20 5, is amended to read as follows:

21 (35) \$8,500,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
22 budget unit to be distributed to the Woodford County Fiscal Court to support a
23 wastewater project ***in the community of Millville*** in conjunction with the ***City of***
24 ***Frankfort***~~[Frankfort Plant Board];~~

25 ➔Section 5. 2024 Regular Session HB 1/VO, Section 1, subsection (44), at page
26 6, is amended to read as follows:

27 (44) \$7,000,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority

1 budget unit to be distributed to the City of Georgetown for various water and wastewater
2 infrastructure projects for Georgetown Municipal Water and Sewer Service;

3 ➔Section 6. 2024 Regular Session HB 1/VO, Section 1, subsection (45), at page
4 6, is amended to read as follows:

5 (45) \$50,000,000 in each fiscal year to the Department for Local Government
6 budget unit to be distributed to Louisville Metro Government and allocated at the sole
7 discretion of its Economic Development Department for the revitalization of downtown
8 Louisville to include these projects:

- 9 (a) The Belvedere;
- 10 (b) Community Care Campus;
- 11 (c) LOUMED Campus;
- 12 (d) Louisville Gardens;
- 13 (e) Downtown Vacant Buildings~~[Lot]~~ Revitalization; and
- 14 (f) Butchertown Sports District;

15 ➔Section 7. 2024 Regular Session HB 1/VO, Section 1, subsection (52), at page
16 7, is amended to read as follows:

17 (52) \$1,000,000~~[\$2,000,000]~~ in fiscal year 2024-2025 and \$500,000 in fiscal year
18 2025-2026 to the Attorney General~~[Department for Local Government]~~ budget unit to
19 ~~be distributed to the City of Paducah to~~ create an electric reliability defense
20 program~~[support the Build Ready Grant for the City of Paducah Infrastructure project];~~

21 ➔Section 8. 2024 Regular Session HB 1/VO, Section 1, subsection (53), at page
22 7, is amended to read as follows:

23 (53) \$500,000 in fiscal year 2024-2025 to the Department for Local Government
24 budget unit to be distributed to the City of Kevil~~[Kevil Rural Fire Department]~~ to support
25 upgrades and enhancements for the Kevil Fire Station;

26 ➔Section 9. 2024 Regular Session HB 1/VO, Section 1, subsection (95), at page
27 12, is amended to read as follows:

1 (95) \$850,000 in fiscal year 2024-2025 to the *Department of Parks*~~[Department~~
 2 ~~for Local Government]~~ budget unit ~~[to be distributed to the City of Perryville]~~for the
 3 restoration of the Dye House on the grounds of the Perryville Battlefield *State Historic*
 4 *Site*;

5 →Section 10. 2024 Regular Session HB 1/VO, Section 1, subsection (100), at
 6 page 12, is amended to read as follows:

7 (100)\$1,000,000 in fiscal year 2024-2025 to the Department for Local Government
 8 budget unit to be distributed to the *Lincoln High School Historical Foundation in*
 9 *Paducah*~~[Lincoln County Fiscal Court]~~ for *a civic center*~~[the Lincoln Civic Center]~~
 10 project;

11 →Section 11. 2024 Regular Session HB 1/VO, Section 1, subsection (101), at
 12 page 12, is amended to read as follows:

13 (101)\$1,000,000 in fiscal year 2024-2025 to the Department for Local Government
 14 budget unit to be distributed to the *City of Elizabethtown*~~[Hardin County Fiscal Court]~~
 15 for the Elizabethtown Parks and Trails Conservancy;

16 →Section 12. 2024 Regular Session HB 1/VO, Section 1, subsection (106), at
 17 page 13, is amended to read as follows:

18 (106)\$8,000,000 in fiscal year 2024-2025 and \$500,000 in fiscal year 2025-2026 to
 19 the Department for Local Government budget unit to be distributed to the *Center for*
 20 *Rural Development*~~[Lake Cumberland Area Development District]~~ for a regional training
 21 center *in collaboration with the Lake Cumberland Area Development District*;

22 →Section 13. 2024 Regular Session HB 1/VO, Section 1, subsection (122), at
 23 page 14, is amended to read as follows:

24 (122)\$100,000 in each fiscal year to the Department for Local Government budget
 25 unit to be distributed to *The Nest in Lexington*~~[the Fayette County Fiscal Court]~~ to
 26 support *operations*~~[The Nest in Lexington]~~;

27 →Section 14. 2024 Regular Session HB 1/VO, Section 1, subsection (130), at

1 page 15, is amended to read as follows:

2 (130)\$1,250,000 in fiscal year 2024-2025 to the Department for Local Government
3 budget unit to be distributed to the City of Booneville for land acquisition and
4 renovations~~[city renovations]~~;

5 ➔Section 15. 2024 Regular Session HB 1/VO, Section 1, subsection (131), at
6 page 15, is amended to read as follows:

7 (131)\$1,250,000 in fiscal year 2024-2025 to the Department for Local Government
8 budget unit to be distributed to the Owsley County Fiscal Court for land acquisition,
9 reclamation, and renovations;

10 ➔Section 16. 2024 Regular Session HB 1/VO, Section 1, subsection (132), at
11 page 15, is amended to read as follows:

12 (132)\$500,000 in fiscal year 2024-2025 to the Department for Local Government
13 budget unit to be distributed to the City of Booneville~~[Owsley County Fiscal Court]~~ for a
14 home development~~[homeless]~~ initiative;

15 ➔Section 17. 2024 Regular Session HB 1/VO, Section 1, subsection (134), at
16 page 16, is amended to read as follows:

17 (134)\$3,500,000 in fiscal year 2024-2025 to the Department for Local Government
18 budget unit to be distributed to the City of Corbin for land acquisition, construction, and
19 renovations for a tourism initiative;

20 ➔Section 18. 2024 Regular Session HB 1/VO, Section 1, subsection (137), at
21 page 16, is amended to read as follows:

22 (137)\$8,500,000 in fiscal year 2024-2025 to the Department for Local Government
23 budget unit to be distributed to the Knox County Fiscal Court for land acquisition and
24 renovations for a new county administrative office~~[a new County Administrative~~
25 ~~Office]~~;

26 ➔Section 19. 2024 Regular Session HB 1/VO, Section 1, subsection (139), at
27 page 16, is amended to read as follows:

1 (139)\$4,000,000 in fiscal year 2024-2025 to the Department for Local Government
2 budget unit to be distributed to the Clay County Fiscal Court for construction of
3 **multipurpose buildings and renovations**~~[a Multi-Purpose Building];~~

4 ➔Section 20. 2024 Regular Session HB 1/VO, Section 1, subsection (140), at
5 page 16, is amended to read as follows:

6 (140)\$10,000,000 in fiscal year 2024-2025 to the Department for Local
7 Government budget unit to be distributed to ICC for **land acquisition, construction, and**
8 **joint projects for** various economic development projects;

9 ➔Section 21. 2024 Regular Session HB 1/VO, Section 1, subsection (146), at
10 page 17, is amended to read as follows:

11 (146)\$1,500,000 in fiscal year 2024-2025 to the Department for Local Government
12 budget unit to be distributed to **Shaping**~~[Save]~~ Our Appalachian Region for remote talent
13 attraction;

14 ➔Section 22. 2024 Regular Session HB 1/VO, Section 1, subsection (152), at
15 page 17, is amended to read as follows:

16 (152)\$11,250,000 in fiscal year 2024-2025 to the Department for Local
17 Government budget unit to be distributed to the City of Frankfort to support construction
18 of the Frankfort Convention Center subject to **a dollar-for-dollar match**~~[funding the~~
19 ~~project balance of \$22,500,000];~~

20 ➔Section 23. 2024 Regular Session HB 1/VO, Section 1, subsection (160), at
21 page 18, is amended to read as follows:

22 (160)\$200,000,000 in fiscal year 2023-2024 to the **Cabinet for Economic**
23 **Development**~~[Department of Agriculture]~~ budget unit to support matching funds under
24 the Government Resources Accelerating Needed Transformation Program **of 2024. Of**
25 **this amount, \$4,000,000 shall be distributed to Grant Ready Kentucky.** Notwithstanding
26 KRS 147A.158(3)(b), no more than \$2,000,000 in fiscal year 2023-2024 shall be used for
27 administrative expenses. Notwithstanding KRS 45.229, these funds shall not lapse and

1 shall carry forward;

2 →Section 24. 2024 Regular Session HB 1/VO, Section 1, subsection (172), at
3 page 20, is amended to read as follows:

4 (172)\$50,000,000 in each fiscal year to the Economic Development budget unit to
5 support approved mega-development projects of at least \$10,000,000, with an exception
6 for certain economic development projects as recommended by the Cabinet based on
7 unique conditions of the county where the project may occur, including but not limited to
8 the population, per capita income, or county wages that are lower than the median for the
9 state. *These funds may be used to provide loans with the ability for forgiveness upon*
10 *approval by the Secretary to support infrastructure and access to power. The Cabinet*
11 *shall develop the terms and conditions of the loans and shall include requirements*
12 *related to increased economic development;*

13 →Section 25. 2024 Regular Session HB 1/VO, Section 1, subsection (173), at
14 page 20, is amended to read as follows:

15 (173)\$50,000,000 in fiscal year 2024-2025 to the Economic Development budget
16 unit to support the Kentucky Economic Development Finance Authority Loan Pool. The
17 appropriation contained in this subsection shall be used to provide funding to Hardin and
18 Warren Counties, communities experiencing significant economic development growth
19 due to announced projects with investments exceeding \$2,000,000,000 for supporting
20 critical infrastructure improvements, such as water and sewer requirements, for continued
21 economic development. Assistance may be in the form of a loan with the ability for
22 forgiveness due to meeting negotiated requirements related to increased economic
23 development for the community. *Of this amount, \$20,000,000 shall be allocated to the*
24 *Intermodal Transportation Authority project at the Kentucky Transpark;*

25 →Section 26. 2024 Regular Session HB 1/VO, Section 1, subsection (190), at
26 page 23, is amended to read as follows:

27 (190)\$1,500,000 in ~~each~~ fiscal year *2024-2025 and \$1,000,000 in fiscal year*

1 2025-2026 to the Department for Behavioral Health, Developmental, and Intellectual
 2 Disabilities budget unit to be distributed to Mountain Comprehensive Health
 3 Corporation~~[Letcher County Fiscal Court]~~ for the Transitioning from Recovery to
 4 Society program;

5 ➔Section 27. 2024 Regular Session HB 1/VO, Section 1, subsection (198), at
 6 page 24, is amended to read as follows:

7 (198) \$4,000,000~~[\$5,000,000]~~ in fiscal year 2024-2025 to the Department for
 8 Community Based Services budget unit to support campus completion for the Harbor
 9 House of Louisville;

10 ➔Section 28. 2024 Regular Session HB 1/VO, Section 1, subsection (215), at
 11 page 26, is amended to read as follows:

12 (215) \$18,000,000 in each fiscal year to the Kentucky Horse Park Commission
 13 budget unit for facility upgrades to be allocated as follows:

- 14 (a) \$2,500,000 for the renovation of the restaurant;
- 15 (b) \$15,000,000 for the replacement of competition barns and stalls;
- 16 (c) \$7,000,000 for the renovation of entertainment pavilions;
- 17 (d) \$5,000,000 for the replacement of campground sites and bathhouse;
- 18 (e) \$1,500,000 for a maintenance pool; and
- 19 (f) \$5,000,000~~[\$5,000,000]~~ for the renovation of the International Museum of the
 20 Horse;

21 ➔Section 29. 2024 Regular Session HB 1/VO, Section 1, subsection (218), at
 22 page 26, is amended to read as follows:

23 (218) \$200,000 in fiscal year 2024-2025 to the Secretary budget unit in the Tourism,
 24 Arts and Heritage Cabinet to be distributed to the Muhlenberg County Tourism
 25 Commission to support tourism~~[provide matching funds to purchase playground~~
 26 ~~equipment at Lake Malone State Park]~~;

27 ➔Section 30. 2024 Regular Session HB 1/VO, Section 1, subsection (224), at

1 page 27, is amended to read as follows:

2 (224)\$3,500,000 in fiscal year 2023-2024 to the General Administration and
3 Support budget unit in the Kentucky Transportation Cabinet to be distributed to the
4 Paducah-McCracken Riverport Authority to support the Riverport West project.
5 **Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward to**
6 **fiscal year 2024-2025;**

7 ➔Section 31. 2024 Regular Session HB 1/VO, Section 1, subsection (225), at
8 page 27, is amended to read as follows:

9 (225)\$7,500,000 in each fiscal year to the General Administration and Support
10 budget unit in the Kentucky Transportation Cabinet to improve public riverports within
11 Kentucky. **Of this amount, \$250,000 in each fiscal year shall be distributed to the West**
12 **Kentucky Regional Riverport Authority to support predevelopment archaeological**
13 **activities. In addition, each**~~Each~~ existing public riverport shall receive \$750,000 in
14 each fiscal year for construction and maintenance as authorized by KRS 65.520 and for
15 eligible use as described in KRS 174.210(3), and no local match shall be required. Any
16 remaining balance shall be distributed at the Transportation Cabinet Secretary's discretion
17 and may be disbursed to riverport authorities for existing and developing riverports.
18 Notwithstanding KRS 45.229, any portion of these funds that have not been expended by
19 the end of fiscal year 2024-2025 shall not lapse and shall carry forward into fiscal year
20 2025-2026;

21 ➔Section 32. 2024 Regular Session HB 1/VO, Section 1, subsection (233), at
22 page 30, is amended to read as follows:

23 (233)\$5,000,000 in fiscal year 2024-2025 to the Emergency and Targeted
24 Investment Fund established by KRS 157.618, **The School Facilities Construction**
25 **Commission shall grant priority to schools with structural failures and no bonding**
26 **capacity;**~~and~~

27 ➔Section 33. 2024 Regular Session HB 1/VO, Section 1, subsection (234), at

1 page 30, is amended to read as follows:

2 (234) \$2,000,000 in fiscal year 2024-2025 to the Department for Local Government
3 budget unit to be distributed to the Edmonson County Fiscal Court to provide an
4 emergency infrastructure grant. This grant will require a local match of at least
5 \$1,000,000; ~~and~~

6 (235) \$1,000,000 in fiscal year 2024-2025 to the Department for Local
7 Government budget unit to be distributed to the City of London to support construction
8 of the London City Plaza project; and

9 (236) \$1,000,000 in fiscal year 2024-2025 to the University of Kentucky budget
10 unit to support immune dysregulation research.

11 ➔ Section 34. 2024 Regular Session HB 6/VO in Part, Part I, A., 4., (2)
12 Congressional Medal of Honor Recipients - Travel and Per Diem, at page 4, is amended
13 to read as follows:

14 (2) ~~[(Congressional)]~~ **Medal of Honor Recipients - Travel and Per Diem:** The
15 Commissioner of the Department of Veterans' Affairs may approve travel and per diem
16 expenses incurred when Kentucky residents who have been awarded the ~~[(Congressional]~~
17 ~~]~~ Medal of Honor attend veterans, military, or memorial events in the Commonwealth of
18 Kentucky.

19 ➔ Section 35. 2024 Regular Session HB 6/VO in Part, Part I, A., 6., (1) Kentucky
20 National Guard, at page 8, is amended to read as follows:

21 (1) **Kentucky National Guard:** Included in the above General Fund
22 appropriation is \$4,500,000 in each fiscal year to be expended, subject to the conditions
23 and procedures provided in this Act, which are required as a result of the Governor's
24 declaration of emergency pursuant to KRS Chapter 39A, and the Governor's call of the
25 Kentucky National Guard to active duty when an emergency or exigent situation has been
26 declared to exist by the Governor. Notwithstanding KRS 45.229, any portion of the
27 \$4,500,000 not expended shall lapse to the Budget Reserve Trust Fund Account (KRS

1 48.705) at the end of each fiscal year. In the event that costs for Governor-declared
 2 emergencies or the Governor's call of the Kentucky National Guard for emergencies or
 3 exigent situations exceed \$4,500,000 annually, up to \$50,000,000~~[\$25,000,000]~~ shall be
 4 deemed necessary government expenses and shall be paid from the General Fund Surplus
 5 Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

6 ➔Section 36. 2024 Regular Session HB 6/VO in Part, Part I, A., 6., (2) Disaster
 7 or Emergency Aid Funds, at pages 8 to 9, is amended to read as follows:

8 **(2) Disaster or Emergency Aid Funds:** Subject to the conditions and procedures
 9 in this Act, in the event of a presidentially declared disaster or emergency, the
 10 Department of Military Affairs may request from the Finance and Administration
 11 Cabinet, as a necessary government expense, up to \$75,000,000 in fiscal year 2023-2024,
 12 \$25,000,000~~[\$50,000,000]~~ in fiscal year 2024-2025, and \$25,000,000~~[\$50,000,000]~~ in
 13 fiscal year 2025-2026 from the General Fund to be used as required to match federal aid
 14 for which the state would be eligible. These necessary funds shall be made available from
 15 the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund
 16 Account (KRS 48.705).

17 ➔Section 37. 2024 Regular Session HB 6/VO in Part, Part I, A., 19., a., (7)
 18 Employment of Family Members, at page 24, is amended to read as follows:

19 ~~[(7) **Employment of Family Members:** Notwithstanding 65.003(3)(c), no~~
 20 ~~Commonwealth's Attorney shall hire a family member, as defined as a spouse, parent,~~
 21 ~~sibling, child, mother in law, father in law, son in law, daughter in law, grandparent, or~~
 22 ~~grandchild on or after the effective date of this Act.]~~

23 ➔Section 38. 2024 Regular Session HB 6/VO in Part, Part I, A., 19., b., (8)
 24 Employment of Family Members, at page 26, is amended to read as follows:

25 ~~[(8) **Employment of Family Members:** Notwithstanding 65.003(3)(c), no County~~
 26 ~~Attorney shall hire a family member, as defined as a spouse, parent, sibling, child,~~
 27 ~~mother in law, father in law, son in law, daughter in law, grandparent, or grandchild on~~

1 ~~or after the effective date of this Act.]~~

2 ➔Section 39. 2024 Regular Session HB 6/VO in Part, Part I, A., 27., (4)
3 Secondary Area Technology Center Renovation Pool - 2025-2026, at page 41, is
4 amended to read as follows:

5 **(4) Secondary Area Technology Center Renovation Pool - 2025-2026:** A local
6 school district that owns a secondary area technology center shall be eligible to receive a
7 grant of up to ~~\$7,500,000~~ **\$10,000,000** to support renovation costs in fiscal year 2025-
8 2026. The School Facilities Construction Commission shall develop criteria for the
9 districts to receive funding, which shall include enrollment in job creation training
10 programs, bonding capacity, and a needs-based local match. The Commission shall show
11 preference to applications from regions projected to experience rapid growth due to
12 economic development. No award shall be made to any local school district which has
13 received an award from the Local Area Vocational Education Center Pool since fiscal
14 year 2020-2021.

15 **Included in the Secondary Area Technology Center Renovation Pool is an**
16 **allocation of \$600,000 to the Floyd County Area Technology Center to support**
17 **engineering, design, and rehabilitation costs. Of this amount, \$100,000 shall be used**
18 **for the design, and \$500,000 shall be used for sewer, water, and electric.**

19 ➔Section 40. 2024 Regular Session HB 6/VO in Part, Part I, C., 1., (22) Property
20 Assessment Growth Relief, at page 60, is amended to read as follows:

21 **(22) Property Assessment Growth Relief: (a) In addition to the support**
22 **provided by KRS 157.360(17), a district shall qualify for supplemental property**
23 **assessment growth relief in fiscal year 2024-2025 if sufficient funds exist within the**
24 **SEEK budget unit and all of the following conditions are met:**

25 **1. The district qualifies for an assessment adjustment in accordance with KRS**
26 **157.360(17) in fiscal year 2023-2024 and fiscal year 2024-2025;**

27 **2. The district levied a tax rate of four percent or greater in fiscal year 2024-**

1 2025; and

2 3. The district experienced a cumulative rate of growth in real estate values
 3 from fiscal year 2022-2023 to fiscal year 2024-2025 in excess of 14.4 percent.

4 (b) A district shall qualify for supplemental relief in fiscal year 2025-2026 if
 5 sufficient funds exist within the SEEK budget unit and all of the following conditions
 6 are met:

7 1. The district qualifies for an assessment adjustment in accordance with KRS
 8 157.360(17) in fiscal year 2024-2025 and fiscal year 2025-2026;

9 2. The district levied a tax rate of four percent or greater in fiscal year 2025-
 10 2026; and

11 3. The district experienced a cumulative rate of growth in real estate values
 12 from fiscal year 2022-2023 to fiscal year 2025-2026 in excess of 25.8 percent.

13 (c) The Kentucky Department of Education shall use the available funds to
 14 adjust the assessment for qualifying districts in each fiscal year to provide real estate
 15 growth relief. ~~[Notwithstanding KRS 157.360(17), the Department of Education shall~~
 16 ~~value real estate for the purposes of calculating the state portion of local effort required to~~
 17 ~~participate in the SEEK Program as the lesser of the current year assessment or the prior~~
 18 ~~year assessment increased by four percent, plus the value of current year new property.~~
 19 ~~For purposes of calculating the adjusted prior year assessment, the value of current new~~
 20 ~~year property may not exceed 110 percent of the value of the prior year's valuation of~~
 21 ~~existing property. Authorization to use the prior year assessment, as adjusted, shall be~~
 22 ~~subject to available funds.]~~

23 ➔Section 41. 2024 Regular Session HB 6/VO in Part, Part I, C., 3., (5) Center for
 24 School Safety, at pages 66 to 67, is amended to read as follows:

25 **(5) Center for School Safety:** Included in the above General Fund appropriation
 26 is \$15,000,000 in each fiscal year for the Center for School Safety. Notwithstanding KRS
 27 158.446, the Center for School Safety shall allot these moneys for the purposes described

1 in KRS 158.440, 158.441, 158.4415, 158.4416, 158.442, 158.445, and 158.446 at both
 2 public and private school buildings, campuses, grounds, recreational areas, or athletic
 3 fields, except that no more than ~~\$1,500,000~~ \$2,000,000 in each fiscal year may be
 4 retained for operating and administrative purposes. The Center for School Safety shall
 5 research and evaluate commercial software solutions available to improve school safety.
 6 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
 7 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
 8 shall be submitted pursuant to Part III, 24. of this Act.

9 ➔Section 42. 2024 Regular Session HB 6/VO in Part, Part I, G., 8., (16) Foster
 10 Home Rate Equity, at page 116, is amended to read as follows:

11 **(16) Foster Home Rate Equity:** Included in the above appropriations is
 12 \$10,600,000 in Restricted Funds and \$2,400,000 in Federal Funds in each fiscal year to
 13 support an increase in the ~~[DCBS] foster care rate per diem and to align the rates~~
 14 ~~to be more equitable with the Private Child-Caring and Private Child-Placing agency rate~~
 15 ~~per diem].~~ Mandated reports shall be submitted pursuant to Part III, 24. of this Act.

16 ➔Section 43. 2024 Regular Session HB 6/VO in Part, Part I, J., 1., (12)
 17 Postbaccalaureate Initiatives, at page 150, is amended to read as follows:

18 **(12) Postbaccalaureate Initiatives:** Included in the above General Fund
 19 appropriation is \$2,000,000 in fiscal year 2023-2024 to contract with an outside entity to
 20 conduct a study on the postbaccalaureate initiatives of each of the comprehensive
 21 universities. The study shall be prioritized according to 2024 Regular Session SJR 170.
 22 Notwithstanding KRS 45.229, these funds shall not lapse and shall carry forward to fiscal
 23 year 2024-2025. Any unexpended funds at the conclusion of the study may be used for
 24 administrative expenses. Mandated reports shall be submitted pursuant to Part III, 24. of
 25 this Act.

26 ➔Section 44. 2024 Regular Session HB 6/VO in Part, Part I, J., 1., (13) Immunity
 27 for Postsecondary Institutions, at pages 150 to 151, is amended to read as follows:

1 **(13) Immunity for Postsecondary Institutions:** Notwithstanding any statute to
2 the contrary, a public postsecondary institution, including any affiliated corporation, its
3 officers, employees, and agents, shall be immune from all claims, including class action
4 claims for damages, a declaratory judgment, and equitable relief based on an act or
5 omission if:

6 (a) The claim arises out of or in connection with tuition paid to the public
7 postsecondary institution for an academic term that included the months of March, April,
8 and May 2020;

9 (b) The claim alleges losses or damages arising from an act or omission by the
10 public postsecondary institution during or in response to the COVID-19 emergency; ***and***

11 (c) The alleged act or omission of the public postsecondary institution was related
12 to protecting public health and safety interests in response to the COVID-19 emergency
13 in compliance with federal, state, or local guidance, including but not limited to:

14 1. Transition to online or otherwise remote instruction;

15 2. Pause or modification to instruction available through the institution of higher
16 education;

17 3. Closure of, or modification to, operation of on-campus facilities of the public
18 postsecondary institution; or

19 4. The public postsecondary institution offered online and otherwise remote
20 learning options that allowed students to complete the coursework in the academic term
21 that included the months of March, April, and May 2020 and receive academic credit.

22 ➔Section 45. 2024 Regular Session HB 6/VO in Part, Part I, J., 1., (14) Simmons
23 College, at page 151, is amended to read as follows:

24 **(14) Simmons College:** Included in the above Federal Funds appropriation is
25 \$1,280,200 in fiscal year 2023-2024 from the State Fiscal Recovery Fund of the
26 American Rescue Plan Act of 2021 to support ***infrastructure planning and facility***
27 ***acquisition for student residential housing, an onsite tutoring/study facility, and***

1 development and designs for capital improvements to support academic program
2 expansion [the Teacher Education Initiative and public health initiatives].

3 →Section 46. 2024 Regular Session HB 6/VO in Part, Part I, K., 10. Claims and
4 Appeals, at pages 173 to 174, is amended to read as follows:

5 **10. CLAIMS AND APPEALS**

	2023-24	2024-25	2025-26
6 General Fund	1,000,000	2,215,700	2,246,800
7 Restricted Funds	-0-	1,317,200	1,317,300
8 Federal Funds	-0-	768,100	769,100
9 TOTAL	1,000,000	4,301,000	4,333,200

11 **(1) Crime Victims' Compensation Fund:** Included in the above General Fund
12 appropriation is \$1,000,000 in fiscal years 2023-2024, 2024-2025, and 2025-2026 to
13 support the Crime Victims' Compensation Fund. Notwithstanding KRS 45.229, any
14 portion of General Fund not expended for this purpose shall lapse to the Budget Reserve
15 Trust Fund Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part
16 III, 24. of this Act.

17 **(2) Additional Personnel:** Included in the above Federal Funds appropriation is
18 \$104,100 in fiscal year 2024-2025 and \$105,100 in fiscal year 2025-2026 to support
19 additional personnel. Mandated reports shall be submitted pursuant to Part III, 24. of this
20 Act.

21 **(3) Administrative Expenses and Claims: Notwithstanding KRS 304.2-400(2),**
22 **excess Restricted Funds from the Department of Insurance shall be transferred to the**
23 **Crime Victims' Compensation Fund and made available to support administrative**
24 **expenses and claims.**

25 →Section 47. 2024 Regular Session HB 6/VO in Part, Part I, L., 1., (5) Southern
26 Kentucky Tourism Initiative, at page 175, is amended to read as follows:

27 **(5) Southern Kentucky Tourism Initiative:** Included in the above Restricted

1 Funds appropriation is \$500,000 in fiscal year 2024-2025 to support the
 2 Southern~~[Southeast]~~ Kentucky Chamber of Commerce for the Southern Kentucky
 3 Tourism Initiative. Mandated reports shall be submitted pursuant to Part III, 24. of this
 4 Act.

5 ➔Section 48. 2024 Regular Session HB 6/VO in Part, Part I, L., 6., (5) State Fair
 6 Board Property Improvements, at pages 178 to 179, is amended to read as follows:

7 **(5) State Fair Board Property Improvements:** Notwithstanding any statute to
 8 the contrary, the State Fair Board shall give preference~~[offer a right of first refusal]~~ to
 9 Kentucky businesses ~~**[with which the Board has existing relationships]**~~ ~~[before~~
 10 ~~offering partnership opportunities to other businesses]~~ to make improvements to State
 11 Fair Board properties for hotel development~~[redevelopment]~~. The Board shall
 12 recommend the participation of Kentucky-based businesses ~~**[with which it has existing~~
 13 ~~relationships]**~~ and shall also recommend the participation of other Kentucky-based
 14 businesses offering solutions to accomplish the goal of improving hotel
 15 development~~[redevelopment]~~. For the purposes of this subsection, "Kentucky-based
 16 business" means a business that has employees working in Kentucky and that operates a
 17 principle executive office in Kentucky from which those employees, other offices, and
 18 affiliated entities are directed and controlled.

19 ➔Section 49. 2024 Regular Session HB 6/VO in Part, Part I, L., 6., (6) Kentucky
 20 Exposition Center Redevelopment Plan - Phase II, at page 179, is amended to read as
 21 follows:

22 **(6) Kentucky Exposition Center Redevelopment Plan - Phase II:** The General
 23 Assembly recognizes the need to secure the future of Kentucky State Fair Board
 24 properties. To address this need, the project authorization set out in Part II, Capital
 25 Projects Budget, of this Act is contingent on the State Fair Board's submission and
 26 approval by the General Assembly via joint resolution of a comprehensive statewide
 27 proposal regarding improvements to the properties. The proposal shall include the

1 following:

2 (a) Recommendations for private and/or local government partnerships. In
3 developing its proposal regarding private partnerships, the Board shall give
4 preference ~~[offer a right of first refusal]~~ to Kentucky-based businesses with which it has
5 existing relationships and shall also recommend the participation of other Kentucky-
6 based businesses offering solutions to accomplish the goal of improving Board
7 properties. For the purposes of this paragraph, "Kentucky-based business" means a
8 business that has employees working in Kentucky and that operates a principle executive
9 office in Kentucky from which those employees, other offices, and affiliated entities are
10 directed and controlled;

11 (b) Detailed financial information regarding return on investment resulting from
12 partnerships; and

13 (c) A 50 percent match of the state contribution from private and/or local
14 government partners.

15 The proposal may also include a plan of action regarding disposal of property to
16 local governments. The State Fair Board shall develop the proposal and present it to the
17 Interim Joint Committee on Appropriations and Revenue by December 1, 2024.

18 ➔Section 50. 2024 Regular Session HB 6/VO in Part, Part II, I., (1)
19 Postsecondary Education Asset Preservation Pool, at page 199, is amended to read as
20 follows:

21 **(1) Postsecondary Education Asset Preservation Pool:** The Postsecondary
22 Education Asset Preservation Pool provides funding for individual asset preservation,
23 renovation, and maintenance projects at Kentucky's public postsecondary institutions in
24 Education, General, and state-owned and operated residential housing facilities, for fixed
25 asset pedestrian and student parking areas, and for the razing of university-owned
26 buildings. For fiscal years 2024-2025 and 2025-2026, each project for research
27 institutions shall be matched at 25 percent from funds provided by each research

1 institution. Capital projects as defined in KRS 45.750(1)(f) are hereby authorized from
2 these funds or combination of funds thereof and shall be reported to the Capital Projects
3 and Bond Oversight Committee.

4 ➔Section 51. 2024 Regular Session HB 6/VO in Part, Part II, I., 7., 002.
5 Renew/Renovate Steely Library, at page 205, is amended to read as follows:

6 **002.** Renew/Renovate Landrum Academic Center~~[Steely Library]~~

7	Bond Funds	49,000,000	-0-
8	Other Funds	3,000,000	-0-
9	TOTAL	52,000,000	-0-

10 ➔Section 52. 2024 Regular Session HB 265/VO, Part I, A., 1., (5) Riverport
11 Improvements, at page 3, is amended to read as follows:

12 **(5) Riverport Improvements:** Included in the above General Fund appropriation
13 is \$500,000 in each fiscal year to the Riverport Financial Assistance Trust Fund (KRS
14 174.210)~~[improve public riverports within Kentucky. The Secretary of the Transportation~~
15 ~~Cabinet, in conjunction with the Kentucky Water Transportation Advisory Board, shall~~
16 ~~determine how the funds are distributed].~~ Notwithstanding KRS 45.229, any portion of
17 General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund
18 Account (KRS 48.705). Mandated reports shall be submitted pursuant to Part I, A., 1., (4)
19 of this Act.

20 ➔Section 53. 2024 Regular Session HB 265/VO, Part I, A., 8., (6) Vision Testing,
21 at page 14, is amended to read as follows:

22 **(6) Vision Testing:** Notwithstanding KRS 186.577, prior to January 1, 2025, an
23 individual applying for ~~renewal of~~ an operator's license renewal or instruction permit
24 renewal shall not be required to submit to a test of visual acuity and visual field. The
25 Transportation Cabinet may establish a pilot project to allow for the voluntary vision
26 testing upon renewal at regional driver licensing offices.

27 ➔Section 54. There is hereby appropriated additional Other Funds in the amount

1 of \$16,000,000 in fiscal year 2024-2025 to the Northern Kentucky University budget unit
2 for the Expand/Renovate Soccer Complex capital project.

3 ➔Section 55. Pursuant to KRS 141.020(2)(a)2.d., the appropriation in this section
4 is supported solely by funds from the Budget Reserve Trust Fund Account (KRS 48.705)
5 and shall not be identified as GF appropriations when certifying the reduction conditions
6 pursuant to KRS 141.020(2)(a)5. and (d)2. to 5.

7 There is hereby appropriated General Fund moneys from the Budget Reserve Trust
8 Fund Account (KRS 48.705) in the amount of \$150,000,000 in fiscal year 2023-2024 to
9 the Department of Highways budget unit to be allocated to the 2024-2026 Biennial
10 Highway Construction Plan project number 2-1088.52, contingent upon award of a
11 federal Multimodal Project Discretionary Grant for this project.

12 ➔Section 56. Pursuant to KRS 141.020(2)(a)2.d., the appropriation in this section
13 is supported solely by funds from the Budget Reserve Trust Fund Account (KRS 48.705)
14 and shall not be identified as GF appropriations when certifying the reduction conditions
15 pursuant to KRS 141.020(2)(a)5. and (d)2. to 5.

16 There is hereby appropriated General Fund moneys from the Budget Reserve Trust
17 Fund Account (KRS 48.705) in the amount of \$150,000,000 in fiscal year 2023-2024 to
18 the Department of Highways budget unit to be allocated to the 2024-2026 Biennial
19 Highway Construction Plan project number 10-169.10, contingent upon award of a
20 federal Multimodal Project Discretionary Grant for this project.

21 ➔Section 57. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
22 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the
23 amount of \$2,969,200 in fiscal year 2024-2025 and \$3,956,800 in fiscal year 2025-2026
24 to the Public Health budget unit to support the costs of workforce and operations for the
25 local health departments.

26 ➔Section 58. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
27 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the

1 amount of \$500,000 in fiscal year 2024-2025 to the Department for Local Government
2 budget unit to be distributed to the Lee County Fiscal Court to support a public safety
3 initiative.

4 ➔Section 59. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
5 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the
6 amount of \$1,500,000 in fiscal year 2024-2025 to the Attorney General budget unit to
7 create an electric reliability defense program.

8 ➔Section 60. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
9 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the
10 amount of \$300,000 in fiscal year 2024-2025 to the Council on Postsecondary Education
11 budget unit to support a grant match for the National Stem Cell Foundation.

12 ➔Section 61. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
13 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) as a
14 one-time allocation in the amount of \$5,000,000 in each fiscal year to the University of
15 Kentucky budget unit to support cancer research at the Markey Cancer Center, including
16 but not limited to ovarian cancer research.

17 ➔Section 62. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
18 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the
19 amount of \$5,000,000 in fiscal year 2024-2025 to the Department for Local Government
20 budget unit to be distributed to the Carlisle County Fiscal Court to support the Carlisle
21 County Water District in providing water treatment and water lines to schools in the
22 county.

23 ➔Section 63. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
24 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the
25 amount of \$5,000,000 in fiscal year 2024-2025 to the Department for Local Government
26 budget unit to be distributed to the Pleasure Ridge Park Fire District to support a capital
27 construction project.

1 ➔Section 64. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
2 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the
3 amount of \$5,000,000 in fiscal year 2025-2026 to the Department of Agriculture budget
4 unit to support economic development initiatives within the agriculture industry. The
5 funding is contingent on the Commissioner of Agriculture's submission and approval by
6 the General Assembly via joint resolution of a comprehensive proposal regarding
7 agriculture economic development initiatives. The proposal shall be submitted to the
8 Interim Joint Committee on Appropriations and Revenue by December 1, 2024.

9 ➔Section 65. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
10 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) as a
11 one-time allocation in the amount of \$905,800 in fiscal year 2024-2025 and \$1,596,800
12 in fiscal year 2025-2026 to the Justice Administration budget unit to support the loss of
13 federal funds for the Court-Appointed Special Advocate (CASA) funding programs.

14 ➔Section 66. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
15 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the
16 amount of \$250,000 in fiscal year 2024-2025 to the Department for Local Government
17 budget unit to be distributed to the Daviess County Fiscal Court to support sewer
18 compliance for the City of Whitesville.

19 ➔Section 67. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
20 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the
21 amount of \$1,200,000 in fiscal year 2023-2024 to the Department for Local Government
22 budget unit to be distributed to the Daviess County Fiscal Court to support water project
23 cost overruns. Notwithstanding KRS 45.229, these funds shall not lapse and shall carry
24 forward.

25 ➔Section 68. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
26 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the
27 amount of \$250,000 in fiscal year 2025-2026 to the Department for Local Government

1 budget unit to be distributed to the Union County Fiscal Court to support water line
2 installation and repairs for the City of Sturgis.

3 ➔Section 69. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
4 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the
5 amount of \$800,000 in fiscal year 2024-2025 to the Kentucky Infrastructure Authority
6 budget unit to support a statewide comprehensive plan for water management services
7 provided by the Area Development Districts and maintenance of the Water Resource
8 Information System.

9 ➔Section 70. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
10 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) as a
11 one-time allocation in the amount of \$600,000 in each fiscal year to the Behavioral
12 Health, Developmental, and Intellectual Disabilities budget unit to support direct services
13 provided to clients by The Healing Place.

14 ➔Section 71. Pursuant to KRS 141.020(2)(a)2.d., there is hereby appropriated
15 General Fund moneys from the Budget Reserve Trust Fund Account (KRS 48.705) in the
16 amount of \$15,000,000 in each fiscal year to the Economic Development budget unit to
17 support approved mega-development projects of at least \$10,000,000, with an exception
18 for certain economic development projects as recommended by the Cabinet based on
19 unique conditions of the county where the project may occur, including but not limited to
20 the population, per capita income, or county wages that are lower than the median for the
21 state. The funds may be used to provide loans with the ability for forgiveness upon
22 approval by the Secretary to support infrastructure and access to power. The Cabinet shall
23 develop the terms and conditions of the loans and shall include requirements related to
24 increased economic development.

25 ➔Section 72. Notwithstanding KRS 39A.303(6), from the appropriation set out in
26 2022 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 6, there is hereby appropriated Restricted
27 Funds from the East Kentucky State Aid Funding for Emergencies (EKSAFE) Fund

1 established in KRS 39A.303 in the amount of \$28,725,000 in fiscal year 2024-2025 to the
2 Military Affairs budget unit to be used for the advancement of moneys to city and county
3 governments experiencing strained fiscal liquidity while awaiting reimbursement from
4 federal emergency management assistance or insurance claims related to the impact of
5 the Presidential Declaration of a Major Disaster, designated FEMA-4663-DR.

6 ➔Section 73. If a recipient of moneys from the East Kentucky State Aid Funding
7 for Emergencies (EKSAFE) Fund under Section 72 of this Act subsequently receives
8 moneys from any other source, the recipient shall reimburse the Commonwealth for the
9 amount of moneys received from the EKSAFE Fund. All moneys reimbursed to the
10 Commonwealth shall be deposited into the Budget Reserve Trust Fund account
11 established in KRS 48.705 within 30 days. The moneys appropriated in Section 72 of this
12 Act shall not lapse and shall carry forward until June 30, 2026. If the moneys are not
13 encumbered by June 30, 2026, the moneys shall be returned to the Commonwealth and
14 shall be deposited into the Budget Reserve Trust Fund account established in KRS 48.705
15 within 30 days.

16 **~~➔Section 74. Notwithstanding KRS 45.255(8), there is hereby appropriated~~
17 ~~Restricted Funds from the Kentucky Contribution Trust Fund established in KRS 45.255~~
18 ~~in the amount of \$7,227,500 in fiscal year 2024-2025 to the Military Affairs budget unit~~
19 ~~to be used for the advancement of moneys to city and county governments experiencing~~
20 ~~strained fiscal liquidity while awaiting reimbursement from federal emergency~~
21 ~~management assistance or insurance claims related to the impact of the Presidential~~
22 ~~Declaration of a Major Disaster, designated FEMA-4663-DR.]**~~

23 ➔Section 75. If a recipient of moneys from the Kentucky Contribution Trust
24 Fund under Section 74 of this Act subsequently receives moneys from any other source,
25 the recipient shall reimburse the Commonwealth for the amount of the moneys received
26 from the Kentucky Contribution Trust Fund. All moneys reimbursed to the
27 Commonwealth shall be deposited into the Budget Reserve Trust Fund account

1 established in KRS 48.705 within 30 days. The moneys appropriated in Section 74 of this
2 Act shall not lapse and shall carry forward until June 30, 2026. If the moneys are not
3 encumbered by June 30, 2026, the moneys shall be returned to the Commonwealth and
4 shall be deposited into the Budget Reserve Trust Fund account established in KRS 48.705
5 within 30 days.

6 ➔Section 76. The Council on Postsecondary Education shall submit a report to
7 the Interim Joint Committee on Appropriations and Revenue by December 1, 2024,
8 detailing all programs administered by the Council. The report shall include a description
9 of each program, program expenditures, and statutory references if applicable.

10 ➔Section 77. A local governmental agency may request participation in a
11 governmental services program through the Department of Corrections to provide
12 inmates the opportunity to learn job skills. At the discretion of the warden of the facility,
13 the local government shall be responsible for all costs, including but not limited to
14 supervision, transportation, training, and meals but shall not be required to pay labor
15 costs.

16 ➔Section 78. KRS 45A.100 is amended to read as follows:

17 (1) Procurements may be made in accordance with small purchase administrative
18 regulations promulgated by the secretary of the Finance and Administration
19 Cabinet, pursuant to KRS Chapter 13A, as follows:

20 (a) Up to ten thousand dollars (\$10,000) per project for construction and one
21 thousand dollars (\$1,000) for purchases by any state governmental body,
22 except for those state administrative bodies specified in paragraph (b) of this
23 subsection; and

24 (b) Up to one hundred~~forty~~ thousand dollars (\$100,000)~~(\$40,000)~~ per project
25 for construction or purchases by the Finance and Administration Cabinet,
26 state institutions of higher education, and the legislative branch of
27 government.

1 (2) Procurement requirements shall not be artificially divided so as to constitute a small
2 purchase under this section. Reverse auctions may be used for small purchase
3 procurements. At least every two (2) years, the secretary shall review the prevailing
4 costs of labor and materials and may make recommendations to the next regular
5 session of the General Assembly for the revision of the then current maximum
6 small purchase amount as justified by intervening changes in the cost of labor and
7 materials.

8 (3) The secretary of the Finance and Administration Cabinet may grant to any state
9 agency with a justifiable need a delegation of small purchasing authority which
10 exceeds the agency's small purchase limit provided in subsection (1) of this section.
11 Delegations of small purchasing authority shall be granted or revoked by the
12 secretary of the Finance and Administration Cabinet, in accordance with
13 administrative regulations promulgated by the cabinet pursuant to KRS Chapter
14 13A. These administrative regulations shall establish, at a minimum, the criteria for
15 granting and revoking delegations of small purchasing authority, including the
16 requesting agency's past compliance with purchasing regulations, the level of
17 training of the agency's purchasing staff, and the extent to which the agency utilizes
18 the Kentucky Automated Purchasing System. The administrative regulations may
19 permit the secretary of the Finance and Administration Cabinet to delegate small
20 purchase procurements up to the maximum amount specified in subsection (1)(b) of
21 this section.

22 ➔Section 79. KRS 45A.190 is amended to read as follows:

23 (1) As used in this section, "agency contract administrator" means the state agency
24 employee responsible for the administration of a contract.

25 (2) When a construction contract is awarded in an amount in excess of ***one***
26 ***hundred***~~forty~~ thousand dollars ***(\$100,000)***~~(\$40,000)~~, the following bonds shall
27 be furnished to the Commonwealth, and shall be binding on the parties upon the

1 award of the contract:

2 (a) A performance bond satisfactory to the Commonwealth executed by a surety
3 company authorized to do business in this Commonwealth, or otherwise
4 supplied, satisfactory to the Commonwealth, in an amount equal to one
5 hundred percent (100%) of the contract price as it may be increased; and

6 (b) A payment bond satisfactory to the Commonwealth executed by a surety
7 company authorized to do business in the Commonwealth, or otherwise
8 supplied, satisfactory to the Commonwealth, for the protection of all persons
9 supplying labor and material to the contractor or his subcontractors, for the
10 performance of the work provided for in the contract. The bond shall be in an
11 amount equal to one hundred percent (100%) of the original contract price.

12 (3) When any contract in an amount in excess of one hundred~~forty~~ thousand dollars
13 (\$100,000)~~(\$40,000)~~ for commodities, supplies, equipment, or services of any
14 kind, or when a contract for construction services costing one hundred~~forty~~
15 thousand dollars (\$100,000)~~(\$40,000)~~ or less is proposed for presentation to
16 vendors or contractors, the agency contract administrator shall evaluate whether a
17 performance bond should be required in the procurement document, and make his
18 recommendation to the purchasing agency. The agency contract administrator shall
19 note the reason that a performance bond is or is not recommended and his notation
20 shall be a part of the permanent record relating to the contract. If a performance
21 bond is required, the requirement shall be included in the invitation to bid, request
22 for proposal, or other procurement document. The agency contract administrator
23 shall make audits of the performance of contracts upon completion of one-third
24 (1/3) of the contract and upon completion of two-thirds (2/3) of the contract. For
25 contracts taking longer than one (1) year to complete, audits of performance shall
26 be conducted at least annually. Before a vendor is released from a performance
27 bond, the agency contract administrator shall review the audits of performance,

1 make a final performance review, and promptly determine whether, in his or her
2 opinion, the vendor has fully complied with the terms of the contract. The opinion
3 of the agency contract administrator shall be made in writing or electronically, set
4 forth the reasons for his or her opinion regarding compliance or noncompliance,
5 and be signed by the agency contract administrator. This opinion may have an
6 electronic signature. The using agency head shall, after consideration of the
7 performance audits, the final performance review, and the opinion of the agency
8 contract administrator regarding compliance or noncompliance, determine whether
9 to recommend to the purchasing agency that the performance bond be released or
10 whether a claim should be made against the performance bond. This determination
11 of the using agency head shall be in writing, signed by the using agency head, and
12 forwarded to the purchasing agency. This determination may have an electronic
13 signature and be transmitted electronically. If the recommendation of the using
14 agency is not followed by the purchasing agency, the purchasing agency shall place
15 a statement in the file explaining why it is not followed.

16 (4) Nothing in this section shall be construed to limit the authority of the
17 Commonwealth to require a performance bond or other security in addition to those
18 bonds, or in circumstances other than specified in subsection (2) or (3) of this
19 section.

20 ➔Section 80. KRS 56.491 is amended to read as follows:

21 (1) No state agency shall have power or authority to make plans and specifications,
22 provide public notice of invitations for bids, let contracts, or incur any financing
23 commitments, either in the way of a charge against public funds or in the way of
24 negotiations for issuance of revenue bonds, for any capital construction projects
25 involving the improvement of lands or the construction, alteration, reconstruction,
26 or major repair of any building or other structure, or sewage disposal or water
27 supply system, requiring the expenditure of more than five~~two~~ hundred ~~fifty~~

1 thousand dollars (\$500,000)~~(\$250,000)~~ without first securing the approval of the
2 Finance and Administration Cabinet.

3 (2) The state agency seeking the approval shall submit to the Finance and
4 Administration Cabinet a general description of the proposed project, with the
5 detailed information the cabinet may require. Review of construction plans for
6 conformance with the Uniform State Building Code shall be conducted by the
7 Department of Housing, Buildings and Construction. The Finance and
8 Administration Cabinet shall not approve any project requiring its approval in any
9 instance if it finds that: the project is not needed; the proposed method of financing
10 is not sound; the project will exceed the amount of the funds available therefor; the
11 work contemplated will be insufficient to accomplish the purpose of the project; or
12 after providing for the ordinary recurring expenses of government and debt service
13 and for payments under existing allotments for extraordinary expenses and capital
14 outlay, cash will not be available in the State Treasury to promptly pay for the work
15 during the biennium, or except as provided in subsection (5) of this section, that the
16 work is to be done by employees of the agency.

17 (3) The finding of the Finance and Administration Cabinet shall be final, except in
18 cases where the issuance and sale of bonds is proposed, in which cases the cabinet
19 shall submit its findings to the commission for final approval, modification, or
20 disapproval.

21 (4) Any capital construction project, the total cost of completion of which the Finance
22 and Administration Cabinet determines will exceed five~~two~~ hundred ~~fifty~~
23 thousand dollars (\$500,000)~~(\$250,000)~~, shall be contracted for on a competitive
24 bid basis, and the execution of the contracts shall be approved and authorized by the
25 cabinet. When a capital construction project has been approved as provided in this
26 section, in whole or in part, the cabinet shall prepare the plans and specifications,
27 provide public notice of invitations for bids, award the contracts, supervise the

1 construction, and handle the financial negotiations on behalf of the requesting state
2 agency; or with prior written approval, the cabinet may authorize a state agency to
3 do so with delegated authority of the cabinet.

4 (5) A capital construction project, the total cost of completion of which the Finance and
5 Administration Cabinet determines will not exceed five~~two~~ hundred~~—fifty~~
6 thousand dollars (\$500,000)~~(\$250,000)~~, may be performed by the employees of
7 the requesting agency or by individuals hired specifically for the project who shall
8 be exempt from the requirements of KRS Chapter 18A, if the project is approved
9 and authorized by the cabinet. Necessary materials and supplies shall be procured in
10 accordance with the standard purchasing procedures and policies of the cabinet as
11 defined in KRS Chapter 45A.

12 (6) This section shall not apply to capital outlays to the Department of Highways for
13 roads and bridges.

14 (7) This section shall not apply to capital outlays by the Justice and Public Safety
15 Cabinet for repair, maintenance, improvement, or expansion of present correctional
16 facilities on which projects inmates are used. Any capital construction project to be
17 performed by the Justice and Public Safety Cabinet shall be approved and
18 authorized by the Finance and Administration Cabinet.

19 (8) This section shall not apply to surveys capable of being performed by employees of
20 the Department of Fish and Wildlife Resources. Boundary surveys or surveys
21 involving property lines shall be performed by or under the supervision of an
22 employee possessing a professional land surveyor license.

23 ➔Section 81. Whereas the provisions of this Act provide ongoing support for
24 state government agencies and their functions, an emergency is declared to exist, and this
25 Act takes effect upon its passage and approval by the Governor or upon its otherwise
26 becoming a law.

Legislative Branch Appropriations Bill

HB 263



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

Andy Beshear
GOVERNOR

Capitol Building, Suite 100
700 Capitol Avenue
Frankfort, KY 40601
(502) 564-2611
Fax: (502) 564-2517

**VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 263 OF THE 2024 REGULAR SESSION**

Jefferson County School District Governance Task Force

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 3, lines 6 through 10, in their entirety.

I am vetoing this part because this provides funding for House Concurrent Resolution 81, which garnered bipartisan opposition in the House of Representatives, and is unconstitutional special legislation that is aimed at one public school district in Kentucky: Jefferson County Public Schools. The concurrent resolution is the General Assembly's latest attempt to set the framework for the legislature to divide the Jefferson County Public Schools district. That framework should be decided locally by the people of Jefferson County.

This, the 9th day of April, 2024.

Andy Beshear
Governor

RECEIVED
4:36pm
APR 09 2024
House Clerk's
Office MBF

1 AN ACT making appropriations for the operations, maintenance, and support of the
2 Legislative Branch of the Commonwealth of Kentucky.

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

4 ➔Section 1. The Legislative Branch Budget is as follows:

5 **PART I**

6 **OPERATING BUDGET**

7 **Funds Appropriations:** Funds are appropriated to the Legislative Research
8 Commission for the Legislative Branch of government out of the General Fund and
9 Restricted Funds accounts for the fiscal year beginning July 1, 2023, and ending June 30,
10 2024, for the fiscal year beginning July 1, 2024, and ending June 30, 2025, and for the
11 fiscal year beginning July 1, 2025, and ending June 30, 2026, in the following discrete
12 sums, or so much thereof as may be necessary. Each appropriation is made by the source
13 of respective fund or funds accounts to be used for the purposes of the Legislative Branch
14 of government of the Commonwealth of Kentucky.

15 **A. LEGISLATIVE BRANCH**

16 **Budget Units**

	2024-25	2025-26
17		
18 1. General Assembly		
19 General Fund	23,812,200	25,995,800
20 Restricted Funds	75,000	175,000
21 TOTAL	23,887,200	26,170,800

22 **(1) Kentucky Legislative Ethics Commission:** Included in the above General
23 Fund appropriation is \$567,700 in each fiscal year of the 2024-2026 fiscal biennium for
24 the Kentucky Legislative Ethics Commission. Included in the above Restricted Funds
25 appropriation is \$75,000 in fiscal year 2024-2025 and \$175,000 in fiscal year 2025-2026
26 for the Kentucky Legislative Ethics Commission.

27 **(2) Kentucky Long-Term Policy Research Center:** Notwithstanding KRS

1 7B.010 to 7B.090, operation of the Kentucky Long-Term Policy Research Center and its
 2 governing board shall continue to be suspended effective July 1, 2024, and shall remain
 3 suspended for the 2024-2026 fiscal biennium or until funding is restored. No funds are
 4 appropriated for the Kentucky Long-Term Policy Research Center for fiscal year 2024-
 5 2025 and fiscal year 2025-2026.

6 **(3) Pension Benefit Increase:** Notwithstanding KRS 6.521(3), no pension
 7 benefit increase shall be granted to recipients of a retirement allowance under KRS 6.500
 8 to 6.577 on July 1, 2024.

9 **(4) Legislators Compensation:** Notwithstanding KRS 6.190 and 6.213, the daily
 10 compensation provided by KRS 6.190 and the interim expense allowance provided by
 11 KRS 6.213 for members of the General Assembly shall be as authorized by the 2022-
 12 2024 biennium and shall continue as adjusted on January 1, 2025, by the salary increment
 13 provided to state employees in the State/Executive Branch Budget.

	2024-25	2025-26
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15 **2. Legislative Research Commission**

16 General Fund	65,857,600	65,944,600
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17 **(1) Legislative Record:** Notwithstanding KRS 7.105, distribution of the final
 18 issue of the Legislative Record and the interim Legislative Record shall be suspended
 19 effective July 1, 2024.

20 **(2) Legislative Publications:** Notwithstanding KRS Chapters 27A and 57, the
 21 Acts of the General Assembly, the Journals of the Senate and House of Representatives,
 22 and the official Kentucky statute publications may be distributed by use of electronic
 23 versions only, at the discretion of the Director of the Legislative Research Commission.

24 **(3) Council of State Governments:** Included in the above General Fund
 25 appropriation is \$1,000,000 in fiscal year 2024-2025 to be distributed to the Council on
 26 State Governments to host a meeting of the Southern Legislative Conference in 2026.

27 **(4) Medicaid Oversight and Review Committee:** Included in the above General

1 Fund appropriation is \$500,000 in fiscal year 2024-2025 to support staffing and
 2 operations of the Medicaid Oversight and Review Committee. The Committee shall
 3 conduct an assessment of the current Medicaid reimbursement rates, develop a proposal
 4 for the future rebasing of Medicaid reimbursement rates, and undertake additional
 5 activities as deemed necessary.

6 **(5) Efficient and Effective School District Governance Task Force:** Included
 7 in the above General Fund appropriation is \$250,000 in fiscal year 2024-2025 to support
 8 the Efficient and Effective School District Governance Task Force to assess the
 9 efficiency and effectiveness of the operations, management, and policies of Kentucky
 10 school districts with student enrollment greater than 75,000.

11 **(6) Kentucky Talent Attraction Initiative:** Included in the above General Fund
 12 appropriation is \$250,000 in fiscal year 2024-2025 for consulting, strategic support, and
 13 to convene a working group that shall be established by the Legislative Research
 14 Commission.

15 **TOTAL - OPERATING BUDGET**

	2024-25	2025-26
16 General Fund	89,669,800	91,940,400
17 Restricted Funds	75,000	175,000
18 TOTAL	89,744,800	92,115,400

19 **Unexpended Balance:** Notwithstanding KRS 45.229, any unexpended balance
 20 remaining at the close of fiscal year 2023-2024 shall not lapse but shall continue into
 21 fiscal year 2024-2025, and any unexpended balance in any succeeding fiscal year shall
 22 not lapse but shall continue into the following fiscal year.

23 **TOTAL - LEGISLATIVE BRANCH BUDGET**

	2024-25	2025-26
24 General Fund	89,669,800	91,940,400
25 Restricted Funds	75,000	175,000

1	TOTAL	89,744,800	92,115,400
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2

PART II

3

GENERAL PROVISIONS

4 **1. Expenditure Authority:** The Director of the Legislative Research
5 Commission, under the supervision of the Legislative Research Commission, may expend
6 any of the funds appropriated for legislative operation and administration in any lawful
7 manner and for any legal purpose consistent with the policies and practices of the
8 Commission. No executive agency or statute governing the executive agencies of state
9 government shall have the power to restrict or limit the actions of, or the expenditure of
10 funds appropriated to, the Legislative Research Commission for the Legislative Branch of
11 government.

12 **2. Capitol and Capitol Annex Capital Construction Expenditures:** Any
13 expenditure authorized by the Director of the Legislative Research Commission, under
14 the supervision of the Legislative Research Commission, relating to implementation of
15 KRS 56.463(4)(b), or relating to the Capitol Building, and funded by previous or current
16 appropriations to the Legislative Research Commission for the Legislative Branch of
17 government shall not be governed by KRS 7A.010, 7A.120, 45.750 to 45.810,
18 48.010(16), 48.020, and 48.110.

19 **3. Severability of Budget Provisions:** Appropriation items and sums in this Act
20 conform to KRS 48.311. If any section, any subsection, or any provision thereof shall be
21 invalid or unconstitutional, the decision of the courts shall not affect or impair any of the
22 remaining sections, subsections, or provisions.

23 **4. Duplicate Appropriation:** Any appropriation item and sum in this Act and in
24 an appropriation provision in another Act of the 2024 Regular Session of the General
25 Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

26 **5. Priority of Individual Appropriations:** KRS 48.313 shall control when a
27 total or subtotal figure in this Act conflicts with the sum of the appropriations of which it

1 consists.

2 **6. Appropriations Revisions:** Proposed revisions to Restricted Funds
3 appropriations in this Act shall be made and reported pursuant to KRS 48.630(10).

4 **7. Allowance in Lieu of Stationery:** Notwithstanding KRS 6.220, in lieu of
5 stationery, there shall be allowed to each member of the House of Representatives the
6 sum of \$350 and to each member of the Senate the sum of \$650. This allowance shall be
7 paid out of the State Treasury at the beginning of each legislative session.

8 **8. Salary Adjustments:** In each fiscal year, employees of the Legislative
9 Research Commission shall receive a salary adjustment in accordance with the salary
10 adjustment provided to state employees in the state/executive branch budget.

11 **9. Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses
12 shall be paid out of an administrative account which shall be funded by transfers of the
13 necessary moneys, in appropriate ratio, from the funds provided for in KRS 21.550 and
14 21.560.

15 **PART III**

16 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

17 The Legislative Branch shall participate in any Budget Reduction Plan or Surplus
18 Expenditure Plan in accordance with KRS Chapter 48, except that obligations essential to
19 the constitutional duties of the Legislative Branch shall be exempt from any Budget
20 Reduction Plan. The level of participation in a Budget Reduction Plan shall be at the
21 discretion of the Director and shall not exceed the actual percentage of revenue shortfall.

Judicial Branch Appropriations Bill

HB 264

1 AN ACT making appropriations for the operations, maintenance, support, and
2 functioning of the Judicial Branch of the government of the Commonwealth of Kentucky
3 and its various officers, boards, commissions, subdivisions, and other state-supported
4 activities.

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

6 ➔Section 1. The Judicial Branch Budget is as follows:

7 **PART I**

8 **OPERATING BUDGET**

9 **(1) Funds Appropriations:** There is appropriated out of the General Fund,
10 Restricted Funds accounts, or Federal Funds accounts for the fiscal year beginning July 1,
11 2023, and ending June 30, 2024, for the fiscal year beginning July 1, 2024, and ending
12 June 30, 2025, and for the fiscal year beginning July 1, 2025, and ending June 30, 2026,
13 the following sums to be used for the purposes of the Judicial Branch of the government
14 of the Commonwealth of Kentucky, including the Supreme Court, Court of Appeals,
15 Circuit Court, Family Court, District Court, the Administrative Office of the Courts,
16 Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance Contingency
17 Fund, and for services performed by the Circuit Court Clerks' offices, including both
18 Circuit and District Court support.

19 **A. JUDICIAL BRANCH**

20 **Budget Units**

21 **1. COURT OF JUSTICE**

22 **a. Court Operations and Administration**

	2024-25	2025-26
24 General Fund	317,432,400	327,717,500
25 Restricted Funds	51,368,700	52,118,600
26 Federal Funds	3,486,600	1,817,800
27 TOTAL	372,287,700	381,653,900

1 **(1) Civil Filing Fees:** Pursuant to its authority, if the Supreme Court retains the
 2 increases in civil filing fees that were effective in 2008 and 2018, the additional income
 3 resulting from the fee increases, not to exceed \$15,468,100 in each fiscal year, shall be
 4 deposited into a trust and agency account for court operations and salaries for non-elected
 5 personnel. Any revenue generated by these increases in excess of the \$15,468,100 in each
 6 fiscal year shall be deposited into the General Fund.

7 **(2) Mental Health Court Expansion:** Included in the above General Fund
 8 appropriation is \$1,587,900 in fiscal year 2024-2025 and \$1,491,900 in fiscal year 2025-
 9 2026 for expansion of mental health court by ten sites, including Bourbon, Scott, and
 10 Woodford Counties.

11 **(3) Additional Positions:** Included in the above General Fund appropriation is
 12 \$563,500 in fiscal year 2024-2025 and \$528,500 in fiscal year 2025-2026 to support
 13 additional positions.

14 **(4) Utilization of Video Arraignment Technology:** (a) Notwithstanding any
 15 statute to the contrary, courts shall use the video arraignment system set forth in 2021 Ky.
 16 Acts ch. 194, sec. 14, (1), (a), when available.

17 (b) Notwithstanding any statute to the contrary, if a court does not use the video
 18 arraignment system referenced in paragraph (a) of this subsection, when available, the
 19 Administrative Office of the Courts shall be responsible for the costs associated with
 20 transporting prisoners to and from arraignments.

21 **b. Local Facilities Fund**

	2024-25	2025-26
22		
23 General Fund	132,775,500	138,318,600

24 **(1) Local Facility Projects:** Included in the above General Fund appropriation is
 25 \$3,219,100 in fiscal year 2024-2025 and \$8,207,200 in fiscal year 2025-2026 to support
 26 the use allowance, operating, and non-recurring furniture and equipment costs for six
 27 judicial centers authorized by the 2020 General Assembly and two judicial center projects

1 authorized by the 2022 General Assembly.

2 **(2) Local Court Facility Compensation:** Included in the above General Fund
3 appropriation are moneys to compensate local units of government for providing court
4 space and for costs incurred in the development of local court facilities as defined in KRS
5 Chapter 26A and provided for in Part II, Capital Projects Budget, of this Act, and to
6 perform all other acts required or authorized by KRS Chapter 26A.

7 **(3) Use Allowance Payments to Counties:** Pursuant to KRS 26A.090(2),
8 beginning with court facility construction or renovation projects authorized by the 2000
9 Regular Session of the General Assembly and all subsequent court facility projects, use
10 allowance payments are restricted to the court's proportional share of the annual principal
11 and interest costs in connection with the construction or renovation of the facility, not to
12 exceed the authorized annual use allowance.

13 **(4) Court Facility Maintenance Fund:** (a) Notwithstanding KRS
14 26A.090(2), when there is no debt on court facility construction or renovation projects
15 authorized prior to the 2000 Regular Session of the General Assembly, use allowance is
16 restricted to compensation equal to two percent annually of capital costs to be paid to the
17 county unit of government and two percent annually to be retained by the Administrative
18 Office of the Courts and directed to a separate fund specifically for maintenance of court
19 facilities.

20 (b) The fund created pursuant to paragraph (a) of this subsection shall be used for
21 routine, ongoing, planned, and unanticipated maintenance for court facilities.

22 (c) Notwithstanding KRS 45.750, any maintenance project estimated to cost
23 \$3,000,000 or less for a local court facility is not considered to be a capital project
24 requiring authorization of the General Assembly in the Judicial Branch Budget and may
25 be completed using funds appropriated to the Judicial Branch for maintenance of local
26 facilities or other agency funds of the Judicial Branch.

27 **(5) Maintenance Pool:** Included in the above General Fund appropriation is

1 \$3,000,000 in each fiscal year to create a maintenance pool for planned and unanticipated
2 non-capital projects for local courthouses and judicial centers.

3 (6) **Debt Service:** Included in the above General Fund appropriation is \$570,000
4 in fiscal year 2024-2025 and \$1,140,000 in fiscal year 2025-2026 to support debt service
5 for new bonds as set forth in Part II, Capital Projects Budget, of this Act.

6 (7) **Additional Use Allowance:** Included in the above General Fund
7 appropriation is \$1,462,200 in each fiscal year to support additional use allowance for
8 previously authorized courthouse projects in Butler, Clinton, and Crittenden counties.

9 (8) **Asset Preservation Pool - HVAC, Roof, and Electrical Upgrades:** The
10 Administrative Office of the Courts shall prepare a report on the Asset Preservation -
11 HVAC, Roof, Electrical project authorized in Part II, Capital Projects Budget, of this Act,
12 including but not limited to the projects funded in the asset preservation pool, the current
13 status of each project and projected completion date, and the amount expended on each
14 project and for the pool in total. The Administrative Office of the Courts shall submit this
15 report on a quarterly basis beginning November 1, 2024, to the Interim Joint Committee
16 on Appropriations and Revenue.

17 (9) **Asset Preservation Pool – Renovations:** The Administrative Office of the
18 Courts shall prepare a report on the Asset Preservation - Renovations project authorized
19 in Part II, Capital Projects Budget, of this Act, including but not limited to the projects
20 funded in the asset preservation pool, the current status of each project and projected
21 completion date, and the amount expended on each project and for the pool in total. The
22 Administrative Office of the Courts shall submit this report on a quarterly basis
23 beginning November 1, 2024, to the Interim Joint Committee on Appropriations and
24 Revenue.

25 (10) **Metcalfe County Courthouse:** Included in the above General Fund
26 appropriation is \$15,000 in fiscal year 2024-2025 to construct a statue on the courthouse
27 grounds of the Metcalfe County Courthouse. Notwithstanding any statute to the contrary,

1 the Metcalfe County Courthouse shall be named the Tom Emberton Metcalfe County
2 Courthouse.

3 **c. Local Facilities Use Allowance Contingency Fund**

4 **(1) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
5 balance remaining at the close of fiscal year 2023-2024 shall not lapse and shall continue
6 into fiscal year 2024-2025, and any unexpended balance remaining at the close of fiscal
7 year 2024-2025 shall not lapse and shall continue into fiscal year 2025-2026 to provide
8 for cost overruns in authorized court facilities projects not to exceed 15 percent of the use
9 allowance in accordance with KRS Chapter 26A.

10 **TOTAL – COURT OF JUSTICE**

	2024-25	2025-26
11		
12 General Fund	450,207,900	466,036,100
13 Restricted Funds	51,368,700	52,118,600
14 Federal Funds	3,486,600	1,817,800
15 TOTAL	505,063,200	519,972,500

16 **2. JUDICIAL FORM RETIREMENT SYSTEM**

	2024-25	2025-26
17		
18 General Fund	660,000	703,000
19 Restricted Funds	691,900	693,900
20 TOTAL	1,351,900	1,396,900

21 **(1) Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses
22 shall be paid out of an administrative account which shall be funded by transfers of the
23 necessary moneys, in appropriate ratio, from the funds described in KRS 21.550 and
24 21.560. Notwithstanding Part III, 7. of this Act, Restricted Funds appropriations may be
25 increased to ensure sufficient funding to support the Judicial Form Retirement System.

26 **(2) Pension Benefit Increase:** Notwithstanding KRS 21.405(5), no pension
27 benefit increase shall be granted to recipients of a retirement allowance under KRS

1 21.345 to 21.580 on July 1, 2024, or July 1, 2025.

2 **TOTAL - JUDICIAL BRANCH**

	2024-25	2025-26
4 General Fund	450,867,900	466,739,100
5 Restricted Funds	52,060,600	52,812,500
6 Federal Funds	3,486,600	1,817,800
7 TOTAL	506,400,100	521,369,400

8 **PART II**

9 **CAPITAL PROJECTS BUDGET**

10 **(1) Authorization of Capital Projects:** It is the intent of the General Assembly
 11 that any capital project proposed by any state government entity, including the agencies
 12 and subdivisions of the Court of Justice, shall be authorized by the General Assembly
 13 prior to the project’s financing and construction, in accordance with KRS 7A.010,
 14 7A.120, 45.750, 45.760, 45.763, 45.765, and 48.110. Pursuant to KRS 45.760(1), the
 15 amount allotted, from all sources, for expenditure on any capital project, including leases
 16 as defined by KRS 45.750, shall not exceed the estimated cost as shown in this Act.

17 **(2) Capital Projects and Bond Oversight Committee:** Capital construction
 18 projects and major items of equipment that are not specifically listed in this Act may be
 19 authorized only after submission of the project to the Capital Projects and Bond
 20 Oversight Committee and in accordance with the other requirements of KRS 45.760(7).
 21 Moneys may be transferred to the allotment account of any capital project only after
 22 submission of the project to the Capital Projects and Bond Oversight Committee and in
 23 accordance with the other requirements of KRS 45.760(6). As required by KRS 45.760,
 24 all capital construction items authorized in this Act shall be constructed in accordance
 25 with this Act, supporting documentation considered by the General Assembly, and
 26 Judicial Branch budget records. Any modifications to the scope of a capital construction
 27 project or to a lease shall be reported to the Capital Projects and Bond Oversight

1 Committee before execution.

2 **(3) Court Facility Planning Process:** A feasibility study completed by a
3 certified architect not otherwise involved with the project shall be provided to the Project
4 Development Board to assist in making a determination whether the needs of the
5 community and the Court of Justice can best be met through the construction of a
6 freestanding building, or through an addition and/or renovation of the existing court
7 facility.

8 **(4) Deferred Funding:** (a) General Fund support to provide operating costs
9 totaling \$240,000 and annualized use allowance payments totaling \$2,352,900 and
10 \$500,000 for nonrecurring equipment and furniture costs for the Owsley County project
11 is deferred to the 2026-2028 biennium.

12 (b) General Fund support to provide operating costs totaling \$311,000 and
13 annualized use allowance payments totaling \$3,020,500 and \$500,000 for nonrecurring
14 equipment and furniture costs for the Greenup County project is deferred to the 2026-
15 2028 biennium.

16 (c) General Fund support to provide operating costs totaling \$470,000 and
17 annualized use allowance payments totaling \$4,551,700 and \$500,000 for nonrecurring
18 equipment and furniture costs for the Knox County project is deferred to the 2026-2028
19 biennium.

20 (d) General Fund support to provide operating costs totaling \$600,000 and
21 annualized use allowance payments totaling \$5,803,600 and \$1,000,000 for nonrecurring
22 equipment and furniture costs for the Clark County project is deferred to the 2026-2028
23 biennium.

24 (e) General Fund support to provide operating costs totaling \$290,000 and
25 annualized use allowance payments totaling \$2,826,600 and \$500,000 for nonrecurring
26 equipment and furniture costs for the Caldwell County project is deferred to the 2026-
27 2028 biennium.

1 (f) It is the intent of the General Assembly that the projects in paragraphs (a), (b),
2 (c), (d), and (e) of this subsection shall be funded using resources previously appropriated
3 for projects that no longer require use allowance debt payments in the 2026-2028 fiscal
4 biennium.

5 (5) **Local Facilities Use Allowance Contingency Fund:** For any court facility
6 project which is occupied and use allowance funding is insufficient, the use allowance
7 payments shall be approved from the Local Facilities Use Allowance Contingency Fund.
8 If funds are not available in the Local Facilities Use Allowance Contingency Fund, the
9 Chief Justice may transfer funds from other Judicial Branch accounts to make the
10 necessary payments.

11 (6) **Facility Title:** Pursuant to KRS Chapter 26A, Hardin County shall accept title
12 to the facility as set out in 2022 Ky. Acts ch. 162, Part II, A., 2., 004., Hardin County –
13 HVAC Project, within six months of notification by the Administrative Office of the
14 Courts of the completion of the project.

15 (7) **Critical and High Category Court Facilities:** The Court of Justice is
16 authorized to proceed with the planning, design, and construction of four courthouses that
17 are currently identified as Critical or High need by the Administrative Office of the
18 Courts' Courthouse Assessment County Ranking, created pursuant to KRS 26A.160, in a
19 county where the General Assembly has approved a new judgeship that has taken office
20 within the previous four years or in a county with special needs for office space for an
21 appellate judge and/or where the circuit clerk's office is in a different building than the
22 current building in which court takes place, while taking population into consideration.

23 **A. JUDICIAL BRANCH**

24 Budget Units	2024-25	2025-26
25 1. LOCAL FACILITIES FUND		
26 Project	Project Scope	
27 001. Owsley	28,015,000	

1	002. Greenup	35,330,000	
2	003. Knox	53,255,000	
3	004. Clark	67,910,000	
4	005. Caldwell	33,060,000	
5	006. Construction - Court of Appeals		
6	Bond Funds	14,100,000	-0-
7	007. Asset Preservation - HVAC, Roof, Electrical		
8	General Fund	47,080,000	-0-
9	008. Asset Preservation - Renovations		
10	General Fund	6,420,000	-0-

11 **2. LEASE AUTHORIZATIONS**

- 12 **001.** Franklin County - Lease - Court of Appeals
- 13 **002.** Jefferson County - Lease - Parking
- 14 **003.** Madison County - Lease - Family Court

15 **PART III**

16 **GENERAL PROVISIONS**

17 **1. Expenditure Authority:** The Director of the Administrative Office of the
18 Courts, with the approval of the Chief Justice, may expend any of the funds appropriated
19 for court operations and administration in any lawful manner and for any legal purpose
20 that the Chief Justice shall authorize or direct. No executive agency of state government
21 shall have the power to restrict or limit the expenditure of funds appropriated to the
22 Judicial Branch of government, except that funds appropriated in this Act shall not be
23 expended for any purpose not specifically authorized by the General Assembly in this
24 Act. The Court of Justice shall prepare a report of actual expenditures citing specific
25 statutory or budgetary authorization for the reported expenditures and detailing
26 expenditures for the Supreme Court, Court of Appeals, Circuit Court, Family Court,
27 District Court, Administrative Office of the Courts, Judicial Retirement, Local Facilities

1 Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by
2 the Circuit Court Clerks' offices. The Court of Justice shall provide this report on a
3 quarterly basis to the Interim Joint Committee on Appropriations and Revenue.

4 **2. Severability of Budget Provisions:** Appropriation items and sums in this Act
5 conform to KRS 48.311. If any section, any subsection, or any provision thereof shall be
6 invalid or unconstitutional, the decision of the courts shall not affect or impair any of the
7 remaining sections, subsections, or provisions.

8 **3. Duplicate Appropriations:** Any appropriation item and sum in this Act and
9 in an appropriation provision in another Act of the 2024 Regular Session of the General
10 Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

11 **4. Priority of Individual Appropriations:** KRS 48.313 shall control when a
12 total or subtotal figure in this Act conflicts with the sum of the appropriations of which it
13 consists.

14 **5. Carry Forward of Funds:** Notwithstanding KRS 45.229, any unexpended
15 balance remaining at the close of the fiscal years ending June 30, 2024, June 30, 2025,
16 and June 30, 2026, shall not lapse and shall continue into the next fiscal year.

17 **6. Final Budget Document:** The Director of the Administrative Office of the
18 Courts shall prepare a final budget document reflecting the 2024-2026 biennial budget of
19 the Court of Justice. A copy shall be provided to the Legislative Research Commission,
20 and an informational copy shall be furnished to the Finance and Administration Cabinet,
21 within 60 days of the adjournment of the 2024 Regular Session of the General Assembly.

22 **7. Appropriations Revisions:** Notwithstanding KRS 48.630(10), no revisions
23 for unbudgeted Restricted Funds appropriations for expenditure shall be allotted or
24 expended that have not been appropriated in any enacted branch budget bill or without
25 the express authority of the General Assembly. Proposed revisions to unbudgeted Federal
26 Funds appropriations for expenditure in this Act shall be made and reported to the Interim
27 Joint Committee on Appropriations and Revenue. The Director of the Administrative

1 Office of the Courts shall notify, on a timely basis, the Legislative Research Commission
2 of the most current estimates of anticipated receipts for the affected fiscal year and an
3 accompanying statement which explains variations from the anticipated amount.

4 **8. Maximum Salary of Trial Commissioners:** Notwithstanding KRS
5 24A.100(3), no trial commissioner shall be compensated at a rate greater than \$6,000 per
6 year. No funding is provided for trial commissioners commissioned in counties with a
7 residing District Judge.

8 **9. Authorized Personnel Complement:** On July 1, 2024, the Administrative
9 Office of the Courts shall establish a record for each budget unit of authorized permanent
10 full-time and all other positions based upon the enacted Judicial Budget of the
11 Commonwealth and any adjustments authorized by provisions in this Act. The total
12 number of filled permanent full-time and all other positions shall not exceed the
13 authorized complements pursuant to this section. The Director of the Administrative
14 Office of the Courts may request an increase in the number of authorized positions to the
15 Chief Justice. Upon approval, the Administrative Office of the Courts may authorize the
16 employment of individuals in addition to the authorized complement. A report of the
17 actions authorized in this section shall be provided to the Interim Joint Committee on
18 Appropriations and Revenue on a monthly basis.

19 **10. Debt Restructuring:** Notwithstanding any other provision of the Kentucky
20 Revised Statutes, use allowance payments shall not be amended to reflect debt
21 restructuring transactions undertaken by a county during the 2024-2026 fiscal biennium.

22 **11. Court Facility Maintenance Fund Report:** For each of the periods ending
23 June 30, 2024, June 30, 2025, and June 30, 2026, the Director of the Administrative
24 Office of the Courts shall prepare a court facility maintenance report. This report shall
25 detail all court facility maintenance undertaken by the Court of Justice, to include any
26 cost-sharing with counties, as well as detail regarding future maintenance needs. This
27 report shall include a statewide expenditure summary followed by individual county

1 expenditures detailing the state's and county's respective share of expenditures. The
2 Administrative Office of the Courts shall provide this report to the Interim Joint
3 Committee on Appropriations and Revenue by September 15 of each fiscal year.

4 **12. Biennial Audits:** The Auditor of Public Accounts shall have the right to
5 review, upon request, the accountant's work papers.

6 **13. Budgetary Restructuring:** The Court of Justice shall prepare a report to be
7 submitted to the Interim Joint Committee on Appropriations and Revenue by September
8 1 of each fiscal year detailing the existing budget processes of the Court of Justice and
9 the actual expenditure of funds from the prior fiscal year and budgeted expenditures for
10 the current fiscal year by fund source and individual location or office, for the Supreme
11 Court, Court of Appeals, Circuit Court, Family Court, District Court, Administrative
12 Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use
13 Allowance Contingency Fund, and for services performed by the Circuit Court Clerks'
14 offices.

15 **14. Unexpended Use Allowance:** Notwithstanding any provision of the
16 Kentucky Revised Statutes, any General Fund moneys appropriated for project-related
17 expenses or use allowance payments in fiscal years 2024-2025 and 2025-2026 that are
18 not expended specifically for project-related expenses or use allowance payments in the
19 fiscal year in which appropriated shall be transferred to the Budget Reserve Trust Fund
20 Account (KRS 48.705).

21 **15. Salary Increase for Personnel:** Notwithstanding KRS 64.480(2), included in
22 the General Fund, Restricted Funds, and Federal Funds appropriations in Part I of this
23 Act are sufficient funds to support a three percent salary increase on the base salary and
24 wages of each eligible employee effective July 1, 2024 and a three percent increase on
25 the base salary or wages of each eligible employee effective July 1, 2025.

26 **16. Juror Pay Study:** The Administrative Office of the Courts shall study the
27 potential ways an increase in juror pay can impact timely case disposition, including but

1 not limited to juror attendance rates and a comparison of Kentucky's juror pay to
2 surrounding states. The Finance and Administration Cabinet shall work with the
3 Administrative Office of the Courts to determine the potential costs of implementing
4 increased juror pay that is most likely to yield optimal rates for case disposition.

5 **17. Application for Federal Funds:** Notwithstanding any statute to the contrary,
6 the Court of Justice shall report to the Interim Joint Committee on Appropriations and
7 Revenue, within 30 days, any new federally funded programs for which funding had not
8 previously been awarded without authorization by the General Assembly.

9 **PART IV**

10 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

11 The Judicial Branch shall participate in any Budget Reduction Plan or Surplus
12 Expenditure Plan in accordance with KRS Chapter 48, except that obligations essential to
13 the constitutional duties and use allowance of the Judicial Branch shall be exempt from
14 any Budget Reduction Plan. The level of participation in a Budget Reduction Plan shall
15 be at the discretion of the Chief Justice and shall not exceed the actual percentage of
16 revenue shortfall.

Tax and Revenue Bill

HB 8



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

Andy Beshear
GOVERNOR

Capitol Building, Suite 100
700 Capitol Avenue
Frankfort, KY 40601
(502) 564-2611
Fax: (502) 564-2517

VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 8 OF THE 2024 REGULAR SESSION

Sales Tax Exemption of Currency and Bullion

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 134, lines 25 through 27, in their entirety.
Page 135 through page 158, in their entirety.
Page 159, lines 1 through 7, in their entirety.

I am vetoing this part because if you own gold, you can afford to pay sales tax. Tangible goods are the primary basis of the sales tax. Other collectible goods are taxed as tangible personal property.

Unfunded Mandate-Tax Amnesty

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 185, lines 19 through 27, in their entirety.
Page 186 through page 193, in their entirety.
Page 194, lines 1 through 13, in their entirety.

I am vetoing this part because it contains an unfunded mandate for a tax amnesty program. The Department of Revenue estimates that it will cost at least \$5 million to implement. No appropriation was provided for this program. This is the second time the General Assembly has done this. It does not work without funding. Both Kentucky and federal courts have ruled that under Kentucky law, a bill that requires funding to execute but does not contain a funding provision cannot be executed.

This, the 9th day of April, 2024.

Andy Beshear
Governor

1 AN ACT relating to fiscal matters, making an appropriation therefor, and declaring
2 an emergency.

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

4 ➔Section 1. KRS 224.60-130 is amended to read as follows:

- 5 (1) The Energy and Environment Cabinet, Department for Environmental Protection,
6 Division of Waste Management, shall:
- 7 (a) Establish by administrative regulation the policy, guidelines, and procedures
8 to administer the financial responsibility and petroleum storage tank accounts
9 of the petroleum storage tank environmental assurance fund. In adopting
10 administrative regulations to carry out this section, the division may
11 distinguish between types, classes, and ages of petroleum storage tanks. The
12 division may establish a range of amounts to be paid from the fund, or may
13 base payments on methods such as pay for performance, task order, or firm
14 fixed pricing, which are designed to provide incentives for contractors to more
15 tightly control corrective action costs, and shall establish criteria to be met by
16 persons who contract to perform corrective action to be eligible for
17 reimbursement from the fund. The criteria may include the certification of
18 individuals, partnerships, and companies. Criteria shall be established to
19 certify laboratories that contract to perform analytical testing related to the
20 underground storage tank program. Owners and operators shall have all
21 required analytical testing performed by a certified laboratory to be eligible
22 for fund participation. Persons who contract with petroleum storage tank
23 owners or operators shall not be paid more than the amount authorized by the
24 division for reimbursement from the fund for the performance of corrective
25 action. At a minimum, the division shall promulgate administrative
26 regulations ***in accordance with KRS Chapter 13A*** that will ***ensure***~~insure~~ an
27 unobligated balance in the fund adequate to meet financial assurance

1 requirements and corrective action requirements of KRS 224.60-135(2) and
2 (4). If the unobligated balance in the fund is not adequate to meet the
3 requirements of this paragraph, the division shall obligate funds necessary to
4 meet these requirements;

5 (b) Establish by administrative regulation the criteria to be met to be eligible to
6 participate in the financial responsibility and petroleum storage tank accounts
7 and to receive reimbursement from these accounts. The division may establish
8 eligibility criteria for the petroleum storage tank account based upon the
9 financial ability of the petroleum storage tank owner or operator. Owners or
10 operators seeking coverage under the petroleum storage tank account shall file
11 for eligibility and for financial assistance with the division. To ensure cost
12 effectiveness, the division shall promulgate administrative regulations *in*
13 *accordance with KRS Chapter 13A* specifying the circumstances under which
14 prior approval of corrective action costs shall be required for those costs to be
15 eligible for reimbursement from the fund. In promulgating administrative
16 regulations to carry out this section, the division may distinguish between
17 types, classes, and ages of petroleum storage tanks and the degree of
18 compliance of the facility with any administrative regulations of the cabinet
19 promulgated pursuant to KRS 224.60-105 or applicable federal regulations;

20 (c) Establish a financial responsibility account within the fund which may be
21 used by petroleum storage tank owners and operators to demonstrate financial
22 responsibility as required by administrative regulations of the cabinet or the
23 federal regulations applicable to petroleum storage tanks, consistent with the
24 intent of the General Assembly as set forth in KRS 224.60-120(5). The
25 account shall receive four-tenths of one cent (\$0.004) from the one and four-
26 tenths cent (\$0.014) paid on each gallon of gasoline and special fuels received
27 in this state pursuant to KRS 224.60-145. To be eligible to use this account to

1 demonstrate compliance with financial responsibility requirements of the
2 cabinet or federal regulations, or to receive reimbursement from this account
3 for taking corrective action and for compensating third parties for bodily
4 injury and property damage, the petroleum storage tank owner or operator
5 shall meet the eligibility requirements established by administrative regulation
6 promulgated by the division;

7 (d) Establish a small operator assistance account within the fund which may be
8 used by the division to make or participate in the making of loans, to purchase
9 or participate in the purchase of the loans, which purchase may be from
10 eligible lenders, or to insure loans made by eligible lenders;

11 (e) Establish a petroleum storage tank account within the fund to be used to pay
12 the costs of corrective action due to a release from a petroleum storage tank
13 not eligible for reimbursement from the financial responsibility account.
14 Reimbursements of corrective action projects performed under the petroleum
15 storage tank account shall be carried out on or before July 15, ~~2034~~²⁰²⁸.
16 Any corrective action costs incurred after this date shall not be eligible for
17 reimbursement under the petroleum storage tank account. The account shall
18 receive one cent (\$0.01) from the one and four-tenths cent (\$0.014) paid on
19 each gallon of gasoline and special fuels received in this state pursuant to
20 KRS 224.60-145. This account shall not be used to compensate third parties
21 for bodily injury and property damage. Within three (3) months after July 15,
22 2004, the division shall develop a plan to address the payment of claims and
23 completion of corrective action at facilities eligible for reimbursement from
24 this account. The division shall establish a ranking system to be used for the
25 distribution of amounts from this account for the purpose of corrective action.
26 In promulgating administrative regulations to carry out this section, the
27 division shall consider the financial ability of the petroleum storage tank

- 1 owner or operator to perform corrective action and the extent of damage
2 caused by a release into the environment from a petroleum storage tank;
- 3 (f) Hear complaints brought before the division regarding the payment of claims
4 from the fund in accordance with KRS 224.10-410 to 224.10-470;
- 5 (g) Establish and maintain necessary offices within this state, appoint employees
6 and agents as necessary, and prescribe their duties and compensation;
- 7 (h) Employ, in accordance with the procedures found in KRS 45A.690 to
8 45A.725 for awarding personal service contracts, a qualified actuary to
9 perform actuarial studies, as directed by the division, for determining an
10 appropriate reserve in the financial responsibility account and the petroleum
11 storage tank account sufficient to satisfy the obligations in each account for all
12 eligible facilities and to satisfy future liabilities and expenses necessary to
13 operate each account. The division shall, by administrative regulation, set the
14 entry level for participation in the fund;
- 15 (i) Authorize expenditures from the fund to carry out the purpose of KRS
16 224.60-105 to 224.60-160, including reasonable costs of administering the
17 fund, the procurement of legal services, and the procurement of analytical
18 testing services when necessary to confirm the accuracy of analytical testing
19 results obtained by a petroleum storage tank owner or operator. The
20 expenditures shall be paid from the appropriate account;
- 21 (j) Establish a small operators' tank removal account within the fund to reimburse
22 the reasonable cost of tank system removal for small owners and operators.
23 The account shall not be used when an owner or operator is removing the tank
24 with the intention of replacing or upgrading the tank. In promulgating
25 administrative regulations to carry out this paragraph, the division may
26 distinguish among owners and operators based on income and types and
27 classes of tanks. The division shall not place a limit on the number of tanks

1 that an owner or operator has in order to be eligible to participate in the
2 program and receive reimbursement under this paragraph;

3 (k) Establish by administrative regulation the policy, guidelines, and procedures
4 to perform financial audits of any petroleum storage tank owner or operator
5 receiving reimbursement from the fund or any entity contracting or
6 subcontracting to provide corrective action services for facilities eligible for
7 fund reimbursement. Financial audits shall be limited to those files, records,
8 computer records, receipts, and other documents related to corrective action
9 performed at a facility where the costs of corrective action have been
10 reimbursed by the fund. Files, records, computer records, receipts, and other
11 documents related to corrective action reimbursed by the fund shall be subject
12 to a financial audit for a period of three (3) years after the date of final
13 reimbursement from the fund. Results of the audits shall be protected from
14 disclosure as allowed by KRS 61.878(1)(c). Financial auditing services may
15 be contracted for or personnel may be employed as needed to implement the
16 requirements of this paragraph;

17 (l) Be authorized to enter and inspect any facility intending to seek
18 reimbursement for the cost of corrective action to determine the
19 reasonableness and necessity of the cost of corrective action. The division
20 may collect soil or water samples or require storage tank owners or operators
21 to split samples with the division for analytical testing. Refusal to allow entry
22 and inspection of a facility or refusal to allow the division to collect or split
23 samples shall make the facility ineligible for fund participation;

24 (m) Have inspectors on site at all tank system removals. Failure to comply with
25 this provision shall make the facility ineligible for fund participation. A
26 petroleum storage tank owner or operator may request through certified mail
27 that the division schedule an inspector to be present at an upcoming tank

1 removal. If the request is made at least two (2) weeks before the time for the
2 removal and an inspector fails to be present at the time scheduled, the tank
3 removal may proceed without making the facility ineligible for fund
4 participation unless the owner is notified by the division no later than ten (10)
5 days prior to the proposed date that an inspector is not available on the
6 proposed date, in which event a representative of the division shall contact the
7 operator and schedule a new date. If no inspector is present at the rescheduled
8 date, the removal may then proceed without penalty; and

9 (n) Establish that the deadline for submission of final reimbursement requests
10 under the petroleum storage tank account is two (2) years after receipt of a no
11 further action letter.

12 (2) The division may advise the cabinet on the promulgation of administrative
13 regulations concerning petroleum storage tanks.

14 (3) The division may sue and be sued in its own name.

15 (4) The division may transfer funds from the petroleum storage tank account to the
16 small operator tank removal account as needed to satisfy the obligations, future
17 liabilities, and expenses necessary to operate that account. The division may
18 transfer funds to the financial responsibility account as needed to maintain within
19 that account sufficient funds to demonstrate financial responsibility and to ensure
20 payment of claims as provided in subsection (1)(c) of this section.

21 ➔Section 2. KRS 224.60-142 is amended to read as follows:

22 (1) To be eligible to participate in the fund, the owner of any petroleum storage tank
23 containing motor fuels installed and placed in operation after July 15, 2004, shall
24 register the petroleum storage tank with the cabinet as required by KRS 224.60-105
25 prior to applying for participation in the financial responsibility account.

26 (2) The owner of any petroleum storage tank containing motor fuels currently existing,
27 or removed from the ground after January 1, 1974, shall register the petroleum

1 storage tank containing motor fuels with the cabinet prior to applying to the fund,
2 and shall register the petroleum storage tank containing motor fuels by July 15,
3 2031~~[2025]~~. Owners or operators may submit affidavits and applications relevant to
4 current petroleum storage tank accounts through July 15, 2031~~[2025]~~.

5 ➔Section 3. KRS 224.60-145 is amended to read as follows:

- 6 (1) Except as provided in subsection (2) of this section, there is established a petroleum
7 environmental assurance fee to be paid by dealers on each gallon of gasoline and
8 special fuels received in this state.
- 9 (2) All deductions detailed in KRS 138.240(2) and all credits detailed in KRS 138.358
10 are exempt from the fee. If a dealer has on file, pursuant to KRS Chapter 138, a
11 statement supporting a claimed exemption, an additional statement shall not be
12 required for claiming exemption from the fee.
- 13 (3) The fee shall be reported and paid to the Department of Revenue at the same time
14 and in the same manner as is required for the reporting and payment of the gasoline
15 and special fuels taxes as provided by law.
- 16 (4) The petroleum environmental assurance fee shall be set at one and four-tenths cent
17 (\$0.014) for each gallon. Four-tenths of a cent (\$0.004) per gallon shall be
18 deposited in the financial responsibility account and one cent (\$0.01) shall be
19 deposited in the petroleum storage tank account.
- 20 (5) Within thirty (30) days of the close of fiscal year 2001-2002 and each fiscal year
21 thereafter, the state budget director shall review the balance of each account to
22 determine if a surplus exists. "Surplus" means funds in excess of the amounts
23 necessary to satisfy the obligations in each account for all eligible facilities, to
24 satisfy future liabilities and expenses necessary to operate each account, and to
25 maintain an appropriate reserve in the financial responsibility account to
26 demonstrate financial responsibility and compensate for third-party claims. The
27 state budget director shall report the determination to the Interim Joint Committee

1 on Appropriations and Revenue. After a determination that a surplus exists, the
2 surplus shall be transferred to a restricted account and retained until appropriated by
3 the General Assembly.

4 (6) All provisions of law related to the Department of Revenue's administration and
5 enforcement of the gasoline and special fuels tax and all other powers generally
6 conveyed to the Department of Revenue by the Kentucky Revised Statutes for the
7 assessment and collection of taxes shall apply with regard to the fee levied by KRS
8 224.60-105 to 224.60-160.

9 (7) The Department of Revenue shall refund the fee imposed by KRS 224.60-145(1) to
10 any person who paid the fee provided they are entitled to a refund of motor fuel tax
11 under KRS 138.344 to KRS 138.355 and to any person who paid the fee on
12 transactions exempted under KRS 224.60-145(2).

13 (8) Notwithstanding any other provisions of KRS 65.180, 65.182, 68.600 to 68.606,
14 139.470, 183.165, 224.60-115, 224.60-130, 224.60-137, 224.60-140, 224.60-142,
15 and this section to the contrary, the small operator assistance account and small
16 operator tank removal account established under KRS 224.60-130 shall continue in
17 effect until July 15, 2031~~[2025]~~, and thereafter until all eligible claims related to
18 tanks registered by that date are resolved, and sufficient money shall be allocated to
19 and maintained in that account to assure prompt payment of all eligible claims, and
20 to provide for removal of tanks for eligible owners and operators as directed by this
21 chapter.

22 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 131 IS CREATED TO
23 READ AS FOLLOWS:

24 **(1) The department shall submit an annual report to the Legislative Research**
25 **Commission and the Interim Joint Committee on Appropriations and Revenue on**
26 **October 1, 2024, and October 1 of each year thereafter.**

27 **(2) The report required by subsection (1) of this section shall:**

1 (a) Summarize each tax law change enacted during:

2 1. The immediately preceding Regular Session of the General Assembly;

3 or

4 2. Any Extraordinary Session of the General Assembly held since the last
5 report was submitted;

6 (b) Be organized by bill number, including any resolutions impacting the tax
7 laws; and

8 (c) Outline actions taken, or to be taken, by the department to implement each
9 tax law change, including any:

10 1. Required modification to information technology systems and the
11 estimated cost of that modification;

12 2. Development of new or modification to existing forms for submission
13 by taxpayers;

14 3. Taxpayer education efforts deployed or to be deployed in response to
15 the tax law changes;

16 4. Administrative regulations filed or to be filed;

17 5. Shifting of personnel to perform the actions; and

18 6. Suggestions to the Interim Joint Committee on Appropriations and
19 Revenue for related statutory corrections or improvements.

20 ➔Section 5. KRS 138.510 is amended to read as follows:

21 (1) (a) Before August 1, 2022, except as provided in paragraph (e) of this subsection
22 and subsection (3) of this section, an excise tax is imposed on all tracks
23 conducting pari-mutuel wagering on live racing under the jurisdiction of the
24 commission as follows:

25 1. For each track with a daily average live handle of one million two
26 hundred thousand dollars (\$1,200,000) or above, the tax shall be in the
27 amount of three and one-half percent (3.5%) of all money wagered on

- 1 live races at the track during the fiscal year; and
- 2 2. For each track with a daily average live handle under one million two
3 hundred thousand dollars (\$1,200,000), the tax shall be one and one-half
4 percent (1.5%) of all money wagered on live races at the track during
5 the fiscal year.
- 6 (b) Beginning August 1, 2022, the excise tax imposed on all tracks conducting
7 pari-mutuel wagering on live racing under jurisdiction of the commission
8 shall be one and one-half percent (1.5%) of all money wagered on live races
9 at the track during the fiscal year.
- 10 (c) Beginning on April 1, 2014, an excise tax is imposed on all tracks conducting
11 pari-mutuel wagering on historical horse races under the jurisdiction of the
12 commission at a rate of one and one-half percent (1.5%) of all money wagered
13 on historical horse races at the track during the fiscal year.
- 14 (d) Money shall be deducted from the tax paid under paragraphs (a), (b), and (c)
15 of this subsection and deposited as follows:
- 16 1. a. Before August 1, 2022, an amount equal to three-quarters of one
17 percent (0.75%) of all money wagered on live races and historical
18 horse races at the track for Thoroughbred racing shall be deposited
19 in the Thoroughbred development fund established in KRS
20 230.400; and
- 21 b. Beginning August 1, 2022, an amount equal to three-quarters of
22 one percent (0.75%) of all money wagered on live races and
23 historical horse races at the track for Thoroughbred racing shall be
24 deposited in the Thoroughbred development fund established in
25 KRS 230.400 until forty-five million dollars (\$45,000,000) has
26 been deposited during a fiscal year, at which point the amount
27 deposited in the fund shall decrease to four-tenths of one percent

- 1 (0.4%) of all money wagered on live and historical horse races at
2 the track for Thoroughbred racing for the remainder of the fiscal
3 year;
- 4 2. a. Before August 1, 2022, an amount equal to one percent (1%) of all
5 money wagered on live races and historical horse races at the track
6 for harness racing shall be deposited in the Kentucky standardbred
7 development fund established in KRS 230.770. Beginning August
8 1, 2022, an amount equal to one percent (1%) of all money
9 wagered on live races at the track for harness racing shall be
10 deposited in the Kentucky standardbred development fund until a
11 total of twenty million dollars (\$20,000,000) has been deposited
12 during a fiscal year from this subparagraph, at which point the
13 amount deposited shall decrease to four-tenths of one percent
14 (0.4%) of all money wagered for the remainder of the fiscal year;
15 and
- 16 b. Beginning August 1, 2022, an amount equal to one percent (1%)
17 of all money wagered on historical horse races at the track for
18 harness racing shall be distributed in the exact amounts based
19 upon contracts between the parties that have been filed with the
20 commission, but at least one-half (1/2) of the funds shall be
21 deposited into the Kentucky standardbred development fund
22 established in KRS 230.770 until a total of twenty million dollars
23 (\$20,000,000) has been deposited into the Kentucky standardbred
24 development fund during a fiscal year from this subparagraph, at
25 which point the amount deposited in this subdivision shall
26 decrease to four-tenths of one percent (0.4%) of all money
27 wagered for the remainder of the fiscal year. The commission shall

1 provide the department all information necessary from the
2 contracts in order for the funds in this subparagraph to be
3 distributed;

- 4 3. An amount equal to one percent (1%) of all money wagered on live
5 races and historical horse races at the track for quarter horse, paint
6 horse, Appaloosa, and Arabian horse racing shall be deposited in the
7 Kentucky quarter horse, paint horse, Appaloosa, and Arabian
8 development fund established by KRS 230.445;
- 9 4. An amount equal to two-tenths of one percent (0.2%) of all money
10 wagered on live races and historical horse races at the track shall be paid
11 out in equal amounts as follows:
- 12 a. To the equine industry program trust and revolving fund
13 established by KRS 230.550 to support the Equine Industry
14 Program at the University of Louisville, except that the amount
15 deposited from money wagered on historical horse races in any
16 fiscal year shall not exceed eight hundred fifty thousand dollars
17 (\$850,000);
- 18 b. To the University of Kentucky for equine industry programs at the
19 university, except that the amount paid from money wagered on
20 historical horse races in any fiscal year shall not exceed four
21 hundred thousand dollars (\$400,000);
- 22 c. To the Bluegrass Community and Technical College for the
23 provision of equine industry programs by the system, except that
24 the amount paid from money wagered on historical horse races in
25 any fiscal year shall not exceed two hundred fifty thousand dollars
26 (\$250,000);
- 27 d. Amounts remaining from money wagered on historical horse races

1 in a fiscal year after payments are made in accordance with
2 subdivisions a., b., and c. of this subparagraph shall be distributed
3 in equal amounts to:

4 i. *The Kentucky Horse Racing Commission for the benefit of*
5 *Thoroughbred, standardbred, and American quarter horse*
6 *aftercare facilities in Kentucky, in an amount not to exceed*
7 *two hundred fifty thousand dollars (\$250,000). The*
8 *Kentucky Horse Racing Commission shall serve as the*
9 *administrative agent for these funds, and shall distribute*
10 *them annually to organizations engaged in the*
11 *accreditation and monitoring of aftercare facilities. Any*
12 *funds distributed under this subpart by the Kentucky Horse*
13 *Racing Commission shall be awarded to aftercare facilities*
14 *based in Kentucky only after the facilities have achieved*
15 *and maintained levels of service and operation that resulted*
16 *in national accreditation; and*

17 ii. *The Kentucky equine management internship program for*
18 *equine management training, in an amount not to exceed*
19 *two hundred fifty thousand dollars (\$250,000);* ~~The~~
20 ~~Kentucky Thoroughbred breeders incentive fund established~~
21 ~~in KRS 230.800, in an amount not to exceed four hundred~~
22 ~~thousand dollars (\$400,000); and~~

23 ~~ii. The Kentucky standardbred breeders incentive fund~~
24 ~~established in KRS 230.802, in an amount not to exceed one~~
25 ~~hundred thousand dollars (\$100,000);] and~~

26 e. Any amounts remaining from money wagered on historical horse
27 races in a fiscal year after payments are made in accordance with

- 1 subdivisions a., b., c., and d. of this subparagraph shall be paid to
2 the general fund;
- 3 5. a. An amount equal to one-tenth of one percent (0.1%) of all money
4 wagered on live races and historical horse races at the track shall
5 be deposited in a trust and revolving fund to be used for the
6 construction, expansion, or renovation of facilities or the purchase
7 of equipment for equine programs at state universities and the
8 Bluegrass Community and Technical College, except that the
9 amount deposited from money wagered on historical horse races in
10 any fiscal year shall not exceed three hundred twenty thousand
11 dollars (\$320,000).
- 12 b. These funds shall not be used for salaries or for operating funds
13 for teaching, research, or administration. Funds allocated under
14 this subparagraph shall not replace other funds for capital purposes
15 or operation of equine programs at state universities and the
16 Bluegrass Community and Technical College.
- 17 c. The Kentucky Council on Postsecondary Education shall serve as
18 the administrative agent for these funds, and shall establish an
19 advisory committee of interested parties, including all universities
20 and the Bluegrass Community and Technical College with
21 established equine programs, to evaluate proposals and make
22 recommendations for the awarding of funds.
- 23 d. The Kentucky Council on Postsecondary Education may
24 promulgate administrative regulations to establish procedures for
25 administering the program and criteria for evaluating and awarding
26 grants; and
- 27 6. An amount equal to one-tenth of one percent (0.1%) of all money

1 wagered on live races and historical horse races shall be distributed to
2 the commission to support equine drug testing as provided in KRS
3 230.265(3), except that the amount deposited from money wagered on
4 historical horse races in any fiscal year shall not exceed three hundred
5 twenty thousand dollars (\$320,000).

6 (e) The excise tax imposed by paragraphs (a) and (b) of this subsection shall not
7 apply to pari-mutuel wagering on live harness racing at a county fair.

8 (2) (a) Except as provided in paragraph (c) of this subsection, an excise tax is
9 imposed on:

- 10 1. All tracks conducting telephone account wagering;
- 11 2. All tracks participating as receiving tracks in intertrack wagering under
12 the jurisdiction of the commission; and
- 13 3. All tracks participating as receiving tracks displaying simulcasts and
14 conducting interstate wagering thereon.

15 (b) 1. Before August 1, 2022, the tax shall be three percent (3%) of all money
16 wagered on races as provided in paragraph (a) of this subsection during
17 the fiscal year.

18 2. Beginning August 1, 2022, the tax shall be one and one-half percent
19 (1.5%) of all money wagered on races as provided in paragraph (a) of
20 this subsection during the fiscal year.

21 (c) A noncontiguous track facility approved by the commission on or after
22 January 1, 1999, shall be exempt from the tax imposed under this subsection,
23 if the facility is established and operated by a licensed track which has a total
24 annual handle on live racing of two hundred fifty thousand dollars (\$250,000)
25 or less. The amount of money exempted under this paragraph shall be retained
26 by the noncontiguous track facility, KRS 230.3771 and 230.378
27 notwithstanding.

- 1 (d) Money shall be deducted from the tax paid under paragraphs (a) and (b) of
2 this subsection as follows:
- 3 1. An amount equal to one percent (1%) of the amount wagered shall be
4 deposited as follows:
- 5 a. In the Thoroughbred development fund established in KRS
6 230.400 if the host track is conducting a Thoroughbred race
7 meeting or the interstate wagering is conducted on a Thoroughbred
8 race meeting;
- 9 b. In the Kentucky standardbred development fund established in
10 KRS 230.770, if the host track is conducting a harness race
11 meeting or the interstate wagering is conducted on a harness race
12 meeting; or
- 13 c. In the Kentucky quarter horse, paint horse, Appaloosa, and
14 Arabian development fund established by KRS 230.445, if the host
15 track is conducting a quarter horse, paint horse, Appaloosa, or
16 Arabian horse race meeting or the interstate wagering is conducted
17 on a quarter horse, paint horse, Appaloosa, or Arabian horse race
18 meeting;
- 19 2. An amount equal to twenty-five thousandths of one percent (0.025%) of
20 the amount wagered shall be allocated to the equine industry program
21 trust and revolving fund established by KRS 230.550 to be used to
22 support the Equine Industry Program at the University of Louisville;
- 23 3. An amount equal to one-twentieth of one percent (0.05%) of the amount
24 wagered shall be deposited in a trust and revolving fund to be used for
25 the construction, expansion, or renovation of facilities or the purchase of
26 equipment for equine programs at state universities, as detailed in
27 subsection (1)(d)5. of this section; and

1 4. An amount equal to one-twentieth of one percent (0.05%) of the amount
2 wagered shall be distributed to the commission to support equine drug
3 testing as provided in KRS 230.265(3).

4 (3) If a host track in this state is the location for the conduct of a two (2) day
5 international horse racing event that distributes in excess of a total of twenty million
6 dollars (\$20,000,000) in purses and awards:

7 (a) The excise tax imposed by subsection (1)(a) and (b) of this section shall not
8 apply to money wagered at the track on live races conducted at the track
9 during the two (2) day international horse racing event; and

10 (b) Amounts wagered at the track on live races conducted at the track during the
11 two (2) day international horse racing event shall not be included in
12 calculating the daily average live handle for purposes of subsection (1) of this
13 section.

14 **(4) If a host track in this state is the location for the conduct of an international**
15 **harness racing event spanning multiple days that distributes at least five million**
16 **dollars (\$5,000,000) in purses and awards, the Tourism, Arts and Heritage**
17 **Cabinet shall be granted a race title sponsorship and promotional package at the**
18 **international harness racing event with all usual and customary benefits assigned**
19 **to promote Kentucky tourism. The Tourism, Arts and Heritage Cabinet shall not**
20 **be charged any fees for the promotional package.**

21 ~~(5)~~~~(4)~~ The taxes imposed by this section shall be paid, collected, and administered as
22 provided in KRS 138.530.

23 ➔Section 6. KRS 230.770 is amended to read as follows:

24 (1) **(a)** There is hereby created a trust and **agency account**~~[revolving fund]~~ for the
25 Kentucky Horse Racing Commission, designated as the Kentucky
26 standardbred development fund, consisting of **moneys**~~[money]~~ allocated to the
27 fund under the provisions of KRS 138.510, together with any other

1 moneys~~[money]~~ contributed to or allocated to the fund from all other sources.

2 **(b)** For the purposes of this section, "development fund" or "fund" means the
3 Kentucky standardbred development fund.

4 **(c)** Moneys~~[Money]~~ to the credit of the development fund shall be **transferred in**
5 **the following order:**

6 **1. Seventy-five thousand dollars (\$75,000) each fiscal year to the**
7 **Kentucky problem gambling assistance account established in KRS**
8 **230.826; and**

9 **2. Remaining moneys to**~~[distributed by the Treasurer for the purposes~~
10 ~~provided in this section, upon authorization of]~~ the Kentucky Horse
11 Racing Commission **for the purposes specified in this section**~~[and upon~~
12 ~~approval of the secretary of the Finance and Administration Cabinet].~~

13 **(d)** Moneys~~[Money]~~ to the credit of the fund at the end of each fiscal year shall
14 not lapse but shall be carried forward in the fund to the succeeding fiscal year.

15 (2) The Kentucky Horse Racing Commission shall use the development fund to
16 promote races, and to provide purses for races, for Kentucky-bred standardbred
17 horses.

18 (3) The racing commission shall:

19 **(a) Account for the moneys in the fund by separating the moneys as required**
20 **for distribution under subsections (1) and (4) of this section; and**

21 **(b)** Provide for distribution of moneys~~[money]~~ to the credit of the development
22 fund to persons, corporations, or associations operating licensed standardbred
23 race tracks within Kentucky on an equitable basis, for the purpose of
24 conducting separate races for Kentucky-bred standardbred horses, both
25 trotting and pacing.

26 (4) **The racing commission shall establish an international harness racing event**
27 **reserve account of up to nine hundred thousand dollars (\$900,000) for a**

1 Kentucky track that hosts an international harness racing event spanning
 2 multiple days that distributes at least five million dollars (\$5,000,000) in purses
 3 and awards. Moneys shall be transferred from the development fund as follows:

4 (a) Beginning July 31, 2024, three hundred thousand dollars (\$300,000) shall
 5 be transferred annually into the event reserve account until the total
 6 amount transferred into the event reserve account reaches nine hundred
 7 thousand dollars (\$900,000);

8 (b) If the event reserve account reaches nine hundred thousand dollars
 9 (\$900,000), the annual transfer of moneys into the account shall be
 10 suspended and shall not resume until a Kentucky track has hosted the event
 11 and has received its distribution of moneys under this subsection; and

12 (c) If an event is held and the nine hundred thousand dollars (\$900,000) has
 13 been distributed to the host track, the annual transfers into the event reserve
 14 account under paragraph (a) of this subsection shall resume at that time.

15 (5) Moneys~~[Money]~~ distributed from the development fund to licensed standardbred
 16 race tracks within the Commonwealth shall be used exclusively to promote races
 17 and provide purses for races conditioned to admit only Kentucky-bred standardbred
 18 horses.

19 ~~(6)~~~~(5)~~ The Kentucky Horse Racing Commission shall:

20 (a) Fix the amount of moneys~~[money]~~ to be paid from the development fund to
 21 be added to the purse provided for each race by the licensed operator of the
 22 track;~~[shall]~~

23 (b) Fix the dates and conditions of races to be held by licensed race tracks; and~~[~~
 24 ~~shall]~~

25 (c) Promulgate administrative regulations in accordance with KRS Chapter 13A
 26 necessary to carry out the provisions of this section.

27 ~~(7)~~~~(6)~~ (a) The Kentucky Horse Racing Commission may promulgate

1 administrative regulations necessary to determine the eligibility of horses for
 2 entry in races for which a portion of the purse is provided by moneys~~[money]~~
 3 of the development fund, including administrative regulations for the
 4 eligibility, residency, and registration of mares, stallions, and progeny thereof.

5 **(b)** Registration of stallions may occur any time during the breeding season, but
 6 shall occur no later than December 31 of the year of conception of the eligible
 7 horse.

8 ~~(8)~~~~(7)~~ **(a)** The Kentucky Horse Racing Commission shall appoint qualified
 9 personnel necessary to supervise registration of, or determination of eligibility
 10 of, horses entitled to entry in races, a portion of the purse of which is provided
 11 by the development fund, to assist the racing commission in determining the
 12 conditions, class, and quality of the fund supported race program to be
 13 established in this section~~[hereunder so as]~~ to carry out the purposes of this
 14 section.

15 **(b)** These persons shall serve at the pleasure of the racing commission and
 16 compensation shall be fixed by the racing commission.

17 **(c)** The compensation of personnel and necessary expenses shall be paid out of
 18 the development fund.

19 **(d)** The racing commission shall ~~[Promulgate administrative regulations to carry~~
 20 ~~out the provisions of this section, and shall]~~ administer the Kentucky sire
 21 stakes program ~~[created hereby]~~ in a manner best designed to:

22 **1.** Promote and aid in the development of the horse industry in Kentucky;~~[~~
 23 ~~to]~~

24 **2.** Upgrade the quality of racing in Kentucky; and~~[to]~~

25 **3.** Improve the quality of horses bred in Kentucky.

26 ➔Section 7. KRS 230.400 is amended to read as follows:

27 (1) **(a)** There is hereby created a trust and agency account~~[revolving fund]~~ for the

1 Kentucky Horse Racing Commission, designated as the Kentucky
 2 Thoroughbred development fund, consisting of moneys~~[money]~~ allocated to
 3 the fund under the provisions of KRS 138.510, together with other
 4 moneys~~[money]~~ contributed to or allocated to the fund from all other sources.

5 (b) Moneys~~[Money]~~ to the credit of the Kentucky Thoroughbred development
 6 fund shall be transferred in the following order:

7 1. One hundred thousand dollars (\$100,000) each fiscal year to the
 8 Kentucky problem gambling assistance account established in KRS
 9 230.826; and

10 2. Remaining moneys to ~~[distributed by the Treasurer for the purposes of~~
 11 ~~this section upon authorization of]~~ the Kentucky Horse Racing
 12 Commission for the purposes specified in this section~~[and upon~~
 13 ~~approval of the secretary of the Finance and Administration Cabinet].~~

14 (c) Moneys~~[Money]~~ from the Kentucky Thoroughbred development fund shall be
 15 allocated to each licensed association in an amount equal to the amount the
 16 association contributed to the fund.

17 (d) Moneys~~[Money]~~ to the credit of the Kentucky Thoroughbred development
 18 fund at the end of each fiscal year shall not lapse, but shall be carried forward
 19 in such fund to the succeeding fiscal year.

20 (2) There is hereby established, under the general jurisdiction of the Kentucky Horse
 21 Racing Commission, a Kentucky Thoroughbred Development Fund Advisory
 22 Committee. The advisory committee shall consist of five (5) members, all of whom
 23 shall be residents of Kentucky, to be appointed by the chairman of the Kentucky
 24 Horse Racing Commission by July 1 of each year. The committee shall consist of
 25 two (2) Thoroughbred breeders recommended by the Kentucky Thoroughbred
 26 Owners and Breeders, Inc.; one (1) Thoroughbred owner recommended by the
 27 Kentucky division of the Horsemen's Benevolent and Protective Association; one

1 (1) officer or director of a licensed association conducting Thoroughbred racing in
2 Kentucky, recommended by action of all of the licensed associations conducting
3 Thoroughbred racing in Kentucky; and one (1) member of the Kentucky Horse
4 Racing Commission. If any member other than the racing commission member has
5 not been recommended for appointment by July 1 of each year, the chairman of the
6 Kentucky Horse Racing Commission shall make an appointment for the
7 organization or organizations failing to recommend a member of the committee.
8 The members of the advisory committee shall serve without compensation, but shall
9 be entitled to reimbursement for all expenses incurred in the discharge of official
10 business. The advisory committee shall select from its membership annually a
11 chairman and a vice chairman.

12 (3) (a) The Kentucky Thoroughbred Development Fund Committee shall advise and
13 assist the Kentucky Horse Racing Commission in the development of the
14 supplemental purse program provided herein for Kentucky-bred
15 Thoroughbreds, shall make recommendations to the racing commission from
16 time to time with respect to the establishment of guidelines, administrative
17 regulations for the provision of supplemental purses, the amount thereof, the
18 races for which the purses are to be provided and the conditions thereof,
19 manner and method of payment of supplemental purses, registry of
20 Thoroughbred stallions standing within the Commonwealth of Kentucky,
21 registry of Kentucky-bred Thoroughbreds for purposes of this section, nature
22 and type of forms and reports to be employed and required in connection with
23 the establishment, provision for, award and payment of supplemental purses,
24 and with respect to all other matters necessary in connection with the carrying
25 out of the intent and purposes of this section.

26 (b) The Kentucky Horse Racing Commission shall employ qualified personnel as
27 may be required to assist the racing commission and the advisory committee

1 in carrying out the provisions of this section. These persons shall serve at the
2 pleasure of the racing commission and compensation for these personnel shall
3 be fixed by the racing commission. The compensation of these personnel and
4 the necessary expenses incurred by the racing commission or by the
5 committee in carrying out the provisions of this section shall be paid out of
6 the Kentucky Thoroughbred development fund.

7 (4) The Kentucky Horse Racing Commission, with the advice and assistance of the
8 Kentucky Thoroughbred Development Fund Advisory Committee, shall use the
9 Kentucky Thoroughbred development fund to promote, enhance, improve, and
10 encourage the further and continued development of the Thoroughbred breeding
11 industry in Kentucky by providing, out of the Kentucky Thoroughbred development
12 fund, supplemental purses for designated stakes, handicap, allowance, nonclaiming
13 maiden races, and claiming races contested at licensed Thoroughbred race meetings
14 in Kentucky. The Kentucky Horse Racing Commission shall, by administrative
15 regulation promulgated in accordance with KRS Chapter 13A, establish the
16 requirements, conditions, and procedures for awarding and payment of
17 supplemental purses in designated races by Kentucky-bred Thoroughbred horses.
18 That portion of the supplemental purse provided for any designated race shall be
19 awarded and paid to the owner of the horse only if the horse is a Kentucky-bred
20 Thoroughbred duly registered with the official registrar. Any portion of the
21 supplemental purse which is not awarded and paid over shall be returned to the
22 Kentucky Thoroughbred development fund.

23 (5) (a) For purposes of this section, the term "Kentucky Thoroughbred stallion" shall
24 mean and include only a Thoroughbred stallion standing the entire breeding
25 season in Kentucky and registered as a Kentucky Thoroughbred stallion with
26 the official registrar of the Kentucky Thoroughbred development fund.

27 (b) Except for Thoroughbred horses foaled prior to January 1, 1980, the term

1 "Kentucky-bred Thoroughbreds," for purposes of this section, shall mean and
2 include only Thoroughbred horses sired by Kentucky Thoroughbred stallions
3 foaled in Kentucky and registered as a Kentucky-bred Thoroughbred with the
4 official registrar of the Kentucky Thoroughbred development fund.

5 (c) Any Thoroughbred horse foaled prior to January 1, 1980, may qualify as a
6 Kentucky-bred Thoroughbred for purposes of this section if the horse was
7 foaled in Kentucky and if the sire of the Thoroughbred was standing at stud
8 within Kentucky at the time of conception of such Thoroughbred, provided
9 the Thoroughbred is duly registered as a Kentucky-bred Thoroughbred with
10 the official registrar of the Kentucky Thoroughbred development fund.

11 (d) In order for an owner of a Kentucky-sired Thoroughbred to be eligible to
12 demand, claim, and receive a portion of a supplemental purse provided by the
13 Kentucky Thoroughbred development fund, the Thoroughbred horse in a
14 designated race for which a supplemental purse has been provided by the
15 Kentucky Thoroughbred development fund must have been duly registered as
16 a Kentucky-bred Thoroughbred with the official registrar of the Kentucky
17 Thoroughbred development fund prior to entry in the race.

18 (6) (a) Kentucky Thoroughbred Owners and Breeders, Inc., is hereby recognized and
19 designated as the sole official registrar of the Kentucky Thoroughbred
20 development fund for the purposes of registering Kentucky Thoroughbred
21 stallions and Kentucky-bred Thoroughbreds in accordance with the terms of
22 this section and any administrative regulations promulgated by the Kentucky
23 Horse Racing Commission. When a Kentucky-bred Thoroughbred is
24 registered with the official registrar, the registrar shall be authorized to stamp
25 the Jockey Club certificate issued for the Thoroughbred with the seal of the
26 registrar, certifying that the Thoroughbred is a duly qualified and registered
27 Kentucky-bred Thoroughbred for purposes of this section. The registrar may

1 establish and charge, with the approval of the racing commission, reasonable
2 registration fees for its services in the registration of Kentucky Thoroughbred
3 stallions and in the registration of Kentucky-bred Thoroughbreds. Registration
4 records of the registrar shall be public records and open to public inspection at
5 all normal business hours and times.

6 (b) Any interested party aggrieved by the failure or refusal of the official registrar
7 to register a stallion or Thoroughbred as a Kentucky stallion or as a Kentucky-
8 bred Thoroughbred shall have the right to file with the racing commission,
9 within thirty (30) days of such failure or refusal of the registrar, a petition
10 seeking registration of the Thoroughbred. The racing commission shall
11 promptly hear the matter de novo and issue its order directing the official
12 registrar to register or not to register as it may be determined by the racing
13 commission.

14 (7) The Kentucky Horse Racing Commission shall promulgate administrative
15 regulations as may be necessary to carry out the provisions and purposes of this
16 section, including the promulgation of administrative regulations and forms as may
17 be appropriate for the proper registration of Kentucky stallions and Kentucky-bred
18 Thoroughbreds with the official registrar, and shall administer the Kentucky-bred
19 Thoroughbred program created hereby in a manner best designed to promote and
20 aid in the further development of the Thoroughbred breeding industry in Kentucky,
21 to upgrade the quality of Thoroughbred racing in Kentucky, and to improve the
22 quality of Thoroughbred horses bred in Kentucky.

23 ➔Section 8. KRS 230.445 is amended to read as follows:

24 (1) (a) There is hereby created a trust and agency account~~[revolving fund]~~ for the
25 Kentucky Horse Racing Commission designated the Kentucky quarter horse,
26 paint horse, Appaloosa, and Arabian development fund, consisting of
27 moneys~~[money]~~ allocated to the fund under KRS 230.3771 together with any

1 other moneys~~[money]~~ contributed to or allocated to the fund from all other
2 sources.

3 **(b)** For the purposes of this section, "development fund" or "fund" means the
4 Kentucky quarter horse, paint horse, Appaloosa, and Arabian development
5 fund.

6 **(c)** Moneys~~[Money]~~ to the credit of the development fund shall be transferred in
7 the following order:

8 1. Twenty-five thousand dollars (\$25,000) each fiscal year to the
9 Kentucky problem gambling assistance account established in KRS
10 230.826; and

11 2. Remaining moneys to ~~[distributed by the Treasurer for the purposes~~
12 ~~provided in this section, upon authorization of]~~ the Kentucky Horse
13 Racing Commission for the purposes specified in this section~~[and~~
14 ~~upon approval of the secretary of the Finance and Administration~~
15 ~~Cabinet].~~

16 **(d)** Notwithstanding KRS 45.229, moneys~~[money]~~ to the credit of the fund at the
17 end of the fiscal year shall not lapse but shall be carried forward in the fund to
18 the succeeding fiscal year.

19 **(e)** Interest earnings of the fund shall become a part of the fund and shall not
20 lapse.

21 **(f)** Moneys in the fund shall be used and are hereby appropriated for purposes
22 specified in this section.

23 (2) The Kentucky Horse Racing Commission shall use the development fund to
24 promote races and to provide purses for races for horses bred and foaled in the
25 Commonwealth. The commission shall provide for distribution of moneys~~[money]~~
26 to the credit of the development fund to persons, corporations, or associations
27 operating licensed tracks within Kentucky conducting quarter horse, paint horse,

1 Appaloosa, or Arabian horse racing, on an equitable basis as determined by the
2 commission and in conformance with subsection (3) of this section.

3 (3) The Kentucky Horse Racing Commission shall:

4 (a) Fix the amount of ~~moneys~~~~[money]~~ to be paid from the development fund to
5 be added to the purse provided for each race by the licensed operator of the
6 track;

7 (b) Fix the dates and conditions of races to be held by licensed tracks; and

8 (c) Promulgate administrative regulations necessary to carry out the provisions of
9 this section.

10 ~~Moneys~~~~[Money]~~ from the fund shall be allocated to each breed of horse represented
11 in the fund in an amount equal to the amount the breed has contributed to the fund.

12 (4) The Kentucky Horse Racing Commission shall appoint qualified personnel as
13 necessary to:

14 (a) Supervise registration of, or determine the eligibility of, horses entitled to
15 entry in races which receive a portion of purse money from the development
16 fund; and

17 (b) Assist the commission in determining the conditions, class, and quality of the
18 fund-supported race program established to carry out the purposes of this
19 section.

20 The personnel shall serve at the pleasure of the commission and compensation shall
21 be fixed by the commission with the compensation and necessary expenses of the
22 personnel paid from the development fund.

23 (5) The commission shall promulgate administrative regulations to carry out the
24 provisions of this section and shall administer the Kentucky quarter horse, paint
25 horse, Appaloosa, and Arabian development fund in a manner designed to:

26 (a) Promote and aid in the development of the horse industry in Kentucky;

27 (b) Upgrade the quality of racing in Kentucky; and

1 (c) Improve the quality of horses bred in Kentucky.

2 ➔Section 9. KRS 138.513 is amended to read as follows:

- 3 (1) (a) Beginning August 1, 2014, but before August 1, 2022, an excise tax is
4 imposed on all advance deposit account wagering licensees licensed under
5 KRS 230.260 at a rate of one-half of one percent (0.5%) of all amounts
6 wagered through the licensee by Kentucky residents; and
7 (b) Beginning August 1, 2022, an excise tax is imposed on all advance deposit
8 account wagering licensees licensed under KRS ~~230.260~~~~[138.675]~~ at a rate of
9 one and one-half percent (1.5%) of all amounts wagered through the licensee
10 by Kentucky residents.
11 (2) The tax imposed by this section shall be paid, collected, administered, and
12 distributed as provided in KRS 138.530.

13 ➔Section 10. KRS 139.470 is amended to read as follows:

14 There are excluded from the computation of the amount of taxes imposed by this chapter:

- 15 (1) Gross receipts from the sale of, and the storage, use, or other consumption in this
16 state of, tangible personal property or digital property which this state is prohibited
17 from taxing under the Constitution or laws of the United States, or under the
18 Constitution of this state;
19 (2) Gross receipts from sales of, and the storage, use, or other consumption in this state
20 of:
21 (a) Nonreturnable and returnable containers when sold without the contents to
22 persons who place the contents in the container and sell the contents together
23 with the container; and
24 (b) Returnable containers when sold with the contents in connection with a retail
25 sale of the contents or when resold for refilling;

26 As used in this section the term "returnable containers" means containers of a kind
27 customarily returned by the buyer of the contents for reuse. All other containers are

- 1 "nonreturnable containers";
- 2 (3) Gross receipts from occasional sales of tangible personal property or digital
3 property and the storage, use, or other consumption in this state of tangible personal
4 property or digital property, the transfer of which to the purchaser is an occasional
5 sale;
- 6 (4) Gross receipts from sales of tangible personal property to a common carrier,
7 shipped by the retailer via the purchasing carrier under a bill of lading, whether the
8 freight is paid in advance or the shipment is made freight charges collect, to a point
9 outside this state and the property is actually transported to the out-of-state
10 destination for use by the carrier in the conduct of its business as a common carrier;
- 11 (5) Gross receipts from sales of tangible personal property sold through coin-operated
12 bulk vending machines, if the sale amounts to fifty cents (\$0.50) or less, if the
13 retailer is primarily engaged in making the sales and maintains records satisfactory
14 to the department. As used in this subsection, "bulk vending machine" means a
15 vending machine containing unsorted merchandise which, upon insertion of a coin,
16 dispenses the same in approximately equal portions, at random and without
17 selection by the customer;
- 18 (6) Gross receipts from sales to any cabinet, department, bureau, commission, board, or
19 other statutory or constitutional agency of the state and gross receipts from sales to
20 counties, cities, or special districts as defined in KRS 65.005. This exemption shall
21 apply only to purchases of tangible personal property, digital property, or services
22 for use solely in the government function. A purchaser not qualifying as a
23 governmental agency or unit shall not be entitled to the exemption even though the
24 purchaser may be the recipient of public funds or grants;
- 25 (7) (a) Gross receipts from the sale of sewer services, water, and fuel to Kentucky
26 residents for use in heating, water heating, cooking, lighting, and other
27 residential uses if the sewer services, water, and fuel are purchased and

1 declared by the resident as used in his or her place of domicile.

2 (b) As used in this subsection:

3 1. "Fuel" shall include but not be limited to natural gas, electricity, fuel oil,
4 bottled gas, coal, coke, and wood; and

5 2. "Place of domicile" means the place where an individual has his or her
6 legal, true, fixed, and permanent home and principal establishment, and
7 to which, whenever the individual is absent, the individual has the
8 intention of returning.

9 (c) Determinations of eligibility for the exemption shall be made by the
10 department.

11 (d) The exemption shall apply to charges for sewer service, water, and fuel billed
12 to an owner or operator of a multi-unit residential rental facility or mobile
13 home and recreational vehicle park if the owner or operator declares that the
14 sewer services, water, and fuel are purchased for Kentucky residents to be
15 used in the resident's place of domicile.

16 (e) The exemption shall apply also to residential property which may be held by
17 legal or equitable title, by the entireties, jointly, in common, as a
18 condominium, or indirectly by the stock ownership or membership
19 representing the owner's or member's proprietary interest in a corporation
20 owning a fee or a leasehold initially in excess of ninety-eight (98) years if the
21 sewer services, water, and fuel are purchased for and declared by the
22 Kentucky resident as used in his or her place of domicile;

23 (8) Gross receipts from sales to an out-of-state agency, organization, or institution
24 exempt from sales and use tax in its state of residence when that agency,
25 organization, or institution gives proof of its tax-exempt status to the retailer and the
26 retailer maintains a file of the proof;

27 (9) (a) Gross receipts derived from the sale of tangible personal property, as provided

1 in paragraph (b) of this subsection, to a manufacturer or industrial processor if
2 the property is to be directly used in the manufacturing or industrial
3 processing process of:

- 4 1. Tangible personal property at a plant facility;
- 5 2. Distilled spirits or wine at a plant facility or on the premises of a
6 distiller, rectifier, winery, or small farm winery licensed under KRS
7 243.030 that includes a retail establishment on the premises; or
- 8 3. Malt beverages at a plant facility or on the premises of a brewer or
9 microbrewery licensed under KRS 243.040 that includes a retail
10 establishment;

11 and which will be for sale.

12 (b) The following tangible personal property shall qualify for exemption under
13 this subsection:

- 14 1. Materials which enter into and become an ingredient or component part
15 of the manufactured product;
- 16 2. Other tangible personal property which is directly used in the
17 manufacturing or industrial processing process, if the property has a
18 useful life of less than one (1) year. Specifically, these items are
19 categorized as follows:
 - 20 a. Materials. This refers to the raw materials which become an
21 ingredient or component part of supplies or industrial tools exempt
22 under subdivisions b. and c. below;
 - 23 b. Supplies. This category includes supplies such as lubricating and
24 compounding oils, grease, machine waste, abrasives, chemicals,
25 solvents, fluxes, anodes, filtering materials, fire brick, catalysts,
26 dyes, refrigerants, and explosives. The supplies indicated above
27 need not come in direct contact with a manufactured product to be

- 1 exempt. "Supplies" does not include repair, replacement, or spare
2 parts of any kind; and
- 3 c. Industrial tools. This group is limited to hand tools such as jigs,
4 dies, drills, cutters, rolls, reamers, chucks, saws, and spray guns
5 and to tools attached to a machine such as molds, grinding balls,
6 grinding wheels, dies, bits, and cutting blades. Normally, for
7 industrial tools to be considered directly used in the manufacturing
8 or industrial processing process, they shall come into direct
9 contact with the product being manufactured or processed; and
- 10 3. Materials and supplies that are not reusable in the same manufacturing
11 or industrial processing process at the completion of a single
12 manufacturing or processing cycle. A single manufacturing cycle shall
13 be considered to be the period elapsing from the time the raw materials
14 enter into the manufacturing process until the finished product emerges
15 at the end of the manufacturing process.
- 16 (c) The property described in paragraph (b) of this subsection shall be regarded as
17 having been purchased for resale.
- 18 (d) For purposes of this subsection, a manufacturer or industrial processor
19 includes an individual or business entity that performs only part of the
20 manufacturing or industrial processing activity, and the person or business
21 entity need not take title to tangible personal property that is incorporated
22 into, or becomes the product of, the activity.
- 23 (e) The exemption provided in this subsection does not include repair,
24 replacement, or spare parts;
- 25 (10) Any water use fee paid or passed through to the Kentucky River Authority by
26 facilities using water from the Kentucky River basin to the Kentucky River
27 Authority in accordance with KRS 151.700 to 151.730 and administrative

1 regulations promulgated by the authority;

2 (11) Gross receipts from the sale of newspaper inserts or catalogs purchased for storage,
3 use, or other consumption outside this state and delivered by the retailer's own
4 vehicle to a location outside this state, or delivered to the United States Postal
5 Service, a common carrier, or a contract carrier for delivery outside this state,
6 regardless of whether the carrier is selected by the purchaser or retailer or an agent
7 or representative of the purchaser or retailer, or whether the F.O.B. is retailer's
8 shipping point or purchaser's destination.

9 (a) As used in this subsection:

10 1. "Catalogs" means tangible personal property that is printed to the special
11 order of the purchaser and composed substantially of information
12 regarding goods and services offered for sale; and

13 2. "Newspaper inserts" means printed materials that are placed in or
14 distributed with a newspaper of general circulation.

15 (b) The retailer shall be responsible for establishing that delivery was made to a
16 non-Kentucky location through shipping documents or other credible
17 evidence as determined by the department;

18 (12) Gross receipts from the sale of water used in the raising of equine as a business;

19 (13) Gross receipts from the sale of metal retail fixtures manufactured in this state and
20 purchased for storage, use, or other consumption outside this state and delivered by
21 the retailer's own vehicle to a location outside this state, or delivered to the United
22 States Postal Service, a common carrier, or a contract carrier for delivery outside
23 this state, regardless of whether the carrier is selected by the purchaser or retailer or
24 an agent or representative of the purchaser or retailer, or whether the F.O.B. is the
25 retailer's shipping point or the purchaser's destination.

26 (a) As used in this subsection, "metal retail fixtures" means check stands and
27 belted and nonbelted checkout counters, whether made in bulk or pursuant to

1 specific purchaser specifications, that are to be used directly by the purchaser
2 or to be distributed by the purchaser.

3 (b) The retailer shall be responsible for establishing that delivery was made to a
4 non-Kentucky location through shipping documents or other credible
5 evidence as determined by the department;

6 (14) Gross receipts from the sale of unenriched or enriched uranium purchased for
7 ultimate storage, use, or other consumption outside this state and delivered to a
8 common carrier in this state for delivery outside this state, regardless of whether the
9 carrier is selected by the purchaser or retailer, or is an agent or representative of the
10 purchaser or retailer, or whether the F.O.B. is the retailer's shipping point or
11 purchaser's destination;

12 (15) Amounts received from a tobacco buydown. As used in this subsection, "buydown"
13 means an agreement whereby an amount, whether paid in money, credit, or
14 otherwise, is received by a retailer from a manufacturer or wholesaler based upon
15 the quantity and unit price of tobacco products sold at retail that requires the retailer
16 to reduce the selling price of the product to the purchaser without the use of a
17 manufacturer's or wholesaler's coupon or redemption certificate;

18 (16) Gross receipts from the sale of tangible personal property or digital property
19 returned by a purchaser when the full sales price is refunded either in cash or credit.
20 This exclusion shall not apply if the purchaser, in order to obtain the refund, is
21 required to purchase other tangible personal property or digital property at a price
22 greater than the amount charged for the property that is returned;

23 (17) Gross receipts from the sales of gasoline and special fuels subject to tax under KRS
24 Chapter 138;

25 (18) The amount of any tax imposed by the United States upon or with respect to retail
26 sales, whether imposed on the retailer or the consumer, not including any
27 manufacturer's excise or import duty;

- 1 (19) Gross receipts from the sale of any motor vehicle as defined in KRS 138.450 which
2 is:
- 3 (a) Sold to a Kentucky resident, registered for use on the public highways, and
4 upon which any applicable tax levied by KRS 138.460 has been paid; or
- 5 (b) Sold to a nonresident of Kentucky if the nonresident registers the motor
6 vehicle in a state that:
- 7 1. Allows residents of Kentucky to purchase motor vehicles without
8 payment of that state's sales tax at the time of sale; or
- 9 2. Allows residents of Kentucky to remove the vehicle from that state
10 within a specific period for subsequent registration and use in Kentucky
11 without payment of that state's sales tax;
- 12 (20) Gross receipts from the sale of a semi-trailer as defined in KRS 189.010(12) and
13 trailer as defined in KRS 189.010(17);
- 14 (21) Gross receipts from the collection of:
- 15 (a) Any fee or charge levied by a local government pursuant to KRS 65.760;
- 16 (b) The charge imposed by KRS 65.7629(3);
- 17 (c) The fee imposed by KRS 65.7634; and
- 18 (d) The service charge imposed by KRS 65.7636;
- 19 (22) Gross receipts derived from charges for labor or services to apply, install, repair, or
20 maintain tangible personal property directly used in manufacturing or industrial
21 processing process of:
- 22 (a) Tangible personal property at a plant facility;
- 23 (b) Distilled spirits or wine at a plant facility or on the premises of a distiller,
24 rectifier, winery, or small farm winery licensed under KRS 243.030; or
- 25 (c) Malt beverages at a plant facility or on the premises of a brewer or
26 microbrewery licensed under KRS 243.040;
- 27 that is not otherwise exempt under subsection (9) of this section or KRS

1 139.480(10), if the charges for labor or services are separately stated on the invoice,
2 bill of sale, or similar document given to purchaser;

3 (23) (a) For persons selling services included in KRS 139.200(2)(g) to ~~ax~~^(p) prior to
4 January 1, ~~2025~~^[2019], gross receipts derived from the sale of those services
5 if the gross receipts were less than ~~twelve~~^[six] thousand dollars
6 ~~(\$12,000)~~^[\$6,000] during calendar year ~~2024~~^[2018]. When gross receipts
7 from these services exceed ~~twelve~~^[six] thousand dollars ~~(\$12,000)~~^[\$6,000]
8 in a calendar year:

- 9 1. All gross receipts over ~~twelve~~^[six] thousand dollars ~~(\$12,000)~~^[\$6,000]
10 are taxable in that calendar year; and
- 11 2. All gross receipts are subject to tax in subsequent calendar years.

12 ~~(b) [For persons selling services included in KRS 139.200(2)(q) to (ax) prior to~~
13 ~~January 1, 2023, gross receipts derived from the sale of those services if the~~
14 ~~gross receipts were less than six thousand dollars (\$6,000) during calendar~~
15 ~~year 2021. When gross receipts from these services exceed six thousand~~
16 ~~dollars (\$6,000) in a calendar year:~~

- 17 ~~1. All gross receipts over six thousand dollars (\$6,000) are taxable in that~~
18 ~~calendar year; and~~
- 19 ~~2. All gross receipts are subject to tax in subsequent calendar years.~~

20 ~~(c)~~ The exemption provided in this subsection shall not apply to a person also
21 engaged in the business of selling tangible personal property, digital property,
22 or services included in KRS 139.200(2)(a) to (f); and

23 (24) (a) For persons that first begin making sales of services included in KRS
24 139.200(2)(g) to ~~ax~~^(p) on or after January 1, ~~2025~~^[2019], gross receipts
25 derived from the sale of those services if the gross receipts are less than
26 ~~twelve~~^[six] thousand dollars ~~(\$12,000)~~^[\$6,000] within the first calendar year
27 of operation. When gross receipts from these services exceed ~~twelve~~^[six]

1 thousand dollars ~~(\$12,000)~~ ~~(\$6,000)~~ in a calendar year:

2 1. All gross receipts over ~~twelve~~ ~~[six]~~ thousand dollars ~~(\$12,000)~~ ~~(\$6,000)~~
3 are taxable in that calendar year; and

4 2. All gross receipts are subject to tax in subsequent calendar years.

5 (b) ~~[For persons that first begin making sales of services included in KRS~~
6 ~~139.200(2)(q) to (ax) on or after January 1, 2023, gross receipts derived from~~
7 ~~the sale of those services if the gross receipts are less than six thousand dollars~~
8 ~~(\$6,000) within the first calendar year of operation. When gross receipts from~~
9 ~~these services exceed six thousand dollars (\$6,000) in a calendar year:~~

10 1. ~~All gross receipts over six thousand dollars (\$6,000) are taxable in that~~
11 ~~calendar year; and~~

12 2. ~~All gross receipts are subject to tax in subsequent calendar years.~~

13 (c) ~~]~~The exemption provided in this subsection shall not apply to a person that is
14 also engaged in the business of selling tangible personal property, digital
15 property, or services included in KRS 139.200(2)(a) to (f).

16 ➔SECTION 11. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO
17 READ AS FOLLOWS:

18 **(1) As used in this section:**

19 **(a) "Eligible equipment or services" means the equipment used in the**
20 **expansion of broadband services in Kentucky and includes:**

21 **1. Wires, cables, fiber, conduits, antennas, poles, switches, routers,**
22 **amplifiers, rectifiers, repeaters, receivers, multiplexers, transmitters,**
23 **circuit cards, insulating and protective materials and cases, power**
24 **equipment, backup power equipment, diagnostic equipment, storage**
25 **devices, and modems;**

26 **2. General central office or headend equipment, including:**

27 **a. Channel cards;**

1 **b. Frames; and**

2 **c. Cabinets;**

3 **3. Equipment used in successor technologies, including items used to**
4 **monitor, test, maintain, enable, or facilitate:**

5 **a. Eligible equipment or services;**

6 **b. Machinery;**

7 **c. Software;**

8 **d. Ancillary components;**

9 **e. Appurtenances; and**

10 **f. Accessories; and**

11 **4. Any other infrastructure that is used in whole or in part to provide or**
12 **expand broadband communications services; and**

13 **(b) "Qualified broadband investment":**

14 **1. Means the purchase or lease of any eligible equipment or services by**
15 **any provider that Kentucky sales and use tax has been paid under**
16 **KRS Chapter 139; and**

17 **2. Does not include the purchase or lease of personal consumer**
18 **electronics, including:**

19 **a. Smartphones;**

20 **b. Computers;**

21 **c. Tablets;**

22 **d. Consumer-grade modems; and**

23 **e. Routers.**

24 **(2) For taxable years beginning on or after January 1, 2025, but before January 1,**
25 **2029, there is hereby created a qualified broadband investment tax credit to**
26 **provide for the expansion of broadband services in this state.**

27 **(3) (a) The credit in subsection (2) of this section shall be nonrefundable,**

1 nontransferable, and allowed against the tax imposed under KRS 141.020
2 or 141.040 and 141.0401 with the ordering of the credit as provided in
3 Section 12 of this Act.

4 **(b) The tax credit shall be equal to the amount of sales tax actually paid on the**
5 **qualified broadband investment:**

6 **1. Reduced by the amount of seller reimbursement allowed under KRS**
7 **139.570; and**

8 **2. Limited to:**

9 **a. Fifty percent (50%) of the amount determined under**
10 **subparagraph 1. of this paragraph for a taxpayer; and**

11 **b. A total of five million dollars (\$5,000,000) for all tax credits in**
12 **each taxable year in which the credit is available.**

13 **(4) (a) Beginning with calendar year 2025, any taxpayer who intends to take the**
14 **credit for a qualified broadband investment tax credit shall:**

15 **1. Submit an application for approval to the department on a form**
16 **prescribed by the department prior to December 31, 2025, and each**
17 **December 31 thereafter as long as the credit is available; and**

18 **2. Provide:**

19 **a. The taxpayer's identification number;**

20 **b. The amount of sales and use tax that the taxpayer remitted or**
21 **intends to remit for the qualified broadband investment; and**

22 **c. A statement of how approval of this tax credit will result in**
23 **greater investment in this state by:**

24 **i. Expansion of broadband services;**

25 **ii. An upgrade to existing broadband infrastructure; or**

26 **iii. An increase of access to broadband for the residents in this**
27 **state.**

1 **(b) The department shall:**

2 **1. Review all submitted applications no later than January 15, 2026, and**
3 **each January 15 thereafter as long as the credit is available; and**

4 **2. By February 1 following the end of the calendar year, provide a letter**
5 **to the taxpayer indicating approval and amount of tax credit to be**
6 **awarded.**

7 **(5) A taxpayer approved for credit under subsection (4) of this section shall submit**
8 **with their return, verification of the sales and use tax remitted on the qualified**
9 **broadband investment, which may include:**

10 **(a) Receipt of eligible equipment or services purchased; or**

11 **(b) Lease agreement for eligible equipment or services.**

12 **(6) If the total amount of credits granted approval under subsection (4) of this**
13 **section exceeds five million dollars (\$5,000,000), each taxpayer shall receive no**
14 **more than its applicable pro rata share of the five million dollar (\$5,000,000)**
15 **limit.**

16 **(7) (a) In order for the General Assembly to evaluate the effectiveness of the**
17 **qualified broadband investment tax credit, the department shall submit the**
18 **following information to the Legislative Research Commission for referral**
19 **to the Interim Joint Committee on Appropriations and Revenue on or before**
20 **November 1, 2026, and on or before each November 1 thereafter as long as**
21 **the credit may be claimed on a return:**

22 **1. The location of the taxpayer, by county, as reflected on the return filed**
23 **for the taxable year;**

24 **2. The amount of qualified broadband investment tax credit claimed by**
25 **the taxpayer for the taxable year;**

26 **3. The total cumulative amount of all qualified broadband investment tax**
27 **credits claimed for the taxable year; and**

1 **4. a. In the case of all taxpayers other than corporations, based on**
2 **ranges of adjusted gross income of no larger than five thousand**
3 **dollars (\$5,000) for the taxable year, the total amount of**
4 **qualified broadband investment tax credit claimed and the total**
5 **number of returns claiming this tax credit for each income**
6 **range; and**

7 **b. In the case of all corporations, based on ranges of net income no**
8 **larger than fifty thousand dollars (\$50,000) for the taxable year,**
9 **the total amount of tax credit claimed and the number of returns**
10 **claiming a tax credit for each net income range.**

11 **(b) The information required to be reported under this section shall not be**
12 **considered confidential taxpayer information and shall not be subject to**
13 **KRS Chapter 131 or any other provisions of the Kentucky Revised Statutes**
14 **prohibiting disclosure or reporting of information.**

15 ➔Section 12. KRS 141.0205 is amended to read as follows:

16 If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax
17 imposed by KRS 141.020, 141.040, and 141.0401, the priority of application and use of
18 the credits shall be determined as follows:

19 (1) The nonrefundable business incentive credits against the tax imposed by KRS
20 141.020 shall be taken in the following order:

21 (a) The limited liability entity tax credit permitted by KRS 141.0401;

22 (b) The economic development credits computed under KRS 141.347, 141.381,
23 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and
24 154.12-2088;

25 (c) The qualified farming operation credit permitted by KRS 141.412;

26 (d) The certified rehabilitation credit permitted by KRS 171.397(1)(a);

27 (e) The health insurance credit permitted by KRS 141.062;

- 1 (f) The tax paid to other states credit permitted by KRS 141.070;
- 2 (g) The credit for hiring the unemployed permitted by KRS 141.065;
- 3 (h) The recycling or composting equipment credit permitted by KRS 141.390;
- 4 (i) The tax credit for cash contributions in investment funds permitted by KRS
- 5 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
- 6 154.20-258;
- 7 (j) The research facilities credit permitted by KRS 141.395;
- 8 (k) The employer High School Equivalency Diploma program incentive credit
- 9 permitted under KRS 151B.402;
- 10 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 11 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 12 (n) The clean coal incentive credit permitted by KRS 141.428;
- 13 (o) The ethanol credit permitted by KRS 141.4242;
- 14 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 15 (q) The energy efficiency credits permitted by KRS 141.436;
- 16 (r) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 17 (s) The Endow Kentucky credit permitted by KRS 141.438;
- 18 (t) The New Markets Development Program credit permitted by KRS 141.434;
- 19 (u) The distilled spirits credit permitted by KRS 141.389;
- 20 (v) The angel investor credit permitted by KRS 141.396;
- 21 (w) The film industry credit permitted by KRS 141.383 for applications approved
- 22 on or after April 27, 2018, but before January 1, 2022;
- 23 (x) The inventory credit permitted by KRS 141.408;~~and~~
- 24 (y) The renewable chemical production credit permitted by KRS 141.4231; **and**
- 25 **(z) The qualified broadband investment tax credit permitted by Section 11 of**
- 26 **this Act;**
- 27 (2) After the application of the nonrefundable credits in subsection (1) of this section,

1 the nonrefundable personal tax credits against the tax imposed by KRS 141.020
2 shall be taken in the following order:

- 3 (a) The individual credits permitted by KRS 141.020(3);
- 4 (b) The credit permitted by KRS 141.066;
- 5 (c) The tuition credit permitted by KRS 141.069;
- 6 (d) The household and dependent care credit permitted by KRS 141.067;
- 7 (e) The income gap credit permitted by KRS 141.066; and
- 8 (f) The Education Opportunity Account Program tax credit permitted by KRS
9 141.522;

10 (3) After the application of the nonrefundable credits provided for in subsection (2) of
11 this section, the refundable credits against the tax imposed by KRS 141.020 shall be
12 taken in the following order:

- 13 (a) The individual withholding tax credit permitted by KRS 141.350;
- 14 (b) The individual estimated tax payment credit permitted by KRS 141.305;
- 15 (c) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and
16 171.397(1)(b);
- 17 (d) The film industry tax credit permitted by KRS 141.383 for applications
18 approved prior to April 27, 2018, or on or after January 1, 2022;
- 19 (e) The development area tax credit permitted by KRS 141.398;
- 20 (f) The decontamination tax credit permitted by KRS 141.419; and
- 21 (g) The pass-through entity tax credit permitted by KRS 141.209;

22 (4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the
23 tax imposed by KRS 141.040;

24 (5) The following nonrefundable credits shall be applied against the sum of the tax
25 imposed by KRS 141.040 after subtracting the credit provided for in subsection (4)
26 of this section, and the tax imposed by KRS 141.0401 in the following order:

- 27 (a) The economic development credits computed under KRS 141.347, 141.381,

- 1 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and
2 154.12-2088;
- 3 (b) The qualified farming operation credit permitted by KRS 141.412;
- 4 (c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- 5 (d) The health insurance credit permitted by KRS 141.062;
- 6 (e) The unemployment credit permitted by KRS 141.065;
- 7 (f) The recycling or composting equipment credit permitted by KRS 141.390;
- 8 (g) The coal conversion credit permitted by KRS 141.041;
- 9 (h) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods
10 ending prior to January 1, 2008;
- 11 (i) The tax credit for cash contributions to investment funds permitted by KRS
12 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
13 154.20-258;
- 14 (j) The research facilities credit permitted by KRS 141.395;
- 15 (k) The employer High School Equivalency Diploma program incentive credit
16 permitted by KRS 151B.402;
- 17 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 18 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 19 (n) The clean coal incentive credit permitted by KRS 141.428;
- 20 (o) The ethanol credit permitted by KRS 141.4242;
- 21 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 22 (q) The energy efficiency credits permitted by KRS 141.436;
- 23 (r) The ENERGY STAR home or ENERGY STAR manufactured home credit
24 permitted by KRS 141.437;
- 25 (s) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 26 (t) The railroad expansion credit permitted by KRS 141.386;
- 27 (u) The Endow Kentucky credit permitted by KRS 141.438;

- 1 (v) The New Markets Development Program credit permitted by KRS 141.434;
- 2 (w) The distilled spirits credit permitted by KRS 141.389;
- 3 (x) The film industry credit permitted by KRS 141.383 for applications approved
- 4 on or after April 27, 2018, but before January 1, 2022;
- 5 (y) The inventory credit permitted by KRS 141.408;
- 6 (z) The renewable chemical production tax credit permitted by KRS 141.4231;f
- 7 ~~and~~
- 8 (aa) The Education Opportunity Account Program tax credit permitted by KRS
- 9 141.522; and
- 10 **(ab) The qualified broadband investment tax credit permitted by Section 11 of**
- 11 **this Act; and**
- 12 (6) After the application of the nonrefundable credits in subsection (5) of this section,
- 13 the refundable credits shall be taken in the following order:
- 14 (a) The corporation estimated tax payment credit permitted by KRS 141.044;
- 15 (b) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and
- 16 171.397(1)(b);
- 17 (c) The film industry tax credit permitted by KRS 141.383 for applications
- 18 approved prior to April 27, 2018, or on or after January 1, 2022;
- 19 (d) The decontamination tax credit permitted by KRS 141.419; and
- 20 (e) The pass-through entity tax credit permitted by KRS 141.209.
- 21 ➔Section 13. KRS 131.190 is amended to read as follows:
- 22 (1) No present or former commissioner or employee of the department, present or
- 23 former member of a county board of assessment appeals, present or former property
- 24 valuation administrator or employee, present or former secretary or employee of the
- 25 Finance and Administration Cabinet, former secretary or employee of the Revenue
- 26 Cabinet, or any other person, shall intentionally and without authorization inspect
- 27 or divulge any information acquired by him or her of the affairs of any person, or

1 information regarding the tax schedules, returns, or reports required to be filed with
2 the department or other proper officer, or any information produced by a hearing or
3 investigation, insofar as the information may have to do with the affairs of the
4 person's business.

5 (2) The prohibition established by subsection (1) of this section shall not extend to:

- 6 (a) Information required in prosecutions for making false reports or returns of
7 property for taxation, or any other infraction of the tax laws;
- 8 (b) Any matter properly entered upon any assessment record, or in any way made
9 a matter of public record;
- 10 (c) Furnishing any taxpayer or his or her properly authorized agent with
11 information respecting his or her own return;
- 12 (d) Testimony provided by the commissioner or any employee of the department
13 in any court, or the introduction as evidence of returns or reports filed with the
14 department, in an action for violation of state or federal tax laws or in any
15 action challenging state or federal tax laws;
- 16 (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or
17 energy resources assessed under KRS 132.820, or owners of surface land
18 under which the unmined minerals lie, factual information about the owner's
19 property derived from third-party returns filed for that owner's property, under
20 the provisions of KRS 132.820, that is used to determine the owner's
21 assessment. This information shall be provided to the owner on a confidential
22 basis, and the owner shall be subject to the penalties provided in KRS
23 131.990(2). The third-party filer shall be given prior notice of any disclosure
24 of information to the owner that was provided by the third-party filer;
- 25 (f) Providing to a third-party purchaser pursuant to an order entered in a
26 foreclosure action filed in a court of competent jurisdiction, factual
27 information related to the owner or lessee of coal, oil, gas reserves, or any

- 1 other mineral resources assessed under KRS 132.820. The department may
2 promulgate an administrative regulation establishing a fee schedule for the
3 provision of the information described in this paragraph. Any fee imposed
4 shall not exceed the greater of the actual cost of providing the information or
5 ten dollars (\$10);
- 6 (g) Providing information to a licensing agency, the Transportation Cabinet, or
7 the Kentucky Supreme Court under KRS 131.1817;
- 8 (h) Statistics of gasoline and special fuels gallonage reported to the department
9 under KRS 138.210 to 138.448;
- 10 (i) Providing any utility gross receipts license tax return information that is
11 necessary to administer the provisions of KRS 160.613 to 160.617 to
12 applicable school districts on a confidential basis;
- 13 (j) Providing documents, data, or other information to a third party pursuant to an
14 order issued by a court of competent jurisdiction;~~or~~
- 15 (k) **Publishing administrative writings on its official website in accordance with**
16 **subsection (1)(b) of Section 23 of this Act; or**
- 17 **(l)** Providing information to the Legislative Research Commission under:
- 18 1. KRS 139.519 for purposes of the sales and use tax refund on building
19 materials used for disaster recovery;
 - 20 2. KRS 141.436 for purposes of the energy efficiency products credits;
 - 21 3. KRS 141.437 for purposes of the ENERGY STAR home and the
22 ENERGY STAR manufactured home credits;
 - 23 4. KRS 141.383 for purposes of the film industry incentives;
 - 24 5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization
25 tax credits and the job assessment fees;
 - 26 6. KRS 141.068 for purposes of the Kentucky investment fund;
 - 27 7. KRS 141.396 for purposes of the angel investor tax credit;

- 1 8. KRS 141.389 for purposes of the distilled spirits credit;
- 2 9. KRS 141.408 for purposes of the inventory credit;
- 3 10. KRS 141.390 for purposes of the recycling and composting credit;
- 4 11. KRS 141.3841 for purposes of the selling farmer tax credit;
- 5 12. KRS 141.4231 for purposes of the renewable chemical production tax
- 6 credit;
- 7 13. KRS 141.524 for purposes of the Education Opportunity Account
- 8 Program tax credit;
- 9 14. KRS 141.398 for purposes of the development area tax credit;
- 10 15. KRS 139.516 for the purposes of the sales and use tax exemption on the
- 11 commercial mining of cryptocurrency;~~and~~
- 12 16. KRS 141.419 for purposes of the decontamination tax credit;
- 13 **17. Section 11 of this Act for purposes of the qualified broadband**
- 14 **investment tax credit; and**
- 15 **18. Section 42 of this Act for purposes of the sales tax exemption for a**
- 16 **qualified data center project.**
- 17 (3) The commissioner shall make available any information for official use only and on
- 18 a confidential basis to the proper officer, agency, board or commission of this state,
- 19 any Kentucky county, any Kentucky city, any other state, or the federal
- 20 government, under reciprocal agreements whereby the department shall receive
- 21 similar or useful information in return.
- 22 (4) Access to and inspection of information received from the Internal Revenue Service
- 23 is for department use only, and is restricted to tax administration purposes.
- 24 Information received from the Internal Revenue Service shall not be made available
- 25 to any other agency of state government, or any county, city, or other state, and
- 26 shall not be inspected intentionally and without authorization by any present
- 27 secretary or employee of the Finance and Administration Cabinet, commissioner or

1 employee of the department, or any other person.

2 (5) Statistics of crude oil as reported to the department under the crude oil excise tax
3 requirements of KRS Chapter 137 and statistics of natural gas production as
4 reported to the department under the natural resources severance tax requirements
5 of KRS Chapter 143A may be made public by the department by release to the
6 Energy and Environment Cabinet, Department for Natural Resources.

7 (6) Notwithstanding any provision of law to the contrary, beginning with mine-map
8 submissions for the 1989 tax year, the department may make public or divulge only
9 those portions of mine maps submitted by taxpayers to the department pursuant to
10 KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-
11 out parcel areas. These electronic maps shall not be relied upon to determine actual
12 boundaries of mined-out parcel areas. Property boundaries contained in mine maps
13 required under KRS Chapters 350 and 352 shall not be construed to constitute land
14 surveying or boundary surveys as defined by KRS 322.010 and any administrative
15 regulations promulgated thereto.

16 ➔Section 14. KRS 141.010 is amended to read as follows:

17 As used in this chapter, for taxable years beginning on or after January 1, 2018:

18 (1) "Adjusted gross income," in the case of taxpayers other than corporations, means
19 the amount calculated in KRS 141.019;

20 (2) "Captive real estate investment trust" means a real estate investment trust as defined
21 in Section 856 of the Internal Revenue Code that meets the following requirements:

22 (a) 1. The shares or other ownership interests of the real estate investment
23 trust are not regularly traded on an established securities market; or

24 2. The real estate investment trust does not have enough shareholders or
25 owners to be required to register with the Securities and Exchange
26 Commission;

27 (b) 1. The maximum amount of stock or other ownership interest that is owned

- 1 or constructively owned by a corporation equals or exceeds:
- 2 a. Twenty-five percent (25%), if the corporation does not occupy
- 3 property owned, constructively owned, or controlled by the real
- 4 estate investment trust; or
- 5 b. Ten percent (10%), if the corporation occupies property owned,
- 6 constructively owned, or controlled by the real estate investment
- 7 trust.

8 The total ownership interest of a corporation shall be determined by

9 aggregating all interests owned or constructively owned by a

10 corporation; and

- 11 2. For the purposes of this paragraph:
- 12 a. "Corporation" means a corporation taxable under KRS 141.040,
- 13 and includes an affiliated group as defined in KRS 141.200, that is
- 14 required to file a consolidated return pursuant to KRS 141.200;
- 15 and
- 16 b. "Owned or constructively owned" means owning shares or having
- 17 an ownership interest in the real estate investment trust, or owning
- 18 an interest in an entity that owns shares or has an ownership
- 19 interest in the real estate investment trust. Constructive ownership
- 20 shall be determined by looking across multiple layers of a
- 21 multilayer pass-through structure; and

22 (c) The real estate investment trust is not owned by another real estate investment

23 trust;

24 (3) "Commissioner" means the commissioner of the department;

25 (4) "Corporation" has the same meaning as in Section 7701(a)(3) of the Internal

26 Revenue Code;

27 (5) "Critical infrastructure" means property and equipment owned or used by

1 communications networks, electric generation, transmission or distribution systems,
2 gas distribution systems, or water or wastewater pipelines that service multiple
3 customers or citizens, including but not limited to real and personal property such
4 as buildings, offices, lines, poles, pipes, structures, or equipment;

5 (6) "Declared state disaster or emergency" means a disaster or emergency event for
6 which:

7 (a) The Governor has declared a state of emergency pursuant to KRS 39A.100; or

8 (b) A presidential declaration of a federal major disaster or emergency has been
9 issued;

10 (7) "Department" means the Department of Revenue;

11 (8) "Dependent" means those persons defined as dependents in the Internal Revenue
12 Code;

13 (9) "Disaster or emergency-related work" means repairing, renovating, installing,
14 building, or rendering services that are essential to the restoration of critical
15 infrastructure that has been damaged, impaired, or destroyed by a declared state
16 disaster or emergency;

17 (10) "Disaster response business" means any entity:

18 (a) That has no presence in the state and conducts no business in the state, except
19 for disaster or emergency-related work during a disaster response period;

20 (b) Whose services are requested by a registered business or by a state or local
21 government for purposes of performing disaster or emergency-related work in
22 the state during a disaster response period; and

23 (c) That has no registrations, tax filings, or nexus in this state other than disaster
24 or emergency-related work during the calendar year immediately preceding
25 the declared state disaster or emergency;

26 (11) "Disaster response employee" means an employee who does not work or reside in
27 the state, except for disaster or emergency-related work during the disaster response

1 period;

2 (12) "Disaster response period" means a period that begins ten (10) days prior to the first
3 day of the Governor's declaration under KRS 39A.100, or the President's
4 declaration of a federal major disaster or emergency, whichever occurs first, and
5 that extends thirty (30) calendar days after the declared state disaster or emergency;

6 (13) "Doing business in this state" includes but is not limited to:

7 (a) Being organized under the laws of this state;

8 (b) Having a commercial domicile in this state;

9 (c) Owning or leasing property in this state;

10 (d) Having one (1) or more individuals performing services in this state;

11 (e) Maintaining an interest in a pass-through entity doing business in this state;

12 (f) Deriving income from or attributable to sources within this state, including
13 deriving income directly or indirectly from a trust doing business in this state,
14 or deriving income directly or indirectly from a single-member limited
15 liability company that is doing business in this state and is disregarded as an
16 entity separate from its single member for federal income tax purposes; or

17 (g) Directing activities at Kentucky customers for the purpose of selling them
18 goods or services.

19 Nothing in this subsection shall be interpreted in a manner that goes beyond the
20 limitations imposed and protections provided by the United States Constitution or
21 Pub. L. No. 86-272;

22 (14) "Employee" has the same meaning as in Section 3401(c) of the Internal Revenue
23 Code;

24 (15) "Employer" has the same meaning as in Section 3401(d) of the Internal Revenue
25 Code;

26 (16) "Fiduciary" has the same meaning as in Section 7701(a)(6) of the Internal Revenue
27 Code;

- 1 (17) "Financial institution" means:
- 2 (a) A national bank organized as a body corporate and existing or in the process
- 3 of organizing as a national bank association pursuant to the provisions of the
- 4 National Bank Act, 12 U.S.C. secs. 21 et seq., in effect on December 31,
- 5 1997, exclusive of any amendments made subsequent to that date;
- 6 (b) Any bank or trust company incorporated or organized under the laws of any
- 7 state, except a banker's bank organized under KRS 286.3-135;
- 8 (c) Any corporation organized under the provisions of 12 U.S.C. secs. 611 to 631,
- 9 in effect on December 31, 1997, exclusive of any amendments made
- 10 subsequent to that date, or any corporation organized after December 31,
- 11 1997, that meets the requirements of 12 U.S.C. secs. 611 to 631, in effect on
- 12 December 31, 1997; or
- 13 (d) Any agency or branch of a foreign depository as defined in 12 U.S.C. sec.
- 14 3101, in effect on December 31, 1997, exclusive of any amendments made
- 15 subsequent to that date, or any agency or branch of a foreign depository
- 16 established after December 31, 1997, that meets the requirements of 12 U.S.C.
- 17 sec. 3101 in effect on December 31, 1997;
- 18 (18) "Fiscal year" has the same meaning as in Section 7701(a)(24) of the Internal
- 19 Revenue Code;
- 20 (19) "Gross income":
- 21 (a) In the case of taxpayers other than corporations, has the same meaning as in
- 22 Section 61 of the Internal Revenue Code; and
- 23 (b) In the case of corporations, means the amount calculated in KRS 141.039;
- 24 (20) "Individual" means a natural person;
- 25 (21) "Internal Revenue Code" means for taxable years beginning on or after January 1,
- 26 2024~~[2023]~~, the Internal Revenue Code in effect on December 31, 2023~~[2022]~~,
- 27 exclusive of any amendments made subsequent to that date, other than amendments

1 that extend provisions in effect on December 31, 2023~~[2022]~~, that would otherwise
2 terminate;

3 (22) "Limited liability pass-through entity" means any pass-through entity that affords
4 any of its partners, members, shareholders, or owners, through function of the laws
5 of this state or laws recognized by this state, protection from general liability for
6 actions of the entity;

7 (23) "Modified gross income" means the greater of:

8 (a) Adjusted gross income as defined in 26 U.S.C. sec. 62, including any
9 amendments in effect on December 31 of the taxable year, and adjusted as
10 follows:

11 1. Include interest income derived from obligations of sister states and
12 political subdivisions thereof; and

13 2. Include lump-sum pension distributions taxed under the special
14 transition rules of Pub. L. No. 104-188, sec. 1401(c)(2); or

15 (b) Adjusted gross income as defined in subsection (1) of this section and
16 adjusted to include lump-sum pension distributions taxed under the special
17 transition rules of Pub. L. No. 104-188, sec. 1401(c)(2);

18 (24) "Net income":

19 (a) In the case of taxpayers other than corporations, means the amount calculated
20 in KRS 141.019; and

21 (b) In the case of corporations, means the amount calculated in KRS 141.039;

22 (25) "Nonresident" means any individual not a resident of this state;

23 (26) "Number of withholding exemptions claimed" means the number of withholding
24 exemptions claimed in a withholding exemption certificate in effect under KRS
25 141.325, except that if no such certificate is in effect, the number of withholding
26 exemptions claimed shall be considered to be zero;

27 (27) "Part-year resident" means any individual that has established or abandoned

- 1 Kentucky residency during the calendar year;
- 2 (28) "Pass-through entity" means any partnership, S corporation, limited liability
3 company, limited liability partnership, limited partnership, or similar entity
4 recognized by the laws of this state that is not taxed for federal purposes at the
5 entity level, but instead passes to each partner, member, shareholder, or owner their
6 proportionate share of income, deductions, gains, losses, credits, and any other
7 similar attributes;
- 8 (29) "Payroll period" has the same meaning as in Section 3401(b) of the Internal
9 Revenue Code;
- 10 (30) "Person" has the same meaning as in Section 7701(a)(1) of the Internal Revenue
11 Code;
- 12 (31) "Registered business" means a business entity that owns or otherwise possesses
13 critical infrastructure and that is registered to do business in the state prior to the
14 declared state disaster or emergency;
- 15 (32) "Resident" means an individual domiciled within this state or an individual who is
16 not domiciled in this state, but maintains a place of abode in this state and spends in
17 the aggregate more than one hundred eighty-three (183) days of the taxable year in
18 this state;
- 19 (33) "S corporation" has the same meaning as in Section 1361(a) of the Internal Revenue
20 Code;
- 21 (34) "State" means a state of the United States, the District of Columbia, the
22 Commonwealth of Puerto Rico, or any territory or possession of the United States;
- 23 (35) "Taxable net income":
- 24 (a) In the case of corporations that are taxable in this state, means "net income" as
25 defined in subsection (24) of this section;
- 26 (b) In the case of corporations that are taxable in this state and taxable in another
27 state, means "net income" as defined in subsection (24) of this section and as

1 allocated and apportioned under KRS 141.120;

2 (c) For homeowners' associations as defined in Section 528(c) of the Internal
3 Revenue Code, means "taxable income" as defined in Section 528(d) of the
4 Internal Revenue Code. Notwithstanding the provisions of subsection (21) of
5 this section, the Internal Revenue Code sections referred to in this paragraph
6 shall be those code sections in effect for the applicable tax year; and

7 (d) For a corporation that meets the requirements established under Section 856
8 of the Internal Revenue Code to be a real estate investment trust, means "real
9 estate investment trust taxable income" as defined in Section 857(b)(2) of the
10 Internal Revenue Code, except that a captive real estate investment trust shall
11 not be allowed any deduction for dividends paid;

12 (36) "Taxable year" means the calendar year or fiscal year ending during such calendar
13 year, upon the basis of which net income is computed, and in the case of a return
14 made for a fractional part of a year under the provisions of this chapter or under
15 administrative regulations prescribed by the commissioner, "taxable year" means
16 the period for which the return is made; and

17 (37) "Wages" has the same meaning as in Section 3401(a) of the Internal Revenue Code
18 and includes other income subject to withholding as provided in Section 3401(f)
19 and Section 3402(k), (o), (p), (q), and (s) of the Internal Revenue Code.

20 ➔Section 15. KRS 141.020 is amended to read as follows:

21 (1) An annual tax shall be paid for each taxable year by every resident individual of
22 this state upon his or her entire net income as defined in this chapter. The tax shall
23 be determined by applying the rates in subsection (2) of this section to net income
24 and subtracting allowable tax credits provided in subsection (3) of this section.

25 (2) (a) As used in this subsection:

26 1. "Balance in the BRTF at the end of a fiscal year" means the budget
27 reserve trust fund account established in KRS 48.705 and includes the

1 following amounts and actions resulting from the final close of the fiscal
2 year:

- 3 a. The amount of moneys in the fund at the end of a fiscal year;
- 4 b. All close-out actions related to a budget reduction plan under KRS
5 48.130 or as modified in a branch budget bill; and
- 6 c. All close-out actions related to the surplus expenditure plan under
7 KRS 48.140 or as modified in a branch budget bill;

8 2. "GF appropriations" means the authorization by the General Assembly
9 to expend GF moneys, excluding:

- 10 a. Continuing appropriations;
- 11 b. Any appropriation to the budget reserve trust fund;~~and~~
- 12 c. Any lump-sum appropriation to a state-administered retirement
13 system, as defined in KRS 7A.210, that is in excess of the
14 appropriations specifically budgeted to meet the recurring
15 statutorily required contributions or recurring actuarially
16 determined contributions for a state-administered retirement
17 system under KRS 21.525, 61.565, 61.702, 78.635, 78.5536, or
18 161.550, as applicable; and

19 d. Any appropriation from the budget reserve trust fund account
20 established in KRS 48.705 that is:

21 i. Solely supported by moneys from the budget reserve trust
22 fund account; and

23 ii. Specifically identified in the appropriation language as not
24 being a GF appropriation for the purposes of this section;

25 3. "GF moneys" means receipts deposited in the general fund defined in
26 KRS 48.010, excluding tobacco moneys deposited in the fund
27 established in KRS 248.654;

- 1 4. "IIT equivalent" means the amount of reduction in GF moneys resulting
2 from a one (1) percentage point reduction to the individual income tax
3 rate and shall be calculated by dividing the actual individual income tax
4 receipts for the fiscal year under consideration by:
- 5 a. The sum of:
- 6 i. The individual income tax rate, expressed as a percentage,
7 for the first six (6) months of the fiscal year; and
8 ii. The individual income tax rate, expressed as a percentage,
9 for the second six (6) months of the fiscal year; and
- 10 b. Dividing the sum determined in subdivision a. of this
11 subparagraph by two (2);
- 12 5. "Reduction conditions" means:
- 13 a. The balance in the BRTF at the end of a fiscal year shall be equal
14 to or greater than ten percent (10%) of the GF moneys for that
15 fiscal year; and
- 16 b. GF moneys at the end of a fiscal year shall be equal to or greater
17 than GF appropriations for that fiscal year plus the IIT equivalent
18 for that fiscal year; and
- 19 6. "Tax rate reduction" means the current tax rate minus five-tenths of one
20 percent (0.5%).
- 21 (b) For taxable years beginning on or after January 1, 2023, but prior to January
22 1, 2024, the tax shall be four and one-half percent (4.5%) of net income.
- 23 (c) For taxable years beginning on or after January 1, 2024, the tax shall be four
24 percent (4%) of net income.
- 25 (d) 1. For taxable years beginning on or after January 1, 2025, the income tax
26 rate may be reduced according to the annual process established in
27 subparagraphs 2. to 5. of this paragraph.

- 1 2. The Office of State Budget Director shall review the reduction
2 conditions for the fiscal year 2022-2023 no later than September 1,
3 2023.
- 4 3. After reviewing the reduction conditions under subparagraph 2. of this
5 paragraph, the Office of State Budget Director shall, no later than
6 September 5, 2023, report to the Interim Joint Committee on
7 Appropriations and Revenue:
- 8 a. Whether the reduction conditions for the fiscal year 2022-2023
9 have been met; and
- 10 b. The amounts associated with each item within the reduction
11 conditions used for making that determination.
- 12 4. a. If the reduction conditions have been met for fiscal year 2022-
13 2023, the General Assembly may take action to reduce the rate in
14 paragraph (c) of this subsection for the taxable year beginning
15 January 1, 2025.
- 16 b. If the reduction conditions have not been met for fiscal year 2022-
17 2023 or the General Assembly does not take action to reduce the
18 rate in paragraph (c) of this subsection, the department shall
19 maintain the rate in paragraph (c) of this subsection for the taxable
20 year beginning January 1, 2025.
- 21 5. a. The Office of State Budget Director shall implement an annual
22 process to review and report future reduction conditions at the
23 same time and in the same manner for each fiscal year subsequent
24 to the fiscal year 2022-2023 and each taxable year subsequent to
25 the taxable year beginning January 1, 2025.
- 26 b. The department shall not implement an income tax rate reduction
27 without an action by the General Assembly.

- 1 c. The annual process shall continue until the income tax rate is zero.
- 2 (e) For taxable years beginning on or after January 1, 2018, but before January 1,
3 2023, the tax shall be five percent (5%) of net income.
- 4 (f) For taxable years beginning after December 31, 2004, and before January 1,
5 2018, the tax shall be determined by applying the following rates to net
6 income:
- 7 1. Two percent (2%) of the amount of net income up to three thousand
8 dollars (\$3,000);
- 9 2. Three percent (3%) of the amount of net income over three thousand
10 dollars (\$3,000) and up to four thousand dollars (\$4,000);
- 11 3. Four percent (4%) of the amount of net income over four thousand
12 dollars (\$4,000) and up to five thousand dollars (\$5,000);
- 13 4. Five percent (5%) of the amount of net income over five thousand
14 dollars (\$5,000) and up to eight thousand dollars (\$8,000);
- 15 5. Five and eight-tenths percent (5.8%) of the amount of net income over
16 eight thousand dollars (\$8,000) and up to seventy-five thousand dollars
17 (\$75,000); and
- 18 6. Six percent (6%) of the amount of net income over seventy-five
19 thousand dollars (\$75,000).
- 20 (3) (a) The following tax credits, when applicable, shall be deducted from the result
21 obtained under subsection (2) of this section to arrive at the annual tax:
- 22 1. a. For taxable years beginning before January 1, 2014, twenty dollars
23 (\$20) for an unmarried individual; and
- 24 b. For taxable years beginning on or after January 1, 2014, and
25 before January 1, 2018, ten dollars (\$10) for an unmarried
26 individual;
- 27 2. a. For taxable years beginning before January 1, 2014, twenty dollars

1 (\$20) for a married individual filing a separate return and an
2 additional twenty dollars (\$20) for the spouse of taxpayer if a
3 separate return is made by the taxpayer and if the spouse, for the
4 calendar year in which the taxable year of the taxpayer begins, had
5 no Kentucky gross income and is not the dependent of another
6 taxpayer; or forty dollars (\$40) for married persons filing a joint
7 return, provided neither spouse is the dependent of another
8 taxpayer. The determination of marital status for the purpose of
9 this section shall be made in the manner prescribed in Section 153
10 of the Internal Revenue Code; and

11 b. For taxable years beginning on or after January 1, 2014, and
12 before January 1, 2018, ten dollars (\$10) for a married individual
13 filing a separate return and an additional ten dollars (\$10) for the
14 spouse of a taxpayer if a separate return is made by the taxpayer
15 and if the spouse, for the calendar year in which the taxable year of
16 the taxpayer begins, had no Kentucky gross income and is not the
17 dependent of another taxpayer; or twenty dollars (\$20) for married
18 persons filing a joint return, provided neither spouse is the
19 dependent of another taxpayer. The determination of marital status
20 for the purpose of this section shall be made in the manner
21 prescribed in Section 153 of the Internal Revenue Code;

22 3. a. For taxable years beginning before January 1, 2014, twenty dollars
23 (\$20) credit for each dependent. No credit shall be allowed for any
24 dependent who has made a joint return with his or her spouse; and

25 b. For taxable years beginning on or after January 1, 2014, and
26 before January 1, 2018, ten dollars (\$10) credit for each
27 dependent. No credit shall be allowed for any dependent who has

- 1 made a joint return with his or her spouse;
- 2 4. An additional forty dollars (\$40) credit if the taxpayer has attained the
- 3 age of sixty-five (65) before the close of the taxable year;
- 4 5. An additional forty dollars (\$40) credit for taxpayer's spouse if a
- 5 separate return is made by the taxpayer and if the taxpayer's spouse has
- 6 attained the age of sixty-five (65) before the close of the taxable year,
- 7 and, for the calendar year in which the taxable year of the taxpayer
- 8 begins, has no Kentucky gross income and is not the dependent of
- 9 another taxpayer;
- 10 6. An additional forty dollars (\$40) credit if the taxpayer is blind at the
- 11 close of the taxable year;
- 12 7. An additional forty dollars (\$40) credit for taxpayer's spouse if a
- 13 separate return is made by the taxpayer and if the taxpayer's spouse is
- 14 blind, and, for the calendar year in which the taxable year of the
- 15 taxpayer begins, has no Kentucky gross income and is not the dependent
- 16 of another taxpayer; and
- 17 8. An additional twenty dollars (\$20) credit shall be allowed if the taxpayer
- 18 is a member of the Kentucky National Guard at the close of the taxable
- 19 year.
- 20 (b) In the case of nonresidents, the tax credits allowable under this subsection
- 21 shall be the portion of the credits that are represented by the ratio of the
- 22 taxpayer's Kentucky adjusted gross income as determined by KRS 141.019 to
- 23 the taxpayer's adjusted gross income as defined in Section 62 of the Internal
- 24 Revenue Code. However, in the case of a married nonresident taxpayer with
- 25 income from Kentucky sources, whose spouse has no income from Kentucky
- 26 sources, the taxpayer shall determine allowable tax credit(s) by either:
- 27 1. The method contained above applied to the taxpayer's tax credit(s),

- 1 excluding credits for a spouse and dependents; or
- 2 2. Prorating the taxpayer's tax credit(s) plus the tax credits for the
- 3 taxpayer's spouse and dependents by the ratio of the taxpayer's
- 4 Kentucky adjusted gross income as determined by KRS 141.019 to the
- 5 total joint federal adjusted gross income of the taxpayer and the
- 6 taxpayer's spouse.
- 7 (c) In the case of a part-year resident, the tax credits allowable under this
- 8 subsection shall be the portion of the credits represented by the ratio of the
- 9 taxpayer's Kentucky adjusted gross income as determined by KRS 141.019 to
- 10 the taxpayer's adjusted gross income as defined in Section 62 of the Internal
- 11 Revenue Code.
- 12 (4) An annual tax shall be paid for each taxable year as specified in this section upon
- 13 the entire net income except as herein provided, from all tangible property located
- 14 in this state, from all intangible property that has acquired a business situs in this
- 15 state, and from business, trade, profession, occupation, or other activities carried on
- 16 in this state, by natural persons not residents of this state. A nonresident individual
- 17 shall be taxable only upon the amount of income received by the individual from
- 18 labor performed, business done, or from other activities in this state, from tangible
- 19 property located in this state, and from intangible property which has acquired a
- 20 business situs in this state; provided, however, that the situs of intangible personal
- 21 property shall be at the residence of the real or beneficial owner and not at the
- 22 residence of a trustee having custody or possession thereof. For taxable years
- 23 beginning on or after January 1, 2021, but before January 1, 2027~~[2025]~~, the tax
- 24 imposed by this section shall not apply to a disaster response employee or to a
- 25 disaster response business. The remainder of the income received by such
- 26 nonresident shall be deemed nontaxable by this state.
- 27 (5) Subject to the provisions of KRS 141.081, any individual may elect to pay the

1 annual tax imposed by KRS 141.023 in lieu of the tax levied under this section.

2 (6) A part-year resident is subject to taxation, as prescribed in subsection (1) of this
3 section, during that portion of the taxable year that the individual is a resident and,
4 as prescribed in subsection (4) of this section, during that portion of the taxable year
5 when the individual is a nonresident.

6 ➔Section 16. KRS 141.039 is amended to read as follows:

7 In the case of corporations:

- 8 (1) Gross income shall be calculated by adjusting federal gross income as defined in
9 Section 61 of the Internal Revenue Code as follows:
- 10 (a) Exclude income that is exempt from state taxation by the Kentucky
11 Constitution and the Constitution and statutory laws of the United States;
 - 12 (b) Exclude all dividend income;
 - 13 (c) Include interest income derived from obligations of sister states and political
14 subdivisions thereof;
 - 15 (d) Exclude fifty percent (50%) of gross income derived from any disposal of
16 coal covered by Section 631(c) of the Internal Revenue Code if the
17 corporation does not claim any deduction for percentage depletion, or for
18 expenditures attributable to the making and administering of the contract
19 under which such disposition occurs or to the preservation of the economic
20 interests retained under such contract;
 - 21 (e) Include the amount calculated under KRS 141.205;
 - 22 (f) Ignore the provisions of Section 281 of the Internal Revenue Code in
23 computing gross income;
 - 24 (g) Include the amount of depreciation deduction calculated under 26 U.S.C. sec.
25 167 or 168;
 - 26 (h) Allow the same treatment allowed under Pub. L. No. 116-260, secs. 276 and
27 278, related to the tax treatment of forgiven covered loans, deductions

1 attributable to those loans, and tax attributes associated with those loans for
2 taxable years ending on or after March 27, 2020, but before January 1, 2022;
3 and

4 (i) For taxable years beginning on or after January 1, 2020, but before March 11,
5 2023, allow the same treatment of restaurant revitalization grants in
6 accordance with Pub. L. No. 117-2, sec. 9673 and 15 U.S.C. sec. 9009c,
7 related to the tax treatment of the grants, deductions attributable to those
8 grants, and tax attributes associated with those grants; and

9 (2) Net income shall be calculated by subtracting from gross income:

10 (a) The deduction for depreciation allowed by KRS 141.0101;

11 (b) Any amount paid for vouchers or similar instruments that provide health
12 insurance coverage to employees or their families;

13 (c) All the deductions from gross income allowed corporations by Chapter 1 of
14 the Internal Revenue Code, as modified by KRS 141.0101, except:

15 1. Any deduction for a state tax which is computed, in whole or in part, by
16 reference to gross or net income and which is paid or accrued to any
17 state of the United States, the District of Columbia, the Commonwealth
18 of Puerto Rico, any territory or possession of the United States, or to any
19 foreign country or political subdivision thereof;

20 2. The deductions contained in Sections 243, 245, and 247 of the Internal
21 Revenue Code;

22 3. The provisions of Section 281 of the Internal Revenue Code shall be
23 ignored in computing net income;

24 4. Any deduction directly or indirectly allocable to income which is either
25 exempt from taxation or otherwise not taxed under the provisions of this
26 chapter, except for deductions allowed under Pub. L. No. 116-260, secs.
27 276 and 278, related to the tax treatment of forgiven covered loans and

1 deductions attributable to those loans for taxable years ending on or
2 after March 27, 2020, but before January 1, 2022; and deductions
3 allowed under Pub. L. No. 117-2, sec. 9673 and 15 U.S.C. sec. 9009c,
4 related to the tax treatment of restaurant revitalization grants and
5 deductions attributable to those grants for taxable years beginning on or
6 after January 1, 2020, but before March 11, 2023. Nothing in this
7 chapter shall be construed to permit the same item to be deducted more
8 than once;

9 5. Any deduction for amounts paid to any club, organization, or
10 establishment which has been determined by the courts or an agency
11 established by the General Assembly and charged with enforcing the
12 civil rights laws of the Commonwealth, not to afford full and equal
13 membership and full and equal enjoyment of its goods, services,
14 facilities, privileges, advantages, or accommodations to any person
15 because of race, color, religion, national origin, or sex, except nothing
16 shall be construed to deny a deduction for amounts paid to any religious
17 or denominational club, group, or establishment or any organization
18 operated solely for charitable or educational purposes which restricts
19 membership to persons of the same religion or denomination in order to
20 promote the religious principles for which it is established and
21 maintained;

22 6. Any deduction prohibited by KRS 141.205; and

23 7. Any dividends-paid deduction of any captive real estate investment
24 trust; and

25 (d) 1. A deferred tax deduction in an amount computed in accordance with this
26 paragraph.

27 2. For purposes of this paragraph:

- 1 a. "Net deferred tax asset" means that deferred tax assets exceed the
2 deferred tax liabilities of the combined group, as computed in
3 accordance with accounting principles generally accepted in the
4 United States of America; and
- 5 b. "Net deferred tax liability" means deferred tax liabilities that
6 exceed the deferred tax assets of a combined group as defined in
7 KRS 141.202, as computed in accordance with accounting
8 principles generally accepted in the United States of America.
- 9 3. Only publicly traded companies, including affiliated corporations
10 participating in the filing of a publicly traded company's financial
11 statements prepared in accordance with accounting principles generally
12 accepted in the United States of America, as of January 1, 2019, shall be
13 eligible for this deduction.
- 14 4. If the provisions of KRS 141.202 result in an aggregate increase to the
15 member's net deferred tax liability, an aggregate decrease to the
16 member's net deferred tax asset, or an aggregate change from a net
17 deferred tax asset to a net deferred tax liability, the combined group
18 shall be entitled to a deduction, as determined in this paragraph.
- 19 5. For ten (10) years beginning with the combined group's first taxable
20 year beginning on or after January 1, ~~2026~~²⁰²⁴, a combined group
21 shall be entitled to a deduction from the combined group's entire net
22 income equal to one-tenth (1/10) of the amount necessary to offset the
23 increase in the net deferred tax liability, decrease in the net deferred tax
24 asset, or aggregate change from a net deferred tax asset to a net deferred
25 tax liability. The increase in the net deferred tax liability, decrease in the
26 net deferred tax asset, or the aggregate change from a net deferred tax
27 asset to a net deferred tax liability shall be computed based on the

1 change that would result from the imposition of the combined reporting
2 requirement under KRS 141.202, but for the deduction provided under
3 this paragraph as of June 27, 2019.

4 6. The deferred tax impact determined in subparagraph 5. of this paragraph
5 shall be converted to the annual deferred tax deduction amount, as
6 follows:

7 a. The deferred tax impact determined in subparagraph 5. of this
8 paragraph shall be divided by the tax rate determined under KRS
9 141.040;

10 b. The resulting amount shall be further divided by the
11 apportionment factor determined by KRS 141.120 or 141.121 that
12 was used by the combined group in the calculation of the deferred
13 tax assets and deferred tax liabilities as described in subparagraph
14 5. of this paragraph; and

15 c. The resulting amount represents the total net deferred tax
16 deduction available over the ten (10) year period as described in
17 subparagraph 5. of this paragraph.

18 7. The deduction calculated under this paragraph shall not be adjusted as a
19 result of any events happening subsequent to the calculation, including
20 but not limited to any disposition or abandonment of assets. The
21 deduction shall be calculated without regard to the federal tax effect and
22 shall not alter the tax basis of any asset. If the deduction under this
23 section is greater than the combined group's entire Kentucky net income,
24 any excess deduction shall be carried forward and applied as a deduction
25 to the combined group's entire net income in future taxable years until
26 fully utilized.

27 8. Any combined group intending to claim a deduction under this

1 paragraph shall file a statement with the department on or before July 1,
2 2019. The statement shall specify the total amount of the deduction
3 which the combined group claims on the form, including calculations
4 and other information supporting the total amounts of the deduction as
5 required by the department. No deduction shall be allowed under this
6 paragraph for any taxable year, except to the extent claimed on the
7 timely filed statement in accordance with this paragraph.

8 ➔Section 17. KRS 143.022 is amended to read as follows:

9 (1) A taxpayer engaged in severing or processing coal within this Commonwealth that
10 has paid the tax imposed under KRS 143.020 may apply for a refund equal to the
11 amount of tax paid under KRS 143.020 if the coal is transported directly to a market
12 outside of North America.

13 (2) To apply for the refund allowed under subsection (1) of this section the taxpayer
14 shall file an application for refund with the department and submit all information
15 and documentation necessary to substantiate that the tax was paid upon the coal
16 which was transported directly to a market outside of North America.

17 (3) The refund process allowed under subsection (1) of this section is available
18 beginning on or after August 1, 2020, but before July 1, ~~2026~~²⁰²⁴, and limited
19 during any calendar year to the export of a combined total of ten million
20 (10,000,000) tons of coal subject to the tax imposed under KRS 143.020 and
21 exported through United States coal export terminals to markets outside of North
22 America.

23 ➔Section 18. KRS 186.010 is amended to read as follows:

24 As used in this chapter, unless otherwise indicated:

25 (1) "Cabinet," as used in KRS 186.400 to 186.640, means the Transportation Cabinet;
26 except as specifically designated, "cabinet," as used in KRS 186.020 to 186.270,
27 means the Transportation Cabinet only with respect to motor vehicles, other than

- 1 commercial vehicles; "cabinet," as used in KRS 186.020 to 186.270, means the
2 Department of Vehicle Regulation when used with respect to commercial vehicles;
- 3 (2) "Highway" means every way or place of whatever nature when any part of it is
4 open to the use of the public, as a matter of right, license, or privilege, for the
5 purpose of vehicular traffic;
- 6 (3) "Manufacturer" means any person engaged in manufacturing motor vehicles who
7 will, under normal conditions during the year, manufacture or assemble at least ten
8 (10) new motor vehicles;
- 9 (4) "Motor vehicle" means in KRS 186.020 to 186.260, all vehicles, as defined in
10 paragraph (a) of subsection (8) of this section, which are propelled otherwise than
11 by muscular power. As used in KRS 186.400 to 186.640, it means all vehicles, as
12 defined in paragraph (b) of subsection (8) of this section, which are self-propelled.
13 "Motor vehicle" shall not include a moped as defined in this section, but for
14 registration purposes shall include low-speed vehicles and military surplus vehicles
15 as defined in this section and vehicles operating under KRS 189.283;
- 16 (5) "Moped" means either a motorized bicycle whose frame design may include one (1)
17 or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or
18 a motorized bicycle with a step-through type frame which may or may not have
19 pedals rated no more than two (2) brake horsepower, a cylinder capacity not
20 exceeding fifty (50) cubic centimeters, an automatic transmission not requiring
21 clutching or shifting by the operator after the drive system is engaged, and capable
22 of a maximum speed of not more than thirty (30) miles per hour;
- 23 (6) "Operator" means any person in actual control of a motor vehicle upon a highway;
- 24 (7) (a) "Owner" means a person who holds the legal title of a vehicle or a person who
25 pursuant to a bona fide sale has received physical possession of the vehicle
26 subject to any applicable security interest.
- 27 (b) A vehicle is the subject of an agreement for the conditional sale or lease, with

1 the vendee or lessee entitled to possession of the vehicle, upon performance of
2 the contract terms, for a period of three hundred sixty-five (365) days or more
3 and with the right of purchase upon performance of the conditions stated in
4 the agreement and with an immediate right of possession vested in the
5 conditional vendee or lessee, or if a mortgagor of a vehicle is entitled to
6 possession, the conditional vendee or lessee or mortgagor shall be deemed the
7 owner.

8 (c) A licensed motor vehicle dealer who transfers physical possession of a motor
9 vehicle to a purchaser pursuant to a bona fide sale, and complies with the
10 requirements of KRS 186A.220, shall not be deemed the owner of that motor
11 vehicle solely due to an assignment to his dealership or a certificate of title in
12 the dealership's name. Rather, under these circumstances, ownership shall
13 transfer upon delivery of the vehicle to the purchaser, subject to any
14 applicable security interest;

15 (8) (a) "Vehicle," as used in KRS 186.020 to 186.260, includes all agencies for the
16 transportation of persons or property over or upon the public highways of this
17 Commonwealth and all vehicles passing over or upon said highways, except
18 electric low-speed scooters, road rollers, road graders, farm tractors, vehicles
19 on which power shovels are mounted, such other construction equipment
20 customarily used only on the site of construction and which is not practical for
21 the transportation of persons or property upon the highways, such vehicles as
22 travel exclusively upon rails, and such vehicles as are propelled by electric
23 power obtained from overhead wires while being operated within any
24 municipality or where said vehicles do not travel more than five (5) miles
25 beyond the city limit of any municipality.

26 (b) As used in KRS 186.400 to 186.640, "vehicle" means every device in, upon,
27 or by which any person or property is or may be transported or drawn upon a

- 1 public highway, except electric low-speed scooters, devices moved by human
2 and animal power or used exclusively upon stationary rails or tracks, or which
3 derives its power from overhead wires;
- 4 (9) KRS 186.020 to 186.270 apply to motor vehicle licenses. KRS 186.400 to 186.640
5 apply to operator's licenses;
- 6 (10) "Dealer" means any person engaging in the business of buying or selling motor
7 vehicles;
- 8 (11) "Commercial vehicles" means all motor vehicles that are required to be registered
9 under the terms of KRS 186.050, but not including vehicles primarily designed for
10 carrying passengers and having provisions for not more than nine (9) passengers
11 (including driver), motorcycles, sidecar attachments, pickup trucks and passenger
12 vans which are not being used for commercial or business purposes, and motor
13 vehicles registered under KRS 186.060;
- 14 (12) "Resident" means any person who has established Kentucky as his or her state of
15 domicile. Proof of residency shall include but not be limited to a deed or property
16 tax bill, utility agreement or utility bill, or rental housing agreement. The possession
17 by an operator of a vehicle of a valid Kentucky operator's license shall be prima-
18 facie evidence that the operator is a resident of Kentucky;
- 19 (13) "Special status individual" means:
- 20 (a) "Asylee" means any person lawfully present in the United States who
21 possesses an I-94 card issued by the United States Department of Justice,
22 Immigration and Naturalization Service, on which it states "asylum status
23 granted indefinitely pursuant to Section 208 of the Immigration & Nationality
24 Act";
- 25 (b) "K-1 status" means the status of any person lawfully present in the United
26 States who has been granted permission by the United States Department of
27 Justice, Immigration and Naturalization Service to enter the United States for

1 the purpose of marrying a United States citizen within ninety (90) days from
2 the date of that entry;

3 (c) "Refugee" means any person lawfully present in the United States who
4 possesses an I-94 card issued by the United States Department of Justice,
5 Immigration and Naturalization Service, on which it states "admitted as a
6 refugee pursuant to Section 207 of the Immigration & Nationality Act"; and

7 (d) "Paroled in the Public Interest" means any person lawfully present in the
8 United States who possesses an I-94 card issued by the United States
9 Department of Justice, Immigration and Naturalization Service, on which it
10 states "paroled pursuant to Section 212 of the Immigration & Nationality Act
11 for an indefinite period of time";

12 (14) "Instruction permit" includes both motor vehicle instruction permits and motorcycle
13 instruction permits;

14 (15) "Motorcycle" means any motor driven vehicle that has a maximum speed that
15 exceeds fifty (50) miles per hour, has a seat or saddle for the use of the operator,
16 and is designed to travel on not more than three (3) wheels in contact with the
17 ground, including vehicles on which the operator and passengers ride in an enclosed
18 cab. Only for purposes of registration, "motorcycle" shall include a motor scooter,
19 an alternative-speed motorcycle, and an auticycle as defined in this section, but
20 shall not include a tractor or a moped as defined in this section;

21 (16) "Low-speed vehicle" means a motor vehicle that:

22 (a) Is self-propelled using an electric motor, combustion-driven motor, or a
23 combination thereof;

24 (b) Is four (4) wheeled; and

25 (c) Is designed to operate at a speed not to exceed twenty-five (25) miles per hour
26 as certified by the manufacturer;

27 (17) "Alternative-speed motorcycle" means a motorcycle that:

- 1 (a) Is self-propelled using an electric motor;
- 2 (b) Is three (3) wheeled;
- 3 (c) Has a fully enclosed cab and includes at least one (1) door for entry;
- 4 (d) Is designed to operate at a speed not to exceed forty (40) miles per hour as
- 5 certified by the manufacturer; and
- 6 (e) Is not an auticycle as defined in this section;
- 7 (18) "Multiple-vehicle driving range" means an enclosed area that is not part of a
- 8 highway or otherwise open to the public on which a number of motor vehicles may
- 9 be used simultaneously to provide driver training under the supervision of one (1)
- 10 or more driver training instructors;
- 11 (19) "Auticycle" means any motor vehicle that:
- 12 (a) Is equipped with a seat that does not require the operator to straddle or sit
- 13 astride it;
- 14 (b) Is designed to travel on three (3) wheels in contact with the ground;
- 15 (c) Is designed to operate at a speed that exceeds forty (40) miles per hour as
- 16 certified by the manufacturer;
- 17 (d) Allows the operator and passenger to ride either side-by-side or in tandem in a
- 18 seating area that may be enclosed with a removable or fixed top;
- 19 (e) Is equipped with a three (3) point safety belt system;
- 20 (f) May be equipped with a manufacturer-installed air bags or a roll cage;
- 21 (g) Is designed to be controlled with a steering wheel and pedals; and
- 22 (h) Is not an alternative-speed motorcycle as defined in this section;
- 23 (20) "Military surplus vehicle" means a multipurpose wheeled surplus military vehicle
- 24 that:
- 25 (a) Is not operated using continuous tracks;
- 26 (b) Was originally manufactured for and sold directly to the Armed Forces of the
- 27 United States; and

- 1 (c) Was originally manufactured under the federally mandated requirements set
2 forth in 49 C.F.R. sec. 571.7;
- 3 (21) "Livestock" means cattle, sheep, swine, goats, horses, alpacas, llamas, buffaloes,
4 and any other animals of the bovine, ovine, porcine, caprine, equine, or camelid
5 species;
- 6 (22) "Identity document" means an instruction permit, operator's license, or personal
7 identification card issued under KRS 186.4102, 186.412, 186.4121, 186.4122, and
8 186.4123 or a commercial driver's license issued under KRS Chapter 281A;
- 9 (23) "Travel ID," as it refers to an identity document, means a document that complies
10 with Pub. L. No. 109-13, Title II;
- 11 (24) "Motor scooter" means a low-speed motorcycle that is:
- 12 (a) Equipped with wheels greater than sixteen (16) inches in diameter;
- 13 (b) Equipped with an engine greater than fifty (50) cubic centimeters;
- 14 (c) Designed to operate at a speed not to exceed fifty (50) miles per hour;
- 15 (d) Equipped with brake horsepower of two (2) or greater; and
- 16 (e) Equipped with a step-through frame or a platform for the operator's feet;
- 17 (25) "Alternative technology," as used in KRS 186.400 to 186.640, means methods used
18 by the cabinet to facilitate the issuance of operator's licenses and personal
19 identification cards outside of the normal in-person application at a cabinet office,
20 including but not limited to a cabinet mobile unit or online services;
- 21 (26) "Electric motorcycle" means the same as "motorcycle" or "motor scooter" as
22 defined in this section, that is powered by a:
- 23 (a) Battery or equivalent energy storage device that can be charged with an
24 electric plug using an external electricity source; or
- 25 (b) Combination of an internal combustion engine and electric motor; ***and***
- 26 (27) "Electric vehicle" means any vehicle that has plug-in charging capability, regardless
27 of whether the vehicle is powered by:

- 1 (a) An electric motor only; or
2 (b) A combination of an internal combustion engine and electric power;
3 and

4 ~~(28) "Hybrid vehicle" means any vehicle that does not have plug-in charging capability~~
5 ~~and is powered by a combination of an internal combustion engine and an electric~~
6 ~~motor].~~

7 ➔Section 19. KRS 186.050 is amended to read as follows:

- 8 (1) The annual registration fee shall be eleven dollars fifty cents (\$11.50) for:
9 (a) Motor vehicles, including pickup trucks and passenger vans; and
10 (b) Motor carrier vehicles, as defined in KRS 281.010, primarily designed for
11 carrying passengers or passengers for hire and having been designed or
12 constructed to transport not more than fifteen (15) passengers, including the
13 operator.
- 14 (2) Except as provided in KRS 186.041 and 186.162, the annual registration fee for
15 each motorcycle shall be nine dollars (\$9).
- 16 (3) (a) All motor vehicles having a declared gross weight of vehicle and any towed
17 unit of ten thousand (10,000) pounds or less, except those mentioned in
18 subsections (1) and (2) of this section, are classified as commercial vehicles
19 and the annual registration fee, except as provided in subsections (4) to (14) of
20 this section, shall be eleven dollars and fifty cents (\$11.50).
- 21 (b) All motor vehicles, except those mentioned in subsections (1) and (2) of this
22 section, and those engaged in hauling passengers for hire which are designed
23 or constructed to transport more than fifteen (15) passengers including the
24 operator, whose registration fee shall be one hundred dollars (\$100), are
25 classified as commercial vehicles and the annual registration fee, except as
26 provided in subsections (3)(a) and (4) to (14) of this section, shall be as
27 follows:

1	Declared Gross Weight of Vehicle	Registration
2	and Any Towed Unit	Fee
3	10,001-14,000	30.00
4	14,001-18,000	50.00
5	18,001-22,000	132.00
6	22,001-26,000	160.00
7	26,001-32,000	216.00
8	32,001-38,000	300.00
9	38,001-44,000	474.00
10	44,001-55,000	669.00
11	55,001-62,000	1,007.00
12	62,001-73,280	1,250.00
13	73,281-80,000	1,410.00

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- (4) (a) 1. Any farmer owning a truck having a gross weight of twenty-six thousand (26,000) pounds or less may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents (\$11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged in the production of crops, livestock, or dairy products, that he owns a truck of the gross weight of twenty-six thousand (26,000) pounds or less, and that during the next twelve (12) months the truck shall not be used in for-hire transportation and may be used in transporting persons, food, provender, feed, machinery, livestock, material, and supplies necessary for his farming operation, and the products grown on his farm.
 - 2. Any farmer owning a truck having a gross weight of twenty-six thousand one (26,001) pounds to thirty-eight thousand (38,000) pounds may have it registered as a farmer's truck and obtain a license for eleven

1 dollars and fifty cents (\$11.50). The applicant's signature upon the
2 certificate of registration and ownership shall constitute a certificate that
3 he is a farmer engaged in the production of crops, livestock, or dairy
4 products, that he owns a truck of the gross weight between twenty-six
5 thousand one (26,001) pounds and thirty-eight thousand (38,000)
6 pounds, and that during the next twelve (12) months the truck shall not
7 be used in for-hire transportation and may be used in transporting
8 persons, food, provender, feed, machinery, livestock, material, and
9 supplies necessary for his farming operation and the products grown on
10 his farm.

11 (b) Any farmer owning a truck having a declared gross weight in excess of thirty-
12 eight thousand (38,000) pounds shall not be required to pay the fee set out in
13 subsection (3) of this section and, in lieu thereof, shall pay forty percent
14 (40%) of the fee set out in subsection (3) of this section and shall be exempt
15 from any fee charged under the provisions of KRS 281.752. The applicant's
16 signature upon the registration receipt shall be considered to be a certification
17 that he is a farmer engaged solely in the production of crops, livestock, or
18 dairy products, and that during the current registration year the truck will be
19 used only in transporting persons, food, provender, feed, and machinery used
20 in operating his farm and the products grown on his farm.

21 (c) An initial applicant for, or an applicant renewing, his or her registration
22 pursuant to this subsection, may at the time of application make a voluntary
23 contribution to be deposited into the agricultural program trust fund
24 established in KRS 246.247. The recommended voluntary contribution shall
25 be set at ten dollars (\$10) and automatically added to the cost of registration
26 or renewal unless the individual registering or renewing the vehicle opts out
27 of contributing the recommended amount. The county clerk shall collect and

1 forward the voluntary contribution to the cabinet for distribution to the
2 Department of Agriculture.

3 (5) Any person owning a truck or bus used solely in transporting school children and
4 school employees may have the truck or bus registered as a school bus and obtain a
5 license for eleven dollars fifty cents (\$11.50) by filing with the county clerk, in
6 addition to other information required, an affidavit stating that the truck or bus is
7 used solely in the transportation of school children and persons employed in the
8 schools of the district, that he has caused to be printed on each side of the truck or
9 bus and on the rear door the words "School Bus" in letters at least six (6) inches
10 high, and of a conspicuous color, and the truck or bus will be used during the next
11 twelve (12) months only for the purpose stated.

12 (6) Any church or religious organization owning a truck or bus used solely in
13 transporting persons to and from a place of worship or for other religious work may
14 have the truck or bus registered as a church bus and obtain a license for eleven
15 dollars and fifty cents (\$11.50) by filing with the county clerk, in addition to other
16 information required, an affidavit stating that the truck or bus will be used only for
17 the transporting of persons to and from a place of worship, or for other religious
18 work, and that there has been printed on the truck or bus in large letters the words
19 "Church Bus," with the name of the church or religious organization owning and
20 using the truck or bus, and that during the next twelve (12) months the truck or bus
21 will be used only for the purpose stated.

22 (7) Any person owning a motor vehicle with a gross weight of fourteen thousand
23 (14,000) pounds or less on which a wrecker crane or other equipment suitable for
24 wrecker service has been permanently mounted may register the vehicle and obtain
25 a license for eleven dollars fifty cents (\$11.50) by filing with the county clerk, in
26 addition to other information required, an affidavit that a wrecker crane or other
27 equipment suitable for wrecker service has been permanently mounted on such

1 vehicle and that during the next twelve (12) months the vehicle will be used only in
2 wrecker service. If the gross weight of the vehicle exceeds fourteen thousand
3 (14,000) pounds, the vehicle shall be registered in accordance with subsection (3) of
4 this section. The gross weight of a vehicle used in wrecker service shall not include
5 the weight of the vehicle being towed by the wrecker.

6 (8) Motor vehicles having a declared gross weight in excess of eighteen thousand
7 (18,000) pounds, which when operated in this state are used exclusively for the
8 transportation of property within the limits of the city named in the affidavit
9 hereinafter required to be filed, or within ten (10) miles of the city limits of the city
10 if it is a city with a population equal to or greater than three thousand (3,000) based
11 upon the most recent federal decennial census, or within five (5) miles of its limits
12 if it is a city with a population of less than three thousand (3,000) based upon the
13 most recent federal decennial census, or anywhere within a county containing an
14 urban-county government, shall not be required to pay the fee as set out in
15 subsection (3) of this section, and in lieu thereof shall pay seventy-five percent
16 (75%) of the fee set forth in subsection (3) of this section and shall be exempt from
17 any fee charged under the provisions of KRS 281.752. Nothing in this section shall
18 be construed to limit any right of nonresidents to exemption from registration under
19 any other provisions of the laws granting reciprocity to nonresidents. Operations
20 outside of this state shall not be considered in determining whether or not the
21 foregoing mileage limitations have been observed. When claiming the right to the
22 reduced fee, the applicant's signature on the certificate of registration and
23 ownership shall constitute a certification or affidavit stating that the motor vehicle
24 when used within this state is used only for the transportation of property within the
25 city to be named in the affidavit and the area above set out and that the vehicle will
26 not be used outside of a city and the area above set out during the current
27 registration period.

1 (9) Motor vehicles having a declared gross weight in excess of eighteen thousand
2 (18,000) pounds, which are used exclusively for the transportation of primary forest
3 products from the harvest area to a mill or other processing facility, where such mill
4 or processing facility is located at a point not more than fifty (50) air miles from the
5 harvest area or which are used exclusively for the transportation of concrete blocks
6 or ready-mixed concrete from the point at which such concrete blocks or ready-
7 mixed concrete is produced to a construction site where such concrete blocks or
8 ready-mixed concrete is to be used, where such construction site is located at a
9 point not more than thirty (30) air miles from the point at which such concrete
10 blocks or ready-mixed concrete is produced shall not be required to pay the fee as
11 set out in subsection (3) of this section, and in lieu thereof, shall pay seventy-five
12 percent (75%) of the fee set out in subsection (3) of this section and shall be exempt
13 from any fee charged under the provisions of KRS 281.752. The applicant's
14 signature upon the certificate of registration and ownership shall constitute a
15 certification that the motor vehicle will not be used during the current registration
16 period in any manner other than that for which the reduced fee is provided in this
17 section.

18 (10) Any owner of a commercial vehicle registered for a declared gross weight in excess
19 of eighteen thousand (18,000) pounds, intending to transfer same and desiring to
20 take advantage of the refund provisions of KRS 186.056(2), may reregister such
21 vehicle and obtain a "For Sale" certificate of registration and ownership for one
22 dollar (\$1). Title to a vehicle so registered may be transferred, but such registration
23 shall not authorize the operation or use of the vehicle on any public highway. No
24 refund may be made under the provisions of KRS 186.056(2) until such time as the
25 title to such vehicle has been transferred to the purchaser thereof. Provided,
26 however, that nothing herein shall be so construed as to prevent the seller of a
27 commercial vehicle from transferring the registration of such vehicle to any

1 purchaser thereof.

2 (11) The annual registration fee for self-propelled vehicles containing sleeping or eating
3 facilities shall be twenty dollars (\$20) and the multiyear license plate issued shall be
4 designated "Recreational vehicle." The foregoing shall not include any motor
5 vehicle primarily designed for commercial or farm use having temporarily attached
6 thereto any sleeping or eating facilities, or any commercial vehicle having sleeping
7 facilities.

8 (12) The registration fee on any vehicle registered under this section shall be increased
9 fifty percent (50%) when the vehicle is not equipped wholly with pneumatic tires.

10 (13) (a) The Department of Vehicle Regulation is authorized to negotiate and execute
11 an agreement or agreements for the purpose of developing and instituting
12 proportional registration of motor vehicles engaged in interstate commerce, or
13 in a combination of interstate and intrastate commerce, and operating into,
14 through, or within the Commonwealth of Kentucky. The agreement or
15 agreements may be made on a basis commensurate with, and determined by,
16 the miles traveled on, and use made of, the highways of this Commonwealth
17 as compared with the miles traveled on and use made of highways of other
18 states, or upon any other equitable basis of proportional registration.
19 Notwithstanding the provisions of KRS 186.020, the cabinet shall promulgate
20 administrative regulations concerning the registration of motor vehicles under
21 any agreement or agreements made under this section and shall provide for
22 direct issuance by it of evidence of payment of any registration fee required
23 under such agreement or agreements. Any proportional registration fee
24 required to be collected under any proportional registration agreement or
25 agreements shall be in accordance with the taxes established in this section.

26 (b) Any owner of a commercial vehicle who is required to title his motor vehicle
27 under this section shall first title such vehicle with the county clerk pursuant

1 to KRS 186.020 for a state fee of one dollar (\$1). Title to such vehicle may be
2 transferred; however title without proper registration shall not authorize the
3 operation or use of the vehicle on any public highway. Any commercial
4 vehicle properly titled in Kentucky may also be registered in Kentucky, and,
5 upon payment of the required fees, the department may issue an apportioned
6 registration plate to such commercial vehicle.

7 (c) Any commercial vehicle that is properly titled in a foreign jurisdiction, which
8 vehicle is subject to apportioned registration, as provided in paragraph (a) of
9 this subsection, may be registered in Kentucky, and, upon proof of proper title
10 and payment of the required fees, the department may issue an apportioned
11 registration plate to the commercial vehicle. The department shall promulgate
12 administrative regulations in accordance with this section.

13 (14) Any person seeking to obtain a special license plate for an automobile that has been
14 provided to him pursuant to an occupation shall meet both of the following
15 requirements:

16 (a) The automobile shall be provided for the full-time exclusive use of the
17 applicant; and

18 (b) The applicant shall obtain permission in writing from the vehicle owner or
19 lessee on a form provided by the cabinet to use the vehicle and for the vehicle
20 to bear the special license plate.

21 (15) An applicant for any motor vehicle registration issued pursuant to this section shall
22 have the opportunity to make a donation of two dollars (\$2) to promote a hunger
23 relief program through specific wildlife management and conservation efforts by
24 the Department of Fish and Wildlife Resources in accordance with KRS 150.015. If
25 an applicant elects to make a contribution under this subsection, the two dollar (\$2)
26 donation shall be added to the regular fee for any motor vehicle registration issued
27 pursuant to this section. One (1) donation may be made per issuance of each

1 registration. The fee shall be paid to the county clerk and shall be transmitted by the
 2 State Treasurer to the Department of Fish and Wildlife Resources to be used
 3 exclusively for the purpose of wildlife management and conservation activities in
 4 support of hunger relief. The county clerk may retain up to five percent (5%) of the
 5 fees collected under this subsection for administrative costs associated with the
 6 collection of this donation. Any donation requested under this subsection shall be
 7 voluntary and may be refused by the applicant at the time of issuance or renewal of
 8 a license plate.

9 (16) In addition to the fees outlined in this section, the county clerk shall collect from the
 10 registrants of electric vehicles and electric motorcycles~~, and hybrid vehicles~~ the
 11 electric vehicle ownership fees imposed in KRS 138.475.

12 ➔Section 20. KRS 138.475 is amended to read as follows:

13 (1) As used in this section:

14 (a) "Electric motorcycle" means the same as "motorcycle" or "motor scooter" as
 15 defined in KRS 186.010, that is powered by a:

- 16 1. Battery or equivalent energy storage device that can be charged with an
 17 electric plug using an external electricity source; or
- 18 2. Combination of an internal combustion engine and electric motor; and

19 (b) "Electric vehicle" means any vehicle that has plug-in charging capability,
 20 regardless of whether the vehicle is powered by:

- 21 1. An electric motor only; or
- 22 2. A combination of an internal combustion engine and electric
 23 power~~; and~~

24 ~~(c) "Hybrid vehicle" means any vehicle that does not have plug-in charging
 25 capability and is powered by a combination of an internal combustion
 26 engine and an electric motor.~~

27 (2) At the time of initial registration, and each year upon annual vehicle registration

1 renewal, the county clerk shall collect, as required under KRS 186.050, from the
2 registrants of electric motorcycles and electric vehicles~~, and hybrid vehicles~~ the
3 electric vehicle ownership fees established under subsections (3) and (4) of this
4 section.

5 (3) The electric vehicle ownership fees shall be:

6 (a) One hundred twenty dollars (\$120) for electric vehicles; and

7 (b) Sixty dollars (\$60) for electric motorcycles ~~or hybrid vehicles~~.

8 (4) The Department of Revenue shall adjust the fees established in subsection (3) of
9 this section, on the same schedule and in the same manner as the adjustments to the
10 electric vehicle power taxes under KRS 138.477, except that:

11 (a) Adjustment to the fees shall be rounded to the nearest dollar; and

12 (b) Any adjustment of fees shall not result in a decrease below the base fees
13 established in subsection (3) of this section.

14 (5) The electric vehicle ownership fees collected under this section shall be transferred
15 to the road fund.

16 ➔Section 21. KRS 186.531 is amended to read as follows:

17 (1) As used in this section:

18 (a) "GF" means the general fund;

19 (b) "IP" means instruction permit;

20 (c) "License Fund" or "LF" means the KYTC photo license account created in
21 KRS 174.056;

22 (d) "MC" means motorcycle;

23 (e) "MC Fund" or "MCF" means the motorcycle safety education program fund
24 established in KRS 176.5065;

25 (f) "OL" means operator's license; and

26 (g) "PIDC" means personal identification card.

27 (2) The fees imposed for voluntary travel ID operator's licenses, instruction permits,

1 and personal identification cards shall be as follows. The fees received shall be
 2 distributed as shown in the table. The fees shown, unless otherwise noted, are for an
 3 eight (8) year period:

4	Card Type	Fee	LF	GF	MCF
5	OL (initial/renewal)	\$48	\$48	\$0	\$0
6	OL (Under 21) (Up to 4 years)	\$18	\$18	\$0	\$0
7	Any OL, MC, or combination				
8	(duplicate/corrected)	\$15	\$13.25	\$1.75	\$0
9	Motor vehicle IP (3 years)	\$18	\$16	\$2	\$0
10	Motorcycle IP (1 year)	\$18	\$13	\$1	\$4
11	Motorcycle OL (initial/renewal)	\$48	\$38	\$0	\$10
12	Combination vehicle/MC OL				
13	(initial/renewal)	\$58	\$48	\$0	\$10
14	PIDC (initial/renewal)	\$28	\$25	\$3	\$0
15	PIDC (duplicate/corrected)	\$15	\$13.50	\$1.50	\$0

16 (3) Except as provided in subsection (10) of this section, the fees imposed for standard
 17 operator's licenses, instruction permits, and personal identification cards shall be as
 18 follows and, unless otherwise noted, are for an eight (8) year period:

19	Card Type	Fee	LF	GF	MCF
20	OL (initial/renewal)	\$43	\$43	\$0	\$0
21	OL (Under 21) (Up to 4 years)	\$15	\$15	\$0	\$0
22	Any OL, MC, or combination				
23	(duplicate/corrected)	\$15	\$13.25	\$1.75	\$0
24	Motor vehicle IP (3 years)	\$15	\$13	\$2	\$0
25	Motorcycle IP (1 year)	\$15	\$10	\$1	\$4
26	Motorcycle OL (initial/renewal)	\$43	\$33	\$0	\$10
27	Combination vehicle/MC OL				

1	(initial/renewal)	\$53	\$43	\$0	\$10
2	PIDC (initial/renewal)	\$23	\$20	\$3	\$0
3	PIDC (duplicate/corrected)	\$15	\$13.50	\$1.50	\$0
4	PIDC (no fixed address) under				
5	KRS 186.4122(5)/186.4123(5)				
6	(initial, duplicate, or corrected)	\$0 [\$5]	\$0 [\$5]		\$0
7	\$0				

8 (4) The fee for a four (4) year original or renewal license issued pursuant to KRS
9 186.4101 shall be fifty percent (50%) of the amount shown in subsections (2) and
10 (3) of this section. The distribution of fees shown in subsections (2) and (3) of this
11 section shall also be reduced by fifty percent (50%) for licenses that are issued for
12 four (4) years.

13 (5) Any fee for any identity document applied for using alternative technology under
14 KRS 186.410 and 186.4122 shall be distributed in the same manner as a document
15 applied for in person with the cabinet.

16 (6) (a) An applicant for an original or renewal operator's license, permit, commercial
17 driver's license, motorcycle operator's license, or personal identification card
18 shall be requested by the cabinet to make a donation to promote an organ
19 donor program.

20 (b) The donation under this subsection shall be added to the regular fee for an
21 original or renewal motor vehicle operator's license, permit, commercial
22 driver's license, motorcycle operator's license, or personal identification card.
23 One (1) donation may be made per issuance or renewal of a license or any
24 combination thereof.

25 (c) The fee shall be paid to the cabinet and shall be forwarded by the cabinet on a
26 monthly basis to the Kentucky Circuit Court Clerks' Trust for Life, and such
27 moneys are hereby appropriated to be used exclusively for the purpose of

1 promoting an organ donor program. A donation under this subsection shall be
2 voluntary and may be refused by the applicant at the time of issuance or
3 renewal.

4 (7) In addition to the fees outlined in this section, the following individuals, upon
5 application for an initial or renewal operator's license, instruction permit, or
6 personal identification card, shall pay an additional application fee of thirty dollars
7 (\$30), which shall be deposited in the photo license account:

- 8 (a) An applicant who is not a United States citizen or permanent resident and who
9 applies under KRS 186.4121 or 186.4123; or
10 (b) An applicant who is applying for a instruction permit, operator's license, or
11 personal identification card without a photo under KRS 186.4102(9).

12 (8) (a) Except for individuals exempted under paragraph (c) of this subsection, an
13 applicant for relicensing after revocation or suspension shall pay a
14 reinstatement fee of forty dollars (\$40).

15 (b) The reinstatement fee under this subsection shall be distributed by the State
16 Treasurer as follows:

- 17 1. Thirty-five dollars (\$35) shall be deposited into the photo license
18 account; and
19 2. Five dollars (\$5) shall be deposited into a trust and agency fund to be
20 used in defraying the costs and expenses of administering a driver
21 improvement program for problem drivers.

22 (c) This subsection shall not apply to:

- 23 1. Any person whose license was suspended for failure to meet the
24 conditions set out in KRS 186.411 when, within one (1) year of
25 suspension, the driving privileges of the individual are reinstated; or
26 2. A student who has had his or her license revoked pursuant to KRS
27 159.051.

- 1 (9) As payment for any fee identified in this section, the cabinet:
- 2 (a) Shall accept cash and personal checks;
- 3 (b) May accept other methods of payment in accordance with KRS 45.345; and
- 4 (c) May enter into billing agreements with homeless shelters, health care
- 5 facilities, or social service agencies that serve individuals without an
- 6 established and fixed nighttime residence of regular return.
- 7 (10) There shall be no fee assessed for the initial, renewal, or duplicate standard personal
- 8 identification card to an individual, if the individual:
- 9 (a) Does not possess a valid operator's license or a commercial driver's license;
- 10 and
- 11 (b) Is at least eighteen (18) years of age on or before the next regular election.

12 ➔Section 22. KRS 131.010 is amended to read as follows:

13 As used in this chapter, unless the context requires otherwise:

- 14 (1) "Commissioner" means the commissioner of *the department*~~[revenue]~~;
- 15 (2) "Department" means the Department of Revenue;
- 16 (3) "Fiduciary" means a guardian, trustee, executor, administrator, receiver,
- 17 conservator, or any individual or corporation acting in a fiduciary capacity for any
- 18 other person;
- 19 (4) "Taxpayer" means any person required or permitted by law or administrative
- 20 regulation to perform any act subject to the administrative jurisdiction of the
- 21 department including the following:
- 22 (a) File a report, return, statement, certification, claim, estimate, declaration,
- 23 form, or other document;
- 24 (b) Furnish any information;
- 25 (c) Withhold, collect, or pay any tax, installment, estimate, or other funds; *and*
- 26 (d) Secure any license, permit, or other authorization to conduct a business or
- 27 exercise any privilege, right, or responsibility;

- 1 (5) "Adjusted prime rate charged by banks" means the average predominant prime rate
2 quoted by commercial banks to large businesses, as determined by the board of
3 governors of the Federal Reserve System;
- 4 (6) "Tax interest rate" means the interest rate determined under KRS 131.183;
- 5 (7) "Tax" includes any assessment or license fee administered by the department;
6 however, it shall not include moneys withheld or collected by the department
7 pursuant to KRS 131.560 or 160.627;
- 8 (8) "Return" or "report" means any properly completed and, if required, signed form,
9 statement, certification, claim estimate, declaration, or other document permitted or
10 required to be submitted or filed with the department, including returns and reports
11 or composites thereof which are permitted or required to be electronically
12 transmitted;
- 13 (9) "Reasonable cause" means an event, happening, or circumstance entirely beyond
14 the knowledge or control of a taxpayer who has exercised due care and prudence in
15 the filing of a return or report or the payment of moneys due the department
16 pursuant to law or administrative regulation;
- 17 (10) "Fraud" means:
- 18 (a) Intentional or reckless disregard for the law, administrative regulations, or the
19 department's established policies to evade the filing of any return, report, or
20 the payment of any moneys due to the department pursuant to law or
21 administrative regulation; or
- 22 (b) The deliberate false reporting of returns or reports with the intent to gain a
23 monetary advantage;
- 24 (11) "Hard copy" means any document, record, report, or other data printed on paper or
25 stored by an imaging system that does not permit additions, deletions, or other
26 changes to the original documents;
- 27 (12) "Electronic record" means a collection of related information stored as bits of data

1 in a medium that supports electronic extraction of the data at the field level, but
2 does not include electronic imaging systems;

3 (13) "Electronic imaging systems" means a computer-based system used to store
4 reproductions of documents and records through the use of electronic data
5 processing, or computerized, digital, or optical scanning which records and indexes
6 the document, but does not support electronic extraction of the data at the field
7 level;

8 (14) "Electronic fund transfer" means an electronic data processing medium that takes
9 the place of a paper check for debiting or crediting an account and of which a
10 permanent record is made;

11 (15) "Specified tax return preparer" has the same meaning as in 26 U.S.C. sec.
12 6011(e)(3);~~and~~

13 (16) "Tax return preparer" has the same meaning as in 26 U.S.C. sec. 7701(a)(36)(A);

14 **(17) "Administrative writings" means the following, as created, published, issued, or**
15 **released by the department and redacted to protect taxpayer-specific information:**

16 **(a) Final rulings;**

17 **(b) Manuals and training procedures;**

18 **(c) Presentations;**

19 **(d) Technical advice memoranda;**

20 **(e) General information letters; and**

21 **(f) Private letter rulings; and**

22 **(18) "Tax form":**

23 **(a) Means any instrument that is:**

24 **1. Created, published, issued, approved, or released by the department**
25 **upon which taxpayers insert information; and**

26 **2. Permitted or required to be submitted to or filed with the department;**
27 **and**

1 **(b) Includes any of the following instruments, except that the instrument shall**
 2 **not contain any information inserted by a taxpayer:**

- 3 **1. A return, report, schedule, claim estimate, declaration, or any other**
 4 **similar document; and**
 5 **2. A facsimile of information the taxpayer is required to, or may, submit**
 6 **to the department electronically.**

7 ➔Section 23. KRS 131.020 is amended to read as follows:

8 (1) The department~~[of Revenue]~~, headed by a commissioner appointed by the secretary
 9 with the approval of the Governor, shall be organized into the following functional
 10 units:

11 (a) Office of the Commissioner, which shall consist of:

- 12 1. The Division of Protest Resolution, headed by a division director who
 13 shall report directly to the commissioner. The division shall administer
 14 the protest functions for the department from office resolution through
 15 court action;
- 16 2. The Division of Taxpayer Ombudsman, headed by a division director
 17 who shall report to the commissioner. The division shall perform those
 18 duties set out in KRS 131.083;
- 19 3. The Special Investigations Division, headed by a division director who
 20 shall report directly to the commissioner. The division shall investigate
 21 alleged violations of the tax laws and recommend criminal prosecution
 22 of the laws when warranted; and
- 23 4. The Division of Information Management, headed by a division director
 24 who shall report directly to the commissioner. The division shall provide
 25 project management, planning, analysis, application development,
 26 implementation, security, support, and maintenance for new and existing
 27 legacy systems of the department;

- 1 (b) Office of Tax Policy and Regulation, headed by an executive director who
 2 shall report directly to the commissioner. The office shall be responsible for:
- 3 1. Providing oral and written technical advice on Kentucky tax law;
 - 4 2. Drafting proposed tax legislation and regulations;
 - 5 3. Testifying before legislative committees on tax matters;
 - 6 4. Analyzing tax publications;
 - 7 5. Publishing administrative writings on its official website promptly
 8 after issuance or finalization, but no more than one hundred twenty
 9 (120) days thereafter;
 - 10 6. Publishing all tax forms and instructions to those tax forms on its
 11 official website no later than:
 - 12 a. Forty-five (45) days prior to the date a taxpayer is required to:
 - 13 i. File a tax form;
 - 14 ii. Make a payment of taxes due or estimated to be due; or
 - 15 iii. Electronically submit the information or payment; or
 - 16 b. In the case of income tax forms, thirty (30) days prior to the end
 17 of the calendar year for which the tax form, payment, or
 18 information applies;
 - 19 7. Providing expert witness testimony in tax litigation cases;
 - 20 ~~8.[6.]~~ Providing consultation and assistance in protested tax cases; and
 - 21 ~~9.[7.]~~ Conducting training and education programs;
- 22 (c) Office of Registration and Operations, headed by an executive director who
 23 shall report directly to the commissioner. The office shall be responsible for
 24 processing documents, depositing funds, collecting debt payments, and
 25 coordinating, planning, and implementing a data integrity strategy. The office
 26 shall consist of the:
- 27 1. Division of Operations, which shall be responsible for opening all tax

- 1 returns, preparing the returns for data capture, coordinating the data
2 capture process, depositing receipts, maintaining tax data, and assisting
3 other state agencies with similar operational aspects as negotiated
4 between the department and the other agency; and
- 5 2. Division of Registration, which shall be responsible for registering
6 businesses for tax purposes, ensuring that the data entered into the
7 department's tax systems is accurate and complete, and assisting the
8 taxing areas in proper procedures to ensure the accuracy of the data over
9 time;
- 10 (d) Office of Property Valuation, headed by an executive director who shall
11 report directly to the commissioner. The office shall consist of the:
- 12 1. Division of Local Support, which shall be responsible for providing
13 supervision, assistance, and training to the property valuation
14 administrators and sheriffs within the Commonwealth;
- 15 2. Division of State Valuation, which shall be responsible for providing
16 assessments of public service companies and motor vehicles, and
17 providing assistance to property valuation administrators and sheriffs
18 with the administration of tangible and omitted property taxes within the
19 Commonwealth; and
- 20 3. Division of Minerals Taxation and Geographical Information System
21 Services, which shall be responsible for providing geographical
22 information system mapping support, ensuring proper filing of
23 severance tax returns, ensuring consistency of unmined coal
24 assessments, and gathering and providing data to properly assess
25 minerals to the property valuation administrators within the
26 Commonwealth;
- 27 (e) Office of Sales and Excise Taxes, headed by an executive director who shall

1 report directly to the commissioner. The office shall administer all matters
2 relating to sales and use taxes and miscellaneous excise taxes, including but
3 not limited to technical tax research, compliance, taxpayer assistance, tax-
4 specific training, and publications. The office shall consist of the:

- 5 1. Division of Sales and Use Tax, which shall administer the sales and use
6 tax; and
- 7 2. Division of Miscellaneous Taxes, which shall administer various other
8 taxes, including but not limited to alcoholic beverage taxes; cigarette
9 enforcement fees, stamps, meters, and taxes; gasoline tax; bank
10 franchise tax; inheritance and estate tax; insurance premiums and
11 insurance surcharge taxes; motor vehicle tire fees and usage taxes; and
12 special fuels taxes;

13 (f) Office of Income Taxation, headed by an executive director who shall report
14 directly to the commissioner. The office shall administer all matters related to
15 income and corporation license taxes, including technical tax research,
16 compliance, taxpayer assistance, tax-specific training, and publications. The
17 office shall consist of the:

- 18 1. Division of Individual Tax, which shall administer the following taxes
19 or returns: individual income, fiduciary, and employer withholding; and
- 20 2. Division of Corporation Tax, which shall administer the corporation
21 income tax, corporation license tax, pass-through entity withholding,
22 and pass-through entity reporting requirements;

23 (g) Office of Field Operations, headed by an executive director who shall report
24 directly to the commissioner. The office shall manage the regional taxpayer
25 service centers and the field audit program; and

26 (h) Office of Enforcement, headed by an executive director who shall report
27 directly to the commissioner. The office shall initiate all collection

1 enforcement activity related to due and owing tax assessments, including
2 protest resolution, and shall assist other state agencies with similar collection
3 aspects as negotiated between the department and other state agencies. The
4 office shall consist of the Division of Collections.

5 (2) The functions and duties of the department shall include conducting conferences,
6 administering taxpayer protests, and settling tax controversies on a fair and
7 equitable basis, taking into consideration the hazards of litigation to the
8 Commonwealth of Kentucky and the taxpayer. The mission of the department shall
9 be to afford an opportunity for taxpayers to have an independent informal review of
10 the determinations of the audit functions of the department, and to attempt to fairly
11 and equitably resolve tax controversies at the administrative level.

12 (3) The department shall maintain an accounting structure for the one hundred twenty
13 (120) property valuation administrators' offices across the Commonwealth in order
14 to facilitate use of the state payroll system and the budgeting process.

15 (4) Except as provided in KRS 131.190(4), the department shall fully cooperate with
16 and make tax information available as prescribed under KRS 131.190(3) to the
17 Governor's Office for Economic Analysis as necessary for the office to perform the
18 tax administration function established in KRS 42.410.

19 (5) Executive directors and division directors established under this section shall be
20 appointed by the secretary with the approval of the Governor under KRS 12.050.

21 ➔Section 24. KRS 131.030 is amended to read as follows:

22 (1) The Department of Revenue shall exercise all administrative functions of the state
23 in relation to:

24 (a) The state revenue and tax laws;~~[,]~~

25 (b) *The publishing of administrative writings, tax forms, and instructions to*
26 *those tax forms on its official website;*

27 (c) The licensing and registering of motor vehicles;~~[,]~~

- 1 (d) The equalization of tax assessments;~~;~~
- 2 (e) The assessment of public utilities and public service corporations for taxes;~~;~~
- 3 (f) The assessment of franchises;~~;~~
- 4 (g) The supervision of tax collections;~~;~~ and
- 5 (h) The enforcement of revenue and tax laws, either directly or through
- 6 supervision of tax administration activity in other departments to which the
- 7 department may commit administration of certain taxes.

8 (2) The department shall have all the powers and duties with reference to assessment or

9 equalization of the assessment of property heretofore exercised or performed by any

10 state board or commission.

11 (3) The department shall have all the powers and duties necessary to consider and settle

12 tax cases under KRS 131.110 and refund claims made under KRS 134.580. The

13 department is encouraged to settle controversies on a fair and equitable basis and

14 shall be authorized to settle tax controversies based on the hazards of litigation

15 applicable to them.

16 (4) The department shall have all the powers and duties necessary to collect any debts

17 owed to the Commonwealth, or any local government of the Commonwealth, that

18 are referred to the department by an organizational unit or administrative body in

19 the executive branch of state government, as defined in KRS 12.010, the Court of

20 Justice in the judicial branch of state government, and any local government, under

21 KRS 45.237 and 45.241.

22 ➔Section 25. KRS 131.081 is amended to read as follows:

23 The following rules, principles, or requirements shall apply in the administration of all

24 taxes subject to the jurisdiction of the department:

25 (1) The department shall develop and implement a Kentucky tax education and

26 information program ***that:***

27 (a) ***Is*** directed at new taxpayers, taxpayer and industry groups, and department

1 employees to enhance the understanding of and compliance with Kentucky
2 tax laws;~~[, including]~~

3 **(b) Includes information on:**

4 **1.** The application of new tax legislation to taxpayer activities; and

5 **2.** Areas of recurrent taxpayer noncompliance or inconsistency of
6 administration; **and**

7 **(c) Is published as part of the administrative writings posted on its official**
8 **website;**

9 (2) The department shall publish brief statements in simple and nontechnical language
10 which explain procedures, remedies, and the rights and obligations of taxpayers and
11 the department. These statements shall be provided to taxpayers with the initial
12 notice of audit; each original notice of tax due; each denial or reduction of a refund
13 or credit claimed by a taxpayer; each denial, cancellation, or revocation of any
14 license, permit, or other required authorization applied for or held by a taxpayer;
15 and, if practical and appropriate, in informational publications by the department
16 distributed to the public;

17 (3) Taxpayers shall have the right to be assisted or represented by an attorney,
18 accountant, or other person in any conference, hearing, or other matter before the
19 department. The taxpayer shall be informed of this right prior to conduct of any
20 conference or hearing;

21 (4) The department shall perform audits and conduct conferences and hearings only at
22 reasonable times and places;

23 (5) Taxpayers shall have the right to make audio recordings of any conference with or
24 hearing by the department. The department may make similar audio recordings if
25 prior written notice is given to the taxpayer or if the taxpayer records the conference
26 or hearing. The taxpayer shall be entitled to a copy of this department recording or a
27 transcript as provided in KRS 61.874;

- 1 (6) If any taxpayer's failure to submit a timely return or payment to the department is
2 due to the taxpayer's reasonable reliance on written advice from the department, the
3 taxpayer shall be relieved of any penalty or interest with respect thereto, provided
4 the taxpayer requested the advice in writing from the department and the specific
5 facts and circumstances of the activity or transaction were fully described in the
6 taxpayer's request, the department did not subsequently rescind or modify the
7 advice in writing, and there were no subsequent changes in applicable laws or
8 regulations or a final decision of a court which rendered the department's earlier
9 written advice no longer valid;
- 10 (7) Taxpayers shall have the right to receive a copy of any audit of the department by
11 the Auditor of Public Accounts relating to the department's compliance with the
12 provisions of KRS 131.041 to 131.081;
- 13 (8) (a) The department shall include with each notice of tax due a clear and concise
14 description of the basis and amount of any tax, penalty, and interest assessed
15 against the taxpayer and the agent's written narrative setting forth the grounds
16 upon which the assessment is made.
- 17 (b) Copies of the agent's audit workpapers shall be:
- 18 1. Included with the notice of tax due; or
19 2. Delivered electronically to the taxpayer.
- 20 (c) Taxpayers shall be similarly notified regarding the denial or reduction of any
21 refund or credit claim filed by a taxpayer;
- 22 (9) (a) Taxpayers shall have the right to an installment payment agreement for the
23 payment of delinquent taxes, penalties, and interest owed, provided the
24 taxpayer requests the agreement in writing clearly demonstrating:
- 25 1. His or her inability to pay in full; and
26 2. That the agreement will facilitate collection by the department of the
27 amounts owed.

- 1 (b) The department may modify or terminate an installment payment agreement
2 and may pursue statutory remedies against the taxpayer if it determines that:
- 3 1. The taxpayer has not complied with the terms of the agreement,
4 including minimum payment requirements established by the
5 agreement;
 - 6 2. The taxpayers' financial condition has sufficiently changed;
 - 7 3. The taxpayer fails to provide any requested financial condition update
8 information;
 - 9 4. The taxpayer gave false or misleading information in securing the
10 agreement; or
 - 11 5. The taxpayer fails to timely report and pay any other tax due the
12 Commonwealth.
- 13 (c) The department shall give written notice to the taxpayer at least thirty (30)
14 days prior to modifying or terminating an installment payment agreement
15 unless the department has reason to believe that collection of the amounts
16 owed will be jeopardized in whole or in part by delay;
- 17 (10) The department shall not knowingly authorize, require, or conduct any investigation
18 or surveillance of any person for nontax administration related purposes, except
19 internal security related investigations involving department personnel;
- 20 (11) In addition to the circumstances under which an extension of time for filing reports
21 or returns may be granted pursuant to KRS 131.170, taxpayers shall be entitled to
22 the same extension of the due date of any comparable Kentucky tax report or return
23 for which the taxpayer has secured a written extension from the Internal Revenue
24 Service provided the taxpayer notifies the department in writing and provides a
25 copy of the extension at the time and in the manner which the department may
26 require;
- 27 (12) The department shall bear the cost or, if paid by the taxpayer, reimburse the

1 taxpayer for recording or bank charges as the direct result of any erroneous lien or
2 levy by the department, provided the erroneous lien or levy was caused by
3 department error and, prior to issuance of the erroneous lien or levy, the taxpayer
4 timely responded to all contacts by the department and provided information or
5 documentation sufficient to establish his or her position. When the department
6 releases any erroneous lien or levy, notice of the fact shall be mailed to the taxpayer
7 and, if requested by the taxpayer, a copy of the release, together with an
8 explanation, shall be mailed to the major credit reporting companies located in the
9 county where it was filed;

10 (13) (a) The department shall not evaluate individual officers or employees on the
11 basis of taxes assessed or collected or impose or suggest tax assessment or
12 collection quotas or goals.

13 (b) No arrangement or contract shall be entered into for the service to:

- 14 1. Examine a taxpayer's books and records;
- 15 2. Collect a tax from a taxpayer; or
- 16 3. Provide legal representation of the department;

17 if any part of the compensation or other benefits paid or payable for the
18 service is contingent upon or otherwise related to the amount of tax, interest,
19 fee, or penalty assessed against or collected from the taxpayer. Any such
20 arrangement or contract shall be void and unenforceable;

21 (14) Taxpayers shall have the right to bring an action for damages against the
22 Commonwealth to the Board of Tax Appeals for actual and direct monetary
23 damages sustained by the taxpayer as a result of willful, reckless, or intentional
24 disregard by department employees of the rights of taxpayers as set out in KRS
25 131.041 to 131.081 or in the tax laws administered by the department. In the
26 awarding of damages pursuant to this subsection, the board shall take into
27 consideration the negligence or omissions, if any, on the part of the taxpayer which

1 contributed to the damages. If any proceeding brought by a taxpayer is ruled
2 frivolous by the Board of Tax Appeals, the department shall be reimbursed by the
3 taxpayer for its costs in defending the action. Any claims brought pursuant to this
4 subsection shall be in accordance with KRS 49.040 to 49.180; and

5 (15) Taxpayers shall have the right to privacy with regard to the information provided on
6 their Kentucky tax returns and reports, including any attached information or
7 documents. Except as provided in KRS 131.190, no information pertaining to the
8 returns, reports, or the affairs of a person's business shall be divulged by the
9 department to any person or be intentionally and without authorization inspected by
10 any present or former commissioner or employee of the department, member of a
11 county board of assessment appeals, property valuation administrator or employee,
12 or any other person.

13 ➔Section 26. KRS 131.130 is amended to read as follows:

14 Without limitation of other duties assigned to it by law, the following powers and duties
15 are vested in the department~~[of Revenue]~~:

16 (1) The department may promulgate administrative regulations, and direct proceedings
17 and actions, for the administration and enforcement of all tax laws of this state. To
18 assist taxpayers in understanding and interpreting the tax laws, the department may,
19 through incorporation by reference, include examples as part of any administrative
20 regulation. The examples may include demonstrative, nonexclusive lists of items if
21 the department determines the lists would be helpful to taxpayers in understanding
22 the application of the tax laws.

23 (2) The department, by representatives it appoints in writing, may take testimony or
24 depositions, and may examine hard copy or electronic records, any person's
25 documents, files, and equipment if those records, documents, or equipment will
26 furnish knowledge concerning any taxpayer's tax liability, when it deems this
27 reasonably necessary to the performance of its functions. The department may

1 enforce this right by application to the Circuit Court in the county where the person
2 is domiciled or has his or her principal office, or by application to the Franklin
3 Circuit Court, which courts may compel compliance with the orders of the
4 department.

5 (3) The department shall prescribe the style, and determine and enforce the use or
6 manner of keeping, of all assessment and tax forms and records employed by state
7 and county officials, and may prescribe forms necessary for the administration of
8 any revenue law.

9 (4) The department shall advise on all questions respecting the construction of state
10 revenue laws and its application to various classes of taxpayers and property.

11 (5) Attorneys employed by the Finance and Administration Cabinet and approved by
12 the Attorney General as provided in KRS 15.020 may prosecute all violations of the
13 criminal and penal laws relating to revenue and taxation. If a Finance and
14 Administration Cabinet attorney undertakes any of the actions prescribed in this
15 subsection, that attorney shall be authorized to exercise all powers and perform all
16 duties in respect to the criminal actions or proceedings which the prosecuting
17 attorney would otherwise perform or exercise, including the authority to sign, file,
18 and present any complaints, affidavits, information, presentments, accusations,
19 indictments, subpoenas, and processes of any kind, and to appear before all grand
20 juries, courts, or tribunals.

21 (6) In the event of the incapacity of attorneys employed by the Finance and
22 Administration Cabinet or at the request of the secretary of the Finance and
23 Administration Cabinet, the Attorney General or his or her designee shall prosecute
24 all violations of the criminal and penal laws relating to revenue and taxation. If the
25 Attorney General undertakes any of the actions prescribed in this subsection, he or
26 she shall be authorized to exercise all powers and perform all duties in respect to
27 the criminal actions or proceedings which the prosecuting attorney would otherwise

1 perform or exercise, including but not limited to the authority to sign, file, and
2 present any and all complaints, affidavits, information, presentments, accusations,
3 indictments, subpoenas, and processes of any kind, and to appear before all grand
4 juries, courts, or tribunals.

5 (7) The department may require the Commonwealth's attorneys and county attorneys to
6 prosecute actions and proceedings and perform other services incident to the
7 enforcement of laws assigned to the department for administration.

8 (8) (a) Notwithstanding KRS Chapter 13A, the department may research the fields of
9 taxation, finance, and local government administration, publish its findings,
10 respond to the public's and taxpayers' questions, and publish its responses~~, as~~
11 ~~the commissioner may deem wise~~.

12 (b) To assist taxpayers and the public in understanding and interpreting the tax
13 laws, the department:

14 1. May include examples as part of any response or publication. The
15 examples may include demonstrative, nonexclusive lists of items, if the
16 department determines that the list would be helpful to taxpayers in
17 understanding the application of the tax laws; and

18 2. *Shall publish its administrative writings, tax forms, and instructions to*
19 *those tax forms on its official website in accordance with subsection*
20 *(1)(b) of Section 23 of this Act.*

21 (9) The department may promulgate administrative regulations necessary to establish a
22 system of taxpayer identifying numbers for the purpose of securing proper
23 identification of taxpayers subject to any tax laws or other revenue measure of this
24 state, and may require the taxpayer to place on any return, report, statement, or
25 other document required to be filed, any number assigned pursuant to the
26 administrative regulations.

27 (10) The department may, when it is in the best interest of the Commonwealth and

1 helpful to the efficient and effective enforcement, administration, or collection of
2 sales and use tax, motor fuels tax, or the petroleum environmental assurance fee,
3 enter into agreements with out-of-state retailers or other persons for the collection
4 and remittance of sales and use tax, the motor fuels tax, or the petroleum
5 environmental assurance fee.

6 (11) The department may enter into annual memoranda of agreement with any state
7 agency, officer, board, commission, corporation, institution, cabinet, department, or
8 other state organization to assume the collection duties for any debts due the state
9 entity, except for consumer debt owed for health care goods and services, and may
10 renew that agreement for up to five (5) years. Under such an agreement, the
11 department shall have all the powers, rights, duties, and authority with respect to the
12 collection, refund, and administration of those liquidated debts as provided under:

13 (a) KRS Chapters 131, 134, and 135 for the collection, refund, and administration
14 of delinquent taxes; and

15 (b) Any applicable statutory provisions governing the state agency, officer, board,
16 commission, corporation, institution, cabinet, department, or other state
17 organization for the collection, refund, and administration of any liquidated
18 debts due the state entity.

19 (12) Notwithstanding subsection (11) of this section, KRS 45.237, 45.238, 45.241, or
20 131.030, or any agreement to the contrary, the department shall not collect or
21 continue collection duties of any consumer debts owed for health care goods and
22 services. For the purpose of this section, "consumer debt" shall be defined as a debt
23 incurred by an individual, as defined in KRS 141.010, for a personal or family
24 purpose, regardless of whether an obligation has been reduced to judgment.

25 (13) The department may refuse to accept a personal check in payment of taxes due or
26 collected from any person who has ever tendered a check to the state which, when
27 presented for payment, was not honored. Any check so refused shall be considered

1 as never having been tendered.

2 ➔Section 27. KRS 131.131 is amended to read as follows:

3 Notwithstanding KRS 13A.110, the department~~[of Revenue]~~ shall publish tax forms and
4 instructions to those forms **on its official website in accordance with subsection (1)(b) of**
5 **Section 23 of this Act** without promulgation of an administrative regulation.

6 ➔Section 28. KRS 138.472 is amended to read as follows:

7 (1) As used in this section:

8 (a) **"Bad debt" has the same meaning as in 26 U.S.C. sec. 166, except that the**
9 **following shall be excluded:**

10 **1. Financing charges or interest;**

11 **2. Excise or sales and use taxes charged on the purchase price;**

12 **3. Uncollectible amounts on property that remains in the possession of**
13 **the person until the full purchase price is paid;**

14 **4. Expenses incurred in attempting to collect any debt; or**

15 **5. Repossessed property;**

16 (b) **"Charged off for income tax purposes" means:**

17 **1. The charging off of unpaid balances due on accounts determined to be**
18 **uncollectable; or**

19 **2. Declaring as uncollectable the unpaid balance due on accounts if the**
20 **person is not required to file federal income tax returns;**

21 (c) "Department" means the Kentucky Department of Revenue;

22 (d)~~[(b)]~~ "Gross receipts" means the total consideration received for the:

23 1. Rental of a vehicle, including the daily or hourly rental fee, fees charged
24 for using the services, charges for insurance protection plans, fuel
25 charges, pickup and delivery fees, late fees, and any charges for any
26 services necessary to complete the rental transaction made by a:

27 a. Peer-to-peer car sharing company; or

- 1 b. Motor vehicle rental company; and
- 2 2. Charges made to provide the service to a user, including any charges for
- 3 time or mileage, fees for using the services, and any charges for any
- 4 services necessary to complete the transaction made by a:
- 5 a. TNC;
- 6 b. Taxicab; or
- 7 c. Limousine service provider;

8 ~~(e)~~ The following terms have the same meaning as in KRS 281.010:

- 9 1. "Human service transportation delivery";
- 10 2. "Limousine";
- 11 3. "Peer-to-peer car sharing certificate";
- 12 4. "Peer-to-peer car sharing company";
- 13 5. "Peer-to-peer car sharing driver";
- 14 6. "Peer-to-peer car sharing program";
- 15 7. "Shared vehicle";
- 16 8. "Shared vehicle driver";
- 17 9. "Taxicab";
- 18 10. "Transportation network company" or "TNC";
- 19 11. "Transportation network company service" or "TNC service"; and
- 20 12. "U-Drive-It";

21 ~~(f)~~ "Motor vehicle rental company" has the same meaning as in KRS
22 281.687; and

23 ~~(g)~~ "Person" means the individual or the entity required to be the holder of
24 any of the following certificates in KRS 281.630:

- 25 1. Limousine;
- 26 2. Peer-to-peer car sharing;
- 27 3. Taxicab;

- 1 4. Transportation network; and
- 2 5. U-Drive-It.
- 3 (2) (a) An excise tax is imposed upon every person for the privilege of providing a
- 4 motor vehicle for sharing or for rent, with or without a driver, within the
- 5 Commonwealth.
- 6 (b) The tax is imposed at the rate of six percent (6%) of the gross receipts derived
- 7 from the:
- 8 1. Rental of a shared vehicle by a peer-to-peer car sharing company;
- 9 2. Rental of a vehicle by a motor vehicle renting company;
- 10 3. Sales of TNC services;
- 11 4. Sales of taxicab services; and
- 12 5. Sales of limousine services.
- 13 (c) Excluded from the tax are receipts derived from the provision of human
- 14 service transportation delivery.
- 15 (3) (a) The tax imposed under subsection (2) of this section shall be administered and
- 16 collected by the department. Revenues generated from the tax shall be
- 17 deposited into the general fund.
- 18 (b) On or before the twentieth day of the month following each calendar month, a
- 19 return for the preceding month shall be filed with the department by every
- 20 person required to pay the tax in a form prescribed by the department.
- 21 (4) The tax imposed by subsection (2) of this section shall be the direct obligation of
- 22 the peer-to-peer car sharing company, the motor vehicle renting company, the TNC,
- 23 the taxicab service provider, and the limousine service provider, but it may be
- 24 charged to and collected from the user of the service. The tax shall be remitted to
- 25 the department each month on forms and pursuant to administrative regulations
- 26 promulgated by the department.
- 27 (5) *(a) A person may deduct as a bad debt the amount found to be worthless and*

1 charged off for income tax purposes, provided the person is reporting and
2 remitting this tax on the accrual basis.

3 (b) The person may take the deduction on the return for the period during
4 which the bad debt is written off as uncollectable in the person's books and
5 records and is eligible to be charged off for income tax purposes.

6 (c) 1. The person may obtain a refund equal to the amount of bad debt that
7 exceeds the amount of tax due for the period during which the bad
8 debt is written off.

9 2. The refund claim shall be made within four (4) years from the due
10 date of the return on which the bad debt could first be claimed.

11 3. Notwithstanding KRS 131.183, no interest shall be paid upon any
12 deduction taken or refund made for bad debts.

13 (d) If any bad debt accounts are thereafter, in whole or in part, collected by the
14 person, the amount collected shall be included in the return filed for the
15 period in which the collection is made and the amount of the tax due shall
16 be paid with the return.

17 (e) For purposes of computing a bad debt deduction or reporting a payment
18 received on a previously claimed bad debt, any payments made on a debt or
19 account shall be applied first to the price of the service and the excise tax on
20 the service, proportionally, and then to interest, service charges, and any
21 other charges.

22 (6) (a) As soon as practicable after each return is received, the department shall
23 examine and audit the return. If the amount of taxes computed by the
24 department is greater than the amount returned by the person, the excess shall
25 be assessed by the department within four (4) years from the date the return
26 was filed, except as provided in paragraph (c) of this subsection, and except
27 that in the case of a failure to file a return or of a fraudulent return the excess

1 may be assessed at any time. A notice of such assessment shall be mailed to
2 the person.

3 (b) For the purpose of paragraphs (a) and (c) of this subsection, a return filed
4 before the last day prescribed by law for the filing thereof shall be considered
5 as filed on such last day.

6 (c) Notwithstanding the four (4) year time limitation of paragraph (a) of this
7 subsection, in the case of a return where the amount of taxes computed by the
8 department is greater by twenty-five percent (25%) or more than the amount
9 returned by the person, the excess shall be assessed by the department within
10 six (6) years from the date the return was filed.

11 ~~(7)(6)~~ Failure to remit the taxes shall be sufficient cause for the Department of
12 Vehicle Regulation to void the certificate issued to a:

- 13 (a) Limousine certificate holder;
14 (b) Peer-to-peer car sharing certificate holder;
15 (c) Taxicab certificate holder;
16 (d) TNC certificate holder; or
17 (e) U-Drive-It certificate holder.

18 ~~(8)(7)~~ If a person fails or refuses to file a return or furnish any information requested
19 in writing, the department may, from any information in its possession, make an
20 estimate of the certificate holder's total trip costs and issue an assessment against
21 the certificate holder based on the estimated trip cost charges and add a penalty of
22 ten percent (10%) of the amount of the assessment so determined. This penalty shall
23 be in addition to all other applicable penalties provided by law.

24 ~~(9)(8)~~ If the tax imposed by subsection (2) of this section is not paid on or before the
25 date prescribed for its payment, there shall be collected, as a part of the tax, interest
26 upon the unpaid amount at the tax interest rate as defined in KRS 131.010(6) from
27 the date prescribed for its payment until payment is actually made.

1 (10) (a) For purposes of this subsection, "taxes" shall include:

2 1. Interest accrued at the rate provided by KRS 131.183;

3 2. All applicable penalties imposed under this chapter; and

4 3. All applicable penalties and fees imposed under KRS 131.180, 131.410
 5 to 131.445, and 131.990.

6 (b) 1.[(9)] Notwithstanding any other provisions of this chapter to the
 7 contrary, the president, vice president, secretary, treasurer, or any other
 8 person holding any equivalent corporate office of any corporation
 9 subject to the provisions of this section[chapter] shall be personally and
 10 individually liable, both jointly and severally, for the taxes imposed
 11 under this section[chapter], and neither the corporate dissolution nor
 12 withdrawal of the corporation from the state nor the cessation of holding
 13 any corporate office shall discharge the foregoing liability of any
 14 person.

15 2. The personal and individual liability shall apply to each and every
 16 person holding the corporate office at the time the taxes become or
 17 became due.

18 3. No person will be personally and individually liable pursuant to this
 19 section who had no authority in the management of the business or
 20 financial affairs of the corporation at the time that the taxes imposed by
 21 this section[chapter] become or became due. [~~"Taxes" as used in this~~
 22 ~~section shall include interest accrued at the rate provided by KRS~~
 23 ~~139.650 and all applicable penalties imposed under this chapter and all~~
 24 ~~applicable penalties and fees imposed under KRS 131.180, 131.410 to~~
 25 ~~131.445, and 131.990.]~~

26 (c) 1.[(10)] Notwithstanding any other provisions of this chapter, KRS
 27 275.150, 362.1-306(3) or predecessor law, or 362.2-404(3) to the

1 contrary, the managers of a limited liability company, the partners of a
 2 limited liability partnership, and the general partners of a limited
 3 liability limited partnership, or any other person holding any equivalent
 4 office of a limited liability company, limited liability partnership, or
 5 limited liability limited partnership subject to the provisions of this
 6 section~~[chapter]~~, shall be personally and individually liable, both jointly
 7 and severally, for the taxes imposed under this section~~[chapter]~~.

8 2. Dissolution, withdrawal of the limited liability company, limited
 9 liability partnership, or limited liability limited partnership from the
 10 state, or the cessation of holding any office shall not discharge the
 11 liability of any person.

12 3. The personal and individual liability shall apply to each and every
 13 manager of a limited liability company, partner of a limited liability
 14 partnership, and general partner of a limited liability limited partnership
 15 at the time the taxes become or became due.

16 4. No person shall be personally and individually liable under this
 17 subsection who had no authority to collect, truthfully account for, or pay
 18 over any tax imposed by this section~~[chapter]~~ at the time that the taxes
 19 imposed by this section~~[chapter]~~ become or became due. [~~"Taxes" as~~
 20 ~~used in this section shall include interest accrued at the rate provided by~~
 21 ~~KRS 131.183, all applicable penalties imposed under this chapter, and~~
 22 ~~all applicable penalties and fees imposed under KRS 131.180, 131.410~~
 23 ~~to 131.445, and 131.990.]~~

24 (11) Any person who violates any of the provisions of this section shall be subject to the
 25 uniform civil penalties imposed pursuant to KRS 131.180.

26 ➔Section 29. KRS 154.30-010 is amended to read as follows:

27 As used in this subchapter:

1 (1) "Activation date" means:

2 (a) For all projects except those described in paragraph (b) of this subsection, the
3 date established any time within a two (2) year period after the
4 commencement date. The Commonwealth may extend the two (2) year period
5 to no more than four (4) years upon written application by the agency
6 requesting the extension; and

7 (b) For signature projects approved under KRS 154.30-050(2)(a), the date
8 established any time within a ten (10) year period after the commencement
9 date.

10 For all projects established after July 14, 2018, the activation date is the date on
11 which the time period for the pledge of incremental revenues shall commence. To
12 implement the activation date, the minimum capital investment must be met and the
13 agency that is a party to the tax incentive agreement shall notify the office;

14 (2) "Agency" means:

15 (a) An urban renewal and community development agency established under
16 KRS Chapter 99;

17 (b) A development authority established under KRS Chapter 99;

18 (c) A nonprofit corporation;

19 (d) A housing authority established under KRS Chapter 80;

20 (e) An air board established under KRS 183.132 to 183.160;

21 (f) A local industrial development authority established under KRS 154.50-301
22 to 154.50-346;

23 (g) A riverport authority established under KRS 65.510 to 65.650; or

24 (h) A designated department, division, or office of a city or county;

25 (3) "Approved public infrastructure costs" means costs associated with the acquisition,
26 installation, construction, or reconstruction of public works, public improvements,
27 and public buildings, including planning and design costs associated with the

1 development of such public amenities. "Approved public infrastructure costs"
2 includes but is not limited to costs incurred for the following:

- 3 (a) Land preparation, including demolition and clearance work;
- 4 (b) Buildings;
- 5 (c) Sewers and storm drainage;
- 6 (d) Curbs, sidewalks, promenades, and pedways;
- 7 (e) Roads;
- 8 (f) Street lighting;
- 9 (g) The provision of utilities;
- 10 (h) Environmental remediation;
- 11 (i) Floodwalls and floodgates;
- 12 (j) Public spaces or parks;
- 13 (k) Parking;
- 14 (l) Easements and rights-of-way;
- 15 (m) Transportation facilities;
- 16 (n) Public landings;
- 17 (o) Amenities, such as fountains, benches, and sculptures; and
- 18 (p) Riverbank modifications and improvements;

19 (4) "Approved signature project costs" means:

- 20 (a) The acquisition of land for portions of the project that are for infrastructure;
- 21 and
- 22 (b) Costs associated with the acquisition, installation, development, construction,
- 23 improvement, or reconstruction of infrastructure, including planning and
- 24 design costs associated with the development of infrastructure, including but
- 25 not limited to parking structures, including portions of parking structures that
- 26 serve as platforms to support development above;

27 that have been determined by the commission to represent a unique challenge in the

- 1 financing of a project such that the project could not be developed without
2 incentives intended by this chapter to foster economic development;
- 3 (5) "Authority" means the Kentucky Economic Development Finance Authority
4 established by KRS 154.20-010;
- 5 (6) "Capital investment" means:
- 6 (a) Obligations incurred for labor and to contractors, subcontractors, builders, and
7 materialmen in connection with the acquisition, construction, installation,
8 equipping, and rehabilitation of a project;
- 9 (b) The cost of acquiring land or rights in land within the development area on the
10 footprint of the project, and any cost incident thereto, including recording
11 fees;
- 12 (c) The cost of contract bonds and of insurance of all kinds that may be required
13 or necessary during the course of acquisition, construction, installation,
14 equipping, and rehabilitation of a project which is not paid by the contractor
15 or contractors or otherwise provided;
- 16 (d) All costs of architectural and engineering services, including test borings,
17 surveys, estimates, plans, specifications, preliminary investigations,
18 supervision of construction, and the performance of all the duties required by
19 or consequent upon the acquisition, construction, installation, equipping, and
20 rehabilitation of a project;
- 21 (e) All costs that are required to be paid under the terms of any contract for the
22 acquisition, construction, installation, equipping, and rehabilitation of a
23 project; and
- 24 (f) All other costs of a nature comparable to those described in this subsection
25 that occur after preliminary approval;
- 26 (7) "City" means any city, consolidated local government, or urban-county
27 government;

- 1 (8) "Commencement date" means the final approval date or the date on which a tax
2 incentive agreement is executed;
- 3 (9) "Commonwealth" means the Commonwealth of Kentucky;
- 4 (10) "County" means any county, consolidated local government, charter county, unified
5 local government, or urban-county government;
- 6 (11) "CPI" means the nonseasonally adjusted Consumer Price Index for all urban
7 consumers, all items, base year computed for 1982 to 1984 equals one hundred
8 (100), published by the United States Department of Labor, Bureau of Labor
9 Statistics;
- 10 (12) "Department" means the Department of Revenue;
- 11 (13) "Development area" means an area established under KRS 65.7049, 65.7051, and
12 65.7053;
- 13 (14) "Economic development projects" means projects which are approved for tax
14 credits under Subchapter 20, 22, 23, 24, 25, 26, 27, 28, 34, or 48 of KRS Chapter
15 154;
- 16 (15) "Financing costs" means principal, interest, costs of issuance, debt service reserve
17 requirements, underwriting discount, costs of credit enhancement or liquidity
18 instruments, and other costs directly related to the issuance of bonds or debt for
19 approved public infrastructure costs or approved signature project costs for projects
20 approved pursuant to KRS 154.30-050;
- 21 (16) "Footprint" means the actual perimeter of a discrete, identified project within a
22 development area. The footprint shall not include any portion of a development area
23 outside the area for which actual capital investments are made and must be
24 contiguous;
- 25 (17) "Governing body" means the body possessing legislative authority in a city or
26 county;
- 27 (18) "Increment bonds" means bonds and notes issued for the purpose of paying the

1 costs of one (1) or more projects;

2 (19) "Incremental revenues" means:

3 (a) The amount of revenues received by a taxing district, as determined by
4 subtracting old revenues from new revenues in a calendar year with respect to
5 a development area, or a project within a development area; or

6 (b) The amount of revenues received by the Commonwealth as determined by
7 subtracting old revenues from new revenues in a calendar year with respect to
8 the footprint;

9 (20) "Local participation agreement" means the agreement entered into under KRS
10 65.7063;

11 (21) "Local tax revenues" has the same meaning as in KRS 65.7045;

12 (22) "Modified new revenues for income tax" means the amount of individual income
13 tax included in state tax revenues that is:

14 (a) The result of multiplying the portion of state tax revenues from individual
15 income taxes by the modifier;

16 (b) Used for calculating state tax revenues in calendar years 2023 ~~to 2026~~ and
17 ~~2024~~; and

18 (c) For projects approved prior to January 1, 2023;

19 (23) "Modifier" means the result of dividing the individual income tax rate of five
20 percent (5%), in effect as of December 31, 2022, by the individual income tax rate
21 under KRS 141.020 for the calendar year in which the new revenues for income tax
22 are being computed;

23 (24) "New revenues" means:

24 (a) The amount of local tax revenues received by a taxing district with respect to
25 a development area in any calendar year beginning with the year in which the
26 activation date occurred; and

27 (b) The amount of state tax revenues received by the Commonwealth with respect

1 to the footprint in any calendar year beginning with the year in which the
2 activation date occurred.

3 For projects approved prior to January 1, 2023, any state tax revenues received by
4 the Commonwealth from individual income tax shall be computed using modified
5 new revenues for income tax;

6 (25) "Old revenues" means:

7 (a) The amount of local tax revenues received by a taxing district with respect to
8 a development area as of December 31 of the year of preliminary approval; or

9 (b) 1. The amount of state tax revenues received by the Commonwealth within
10 the footprint as of December 31 of the year of preliminary approval. If
11 the authority determines that the amount of state tax revenues received
12 as of December 31 of the last calendar year prior to the commencement
13 of preliminary approval does not represent a true and accurate depiction
14 of revenues, the authority may consider revenues for a period of no
15 longer than three (3) calendar years prior to the year of preliminary
16 approval, so as to determine a fair representation of state tax revenues.
17 The amount determined by the authority shall be specified in the tax
18 incentive agreement. If state tax revenues were derived from the
19 footprint prior to the year of preliminary approval, old revenues shall
20 increase each calendar year by:

21 a. The percentage increase, if any, of the CPI or a comparable index;
22 or

23 b. An alternative percentage increase that is determined to be
24 appropriate by the authority.

25 The method for increasing old revenues shall be set forth in the tax
26 incentive agreement;

27 2. If state revenues were derived from the footprint prior to the year of

1 preliminary approval, the calculation of incremental revenues shall be
2 based on the value of old revenues as increased using the method
3 prescribed in subparagraph 1. of this paragraph to reflect the same
4 calendar year as is used in the determination of new revenues;

5 (26) "Outstanding" means increment bonds that have been issued, delivered, and paid
6 for by the purchaser, except any of the following:

7 (a) Increment bonds canceled upon surrender, exchange, or transfer, or upon
8 payment or redemption;

9 (b) Increment bonds in replacement of which or in exchange for which other
10 increment bonds have been issued; or

11 (c) Increment bonds for the payment, redemption, or purchase for cancellation
12 prior to maturity, of which sufficient moneys or investments, in accordance
13 with the ordinance or other proceedings or any applicable law, by mandatory
14 sinking fund redemption requirements, or otherwise, have been deposited, and
15 credited in a sinking fund or with a trustee or paying or escrow agent, whether
16 at or prior to their maturity or redemption, and, in the case of increment bonds
17 to be redeemed prior to their stated maturity, notice of redemption has been
18 given or satisfactory arrangements have been made for giving notice of that
19 redemption, or waiver of that notice by or on behalf of the affected bond
20 holders has been filed with the issuer or its agent;

21 (27) "Preliminary approval" means the action taken by the authority preliminarily
22 approving an eligible project for incentives under this subchapter;

23 (28) "Project" means any property, asset, or improvement located in a development area
24 and certified by the governing body as:

25 (a) Being for a public purpose; and

26 (b) Being for the development of facilities for residential, commercial, industrial,
27 public, recreational, or other uses, or for open space, including the

- 1 development, rehabilitation, renovation, installation, improvement,
2 enlargement, or extension of real estate and buildings; and
- 3 (c) Contributing to economic development or tourism; and
- 4 (d) Meeting the additional requirements established by KRS 154.30-040, 154.30-
5 050, or 154.30-060;
- 6 (29) "Signature project" means a project approved under KRS 154.30-050;
- 7 (30) "State real property ad valorem tax" means real property ad valorem taxes levied
8 under KRS 132.020(1)(a);
- 9 (31) "State tax revenues" means revenues received by the Commonwealth from one (1)
10 or more of the following sources:
- 11 (a) State real property ad valorem taxes;
- 12 (b) Individual income taxes levied under KRS 141.020, other than individual
13 income taxes that have already been pledged to support an economic
14 development project within the development area;
- 15 (c) Corporation income taxes levied under KRS 141.040, other than corporation
16 income taxes that have already been pledged to support an economic
17 development project within the development area;
- 18 (d) Limited liability entity taxes levied under KRS 141.0401, other than limited
19 liability entity taxes that have already been pledged to support an economic
20 development project within the development area; and
- 21 (e) Sales taxes levied under KRS 139.200, excluding sales taxes already pledged
22 for:
- 23 1. Approved tourism attraction projects, as defined in KRS 148.851, within
24 the development area; and
- 25 2. Projects which are approved for sales tax refunds under Subchapter 20
26 of KRS Chapter 154 within the development area;
- 27 (32) "Tax incentive agreement" means an agreement entered into in accordance with

1 KRS 154.30-070; and

2 (33) "Termination date" means:

3 (a) For a tax incentive agreement satisfying the requirements of KRS 154.30-040
4 or 154.30-060, a date established by the tax incentive agreement that is no
5 more than twenty (20) years from the activation date. However, the
6 termination date for a tax incentive agreement shall in no event be more than
7 forty (40) years from the establishment date of the development area to which
8 the tax incentive agreement relates; and

9 (b) For a project grant agreement satisfying the requirements of KRS 154.30-050,
10 a date established by the tax incentive agreement that is no more than thirty
11 (30) years from the activation date. However, the termination date for a tax
12 incentive agreement shall in no event be more than forty (40) years from the
13 establishment date of the development area to which the tax incentive
14 agreement relates.

15 ➔Section 30. KRS 186.162 is amended to read as follows:

16 (1) As used in this section and in KRS 186.043, 186.164, 186.166, 186.1722, and
17 186.174:

18 (a) "Special license plate" means a unique license plate issued under this chapter
19 to a group or organization that readily identifies the operator of the motor
20 vehicle or motorcycle bearing the plate as a member of a group or
21 organization, or a supporter of the work, goals, or mission of a group or
22 organization. The term shall not include regular license plates issued under
23 KRS 186.240;

24 (b) "Street rod" means a modernized private passenger motor vehicle
25 manufactured prior to the year 1949, or designed or manufactured to resemble
26 a vehicle manufactured prior to 1949;

27 (c) "SF" means the portion of an initial or renewal fee to obtain a special license

1 plate that is dedicated for use by the Transportation Cabinet;

2 (d) "CF" means the county clerk's fee for issuing a motor vehicle registration as
 3 established under KRS 186.040(1). If a CF amount is charged for a license
 4 plate listed in this section, the applicant for that plate shall also pay the fees
 5 identified in KRS 186.040(6). If a CF amount is not charged, the applicant
 6 shall not be required to pay those fees; and

7 (e) "EF" means the portion of an initial or renewal fee to obtain a special license
 8 plate that is mandated by this chapter to be dedicated for use by a particular
 9 group or organization.

10 (2) The initial purchase fee and renewal fee for a special license plate created under this
 11 chapter shall be as established in this subsection and includes the name of group or
 12 organization and the total initial and renewal fee required for the plate. The amount
 13 in parentheses indicates how the total fee is required to be divided:

14 (a) Disabled veterans who receive assistance to purchase a vehicle from the
 15 United States Department of Veterans' Affairs, veterans declared by the
 16 United States Department of Veterans' Affairs to be one hundred percent
 17 (100%) service-connected disabled, and recipients of the Congressional
 18 Medal of Honor:

19 1. Initial Fee: \$0 (\$0 SF/\$0 CF/\$0 EF).

20 2. Renewal Fee: \$0 (\$0 SF/\$0 CF/\$0 EF).

21 (b) Former prisoners of war and survivors of Pearl Harbor:

22 1. Initial Fee: \$23 (\$12 SF/\$6 CF/\$5 EF to the veterans'
 23 program trust fund established under KRS 40.460).

24 2. Renewal Fee: \$6 (\$0 SF/\$6 CF/\$0 EF).

25 (c) Members of the Kentucky National Guard and recipients of the Purple Heart:

26 1. Initial Fee: \$23 (\$12 SF/\$6 CF/\$5 EF to the veterans'
 27 program trust fund established under KRS 40.460).

- 1 1. Initial Fee for two plates: \$56 (\$50 SF/\$6 CF/\$0 EF).
- 2 2. Renewal Fee: Do not renew annually.
- 3 (h) Members of Congress:
- 4 1. Initial Fee: \$43 (\$37 SF/\$6 CF/\$0 EF).
- 5 2. Renewal Fee: \$23 (\$12 SF/\$6 CF/\$5 EF to the veterans'
- 6 program trust fund established under KRS 40.460).
- 7 (i) Firefighters:
- 8 1. Initial Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to the Kentucky
- 9 Firefighters Association).
- 10 2. Renewal Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to the Kentucky
- 11 Firefighters Association).
- 12 (j) Emergency management:
- 13 1. Initial Fee: \$31 (\$25 SF/\$6 CF/\$0 EF).
- 14 2. Renewal Fee: \$18 (\$12 SF/\$6 CF/\$0 EF).
- 15 (k) Fraternal Order of Police:
- 16 1. Initial Fee: \$41 (\$25 SF/\$6 CF/\$10 EF to the Kentucky
- 17 FOP Death Benefit Fund).
- 18 2. Renewal Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to the Kentucky
- 19 FOP Death Benefit Fund).
- 20 (l) Law Enforcement Memorial:
- 21 1. Initial Fee: \$41 (\$25 SF/\$6 CF/\$10 EF to the Kentucky
- 22 Law Enforcement Memorial Foundation, Inc.).
- 23 2. Renewal Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to the Kentucky
- 24 Law Enforcement Memorial Foundation, Inc.).
- 25 (m) Personalized plates:
- 26 1. Initial Fee: \$43 (\$37 SF/\$6 CF/\$0 EF).
- 27 2. Renewal Fee: \$43 (\$37 SF/\$6 CF/\$0 EF).

- 1 (n) Street rods:
- 2 1. Initial Fee: \$43 (\$37 SF/\$6 CF/\$0 EF).
- 3 2. Renewal Fee: \$18 (\$12 SF/\$6 CF/\$0 EF).
- 4 (o) Nature plates:
- 5 1. Initial Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to Kentucky
- 6 Heritage Land Conservation Fund established under KRS 146.570).
- 7 2. Renewal Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to Kentucky
- 8 Heritage Land Conservation Fund established under KRS 146.570).
- 9 (p) Amateur radio:
- 10 1. Initial Fee: \$43 (\$37 SF/\$6 CF/\$0 EF).
- 11 2. Renewal Fee: \$18 (\$12 SF/\$6 CF/\$0 EF).
- 12 (q) Kentucky General Assembly:
- 13 1. Initial Fee: \$43 (\$37 SF/\$6 CF/\$0 EF).
- 14 2. Renewal Fee: \$23 (\$12 SF/\$6 CF/\$5 EF to the veterans'
- 15 program trust fund established under KRS 40.460).
- 16 (r) Kentucky Court of Justice:
- 17 1. Initial Fee: \$43 (\$37 SF/\$6 CF/\$0 EF).
- 18 2. Renewal Fee: \$11 (\$0 SF/\$6 CF/\$5 EF to the veterans'
- 19 program trust fund established under KRS 40.460).
- 20 (s) Masons:
- 21 1. Initial Fee: \$41 (\$25 SF/\$6 CF/\$10 EF to the Masonic
- 22 Homes of Kentucky).
- 23 2. Renewal Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to the Masonic
- 24 Homes of Kentucky).
- 25 (t) Collegiate plates:
- 26 1. Initial Fee: \$53 (\$37 SF/\$6 CF/\$10 EF to the general
- 27 scholarship fund of the university whose name will be borne on the

1 plate).

2 2. Renewal Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to the general
3 scholarship fund of the university whose name will be borne on the
4 plate).

5 (u) Independent Colleges:

6 1. Initial Fee: \$41 (\$25 SF/\$6 CF/\$10 EF to the Association of
7 Independent Kentucky Colleges and Universities for distribution to the
8 general scholarship funds of the Association's members).

9 2. Renewal Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to the Association of
10 Independent Kentucky Colleges and Universities for distribution to the
11 general scholarship funds of the Association's members).

12 (v) Child Victims:

13 1. Initial Fee: \$41 (\$25 SF/\$6 CF/\$10 EF to the child victims'
14 trust fund established under KRS 41.400).

15 2. Renewal Fee: \$23 (\$12 SF/\$6 CF/\$5 EF to the child victims'
16 trust fund established under KRS 41.400).

17 (w) Kentucky Horse Council:

18 1. Initial Fee: \$41 (\$25 SF/\$6 CF/\$10 EF to the Kentucky
19 Horse Council).

20 2. Renewal Fee: \$23 (\$12 SF/\$6 CF/\$5 EF to the Kentucky
21 Horse Council).

22 (x) Ducks Unlimited:

23 1. Initial Fee: \$41 (\$25 SF/\$6 CF/\$10 EF to Kentucky Ducks
24 Unlimited).

25 2. Renewal Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to Kentucky Ducks
26 Unlimited).

27 (y) Spay neuter:

- 1 1. Initial Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to the animal control
2 and care fund established under KRS 258.119).
- 3 2. Renewal Fee: \$23 (\$12 SF/\$6 CF/\$5 EF to the animal control
4 and care fund established under KRS 258.119).
- 5 (z) Gold Star Mothers, Gold Star Fathers, or Gold Star Spouses:
- 6 1. Initial Fee: \$0 (\$0 SF/\$0 CF/ \$0 EF).
- 7 2. Renewal Fee: \$0 (\$0 SF/\$0 CF/ \$0 EF).
- 8 3. A person may receive a maximum of two (2) plates under this paragraph
9 free of charge and may purchase additional plates for fees as established
10 in subsection (2)(d) of this section.
- 11 (aa) I Support Veterans:
- 12 1. Initial Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to the Kentucky
13 Department of Veterans' Affairs).
- 14 2. Renewal Fee: \$23 (\$12 SF/\$6 CF/\$5 EF to the Kentucky
15 Department of Veterans' Affairs).
- 16 (ab) Gold Star Siblings, Gold Star Sons, or Gold Star Daughters:
- 17 1. Initial Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to the veterans'
18 program trust fund established under KRS 40.460).
- 19 2. Renewal Fee: \$23 (\$12 SF/\$6 CF/\$5 EF to the veterans'
20 program trust fund established under KRS 40.460).
- 21 (ac) POW/MIA Awareness:
- 22 1. Initial Fee: \$41 (\$25 SF/\$6 CF/\$10 EF to the veterans'
23 program trust fund established under KRS 40.460).
- 24 2. Renewal Fee: \$28 (\$12 SF/\$6 CF/\$10 EF to the veterans'
25 program trust fund established under KRS 40.460).
- 26 (ad) Special license plates established under KRS 186.164:
- 27 1. Initial Fee: \$41 (\$25 SF/\$6 CF/\$10 EF).

- 1 2. Renewal Fee: \$41 (\$25 SF/\$6 CF/\$10 EF).
- 2 (3) Any special license plate may be combined with a personalized license plate for a
3 twenty-five dollar (\$25) state fee in addition to all other fees for the particular
4 special license plate established in this section and in KRS 186.164(3). The twenty-
5 five dollar (\$25) fee required under this subsection shall be divided between the
6 cabinet and the county clerk of the county where the applicant is applying for the
7 license plate with the cabinet receiving twenty dollars (\$20) and the county clerk
8 receiving five dollars (\$5).
- 9 (4) (a) A sponsoring organization of any special license plate issued under this
10 section or any special license plate established under the provisions of KRS
11 186.164 may petition the cabinet for the production of that special license
12 plate for motorcycles.
- 13 (b) The cabinet shall make all of the special military license plates in this section
14 available for motorcycles owned or leased by eligible individuals.
- 15 (c) Owners and lessees of motorcycles registered under KRS 186.050(2) may be
16 eligible to receive special license plates approved by the cabinet under
17 paragraphs (a) and (b) of this subsection. Applicants for a special license plate
18 for a motorcycle shall be required to pay the fee for a special plate as
19 prescribed in this section or in KRS 186.164. The fee paid for the special plate
20 for a motorcycle shall be in lieu of the registration fee required under KRS
21 186.050(2).
- 22 **(5) The Transportation Cabinet shall:**
- 23 **(a) Identify the cost of issuing a child victims' trust fund special license plate**
24 **under subsection (2)(v) of this section; and**
- 25 **(b) Transfer any revenue received from the initial or renewal SF fee that is in**
26 **excess of the cost identified in paragraph (a) of this subsection to the child**
27 **victims' trust fund established under KRS 41,400.**

1 ➔Section 31. KRS 68.200 is amended to read as follows:

2 (1) As used in this section, unless the context clearly indicates otherwise:

3 (a) *"Designated city" means a city on the registry maintained by the*
4 *Department for Local Government under subsection (9) of this section;*

5 (b) *"Gross receipts" means the total consideration received for the charges*
6 *made to provide transportation network company services to a user,*
7 *including any charges for time or mileage, fees for using the services, and*
8 *any charges for any services necessary to complete the transaction made by*
9 *a transportation network company;*

10 (c) "Gross rental charge" has the same meaning as in KRS 138.462;

11 ~~(d)(b)~~ "Motor vehicle" has the same meaning as "vehicle" as defined in KRS
12 186.010(8)(a);

13 ~~(e)(c)~~ "Peer-to-peer car sharing" has the same meaning as in KRS 281.010;

14 ~~(f)(d)~~ "Peer-to-peer car sharing program" has the same meaning as in KRS
15 281.010;

16 ~~(g)(e)~~ "Peer-to-peer car sharing program agreement":

17 1. Means the terms and conditions applicable to a shared vehicle owner
18 and a shared vehicle driver that govern the use of a shared vehicle
19 through a peer-to-peer car sharing program; and

20 2. Does not include rental or lease agreements entered into with persons
21 operating under a U-Drive-It certificate as defined in KRS 281.010;

22 ~~(h)(f)~~ "Shared vehicle driver" has the same meaning as in KRS 281.010;

23 ~~(i)(g)~~ "Transportation network company" has the same meaning as in KRS
24 281.010;

25 ~~(j)(h)~~ "Transportation network company service" has the same meaning as in
26 KRS 281.010; and

27 ~~(k)(i)~~ "U-Drive-It" has the same meaning as in KRS 281.010.

- 1 (2) A county containing a designated city, consolidated local government, or urban-
2 county government may levy a license fee on a:
- 3 (a) U-Drive-It;
4 (b) Peer-to-peer car sharing program; and
5 (c) Transportation network company.
- 6 (3) The license fee shall not exceed three percent (3%) of the ~~gross rental charges~~
7 ~~from~~:
- 8 (a) **Gross rental charges from** rental agreements for periods of thirty (30) days or
9 less by a:
- 10 1. U-Drive-It; or
11 2. Peer-to-peer car sharing program; or
- 12 (b) **Gross receipts derived from** the provision of transportation network company
13 services by a transportation network company.
- 14 (4) The license fee shall not apply to a U-Drive-It who receives less than seventy-five
15 percent (75%) of its gross revenues generated in the county from gross rental
16 charges.
- 17 (5) Any license fee levied pursuant to this subsection shall be collected by a:
- 18 (a) U-Drive-It from the renters of the motor vehicles;
19 (b) Peer-to-peer car sharing program from the shared vehicle driver; and
20 (c) Transportation network company from the purchaser of the transportation
21 network company services.
- 22 (6) Revenues from rental of motor vehicles shall not be included in the gross rental
23 charges on which the license fee is based if:
- 24 (a) The declared gross weight of the motor vehicle exceeds eleven thousand
25 (11,000) pounds; or
26 (b) The rental is part of the services provided by a funeral director for a funeral.
- 27 (7) A fiscal court or the legislative body of an urban-county government shall provide

1 for collection of the license fee in the ordinance by which the license fee is levied.
 2 The revenues shall be deposited in an account to be known as the motor vehicle
 3 license fee account. The revenues may be shared among local governments
 4 pursuant to KRS 65.210 to 65.300.

5 (8) The county shall use the proceeds of the license fee for economic development
 6 activities. It shall distribute semiannually, by June 30 and December 31, all
 7 revenues not shared pursuant to KRS 65.210 to 65.300, to one (1) or more of the
 8 following entities if it has established, or contracted with, the entity for the purposes
 9 of economic development and is satisfied that the entity is promoting satisfactorily
 10 the county's economic development activities:

- 11 (a) A riverport authority established by the county pursuant to KRS 65.520; or
- 12 (b) An industrial development authority established by the county pursuant to
 13 KRS 154.50-316; or
- 14 (c) A nonprofit corporation as defined in KRS 273.161(4) which has been
 15 organized for the purpose of promoting economic development.

16 The entity shall make a written request for funds from the motor vehicle license fee
 17 account by May 31 and November 30, respectively.

18 (9) ~~[(a) As used in this section, "designated city" means a city on the registry~~
 19 ~~maintained by the Department for Local Government under this subsection.~~

20 ~~(b) On or before January 1, 2015,]~~The Department for Local Government shall
 21 create and maintain a registry of cities that, as of August 1, 2014, were
 22 classified as cities of the first, second, and third class. The Department for
 23 Local Government shall make the information included on the registry
 24 available to the public by publishing it on its website~~[Web site]~~.

25 ➔Section 32. KRS 224.50-868 is amended to read as follows:

26 (1) As used in this section:

27 (a) "Motor vehicle" means every vehicle intended primarily for use and operation

1 on the public highways that is self-propelled, including a low-speed motor
2 vehicle as defined in KRS 186.010;

3 (b) "Semitrailer" means any vehicle:

4 1. Designed:

5 a. As temporary living quarters for recreation, camping, or travel; or

6 b. For carrying persons or property;

7 2. Designed for being drawn by a motor vehicle; and

8 3. Constructed that:

9 a. Some part of its weight; or

10 b. Some part of its load;

11 rests upon or is carried by another vehicle; and

12 (c) "Trailer" means any vehicle:

13 1. Designed:

14 a. As temporary living quarters for recreation, camping, or travel; or

15 b. For carrying persons or property;

16 2. Designed for being drawn by a motor vehicle; and

17 3. Constructed that:

18 a. No part of its weight; and

19 b. No part of its load;

20 rests upon or is carried by another vehicle.

21 (2) (a) 1. Prior to July 1, 2018, a person purchasing a new motor vehicle tire in
22 Kentucky shall pay to the retailer a one dollar (\$1) fee at the time of the
23 purchase of that tire. The fee shall not be subject to the Kentucky sales
24 tax.

25 2. Beginning July 1, 2018, but prior to July 1, 2020, a fee is hereby
26 imposed upon a retailer at the rate of two dollars (\$2) for each new
27 motor vehicle tire sold in Kentucky. The fee shall be subject to the

1 Kentucky sales tax.

2 3. Beginning July 1, 2020, but prior to July 1, ~~2026~~[2024], a fee is hereby
3 imposed upon a retailer at the rate of two dollars (\$2) for each new
4 motor vehicle, trailer, or semitrailer tire sold in Kentucky. The fee shall
5 be subject to the Kentucky sales tax.

6 4. A retailer may pass the fee imposed by this paragraph on to the
7 purchaser of the new tire.

8 (b) 1. A new tire is a tire that has never been placed on a motor vehicle, trailer,
9 or semitrailer wheel rim.

10 2. A new tire is not a tire placed on a motor vehicle, trailer, or semitrailer
11 prior to its original retail sale or a recapped tire.

12 (3) When a retailer sells a new motor vehicle tire in Kentucky to replace another tire,
13 the tire that is replaced becomes a waste tire subject to the waste tire program. The
14 retailer shall encourage the purchaser of the new tire to leave the waste tire with the
15 retailer or meet the following requirements:

16 (a) Dispose of the waste tire in accordance with KRS 224.50-856(1);

17 (b) Deliver the waste tire to a person registered in accordance with the waste tire
18 program; or

19 (c) Reuse the waste tire for its original intended purpose or an agricultural
20 purpose.

21 (4) (a) A retailer shall report to the Department of Revenue on or before the
22 twentieth day of each month the number of new motor vehicle tires sold
23 during the preceding month and the number of waste tires received from
24 customers that month.

25 (b) The report shall be filed on forms and contain information as the Department
26 of Revenue may require.

27 (c) The retailer shall be allowed to retain an amount equal to five percent (5%) of

1 the fees due, provided the amount due is not delinquent at the time of
2 payment.

3 (5) A retailer shall:

4 (a) Accept from the purchaser of a new tire, if offered, for each new motor
5 vehicle tire sold, a waste tire of similar size and type; and

6 (b) Post notice at the place where retail sales are made that state law requires:

7 1. The retailer to accept, if offered, a waste tire for each new motor vehicle
8 tire sold and that a person purchasing a new motor vehicle tire to replace
9 another tire shall comply with subsection (3) of this section; and

10 2. The two dollar (\$2) new tire fee is used by the state to oversee the
11 management of waste tires, including cleaning up abandoned waste tire
12 piles and preventing illegal dumping of waste tires.

13 (6) A retailer shall comply with the requirements of the recordkeeping system for waste
14 tires established by KRS 224.50-874.

15 (7) A retailer shall transfer waste tires only to a person who presents a letter from the
16 cabinet approving the registration issued under KRS 224.50-858 or a copy of a solid
17 waste disposal facility permit issued by the cabinet, unless the retailer is delivering
18 the waste tires to a destination outside Kentucky and the waste tires will remain in
19 the retailer's possession until they reach that destination.

20 (8) The cabinet shall, in conjunction with the Waste Tire Working Group, develop the
21 informational fact sheet to be made publicly available on the cabinet's ~~website~~^{web}
22 ~~site~~ and available in print upon request. The fact sheet shall identify ways to
23 properly dispose of the waste tire and present information on the problems caused
24 by improper waste tire disposal.

25 ➔Section 33. KRS 139.480 (Effective until January 1, 2025) is amended to read
26 as follows:

27 Any other provision of this chapter to the contrary notwithstanding, the terms "sale at

1 retail," "retail sale," "use," "storage," and "consumption," as used in this chapter, shall not
2 include the sale, use, storage, or other consumption of:

3 (1) Locomotives or rolling stock, including materials for the construction, repair, or
4 modification thereof, or fuel or supplies for the direct operation of locomotives and
5 trains, used or to be used in interstate commerce;

6 (2) Coal for the manufacture of electricity;

7 (3) (a) All energy or energy-producing fuels used in the course of manufacturing,
8 processing, mining, or refining and any related distribution, transmission, and
9 transportation services for this energy that are billed to the user, to the extent
10 that the cost of the energy or energy-producing fuels used, and related
11 distribution, transmission, and transportation services for this energy that are
12 billed to the user exceed three percent (3%) of the cost of production.

13 (b) Cost of production shall be computed on the basis of a plant facility, which
14 shall include all operations within the continuous, unbroken, integrated
15 manufacturing or industrial processing process that ends with a product
16 packaged and ready for sale.

17 (c) A person who performs a manufacturing or industrial processing activity for a
18 fee and does not take ownership of the tangible personal property that is
19 incorporated into, or becomes the product of, the manufacturing or industrial
20 processing activity is a toller. For periods on or after July 1, 2018, the costs of
21 the tangible personal property shall be excluded from the toller's cost of
22 production at a plant facility with tolling operations in place as of July 1,
23 2018.

24 (d) For plant facilities that begin tolling operations after July 1, 2018, the costs of
25 tangible personal property shall be excluded from the toller's cost of
26 production if the toller:

27 1. Maintains a binding contract for periods after July 1, 2018, that governs

- 1 the terms, conditions, and responsibilities with a separate legal entity,
2 which holds title to the tangible personal property that is incorporated
3 into, or becomes the product of, the manufacturing or industrial
4 processing activity;
- 5 2. Maintains accounting records that show the expenses it incurs to fulfill
6 the binding contract that include but are not limited to energy or energy-
7 producing fuels, materials, labor, procurement, depreciation,
8 maintenance, taxes, administration, and office expenses;
- 9 3. Maintains separate payroll, bank accounts, tax returns, and other records
10 that demonstrate its independent operations in the performance of its
11 tolling responsibilities;
- 12 4. Demonstrates one (1) or more substantial business purposes for the
13 tolling operations germane to the overall manufacturing, industrial
14 processing activities, or corporate structure at the plant facility. A
15 business purpose is a purpose other than the reduction of sales tax
16 liability for the purchases of energy and energy-producing fuels; and
- 17 5. Provides information to the department upon request that documents
18 fulfillment of the requirements in subparagraphs 1. to 4. of this
19 paragraph and gives an overview of its tolling operations with an
20 explanation of how the tolling operations relate and connect with all
21 other manufacturing or industrial processing activities occurring at the
22 plant facility;
- 23 (4) Livestock of a kind the products of which ordinarily constitute food for human
24 consumption, provided the sales are made for breeding or dairy purposes and by or
25 to a person regularly engaged in the business of farming;
- 26 (5) Poultry for use in breeding or egg production;
- 27 (6) Farm work stock for use in farming operations;

- 1 (7) Seeds, the products of which ordinarily constitute food for human consumption or
2 are to be sold in the regular course of business, and commercial fertilizer to be
3 applied on land, the products from which are to be used for food for human
4 consumption or are to be sold in the regular course of business; provided ~~the~~^[such]
5 sales are made to farmers who are regularly engaged in the occupation of tilling and
6 cultivating the soil for the production of crops as a business, or who are regularly
7 engaged in the occupation of raising and feeding livestock or poultry or producing
8 milk for sale; and provided further that tangible personal property so sold is to be
9 used only by those persons designated above who are so purchasing;
- 10 (8) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals to be
11 used in the production of crops as a business, or in the raising and feeding of
12 livestock or poultry, the products of which ordinarily constitute food for human
13 consumption;
- 14 (9) Feed, including pre-mixes and feed additives, for livestock or poultry of a kind the
15 products of which ordinarily constitute food for human consumption;
- 16 (10) Machinery for new and expanded industry;
- 17 (11) Farm machinery. As used in this section, the term "farm machinery":
- 18 (a) Means machinery used exclusively and directly in the occupation of:
- 19 1. Tilling the soil for the production of crops as a business;
- 20 2. Raising and feeding livestock or poultry for sale; or
- 21 3. Producing milk for sale;
- 22 (b) Includes machinery, attachments, and replacements therefor, repair parts, and
23 replacement parts which are used or manufactured for use on, or in the
24 operation of farm machinery and which are necessary to the operation of the
25 machinery, and are customarily so used, including but not limited to combine
26 header wagons, combine header trailers, or any other implements specifically
27 designed and used to move or transport a combine head; and

- 1 (c) Does not include:
- 2 1. Automobiles;
- 3 2. Trucks;
- 4 3. Trailers, except combine header trailers; or
- 5 4. Truck-trailer combinations;
- 6 (12) Tombstones and other memorial grave markers;
- 7 (13) On-farm facilities used exclusively for grain or soybean storing, drying, processing,
- 8 or handling. The exemption applies to the equipment, machinery, attachments,
- 9 repair and replacement parts, and any materials incorporated into the construction,
- 10 renovation, or repair of the facilities;
- 11 (14) On-farm facilities used exclusively for raising poultry or livestock. The exemption
- 12 shall apply to the equipment, machinery, attachments, repair and replacement parts,
- 13 and any materials incorporated into the construction, renovation, or repair of the
- 14 facilities. The exemption shall apply but not be limited to vent board equipment,
- 15 waterer and feeding systems, brooding systems, ventilation systems, alarm systems,
- 16 and curtain systems. In addition, the exemption shall apply whether or not the seller
- 17 is under contract to deliver, assemble, and incorporate into real estate the
- 18 equipment, machinery, attachments, repair and replacement parts, and any materials
- 19 incorporated into the construction, renovation, or repair of the facilities;
- 20 (15) Gasoline, special fuels, liquefied petroleum gas, and natural gas used exclusively
- 21 and directly to:
- 22 (a) Operate farm machinery as defined in subsection (11) of this section;
- 23 (b) Operate on-farm grain or soybean drying facilities as defined in subsection
- 24 (13) of this section;
- 25 (c) Operate on-farm poultry or livestock facilities defined in subsection (14) of
- 26 this section;
- 27 (d) Operate on-farm ratite facilities defined in subsection (23) of this section;

- 1 (e) Operate on-farm llama or alpaca facilities as defined in subsection (25) of this
2 section; or
- 3 (f) Operate on-farm dairy facilities;
- 4 (16) Textbooks, including related workbooks and other course materials, purchased for
5 use in a course of study conducted by an institution which qualifies as a nonprofit
6 educational institution under KRS 139.495. The term "course materials" means only
7 those items specifically required of all students for a particular course but shall not
8 include notebooks, paper, pencils, calculators, tape recorders, or similar student
9 aids;
- 10 (17) Any property which has been certified as an alcohol production facility as defined
11 in KRS 247.910;
- 12 (18) Aircraft, repair and replacement parts therefor, and supplies, except fuel, for the
13 direct operation of aircraft in interstate commerce and used exclusively for the
14 conveyance of property or passengers for hire. Nominal intrastate use shall not
15 subject the property to the taxes imposed by this chapter;
- 16 (19) Any property which has been certified as a fluidized bed energy production facility
17 as defined in KRS 211.390;
- 18 (20) (a) 1. Any property to be incorporated into the construction, rebuilding,
19 modification, or expansion of a blast furnace or any of its components or
20 appurtenant equipment or structures as part of an approved supplemental
21 project, as defined by KRS 154.26-010; and
- 22 2. Materials, supplies, and repair or replacement parts purchased for use in
23 the operation and maintenance of a blast furnace and related carbon
24 steel-making operations as part of an approved supplemental project, as
25 defined by KRS 154.26-010.
- 26 (b) The exemptions provided in this subsection shall be effective for sales made:
27 1. On and after July 1, 2018; and

- 1 2. During the term of a supplemental project agreement entered into
2 pursuant to KRS 154.26-090;
- 3 (21) Beginning on October 1, 1986, food or food products purchased for human
4 consumption with food coupons issued by the United States Department of
5 Agriculture pursuant to the Food Stamp Act of 1977, as amended, and required to
6 be exempted by the Food Security Act of 1985 in order for the Commonwealth to
7 continue participation in the federal food stamp program;
- 8 (22) Machinery or equipment purchased or leased by a business, industry, or
9 organization in order to collect, source separate, compress, bale, shred, or otherwise
10 handle waste materials if the machinery or equipment is primarily used for
11 recycling purposes;
- 12 (23) Ratite birds and eggs to be used in an agricultural pursuit for the breeding and
13 production of ratite birds, feathers, hides, breeding stock, eggs, meat, and ratite by-
14 products, and the following items used in this agricultural pursuit:
- 15 (a) Feed and feed additives;
- 16 (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
17 and
- 18 (c) On-farm facilities, including equipment, machinery, attachments, repair and
19 replacement parts, and any materials incorporated into the construction,
20 renovation, or repair of the facilities. The exemption shall apply to incubation
21 systems, egg processing equipment, waterer and feeding systems, brooding
22 systems, ventilation systems, alarm systems, and curtain systems. In addition,
23 the exemption shall apply whether or not the seller is under contract to
24 deliver, assemble, and incorporate into real estate the equipment, machinery,
25 attachments, repair and replacement parts, and any materials incorporated into
26 the construction, renovation, or repair of the facilities;
- 27 (24) Embryos and semen that are used in the reproduction of livestock, if the products of

1 these embryos and semen ordinarily constitute food for human consumption, and if
2 the sale is made to a person engaged in the business of farming;

3 (25) Llamas and alpacas to be used as beasts of burden or in an agricultural pursuit for
4 the breeding and production of hides, breeding stock, fiber and wool products,
5 meat, and llama and alpaca by-products, and the following items used in this
6 pursuit:

7 (a) Feed and feed additives;

8 (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
9 and

10 (c) On-farm facilities, including equipment, machinery, attachments, repair and
11 replacement parts, and any materials incorporated into the construction,
12 renovation, or repair of the facilities. The exemption shall apply to waterer
13 and feeding systems, ventilation systems, and alarm systems. In addition, the
14 exemption shall apply whether or not the seller is under contract to deliver,
15 assemble, and incorporate into real estate the equipment, machinery,
16 attachments, repair and replacement parts, and any materials incorporated into
17 the construction, renovation, or repair of the facilities;

18 (26) Baling twine and baling wire for the baling of hay and straw;

19 (27) Water sold to a person regularly engaged in the business of farming and used in the:

20 (a) Production of crops;

21 (b) Production of milk for sale; or

22 (c) Raising and feeding of:

23 1. Livestock or poultry, the products of which ordinarily constitute food
24 for human consumption; or

25 2. Ratites, llamas, alpacas, buffalo, cervids or aquatic organisms;

26 (28) Buffalos to be used as beasts of burden or in an agricultural pursuit for the
27 production of hides, breeding stock, meat, and buffalo by-products, and the

1 following items used in this pursuit:

2 (a) Feed and feed additives;

3 (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
4 and

5 (c) On-farm facilities, including equipment, machinery, attachments, repair and
6 replacement parts, and any materials incorporated into the construction,
7 renovation, or repair of the facilities. The exemption shall apply to waterer
8 and feeding systems, ventilation systems, and alarm systems. In addition, the
9 exemption shall apply whether or not the seller is under contract to deliver,
10 assemble, and incorporate into real estate the equipment, machinery,
11 attachments, repair and replacement parts, and any materials incorporated into
12 the construction, renovation, or repair of the facilities;

13 (29) Aquatic organisms sold directly to or raised by a person regularly engaged in the
14 business of producing products of aquaculture, as defined in KRS 260.960, for sale,
15 and the following items used in this pursuit:

16 (a) Feed and feed additives;

17 (b) Water;

18 (c) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
19 and

20 (d) On-farm facilities, including equipment, machinery, attachments, repair and
21 replacement parts, and any materials incorporated into the construction,
22 renovation, or repair of the facilities and, any gasoline, special fuels, liquefied
23 petroleum gas, or natural gas used to operate the facilities. The exemption
24 shall apply, but not be limited to: waterer and feeding systems; ventilation,
25 aeration, and heating systems; processing and storage systems; production
26 systems such as ponds, tanks, and raceways; harvest and transport equipment
27 and systems; and alarm systems. In addition, the exemption shall apply

1 whether or not the seller is under contract to deliver, assemble, and
2 incorporate into real estate the equipment, machinery, attachments, repair and
3 replacement parts, and any materials incorporated into the construction,
4 renovation, or repair of the facilities;

5 (30) Members of the genus cervidae permitted by KRS Chapter 150 that are used for the
6 production of hides, breeding stock, meat, and cervid by-products, and the
7 following items used in this pursuit:

- 8 (a) Feed and feed additives;
- 9 (b) Insecticides, fungicides, herbicides, rodenticides, and other chemicals; and
- 10 (c) On-site facilities, including equipment, machinery, attachments, repair and
11 replacement parts, and any materials incorporated into the construction,
12 renovation, or repair of the facilities. In addition, the exemption shall apply
13 whether or not the seller is under contract to deliver, assemble, and
14 incorporate into real estate the equipment, machinery, attachments, repair and
15 replacement parts, and any materials incorporated into the construction,
16 renovation, or repair of the facilities;

17 (31) (a) Repair or replacement parts for the direct operation or maintenance of a motor
18 vehicle, including any towed unit, used exclusively in interstate commerce for
19 the conveyance of property or passengers for hire, provided the motor vehicle
20 is licensed for use on the highway and its declared gross vehicle weight with
21 any towed unit is forty-four thousand and one (44,001) pounds or greater.
22 Nominal intrastate use shall not subject the property to the taxes imposed by
23 this chapter; and

24 (b) Repair or replacement parts for the direct operation and maintenance of a
25 motor vehicle operating under a charter bus certificate issued by the
26 Transportation Cabinet under KRS Chapter 281, or under similar authority
27 granted by the United States Department of Transportation.

- 1 (c) For the purposes of this subsection, "repair or replacement parts" means tires,
2 brakes, engines, transmissions, drive trains, chassis, body parts, and their
3 components. "Repair or replacement parts" shall not include fuel, machine
4 oils, hydraulic fluid, brake fluid, grease, supplies, or accessories not essential
5 to the operation of the motor vehicle itself, except when sold as part of the
6 assembled unit, such as cigarette lighters, radios, lighting fixtures not
7 otherwise required by the manufacturer for operation of the vehicle, or tool or
8 utility boxes;
- 9 (32) Food donated by a retail food establishment or any other entity regulated under
10 KRS 217.127 to a nonprofit organization for distribution to the needy;
- 11 (33) Drugs and over-the counter drugs, as defined in KRS 139.472, that are purchased
12 by a person regularly engaged in the business of farming and used in the treatment
13 of cattle, sheep, goats, swine, poultry, ratite birds, llamas, alpacas, buffalo, aquatic
14 organisms, or cervids;
- 15 (34) (a) Building materials, fixtures, or supplies purchased by a construction
16 contractor if:
- 17 1. Fulfilled by a construction contract for a sewer or water project with:
- 18 a. A municipally owned water utility organized under KRS Chapter
19 96;
- 20 b. A water district or water commission formed or organized under
21 KRS Chapter 74;
- 22 c. A sanitation district established under KRS Chapter 220 or formed
23 pursuant to KRS Chapter 65;
- 24 d. A nonprofit corporation created under KRS 58.180 to act on behalf
25 of a governmental agency in the acquisition and financing of
26 public projects;
- 27 e. Regional wastewater commissions formed under KRS Chapter

1 278;

2 f. A municipally owned joint sewer agency formed under KRS
3 Chapter 76; or

4 g. Any other governmental agency; and

5 2. The building materials, fixtures, or supplies:

6 a. Will be permanently incorporated into a structure or improvement
7 to real property, or will be completely consumed, in fulfilling a
8 construction contract for the purpose of furnishing water or sewer
9 services to the general public; and

10 b. Would be exempt if purchased directly by the entities listed in
11 subparagraph 1. of this paragraph.

12 (b) As used in this subsection, "construction contract" means a:

13 1. Lump sum contract;

14 2. Cost plus contract;

15 3. Materials only contract;

16 4. Labor and materials contract; or

17 5. Any other type of contract.

18 (c) The exemption provided in this subsection shall apply without regard to the
19 payment arrangement between the construction contractor, the retailer, and
20 the entities listed in paragraph (a)1. of this subsection or to the place of
21 delivery for the building materials, fixtures, or supplies;

22 (35) (a) On or after February 25, 2022, the rental of space for meetings, conventions,
23 short-term business uses, entertainment events, weddings, banquets, parties,
24 and other short-term social events, as referenced in KRS 139.200, if the tax
25 established in KRS 139.200 is paid by the primary lessee to the lessor.

26 (b) For the purpose of this subsection, "primary lessee" means the person who
27 leases the space and who has a contract with the lessor of the space only if:

- 1 1. The contract between the lessor and the lessee specifies that the lessee
2 may sublease, subrent, or otherwise sell the space; and
- 3 2. The space is then sublet, subrented, or otherwise sold to exhibitors,
4 vendors, sponsors, or other entities and persons who will use the space
5 associated with the event to be conducted under the primary lease;~~and~~
- 6 (36) Prewritten computer software access services sold to or purchased by a retailer that
7 develops prewritten computer software for print technology and uses and sells
8 prewritten computer software access services for print technology; **and**

9 **(37) (a) Currency or bullion.**

10 **(b) As used in this subsection:**

11 **1. "Bullion":**

12 **a. Means bars, ingots, or coins, which are:**

13 **i. Made of gold, silver, platinum, palladium, or a**
14 **combination of these metals;**

15 **ii. Valued based on the content of the metal and not its form;**
16 **and**

17 **iii. Used, or have been used, as a medium of exchange,**
18 **security, or commodity by any state, the United States**
19 **government, or a foreign nation; and**

20 **b. Does not include medallions or coins that are incorporated into a**
21 **pendant or other jewelry; and**

22 **2. "Currency":**

23 **a. Means a coin or currency made of gold, silver, platinum,**
24 **palladium, or other metal or paper money that is or has been**
25 **used as legal tender and is sold based on its value as a collectible**
26 **item rather than the value as a medium of exchange; and**

27 **b. Does not include a coin or currency that has been incorporated**

- 1 (d) For plant facilities that begin tolling operations after July 1, 2018, the costs of
2 tangible personal property shall be excluded from the toller's cost of
3 production if the toller:
- 4 1. Maintains a binding contract for periods after July 1, 2018, that governs
5 the terms, conditions, and responsibilities with a separate legal entity,
6 which holds title to the tangible personal property that is incorporated
7 into, or becomes the product of, the manufacturing or industrial
8 processing activity;
 - 9 2. Maintains accounting records that show the expenses it incurs to fulfill
10 the binding contract that include but are not limited to energy or energy-
11 producing fuels, materials, labor, procurement, depreciation,
12 maintenance, taxes, administration, and office expenses;
 - 13 3. Maintains separate payroll, bank accounts, tax returns, and other records
14 that demonstrate its independent operations in the performance of its
15 tolling responsibilities;
 - 16 4. Demonstrates one (1) or more substantial business purposes for the
17 tolling operations germane to the overall manufacturing, industrial
18 processing activities, or corporate structure at the plant facility. A
19 business purpose is a purpose other than the reduction of sales tax
20 liability for the purchases of energy and energy-producing fuels; and
 - 21 5. Provides information to the department upon request that documents
22 fulfillment of the requirements in subparagraphs 1. to 4. of this
23 paragraph and gives an overview of its tolling operations with an
24 explanation of how the tolling operations relate and connect with all
25 other manufacturing or industrial processing activities occurring at the
26 plant facility;
- 27 (4) Livestock of a kind the products of which ordinarily constitute food for human

- 1 consumption, provided the sales are made for breeding or dairy purposes and by or
2 to a person regularly engaged in the business of farming;
- 3 (5) Poultry for use in breeding or egg production;
- 4 (6) Farm work stock for use in farming operations;
- 5 (7) Seeds, the products of which ordinarily constitute food for human consumption or
6 are to be sold in the regular course of business, and commercial fertilizer to be
7 applied on land, the products from which are to be used for food for human
8 consumption or are to be sold in the regular course of business; provided ~~the~~^[such]
9 sales are made to farmers who are regularly engaged in the occupation of tilling and
10 cultivating the soil for the production of crops as a business, or who are regularly
11 engaged in the occupation of raising and feeding livestock or poultry or producing
12 milk for sale; and provided further that tangible personal property so sold is to be
13 used only by those persons designated above who are so purchasing;
- 14 (8) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals to be
15 used in the production of crops as a business, or in the raising and feeding of
16 livestock or poultry, the products of which ordinarily constitute food for human
17 consumption;
- 18 (9) Feed, including pre-mixes and feed additives, for livestock or poultry of a kind the
19 products of which ordinarily constitute food for human consumption;
- 20 (10) Machinery for new and expanded industry;
- 21 (11) Farm machinery. As used in this section, the term "farm machinery":
- 22 (a) Means machinery used exclusively and directly in the occupation of:
- 23 1. Tilling the soil for the production of crops as a business;
- 24 2. Raising and feeding livestock or poultry for sale; or
- 25 3. Producing milk for sale;
- 26 (b) Includes machinery, attachments, and replacements therefor, repair parts, and
27 replacement parts which are used or manufactured for use on, or in the

1 operation of farm machinery and which are necessary to the operation of the
2 machinery, and are customarily so used, including but not limited to combine
3 header wagons, combine header trailers, or any other implements specifically
4 designed and used to move or transport a combine head; and

5 (c) Does not include:

- 6 1. Automobiles;
- 7 2. Trucks;
- 8 3. Trailers, except combine header trailers; or
- 9 4. Truck-trailer combinations;

10 (12) Tombstones and other memorial grave markers;

11 (13) On-farm facilities used exclusively for grain or soybean storing, drying, processing,
12 or handling. The exemption applies to the equipment, machinery, attachments,
13 repair and replacement parts, and any materials incorporated into the construction,
14 renovation, or repair of the facilities;

15 (14) On-farm facilities used exclusively for raising poultry or livestock. The exemption
16 shall apply to the equipment, machinery, attachments, repair and replacement parts,
17 and any materials incorporated into the construction, renovation, or repair of the
18 facilities. The exemption shall apply but not be limited to vent board equipment,
19 waterer and feeding systems, brooding systems, ventilation systems, alarm systems,
20 and curtain systems. In addition, the exemption shall apply whether or not the seller
21 is under contract to deliver, assemble, and incorporate into real estate the
22 equipment, machinery, attachments, repair and replacement parts, and any materials
23 incorporated into the construction, renovation, or repair of the facilities;

24 (15) Gasoline, special fuels, liquefied petroleum gas, and natural gas used exclusively
25 and directly to:

26 (a) Operate farm machinery as defined in subsection (11) of this section;

27 (b) Operate on-farm grain or soybean drying facilities as defined in subsection

- 1 (13) of this section;
- 2 (c) Operate on-farm poultry or livestock facilities defined in subsection (14) of
3 this section;
- 4 (d) Operate on-farm ratite facilities defined in subsection (23) of this section;
- 5 (e) Operate on-farm llama or alpaca facilities as defined in subsection (25) of this
6 section; or
- 7 (f) Operate on-farm dairy facilities;
- 8 (16) Textbooks, including related workbooks and other course materials, purchased for
9 use in a course of study conducted by an institution which qualifies as a nonprofit
10 educational institution under KRS 139.495. The term "course materials" means only
11 those items specifically required of all students for a particular course but shall not
12 include notebooks, paper, pencils, calculators, tape recorders, or similar student
13 aids;
- 14 (17) Any property which has been certified as an alcohol production facility as defined
15 in KRS 247.910;
- 16 (18) Aircraft, repair and replacement parts therefor, and supplies, except fuel, for the
17 direct operation of aircraft in interstate commerce and used exclusively for the
18 conveyance of property or passengers for hire. Nominal intrastate use shall not
19 subject the property to the taxes imposed by this chapter;
- 20 (19) Any property which has been certified as a fluidized bed energy production facility
21 as defined in KRS 211.390;
- 22 (20) (a) 1. Any property to be incorporated into the construction, rebuilding,
23 modification, or expansion of a blast furnace or any of its components or
24 appurtenant equipment or structures as part of an approved supplemental
25 project, as defined by KRS 154.26-010; and
- 26 2. Materials, supplies, and repair or replacement parts purchased for use in
27 the operation and maintenance of a blast furnace and related carbon

1 steel-making operations as part of an approved supplemental project, as
2 defined by KRS 154.26-010.

3 (b) The exemptions provided in this subsection shall be effective for sales made:

4 1. On and after July 1, 2018; and

5 2. During the term of a supplemental project agreement entered into
6 pursuant to KRS 154.26-090;

7 (21) Beginning on October 1, 1986, food or food products purchased for human
8 consumption with food coupons issued by the United States Department of
9 Agriculture pursuant to the Food Stamp Act of 1977, as amended, and required to
10 be exempted by the Food Security Act of 1985 in order for the Commonwealth to
11 continue participation in the federal food stamp program;

12 (22) Machinery or equipment purchased or leased by a business, industry, or
13 organization in order to collect, source separate, compress, bale, shred, or otherwise
14 handle waste materials if the machinery or equipment is primarily used for
15 recycling purposes;

16 (23) Ratite birds and eggs to be used in an agricultural pursuit for the breeding and
17 production of ratite birds, feathers, hides, breeding stock, eggs, meat, and ratite by-
18 products, and the following items used in this agricultural pursuit:

19 (a) Feed and feed additives;

20 (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
21 and

22 (c) On-farm facilities, including equipment, machinery, attachments, repair and
23 replacement parts, and any materials incorporated into the construction,
24 renovation, or repair of the facilities. The exemption shall apply to incubation
25 systems, egg processing equipment, waterer and feeding systems, brooding
26 systems, ventilation systems, alarm systems, and curtain systems. In addition,
27 the exemption shall apply whether or not the seller is under contract to

- 1 deliver, assemble, and incorporate into real estate the equipment, machinery,
2 attachments, repair and replacement parts, and any materials incorporated into
3 the construction, renovation, or repair of the facilities;
- 4 (24) Embryos and semen that are used in the reproduction of livestock, if the products of
5 these embryos and semen ordinarily constitute food for human consumption, and if
6 the sale is made to a person engaged in the business of farming;
- 7 (25) Llamas and alpacas to be used as beasts of burden or in an agricultural pursuit for
8 the breeding and production of hides, breeding stock, fiber and wool products,
9 meat, and llama and alpaca by-products, and the following items used in this
10 pursuit:
- 11 (a) Feed and feed additives;
- 12 (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
13 and
- 14 (c) On-farm facilities, including equipment, machinery, attachments, repair and
15 replacement parts, and any materials incorporated into the construction,
16 renovation, or repair of the facilities. The exemption shall apply to waterer
17 and feeding systems, ventilation systems, and alarm systems. In addition, the
18 exemption shall apply whether or not the seller is under contract to deliver,
19 assemble, and incorporate into real estate the equipment, machinery,
20 attachments, repair and replacement parts, and any materials incorporated into
21 the construction, renovation, or repair of the facilities;
- 22 (26) Baling twine and baling wire for the baling of hay and straw;
- 23 (27) Water sold to a person regularly engaged in the business of farming and used in the:
- 24 (a) Production of crops;
- 25 (b) Production of milk for sale; or
- 26 (c) Raising and feeding of:
- 27 1. Livestock or poultry, the products of which ordinarily constitute food

- 1 for human consumption; or
- 2 2. Ratites, llamas, alpacas, buffalo, cervids or aquatic organisms;
- 3 (28) Buffalos to be used as beasts of burden or in an agricultural pursuit for the
- 4 production of hides, breeding stock, meat, and buffalo by-products, and the
- 5 following items used in this pursuit:
- 6 (a) Feed and feed additives;
- 7 (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
- 8 and
- 9 (c) On-farm facilities, including equipment, machinery, attachments, repair and
- 10 replacement parts, and any materials incorporated into the construction,
- 11 renovation, or repair of the facilities. The exemption shall apply to waterer
- 12 and feeding systems, ventilation systems, and alarm systems. In addition, the
- 13 exemption shall apply whether or not the seller is under contract to deliver,
- 14 assemble, and incorporate into real estate the equipment, machinery,
- 15 attachments, repair and replacement parts, and any materials incorporated into
- 16 the construction, renovation, or repair of the facilities;
- 17 (29) Aquatic organisms sold directly to or raised by a person regularly engaged in the
- 18 business of producing products of aquaculture, as defined in KRS 260.960, for sale,
- 19 and the following items used in this pursuit:
- 20 (a) Feed and feed additives;
- 21 (b) Water;
- 22 (c) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
- 23 and
- 24 (d) On-farm facilities, including equipment, machinery, attachments, repair and
- 25 replacement parts, and any materials incorporated into the construction,
- 26 renovation, or repair of the facilities and, any gasoline, special fuels, liquefied
- 27 petroleum gas, or natural gas used to operate the facilities. The exemption

1 shall apply, but not be limited to: waterer and feeding systems; ventilation,
2 aeration, and heating systems; processing and storage systems; production
3 systems such as ponds, tanks, and raceways; harvest and transport equipment
4 and systems; and alarm systems. In addition, the exemption shall apply
5 whether or not the seller is under contract to deliver, assemble, and
6 incorporate into real estate the equipment, machinery, attachments, repair and
7 replacement parts, and any materials incorporated into the construction,
8 renovation, or repair of the facilities;

9 (30) Members of the genus cervidae permitted by KRS Chapter 150 that are used for the
10 production of hides, breeding stock, meat, and cervid by-products, and the
11 following items used in this pursuit:

12 (a) Feed and feed additives;

13 (b) Insecticides, fungicides, herbicides, rodenticides, and other chemicals; and

14 (c) On-site facilities, including equipment, machinery, attachments, repair and
15 replacement parts, and any materials incorporated into the construction,
16 renovation, or repair of the facilities. In addition, the exemption shall apply
17 whether or not the seller is under contract to deliver, assemble, and
18 incorporate into real estate the equipment, machinery, attachments, repair and
19 replacement parts, and any materials incorporated into the construction,
20 renovation, or repair of the facilities;

21 (31) (a) Repair or replacement parts for the direct operation or maintenance of a motor
22 vehicle, including any towed unit, used exclusively in interstate commerce for
23 the conveyance of property or passengers for hire, provided the motor vehicle
24 is licensed for use on the highway and its declared gross vehicle weight with
25 any towed unit is forty-four thousand and one (44,001) pounds or greater.
26 Nominal intrastate use shall not subject the property to the taxes imposed by
27 this chapter; and

- 1 (b) Repair or replacement parts for the direct operation and maintenance of a
2 motor vehicle operating under a charter bus certificate issued by the
3 Transportation Cabinet under KRS Chapter 281, or under similar authority
4 granted by the United States Department of Transportation.
- 5 (c) For the purposes of this subsection, "repair or replacement parts" means tires,
6 brakes, engines, transmissions, drive trains, chassis, body parts, and their
7 components. "Repair or replacement parts" shall not include fuel, machine
8 oils, hydraulic fluid, brake fluid, grease, supplies, or accessories not essential
9 to the operation of the motor vehicle itself, except when sold as part of the
10 assembled unit, such as cigarette lighters, radios, lighting fixtures not
11 otherwise required by the manufacturer for operation of the vehicle, or tool or
12 utility boxes;
- 13 (32) Food donated by a retail food establishment or any other entity regulated under
14 KRS 217.127 to a nonprofit organization for distribution to the needy;
- 15 (33) Drugs and over-the counter drugs, as defined in KRS 139.472, that are purchased
16 by a person regularly engaged in the business of farming and used in the treatment
17 of cattle, sheep, goats, swine, poultry, ratite birds, llamas, alpacas, buffalo, aquatic
18 organisms, or cervids;
- 19 (34) (a) Building materials, fixtures, or supplies purchased by a construction
20 contractor if:
- 21 1. Fulfilled by a construction contract for a sewer or water project with:
- 22 a. A municipally owned water utility organized under KRS Chapter
23 96;
- 24 b. A water district or water commission formed or organized under
25 KRS Chapter 74;
- 26 c. A sanitation district established under KRS Chapter 220 or formed
27 pursuant to KRS Chapter 65;

- 1 d. A nonprofit corporation created under KRS 58.180 to act on behalf
2 of a governmental agency in the acquisition and financing of
3 public projects;
- 4 e. Regional wastewater commissions formed under KRS Chapter
5 278;
- 6 f. A municipally owned joint sewer agency formed under KRS
7 Chapter 76; or
- 8 g. Any other governmental agency; and
- 9 2. The building materials, fixtures, or supplies:
- 10 a. Will be permanently incorporated into a structure or improvement
11 to real property, or will be completely consumed, in fulfilling a
12 construction contract for the purpose of furnishing water or sewer
13 services to the general public; and
- 14 b. Would be exempt if purchased directly by the entities listed in
15 subparagraph 1. of this paragraph.
- 16 (b) As used in this subsection, "construction contract" means a:
- 17 1. Lump sum contract;
- 18 2. Cost plus contract;
- 19 3. Materials only contract;
- 20 4. Labor and materials contract; or
- 21 5. Any other type of contract.
- 22 (c) The exemption provided in this subsection shall apply without regard to the
23 payment arrangement between the construction contractor, the retailer, and
24 the entities listed in paragraph (a)1. of this subsection or to the place of
25 delivery for the building materials, fixtures, or supplies;
- 26 (35) (a) On or after February 25, 2022, the rental of space for meetings, conventions,
27 short-term business uses, entertainment events, weddings, banquets, parties,

1 and other short-term social events, as referenced in KRS 139.200, if the tax
2 established in KRS 139.200 is paid by the primary lessee to the lessor.

3 (b) For the purpose of this subsection, "primary lessee" means the person who
4 leases the space and who has a contract with the lessor of the space only if:

5 1. The contract between the lessor and the lessee specifies that the lessee
6 may sublease, subrent, or otherwise sell the space; and

7 2. The space is then sublet, subrented, or otherwise sold to exhibitors,
8 vendors, sponsors, or other entities and persons who will use the space
9 associated with the event to be conducted under the primary lease;

10 (36) Prewritten computer software access services sold to or purchased by a retailer that
11 develops prewritten computer software for print technology and uses and sells
12 prewritten computer software access services for print technology;~~and~~

13 **(37) (a) Currency or bullion.**

14 **(b) As used in this subsection:**

15 **1. "Bullion":**

16 **a. Means bars, ingots, or coins, which are:**

17 **i. Made of gold, silver, platinum, palladium, or a**
18 **combination of these metals;**

19 **ii. Valued based on the content of the metal and not its form;**
20 **and**

21 **iii. Used, or have been used, as a medium of exchange,**
22 **security, or commodity by any state, the United States**
23 **government, or a foreign nation; and**

24 **b. Does not include medallions or coins that are incorporated into a**
25 **pendant or other jewelry; and**

26 **2. "Currency":**

27 **a. Means a coin or currency made of gold, silver, platinum,**

1 palladium, or other metal or paper money that is or has been
 2 used as legal tender and is sold based on its value as a collectible
 3 item rather than the value as a medium of exchange; and

4 b. Does not include a coin or currency that has been incorporated
 5 into jewelry; and

6 ~~(38)~~~~(37)~~ Medicinal cannabis as defined in KRS 218B.010 when sold, used, stored, or
 7 consumed in accordance with KRS Chapter 218B.

8 ➔Section 35. KRS 140.040 is amended to read as follows:

9 (1) As used in this section, "power of appointment":

10 (a) Means only a general power of appointment that may be exercised in favor
 11 of:

12 1. The individual holding the power of appointment;

13 2. That individual's estate;

14 3. That individual's creditors; or

15 4. The creditors of that individual's estate;

16 (b) Does not include a power that is:

17 1. Limited by an ascertainable standard relating to the health, education,
 18 maintenance, and support of the individual holding the power of
 19 appointment; or

20 2. Exercisable only by the individual holding the power of appointment
 21 in conjunction with another person having a substantial interest in the
 22 property subject to the power of appointment which is adverse to the
 23 exercise in favor of:

24 a. The individual holding the power of appointment;

25 b. That individual's estate;

26 c. That individual's creditors; or

27 d. The creditors of that individual's estate; and

1 (c) Shall be administered by the Department of Revenue as nearly as
 2 practicable identical to a general power of appointment as defined in 26
 3 U.S.C. sec. 2041(b).

4 (2) (a) Whenever any person exercises~~[shall exercise]~~ a power of appointment
 5 derived from any disposition of property:

6 1. ~~[Whether by will, deed, trust agreement, contract, insurance policy or~~
 7 ~~other instrument; and]~~

8 2. Regardless of when the person exercises the power of
 9 appointment;~~[made,]~~

10 the power of~~[such]~~ appointment shall be deemed a transfer taxable under the
 11 provisions of this chapter in the same manner as though the property to which
 12 the~~[such]~~ appointment relates belonged absolutely to the donee of the~~[such]~~
 13 power and had been bequeathed or devised by the~~[such]~~ donee by will.~~[- and]~~

14 (b) Whenever any person possessing~~[such]~~ a power of appointment omits or
 15 fails~~[so derived shall omit or fail]~~ to exercise the power of
 16 appointment,~~[same]~~ in whole or in part, within the time provided therefor, a
 17 transfer taxable under the provisions of this chapter shall be deemed to take
 18 place to the person~~[or persons]~~ receiving the~~[such]~~ property as a result of
 19 the~~[such]~~ omission or failure to the same extent that the~~[such]~~ property would
 20 have been subject to taxation if it had passed under the will of the donee~~[of~~
 21 ~~such power]~~.

22 (c) The time at which a~~[such]~~ transfer shall be deemed to take place, for the
 23 purpose of taxation, shall be governed by the provisions of subsections (3) to
 24 (5)~~[(2) to (4)]~~ of this section.

25 (3)~~[(2)]~~ (a) In the case of a power of appointment which passes to the donee~~[~~
 26 ~~thereof]~~ at the death of the donor, under any instrument.~~[- and if the donor~~
 27 ~~dies on or after April 24, 1936,]~~

1 death of the donee, ~~it~~ shall be governed by the relationship of the beneficiary
2 to the donee of the power of appointment.

3 ~~(5)~~⁽⁴⁾ (a) The provisions of subsection (3) of this section~~(2)~~ shall not preclude
4 the taxation, at the death of the donee, of any transfer made by means of a
5 power of appointment if the~~such~~ transfer was not in fact reported to or a tax
6 assessed~~thereon~~ by the Department of Revenue within the period of
7 limitation prescribed by KRS 140.160.

8 (b) If the transfer by the power of appointment is not~~so~~ reported or a tax is not
9 assessed~~thereon~~, the period of limitation prescribed in KRS 140.160 shall
10 not begin to run until the death of the donee of the~~such~~ power of
11 appointment.~~†~~

12 ~~(5) The amendments to this section, adopted by the 1948 General Assembly, shall~~
13 ~~apply to all powers of appointment whether created before or after the effective date~~
14 ~~of said amendments. It is the declared intention of the General Assembly to impose~~
15 ~~a tax upon every transfer of property by means of a power of appointment,~~
16 ~~regardless of when or how created, and it is the declared intention of the General~~
17 ~~Assembly that the use of the power of appointment device shall not permit the~~
18 ~~transfer of property, to which such a power relates, to escape thereby the payment~~
19 ~~of state inheritance taxes.]~~

20 ➔Section 36. KRS 141.040 is amended to read as follows:

21 (1) Every corporation doing business in this state, except those corporations listed in
22 paragraphs (a) and (b) of this subsection, shall pay for each taxable year a tax to be
23 computed by the taxpayer on taxable net income at the rates specified in this
24 section:

25 (a) For taxable years beginning prior to January 1, 2021:

26 1. Financial institutions, as defined in KRS 136.500, except bankers banks
27 organized under KRS 286.3-135;

- 1 2. Savings and loan associations organized under the laws of this state and
- 2 under the laws of the United States and making loans to members only;
- 3 3. Banks for cooperatives;
- 4 4. Production credit associations;
- 5 5. Insurance companies, including farmers' or other mutual hail, cyclone,
- 6 windstorm, or fire insurance companies, insurers, and reciprocal
- 7 underwriters;
- 8 6. Corporations or other entities exempt under Section 501 of the Internal
- 9 Revenue Code;
- 10 7. Religious, educational, charitable, or like corporations not organized or
- 11 conducted for pecuniary profit; and
- 12 8. Corporations whose only owned or leased property located in this state
- 13 is located at the premises of a printer with which it has contracted for
- 14 printing, provided that:
- 15 a. The property consists of the final printed product, or copy from
- 16 which the printed product is produced; and
- 17 b. The corporation has no individuals receiving compensation in this
- 18 state as provided in KRS 141.120(8)(b); and
- 19 (b) For taxable years beginning on or after January 1, 2021:
- 20 1. Insurance companies, including farmers' or other mutual hail, cyclone,
- 21 windstorm, or fire insurance companies, insurers, and reciprocal
- 22 underwriters;
- 23 2. Corporations or other entities exempt under Section 501 of the Internal
- 24 Revenue Code;
- 25 3. Religious, educational, charitable, or like corporations not organized or
- 26 conducted for pecuniary profit;
- 27 4. Corporations whose only owned or leased property located in this state

1 is located at the premises of a printer with which it has contracted for
2 printing, provided that:

3 a. The property consists of the final printed product, or copy from
4 which the printed product is produced; and

5 b. The corporation has no individuals receiving compensation in this
6 state as provided in KRS 141.120(8)(b); and

7 5. For taxable years beginning before January 1, ~~2027~~[2025], a disaster
8 response business.

9 (2) For taxable years beginning on or after January 1, 2018, the rate of five percent
10 (5%) of taxable net income shall apply.

11 (3) For taxable years beginning on or after January 1, 2007, and before January 1,
12 2018, the following rates shall apply:

13 (a) Four percent (4%) of the first fifty thousand dollars (\$50,000) of taxable net
14 income;

15 (b) Five percent (5%) of taxable net income over fifty thousand dollars (\$50,000)
16 up to one hundred thousand dollars (\$100,000); and

17 (c) Six percent (6%) of taxable net income over one hundred thousand dollars
18 (\$100,000).

19 (4) (a) An S corporation shall pay income tax on the same items of income and in the
20 same manner as required for federal purposes, except to the extent required by
21 differences between this chapter and the federal income tax law and
22 regulations.

23 (b) 1. If the S corporation is required under Section 1363(d) of the Internal
24 Revenue Code to submit installments of tax on the recapture of LIFO
25 benefits, installments to pay the Kentucky tax due shall be paid on or
26 before the due date of the S corporation's return, as extended, if
27 applicable.

1 2. Notwithstanding KRS 141.170(3), no interest shall be assessed on the
2 installment payment for the period of extension.

3 (c) If the S corporation is required under Section 1374 or 1375 of the Internal
4 Revenue Code to pay tax on built-in gains or on passive investment income,
5 the amount of tax imposed by this subsection shall be computed by applying
6 the highest rate of tax for the taxable year.

7 ➔SECTION 37. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
8 154 IS CREATED TO READ AS FOLLOWS:

9 *As used in Sections 37 to 41 of this Act:*

10 *(1) "Affiliate" means the following:*

11 *(a) Members of a family, including only brothers and sisters of the whole or*
12 *half blood, spouse, ancestors, and lineal descendants of an individual;*

13 *(b) An individual, and a corporation more than fifty percent (50%) in value of*
14 *the outstanding stock of which is owned, directly or indirectly, by or for that*
15 *individual;*

16 *(c) An individual, and a limited liability company of which more than fifty*
17 *percent (50%) of the capital interest or profits are owned or controlled,*
18 *directly or indirectly, by or for that individual;*

19 *(d) Two (2) corporations which are members of the same controlled group,*
20 *which includes and is limited to:*

21 *1. One (1) or more chains of corporations connected through stock*
22 *ownership with a common parent corporation if:*

23 *a. Stock possessing more than fifty percent (50%) of the total*
24 *combined voting power of all classes of stock entitled to vote or*
25 *more than fifty percent (50%) of the total value of shares of all*
26 *classes of stock of each of the corporations, except the common*
27 *parent corporation, is owned by one (1) or more of the other*

1 corporations; and

2 b. The common parent corporation owns stock possessing more
3 than fifty percent (50%) of the total combined voting power of all
4 classes of stock entitled to vote or more than fifty percent (50%)
5 of the total value of shares of all classes of stock of at least one
6 (1) of the other corporations, excluding, in computing the voting
7 power or value, stock owned directly by the other corporations;
8 or

9 2. Two (2) or more corporations if five (5) or fewer persons who are
10 individuals, estates, or trusts own stock possessing more than fifty
11 percent (50%) of the total combined voting power of all classes of
12 stock entitled to vote or more than fifty percent (50%) of the total value
13 of shares of all classes of stock of each corporation, taking into
14 account the stock ownership of each person only to the extent the
15 stock ownership is identical with respect to each corporation;

16 (e) A grantor and a fiduciary of any trust;

17 (f) A fiduciary of a trust and a fiduciary of another trust, if the same person is
18 a grantor of both trusts;

19 (g) A fiduciary of a trust and a beneficiary of that trust;

20 (h) A fiduciary of a trust and a beneficiary of another trust, if the same person
21 is a grantor of both trusts;

22 (i) A fiduciary of a trust and a corporation more than fifty percent (50%) in
23 value of the outstanding stock of which is owned, directly or indirectly, by or
24 for the trust or by or for a person who is a grantor of the trust;

25 (j) A fiduciary of a trust and a limited liability company more than fifty percent
26 (50%) of the capital interest, or the interest in profits, of which is owned
27 directly or indirectly, by or for the trust or by or for a person who is a

1 grantor of the trust;

2 (k) A corporation, a partnership, or a limited partnership if the same persons
3 own:

4 1. More than fifty percent (50%) in value of the outstanding stock of the
5 corporation; and

6 2. More than fifty percent (50%) of the capital interest, or the profits
7 interest, in the partnership or limited partnership;

8 (l) A corporation and a limited liability company if the same persons own:

9 1. More than fifty percent (50%) in value of the outstanding stock of the
10 corporation; and

11 2. More than fifty percent (50%) of the capital interest or the profits in
12 the limited liability company;

13 (m) A partnership or limited partnership and a limited liability company if the
14 same persons own:

15 1. More than fifty percent (50%) of the capital interest or profits in the
16 partnership or limited partnership; and

17 2. More than fifty percent (50%) of the capital interest or the profits in
18 the limited liability company; and

19 (n) Two (2) or more limited liability companies, if the same persons own more
20 than fifty percent (50%) of the capital interest or are entitled to more than
21 fifty percent (50%) of the capital profits in the limited liability companies;

22 (2) "Approved company" means an eligible company that has received final approval
23 from the authority;

24 (3) "Authority" means the Kentucky Economic Development Finance Authority
25 established by KRS 154.20-010;

26 (4) "Colocation tenant" means an entity that contracts with the owner or operator
27 for space within a qualified data center project;

1 (5) "Commonwealth" means the Commonwealth of Kentucky;

2 (6) "Data center equipment":

3 (a) Means computer equipment and software for the processing, storage,
4 retrieval, or communication of data, used directly and exclusively in a
5 qualified data center project, including but not limited to:

6 1. a. Servers;

7 b. Routers;

8 c. Connections;

9 d. Monitoring and security systems for the data center equipment;

10 e. Fiber optic cabling and network equipment leading to and from
11 the data center project; and

12 f. Other enabling machinery, equipment, and hardware;

13 regardless of whether the property is affixed to or incorporated into
14 real property;

15 2. Equipment used in the operation of computer equipment or software
16 or for the benefit of the data center project, including component
17 parts, installations, refreshments, replacements, and upgrades,
18 regardless of whether the property is affixed to or incorporated into
19 real property;

20 3. All equipment necessary for the transformation, generation,
21 distribution, or management of electricity that is required to operate
22 computer server equipment, including substations, generators,
23 uninterruptible energy equipment, supplies, conduit, fuel piping and
24 storage, cabling, duct banks, switches, switchboards, batteries, testing
25 equipment, and backup generators;

26 4. All equipment necessary to cool and maintain a controlled
27 environment for the operation of the computer servers and other

- 1 components of the data center project, including chillers, mechanical
2 equipment, refrigerant piping, fuel piping and storage, adiabatic and
3 free cooling systems, cooling towers, water softeners, air handling
4 units, indoor direct exchange units, fans, ducting, and filters;
- 5 5. All water conservation systems for the equipment, including facilities
6 or mechanisms that are designed to collect, conserve, and reuse water;
- 7 6. All computer server equipment, chassis, networking equipment,
8 switches, racks, fiber optic and copper cabling, trays, and conduit;
- 9 7. All monitoring equipment and security systems for the data center
10 project, including security system monitoring services;
- 11 8. All software and prewritten computer software access services;
- 12 9. Extended warranty services with respect to data center equipment; and
- 13 10. Any other tangible personal property that is essential to the operations
14 of the qualified data center project, excluding:
- 15 a. Electricity used by a qualified data center project; and
- 16 b. Property used for administrative purposes at the data center
17 project, including office equipment; and
- 18 (b) Does not include:
- 19 1. Construction equipment; or
- 20 2. Building and construction materials permanently incorporated as an
21 improvement to real property;
- 22 (7) "Department" means the Department of Revenue;
- 23 (8) "Eligible company":
- 24 (a) Means any corporation, limited liability company, partnership, limited
25 partnership, sole proprietorship, business trust, or any other entity with a
26 qualified data center project; and
- 27 (b) Includes an operator, an owner, a project organizer, and a colocation

1 tenant;

2 (9) "Eligible costs" means expenditures made by the preliminarily approved
3 company or approved company after preliminary approval for the purchase,
4 installation, repair, and replacement of data center equipment for the qualified
5 data center project;

6 (10) "Final approval" means the action taken by the authority to verify that, on or
7 before the fifth anniversary of the preliminary approval, the minimum capital
8 investment has been made, with respect to the data center project;

9 (11) "Memorandum of agreement" means the agreement between the eligible
10 company and the authority executed under Section 41 of this Act;

11 (12) "Operator":

12 (a) Means any entity, other than an owner, a project organizer, or a colocation
13 tenant:

14 1. Operating a qualified data center project pursuant to a lease or other
15 contract with the owner; and

16 2. Is responsible for the control, oversight, or maintenance of a data
17 center project; and

18 (b) Includes:

19 1. An affiliate of an operator;

20 2. A licensed property management company;

21 3. A property lessor; or

22 4. Any other individual or entity responsible for the control, oversight, or
23 maintenance of a data center project;

24 (13) "Owner" means an entity, other than a project organizer, holding fee title to a
25 data center project and includes an affiliate of an owner;

26 (14) "Preliminary approval" means the action taken by the authority to enter into a
27 memorandum of agreement with an eligible company;

1 (15) "Project organizer" means an entity that:

2 (a) Solely provides qualified data center infrastructure for a qualified data
3 center project; and

4 (b) Will enter into or has entered into a separate agreement with another entity
5 for the purchase, use, or operation of the qualified data center
6 infrastructure;

7 (16) "Qualified data center infrastructure" means providing site development and
8 organization for a qualified data center project, including but not limited to:

9 (a) An uninterruptible power supply, including electrical substations and back-
10 up generators for safety against power disruptions;

11 (b) Availability of water and natural gas service, including any necessary
12 infrastructure; and

13 (c) Multiple layers of security, including:

14 1. Physical security at the data center project, including fencing, entry
15 control and monitoring, or security guards;

16 2. Infrastructure monitoring, including monitoring for water, power,
17 telecommunications, and internet connectivity; and

18 3. Environmental control measures, including sensors or responsive
19 equipment for detecting fire, flood, or other natural disasters;

20 (17) "Qualified data center project":

21 (a) Means:

22 1. Providing qualified data center infrastructure;

23 2. Acquiring, leasing, rehabilitating, expanding, or constructing one (1)
24 or more buildings that:

25 a. House a group of networked server computers in order to
26 centralize the storage, management, and dissemination of data
27 and information for a single project; and

- 1 **b. Contain:**
- 2 **i. Dedicated cooling equipment for the computing machines**
- 3 **and related infrastructure;**
- 4 **ii. Extra capacity for data redundancy, including the ability to**
- 5 **maintain or replace equipment without a system shutdown;**
- 6 **and**
- 7 **iii. Physically isolated systems to avoid disruption from both**
- 8 **planned and unplanned events; or**
- 9 **3. Any combination of the activities described in subparagraphs 1.**
- 10 **and 2. of this paragraph;**
- 11 **(b) Has the following minimum capital investment on or before the fifth**
- 12 **anniversary of the preliminary approval:**
- 13 **1. For an owner, operator, or colocation tenant, at least four hundred**
- 14 **fifty million dollars (\$450,000,000); or**
- 15 **2. For a project organizer, at least one hundred fifty million dollars**
- 16 **(\$150,000,000);**
- 17 **(c) Is located within a consolidated local government having a population**
- 18 **equal to or greater than five hundred thousand (500,000), determined using**
- 19 **the county's population estimate from the most recently available five (5)**
- 20 **year American Community Survey as published by the United States Census**
- 21 **Bureau at the time of application by the eligible company;**
- 22 **(d) Does not include any data center project that:**
- 23 **1. Will result in the replacement of data centers existing in the**
- 24 **Commonwealth;**
- 25 **2. Applies for or accepts any other economic development incentives**
- 26 **under KRS Chapter 154; or**
- 27 **3. Benefits from the sales and use tax exemption for the sale or purchase**

- 1 of electricity used in commercial mining of cryptocurrency; and
2 (18) "Term" means the period of time for which a memorandum of agreement may be
3 in effect, which shall not exceed:
4 (a) Fifteen (15) years for a qualified data center project of a project organizer;
5 and
6 (b) For any other qualified data center project:
7 1. Fifty (50) years for a data center project having a capital investment
8 equal to or greater than four hundred fifty million dollars
9 (\$450,000,000); or
10 2. Twenty-five (25) years for a data center project having a capital
11 investment less than four hundred fifty million dollars (\$450,000,000).

12 ➔SECTION 38. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
13 154 IS CREATED TO READ AS FOLLOWS:

- 14 (1) The purposes of Sections 37 to 41 are to:
15 (a) Provide incentives for an approved company with a qualified data center
16 project;
17 (b) Encourage the location of data centers within the Commonwealth; and
18 (c) Advance the public purposes of the:
19 1. Creation of new jobs that would not exist within the Commonwealth;
20 2. Creation of new sources of tax revenues for the support of public
21 services provided by the Commonwealth;
22 3. Improvement in the quality of life for Kentucky citizens through the
23 creation of sustainable jobs with higher salaries; and
24 4. Provision of an economic stimulus to the Commonwealth.
25 (2) To qualify for the sales and use tax exemption provided in Section 42 of this Act,
26 an eligible company shall enter into a memorandum of agreement with the
27 authority and incur eligible costs for a qualified data center project.

1 (3) The General Assembly finds and declares that the authority granted in Sections
2 37 to 41 and the purposes accomplished are proper governmental and public
3 purposes for which public moneys may be expended, and that the inducement of
4 the location of data center projects within the Commonwealth is of paramount
5 importance to the economic well-being of the Commonwealth.

6 ➔SECTION 39. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
7 154 IS CREATED TO READ AS FOLLOWS:

8 (1) The application, approval, and review process under Sections 37 to 41 of this Act
9 shall be as follows.

10 (a) An eligible company with a proposed data center project may submit an
11 application to the authority detailing the proposed data center project;

12 (b) Upon review of the application and any additional information submitted,
13 the authority may, by resolution, give preliminary approval to an eligible
14 company and authorize the negotiation and execution of a memorandum of
15 agreement;

16 (c) The memorandum of agreement shall establish the estimated eligible costs
17 for the qualified data center project;

18 (d) Upon preliminary approval:

19 1. The preliminarily approved company may:

20 a. Undertake the project in accordance with the memorandum of
21 agreement;

22 b. Begin to make the capital investment; and

23 c. Begin to purchase or lease data center equipment exempt from
24 sales and use tax as provided in Section 42 of this Act.

25 2. The authority shall:

26 a. Notify the department of the preliminary approval, provide the
27 department with the information contained in the memorandum

- 1 of agreement, and authorize the department to issue a certificate
2 of exemption to the preliminarily approved company under
3 Section 42 of this Act; and
- 4 b. Post the preliminarily approved company's name, the location of
5 the qualified data center project, and the amount of investment
6 costs on the cabinet's website.
- 7 3. The preliminarily approved company shall submit any documentation
8 required by the authority upon request of the authority;
- 9 (e) If, on or before the fifth anniversary of the memorandum of agreement, the
10 preliminarily approved company fails to meet the minimum capital
11 investment as established in the memorandum of agreement:
- 12 1. The authority shall notify the department;
13 2. The department shall revoke the certificate of exemption; and
14 3. The preliminarily approved company shall immediately pay the tax
15 that was not paid as a result of the sales tax exemption upon receipt of
16 the notice of assessment issued by the department under Section 42 of
17 this Act; and
- 18 (f) 1. To obtain final approval, a preliminarily approved company shall
19 submit documentation required by the authority to confirm that the
20 requirements established in the memorandum of agreement have been
21 met.
- 22 2. Upon review and confirmation of the documentation, the authority
23 may, by resolution, give final approval to the preliminarily approved
24 company.
- 25 3. Upon final approval, the approved company shall be finally approved
26 for the exemption provided by Section 42 of this Act for the term of the
27 memorandum of agreement.

1 (2) (a) The authority may establish procedures and standards for the review and
 2 approval of eligible companies and their data center projects through the
 3 promulgation of administrative regulations in accordance with KRS
 4 Chapter 13A.

5 (b) Standards to be used by the authority in reviewing and approving an eligible
 6 company and its data center project shall include but not be limited to:

7 1. The creditworthiness of the eligible company;

8 2. The proposed capital investment to be made; and

9 3. The likelihood of the economic success of the proposed data center
 10 project.

11 (3) The application shall include but not be limited to:

12 (a) The name of the applicant for the proposed data center project;

13 (b) A description of the proposed data center project, including its location, the
 14 total proposed capital investment in the proposed project, and total proposed
 15 eligible costs; and

16 (c) Any other information the authority may require.

17 ➔SECTION 40. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
 18 154 IS CREATED TO READ AS FOLLOWS:

19 (1) The authority shall not approve a proposed data center project that otherwise
 20 meets the requirements of Sections 37 to 41 of this Act if the proposed data center
 21 project will result in the replacement of facilities existing in the state, except as
 22 provided in this section.

23 (2) The authority may approve a proposed data center project that:

24 (a) Rehabilitates an existing data center used for activities of an eligible
 25 company, if:

26 1. The data center to be rehabilitated has not been in operation for a
 27 period of ninety (90) or more consecutive days;

- 1 2. a. The current occupant of the data center to be rehabilitated has
2 advertised a notice of closure; and
3 b. The eligible company proposing the data center project is not an
4 affiliate of the current occupant of the data center to be
5 rehabilitated; or
6 3. a. The data center to be rehabilitated is sold or transferred
7 pursuant to a foreclosure ordered by a court of competent
8 jurisdiction or an order of a bankruptcy court of competent
9 jurisdiction; and
10 b. The title to the data center to be rehabilitated prior to the sale is
11 not vested in the eligible company;
12 (b) Replaces an existing data center of an eligible company if:
13 1. a. Title to the data center to be replaced:
14 i. Is held by exercise of the power of eminent domain; or
15 ii. May be taken pursuant to a nonappealable judgment
16 granting authority to exercise the power of eminent
17 domain; and
18 b. Normal operations at the data center to be replaced cannot be
19 resumed within twelve (12) months; or
20 2. The data center to be replaced has been damaged or destroyed by fire
21 or other casualty to the extent that normal operations cannot be
22 resumed at the facility within twelve (12) months; or
23 (c) Replaces an existing data center located in the same county if the existing
24 data center cannot be expanded due to the unavailability of real estate at or
25 adjacent to the data center to be replaced. Any qualifying data center project
26 satisfying the requirements of this paragraph shall be eligible for incentives
27 under this subchapter only to the extent of the expansion. No incentives

1 shall be available for the equivalent of the facility to be replaced or
2 rehabilitated.

3 (3) The authority shall not approve a proposed data center project under this section
4 which results in a lease abandonment or lease termination by the eligible
5 company without the consent of the lessor.

6 ➔SECTION 41. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
7 154 IS CREATED TO READ AS FOLLOWS:

8 The authority, with preliminary approval of an eligible company, may execute a
9 memorandum of agreement with the eligible company. The terms and conditions of the
10 memorandum of agreement shall be negotiated between the authority and the
11 company. The terms of the memorandum of agreement shall include but not be limited
12 to the following provisions:

13 (1) The estimated capital investment for the qualified data center project;

14 (2) That the preliminarily approved company shall provide the authority with all
15 documentation requested in a manner acceptable to the authority and within the
16 timeframes required by the authority related to the minimum capital investment
17 requirement to be used in monitoring compliance of the memorandum of
18 agreement;

19 (3) That failure of a preliminarily approved company to meet the minimum capital
20 investment on or before the fifth anniversary of the preliminary approval shall
21 result in cancellation of the memorandum of agreement with the preliminarily
22 approved company;

23 (4) The term of the agreement, which shall not exceed:

24 (a) Fifteen (15) years for a qualified data center project of a project organizer;
25 or

26 (b) 1. Fifty (50) years for a qualified data center project having a capital
27 investment of at least four hundred fifty million dollars

- 1 (\$450,000,000); or
- 2 2. Twenty-five (25) years for any other qualified data center project;
- 3 (5) A provision requiring the preliminarily approved company to notify the authority
- 4 immediately if the eligible company sells or otherwise transfers or disposes of the
- 5 land on which a qualified data center project is located;
- 6 (6) Authorization for the department to issue a certificate of exemption to the
- 7 preliminarily approved company under Section 42 of this Act;
- 8 (7) A provision detailing the elimination of the sales and use tax exemption and the
- 9 notice of assessment by the department provided under Section 42 of this Act that
- 10 shall occur if the preliminarily approved company fails to make the minimum
- 11 capital investment;
- 12 (8) (a) A statement that the memorandum of agreement may remain in effect, even
- 13 if there is a future transfer, sale, or disposition, directly or indirectly, of the
- 14 qualified data center project, upon the adoption of a resolution by the
- 15 authority to that effect.
- 16 (b) If continuation of the sales and use tax exemption is desired by the
- 17 subsequent owner:
- 18 1. The memorandum of agreement may be assigned to that owner under
- 19 paragraph (a) of this subsection provided the subsequent owner
- 20 assumes the prior owner's obligations under that agreement; or
- 21 2. The subsequent owner shall enter into a memorandum of agreement
- 22 with the authority for the remainder of the eligibility period.
- 23 (c) The authority shall notify the department regarding the events that
- 24 transpire under paragraphs (a) and (b) of this subsection;
- 25 (9) That the approved company shall make available to the authority all of its records
- 26 pertaining to the qualified data center project, including but not limited to records
- 27 relating to eligible costs and any other records pertaining to the project that the

1 authority may require;

2 (10) (a) That the authority may share information with the department; and

3 (b) That the department may share information with the authority;

4 for the purposes of monitoring and enforcing the terms of the memorandum of
5 agreement;

6 (11) That, if the preliminarily approved company fails to comply with its obligations
7 under the memorandum of agreement by the fifth anniversary of the preliminary
8 approval, the authority shall:

9 (a) Suspend the memorandum of agreement;

10 (b) Terminate the incentives available to the preliminarily approved company
11 under the memorandum of agreement;

12 (c) Notify the department of the authority's actions;

13 (d) Instruct the department to proceed with the notice of assessment; and

14 (e) Pursue any other remedy set forth in the memorandum of agreement or to
15 which it may be entitled by law; and

16 (12) Any other provisions not inconsistent with this subchapter and determined to be
17 necessary or appropriate by the parties to the memorandum of agreement.

18 ➔SECTION 42. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO
19 READ AS FOLLOWS:

20 (1) As used in this section:

21 (a) 1. "Approved company";

22 2. "Authority";

23 3. "Data center equipment";

24 4. "Eligible costs";

25 5. "Memorandum of agreement";

26 6. "Preliminarily approved company";

27 7. "Qualified data center project"; and

- 1 8. "Term";
2 have the same meaning as in Section 37 of this Act;
- 3 (b) "Certificate of exemption" means a completed form provided by the
4 department stating at least:
- 5 1. The name, address, and federal employer identification number of the
6 approved company or preliminarily approved company;
7 2. That the approved company or preliminarily approved company is
8 exempt from sales and use tax on data center equipment purchased for
9 use in a qualified data center project in the Commonwealth; and
10 3. The date of expiration based on the term of the memorandum of
11 agreement; and
- 12 (c) "Fiscal year" means a period beginning on July 1 and continuing until the
13 following June 30.
- 14 (2) The taxes imposed by this chapter shall not apply to the sale, purchase, use,
15 storage, consumption, installation, repair, and replacement of data center
16 equipment to or by a preliminarily approved company or an approved company in
17 accordance with the memorandum of agreement with the preliminarily approved
18 company or the approved company as provided in subsection (4) of this section.
- 19 (3) (a) The exemption provided in subsection (2) of this section shall apply whether
20 or not the seller is under contract to deliver, assemble, and incorporate the
21 data center equipment into real estate for the qualified data center project.
- 22 (b) An approved company or preliminarily approved company may provide the
23 seller the certificate of exemption issued by the department to claim the
24 exemption. The certificate may be executed by either:
- 25 1. An approved company or preliminarily approved company; or
26 2. Jointly by a contractor and an approved company or preliminarily
27 approved company in any case in which a contractor under contract

1 with the approved company or preliminarily approved company
2 purchases the data center equipment.

3 (4) Upon notification that the authority has executed a memorandum of agreement
4 with a preliminarily approved company, the department shall issue a certificate of
5 exemption to the preliminarily approved company or the approved company.

6 (5) (a) Upon notification that the authority has terminated the sales and use tax
7 exemptions available to the preliminarily approved company or the
8 approved company as provided in Section 41 of this Act, the department
9 shall issue a notice of assessment to the approved company or preliminarily
10 approved company.

11 (b) The aggregate amount of sales and use tax recovered shall not exceed the
12 sum of the aggregate value of tax not paid as a result of the tax exemption
13 under this section together with interest required under KRS Chapter 131.

14 (c) If the notice of assessment is issued to:

15 1. A preliminarily approved company, notwithstanding KRS 139.620, the
16 notice of assessment under paragraph (b) of this subsection shall be
17 considered timely if the department issues the notice of assessment the
18 later of:

19 a. One hundred eighty (180) days from the date the department is
20 notified by the authority related to termination of the
21 memorandum of agreement; or

22 b. The date on which a notice of assessment could otherwise be
23 issued in a timely manner under KRS 139.620;

24 2. An approved company, the notice of assessment shall be assessed on
25 the open periods and subject to KRS 139.620; and

26 3. A subsequent owner under subsection (8)(b)1. of Section 41 of this
27 Act, the notice of assessment shall include the tax assumed by the

1 subsequent owner and the open periods for assessment shall be
2 determined under subparagraphs 1. and 2. of this paragraph and
3 depend solely on whether the subsequent owner is a preliminarily
4 approved company or an approved company.

5 (6) Beginning September 1, 2025, and on or before September 1 for each year
6 thereafter, a preliminarily approved company shall report to the department
7 annually:

8 (a) The name, address, and any other identifying information the department
9 may require for the qualified data center project;

10 (b) The county in which the qualified data center project is located; and

11 (c) An itemized schedule of qualified data center equipment purchased during
12 the fiscal year and the applicable sales and use tax that was not paid as a
13 result of the sales and use tax exemption, including verification and
14 certification by an independent third party unrelated to the preliminarily
15 approved company.

16 (7) Beginning November 1, 2025, and on or before November 1 of each year
17 thereafter, the department shall report to the authority and the Interim Joint
18 Committee on Appropriations and Revenue the data reported for data center
19 project under subsection (6) of this section.

20 (8) All information required to be reported under this section shall not be considered
21 confidential taxpayer information and shall not be subject to KRS Chapter 131 or
22 any other provisions of the Kentucky Revised Statutes prohibiting disclosure or
23 reporting of information.

24 ➔Section 43. KRS 131.400 is amended to read as follows:

25 (1) KRS 131.410 to 131.445 shall be known as and may be cited as the "Kentucky Tax
26 Amnesty Act."

27 (2) As used in KRS 131.410 to 131.445:

- 1 (a) "Account receivable" means an amount of state or federal tax, penalty, fee, or
2 interest which has been recorded as due and entered in the account records of
3 the department, or which the taxpayer should reasonably expect to become
4 due as a direct or indirect result of any pending or completed audit or
5 investigation which the taxpayer knows is being conducted by any federal or
6 state government taxing authority;
- 7 (b) "Amnesty period" means the period of time established pursuant to subsection
8 (3) of this section during which a taxpayer may apply for tax amnesty;
- 9 (c) "Due and owing" means an assessment which has become final and is owed to
10 the Commonwealth due to either the expiration of the taxpayer's appeal rights
11 pursuant to KRS 131.110 or, if an assessment has been appealed, the issuance
12 of a final order by the board or by any court of this Commonwealth. For the
13 purposes of KRS 131.410 to 131.445, assessments that have been appealed
14 shall be final, due and owing fifteen (15) days after the last unappealed or
15 unappealable order sustaining the assessment or any part thereof has become
16 final;
- 17 (d) "Federal government" means either the United States Department of the
18 Treasury or the Internal Revenue Service; and
- 19 (e) "Taxpayer" means any individual, partnership, joint venture, association,
20 corporation, receiver, trustee, guardian, executor, administrator, fiduciary,
21 limited liability company, limited liability partnership, or any other entity of
22 any kind subject to any tax set forth in subsection (3) of this section or any
23 person required to collect any such tax under subsection (3) of this section.
- 24 (3) Notwithstanding the provisions of any other law to the contrary, a tax amnesty
25 program shall be conducted for a period of sixty (60) days, beginning on October 1,
26 2024~~[2022]~~, and ending on November 29, 2024~~[2022]~~. The program shall be
27 available to all taxpayers owing:

- 1 (a) Taxes, penalties, fees, or interest subject to the administrative jurisdiction of
2 the department, with the exception of:
- 3 1. Ad valorem taxes levied on real property pursuant to KRS Chapter 132;
 - 4 2. Ad valorem taxes on motor vehicles and motorboats collected by the
5 county clerks;
 - 6 3. Ad valorem taxes on personal property levied pursuant to KRS Chapter
7 132 that are payable to local officials; and
 - 8 4. Any penalties imposed under KRS 131.630 or 138.205; and
- 9 (b) Federal taxes, penalties, fees, or interest referred to the department from the
10 federal government for collection purposes.
- 11 (4) If the department is unable to secure a successful bid for the procurement of
12 services under KRS 131.435, the department shall implement a tax amnesty
13 program during a sixty (60) day period similar to the period established in
14 subsection (3) of this section, except that the sixty (60) day period shall be held
15 during the calendar year 2025~~[2023]~~.
- 16 (5) The program shall apply to tax liabilities for taxable periods ending or transactions
17 occurring on or after October 1, 2011, but prior to December 1, 2023~~[2021]~~, and
18 any federal tax liability referred to the department.
- 19 ➔Section 44. KRS 131.420 is amended to read as follows:
- 20 (1) The provisions of KRS 131.400 to 131.445 shall apply to any eligible taxpayer who
21 files an application for amnesty within the time prescribed under KRS 131.400(3)
22 and does the following:
- 23 (a) Files completed tax returns for all years or tax reporting periods as stated on
24 the application for which returns have not previously been filed and files
25 completed amended tax returns for all years or tax reporting periods as stated
26 on the application for which the tax liability was underreported, except in
27 cases in which the tax liability has been established through audit;

- 1 (b) Pays in full the taxes due for the periods and taxes applied for at the time the
2 application or amnesty tax returns are filed within the amnesty period and
3 pays the amount of any additional tax owed within thirty (30) days of
4 notification by the department;
- 5 (c) Pays in full within the amnesty period all taxes previously assessed by the
6 department that are due and owing at the time the application or amnesty tax
7 returns are filed;
- 8 (d) Pays in full within the amnesty period all taxes, penalties, fees, and interest
9 assessed by the federal government and referred to the department for
10 collection purposes; and
- 11 (e) With regard to the program described in KRS 131.400(3), agrees to file all tax
12 returns when due and make all tax payments when due for three (3) years
13 following the date amnesty is granted to the taxpayer.
- 14 (2) An eligible taxpayer may participate in the amnesty program whether or not the
15 taxpayer is under audit, notwithstanding the fact that the amount due is included in
16 a proposed assessment or an assessment, bill, notice, or demand for payment issued
17 by the department, and without regard to whether the amount due is subject to a
18 pending administrative or judicial proceeding. An eligible taxpayer may participate
19 in the amnesty program to the extent of the uncontested portion of any assessed
20 liability. However, participation in the program shall be conditioned upon the
21 taxpayer's agreement that the right to protest or initiate an administrative or judicial
22 proceeding or to claim any refund of moneys paid under the program is barred with
23 respect to the amounts paid under the amnesty programs.
- 24 (3) (a) The department may enter into an installment payment agreement as provided
25 in KRS 131.081(9) in cases of severe hardship in lieu of the complete
26 payment required under subsection (1) of this section.
- 27 (b) Failure of the taxpayer to make timely payments shall void the amnesty

1 granted the taxpayer.

2 (c) All agreements and payments under the program described in KRS
3 131.400(3) shall include interest as provided under KRS 131.425(3).

4 (d) All required payments under an installment payment agreement under the
5 program described in KRS 131.400(3) shall be made on or before May 31,
6 2025~~[2023]~~.

7 (e) 1. If a taxpayer fails to make all required payments under paragraph (d) of
8 this subsection by May 31, 2025~~[2023]~~, the amnesty received by the
9 taxpayer shall be invalidated, and all civil penalties, fees, and interest
10 waived under the amnesty agreement shall:

11 a. Be reinstated;

12 b. Be subject to immediate collection by the department; and

13 c. Not be subject to protest under KRS 131.110.

14 2. The department may utilize any remedy allowed by law to recover the
15 amounts reinstated, and no statute of limitations shall apply.

16 (4) If, following the termination of the tax amnesty period, the department issues a
17 deficiency assessment based upon information independent of that shown on a
18 return filed pursuant to subsection (1) of this section, the department shall have the
19 authority to impose penalties and criminal action may be brought where authorized
20 by law only with respect to the difference between the amount shown on the
21 amnesty tax return and the correct amount of tax due. The imposition of penalties or
22 criminal action shall not invalidate any waiver granted under KRS 131.410. With
23 the exception of the cost-of-collection fee imposed under KRS 131.440(1), all
24 assessments issued by the department under KRS 131.410 to 131.445 may be
25 protested by the taxpayer in the same manner as other assessments pursuant to the
26 terms of this chapter.

27 ➔Section 45. KRS 131.435 is amended to read as follows:

1 (1) The department and the Finance and Administration Cabinet shall begin
2 procurement for services necessary to implement the tax amnesty program under
3 KRS Chapter 45A, except as provided under subsection (2) of this section.

4 (2) (a) The department shall issue a request for proposal, which complies with KRS
5 131.081, to solicit sufficient information for evaluating firms submitting
6 statements of interest in providing tax amnesty services according to the
7 following criteria:

- 8 1. The qualifications of the firm to:
 - 9 a. Provide advertising services prior to the start of the program
10 described in KRS 131.400(3) and a toll-free telephone number for
11 taxpayers to call for assistance;
 - 12 b. Provide a customer-service approach and strategy to ensure a
13 positive relationship with each taxpayer;
 - 14 c. Contact every amnesty-eligible taxpayer, including by written
15 correspondence and other forms of electronic and nonelectronic
16 communication delivery channels, using contact and account
17 receivable data supplied by the department related to tax amnesty
18 and the tax amnesty period;
 - 19 d. Employ the use of contact information correction sources,
20 including data for all undeliverable mail, updated telephone
21 numbers, and electronic mail addresses;
 - 22 e. Assist any amnesty-eligible taxpayer by using tax-specific data,
23 billing codes, or other information provided by the department;
 - 24 f. Maintain the confidentiality of all data under KRS 131.190 which
25 is supplied by the department or the taxpayer; and
 - 26 g. Remit daily to the department all amnesty applications and tax
27 payments received and all data corrections for the department's

- 1 databases;
- 2 2. The ability of all professional personnel employed by the firm that will
- 3 provide tax amnesty services, including:
- 4 a. The total number of personnel that will provide tax amnesty
- 5 services to taxpayers leading up to and during the amnesty period;
- 6 b. The title of each specific position type and total number of
- 7 personnel filling each specific position type; and
- 8 c. The minimum qualifications for each specific position type;
- 9 3. The past record and experience of the firm in performing tax amnesty
- 10 services or other tax-related services;
- 11 4. Performance data related to past tax amnesty services or other tax-
- 12 related services performed by the firm;
- 13 5. Certification that the firm will meet the time requirements for the tax
- 14 amnesty program and will conclude all services in a timely manner as
- 15 required by the department or pay to the department a fee for failure to
- 16 meet the timeframe;
- 17 6. Verification of the location of all employees providing tax amnesty
- 18 services;
- 19 7. An agreement by the firm to provide a report to the department for
- 20 posting to the department's website~~[Web site]~~ related to the following
- 21 items:
- 22 a. A report of the public information campaign performed by the
- 23 firm, including an itemized cost incurred;
- 24 b. The number of incoming telephone calls answered by week;
- 25 c. The number of mailings sent to taxpayers;
- 26 d. The number of returned mail items received;
- 27 e. The number of amnesty applications received from taxpayers by

- 1 week;
- 2 f. The number of amnesty applications that were approved by
- 3 taxpayer type;
- 4 g. The number of amnesty applications that were denied by taxpayer
- 5 type and the number of denied amnesty applications by reason for
- 6 denial;
- 7 h. According to the address listed on the amnesty application,
- 8 information related to the absolute number and percentage of total
- 9 for:
- 10 i. Amnesty applications received from businesses or
- 11 individuals and whether the taxpayer was in-state or out-of-
- 12 state;
- 13 ii. Amounts collected from businesses or individuals and
- 14 whether the taxpayer was in-state or out-of-state; and
- 15 iii. The total amount collected by county, including the number
- 16 of applications received by a business, individual, or office
- 17 or member and the total amount paid for each category;
- 18 i. The number of amnesty applications received by appropriate
- 19 payment ranges for the population of applications;
- 20 j. The payment amount received by type of tax;
- 21 k. The amount of tax collected by tax year;
- 22 l. The amount of federal tax collected by tax year;
- 23 m. The number of newly registered taxpayers; and
- 24 n. The amount of tax collected on protested audits by tax type and
- 25 whether the amnesty payment paid the tax protested in full or was
- 26 a partial payment on the audit; and
- 27 8. Any other information required by the department.

- 1 (b) When evaluating firms submitting statements of interest in providing tax
2 amnesty services, the department shall use a weighted-evaluation approach to
3 select a firm, including:
- 4 1. The ability of the firm to:
 - 5 a. Provide a customer-service and taxpayer-assistance approach in
6 providing amnesty services, including communication with
7 taxpayers before and during the amnesty period, weighted no more
8 than thirty percent (30%) of the evaluation score; and
 - 9 b. Maintain lines of communication with the department related to
10 strategy for and delivery of amnesty services and report to the
11 department regarding the results from the firm delivering amnesty
12 services, weighted no more than twenty-five percent (25%) of the
13 evaluation score;
 - 14 2. The bid of the firm to provide amnesty services, weighted no more than
15 fifteen percent (15%) of the evaluation score; and
 - 16 3. The past performance of the firm with other states, including how well
17 the firm met goals established by the other states, weighted no more
18 than thirty percent (30%) of the evaluation score.
- 19 (3) For purposes of accounting for the revenues received pursuant to KRS 131.410 to
20 131.445, the department shall establish within the general fund a separate and
21 distinct tax amnesty receipt account. All receipts collected as a result of the amnesty
22 program shall be paid into this account, and all transactions involving this account
23 shall be accounted for and reported as such.
- 24 (4) Following receipt of the report required by subsection (2) of this section and the
25 disposition of moneys as required by subsection (3) of this section, the department
26 shall provide a report summarizing the amnesty program results to the Interim Joint
27 Committee on Appropriations and Revenue no later than July 1, 2025~~[2023]~~.

1 ➔Section 46. KRS 131.440 is amended to read as follows:

2 (1) For purposes of the program described in KRS 131.400(3):

3 (a) In addition to all other penalties provided under KRS 131.180, 131.410 to
4 131.445, 131.990 and any other law, there are hereby imposed after the
5 expiration of the tax amnesty period the following cost-of-collection fees:

6 1. A cost-of-collection fee of twenty-five percent (25%) on all taxes which
7 are or become due and owing to the department for any reporting period,
8 regardless of when due. This fee shall be in addition to any other
9 applicable fee provided in this paragraph;

10 2. Taxes which are assessed and collected after the amnesty period for
11 taxable periods ending or transactions occurring prior to December 1,
12 2023~~[2021]~~, shall be charged a cost-of-collection fee of twenty-five
13 percent (25%) at the time of assessment; and

14 3. For any taxpayer who failed to file a return for any previous tax period
15 for which amnesty is available and fails to file the return during the
16 amnesty period, the cost-of-collection fee shall be fifty percent (50%) of
17 any tax deficiency assessed after the amnesty period.

18 (b) After expiration of the tax amnesty period, an amnesty-eligible tax liability
19 that remains unpaid and that is not covered by an installment agreement as
20 provided in KRS 131.420 shall accrue interest at a rate that is two percent
21 (2%) above the interest rate established by KRS 131.183 or other applicable
22 provisions of the Kentucky Revised Statutes, beginning on the day after the
23 tax amnesty period ends.

24 (2) The commissioner shall have the right to waive any penalties or collection fees
25 when it is demonstrated that any deficiency of the taxpayer was due to reasonable
26 cause as defined in KRS 131.010(9). However, any taxes that cannot be paid under
27 the amnesty program because of the exclusions under KRS 131.410(2) shall not be

1 subject to these fees.

2 (3) The provisions of subsection (1) of this section shall not relate to any account which
3 has been protested pursuant to KRS 131.110 as of the expiration of the amnesty
4 period and which does not become due and owing, or to any account on which the
5 taxpayer is remitting timely payments under a payment agreement negotiated with
6 the department prior to or during the amnesty period.

7 (4) The fee levied under subsection (1) of this section shall not apply to taxes paid
8 pursuant to the terms of the amnesty program nor shall the judgment penalty of
9 twenty percent (20%) levied under KRS 135.060(3) apply in any case in which the
10 fee levied under this section is applicable.

11 ➔Section 47. KRS 131.445 is amended to read as follows:

12 (1) After the expiration of the tax amnesty period, the department shall vigorously
13 pursue all civil, administrative, and criminal penalties authorized by state and
14 federal law for all taxes found to be due the Commonwealth.

15 (2) In addition to all other penalties provided under KRS 131.180, 131.410 to 131.445,
16 131.990, and any other law, any taxpayer who willfully fails to make a return or
17 willfully makes a false return, or who willfully fails to pay taxes owing or collected,
18 with intent to evade payment of the tax or amount collected, or any part thereof,
19 shall be guilty of a Class D felony.

20 (3) (a) Amnesty received by a taxpayer under the program described in KRS
21 131.400(3) shall be invalidated if:

22 1. The taxpayer fails to timely file any tax return or timely pay any tax and
23 interest due for any period ending on or after October 1, 2011, but prior
24 to December 1, 2023~~[2021]~~; or

25 2. The taxpayer fails to timely file any tax return or timely pay any tax for
26 any period beginning December 1, 2023~~[2021]~~, and ending within three
27 (3) years of the date amnesty was granted to the taxpayer.

1 (b) Except as provided in paragraph (d) of this subsection, if the provisions of
2 paragraph (a) of this subsection apply, then the civil penalties, fees, and
3 interest waived pursuant to KRS 131.410 shall:

- 4 1. Be reinstated;
- 5 2. Be subject to immediate collection by the department; and
- 6 3. Not be subject to protest under KRS 131.110.

7 (c) The department may utilize any remedy permitted under the law to collect
8 amounts due under this subsection, and no statute of limitations shall apply.

9 (d) If paragraph (a) of this subsection applies to a taxpayer as the result of an audit or
10 other investigation by the department, the amnesty shall not be invalidated until the
11 taxpayer has had the opportunity to protest as provided in KRS 131.110, and has
12 failed to pay the tax within thirty (30) days of the date on which the assessment
13 becomes final, due, and owing as provided in KRS 131.500(1).

14 ➔Section 48. **Revenue Replacement:** Notwithstanding KRS 43.070(3), during
15 the 2024-2026 fiscal biennium, counties shall bear one-half of the actual expense of
16 audits conducted pursuant to KRS 43.070(1)(a)2. and (2)(a).

17 ➔Section 49. **Authority to Sell:** Notwithstanding KRS 154.15-020, the Kentucky
18 Communications Network Authority shall have the authority to enter into contracts with
19 public and private entities to carry out its duties and responsibilities, which may include
20 the sale of all or portions of the Commonwealth's open-access broadband network known
21 as KentuckyWired. A contract or other agreement involving the acquisition or disposition
22 of a property interest by the Commonwealth shall be signed by the Secretary of the
23 Finance and Administration Cabinet. KRS Chapters 45A and 56 may require the
24 Secretary's signature on other contracts or agreements.

25 ➔Section 50. **Sale of Properties:** Notwithstanding KRS 45A.045(4), the Finance
26 and Administration Cabinet may sell, trade, or otherwise dispose of the three properties
27 used by the Education and Labor Cabinet located in the cities of Winchester, Morehead,

1 and Hazard at a selling price that is below the appraised value by July 1, 2025.
2 Notwithstanding KRS 45.777, up to \$3,000,000 of proceeds from the disposal of the
3 above-mentioned properties shall be used to reduce the Wagner-Peyser deficit.

4 →Section 51. **Kentucky Group Self-Insurance Guaranty Fund:**
5 Notwithstanding KRS 342.908(4), no assessments from the members of the Kentucky
6 Group Self-Insurance Guaranty Fund shall exceed an amount in excess of \$5,000,000 at
7 any given time. Notwithstanding KRS 342.908(4) and (5), the Board of Directors shall
8 raise assessments to a percentage of the premium for each member of the Kentucky
9 Group Self-Insurance Guaranty Fund sufficient to pay outstanding claims.

10 →Section 52. **Billing for Security Services:** Notwithstanding any statute to the
11 contrary, the Department of Kentucky State Police shall bill and accept payment from
12 nonstate-operated event sponsors for security services provided by the Department.

13 →Section 53. **Jailer Canteen Accounts:** Notwithstanding KRS 67.0802(6)(a),
14 any compensation resulting from the disposal of real or personal property that was
15 purchased from a canteen account under KRS 441.135 shall be returned to the canteen
16 account from which the real or personal property was originally purchased. All proceeds
17 resulting from the disposal of real or personal property purchased from a canteen account
18 shall be reported to the Interim Joint Committee on Appropriations and Revenue by
19 December 1 of each fiscal year.

20 →Section 54. **Administrative Fee on Infrastructure for Economic**
21 **Development Fund Projects:** A one-half of one percent administrative fee is authorized
22 to be paid to the Kentucky Infrastructure Authority for the administration of each project
23 funded by the Infrastructure for Economic Development Fund for Coal-Producing
24 Counties and the Infrastructure for Economic Development Fund for Tobacco Counties.
25 These administrative fees shall be paid, upon inception of the project, out of the fund
26 from which the project was allocated.

27 →Section 55. **Charges for Federal, State, and Local Audits:** Any additional

1 expenses incurred by the Auditor of Public Accounts for required audits of Federal Funds
2 shall be charged to the government or agency that is the subject of the audit. The Auditor
3 of Public Accounts receives General Fund appropriations for audits of the statewide
4 systems of personnel and payroll, cash and investments, revenue collection, and the state
5 accounting system. Any expenses incurred by the Auditor of Public Accounts for any
6 other audits shall be charged to the agency that is the subject of such audit. The Auditor
7 of Public Accounts shall maintain a record of all time and expenses for each audit or
8 investigation.

9 Any expenses incurred by the Auditor of Public Accounts for auditing individual
10 governmental entities when mandated by a legislative committee shall be charged to the
11 agency or entity receiving audit services.

12 ➔Section 56. **Personnel Board Operating Assessment:** Each Agency of the
13 Executive Branch with employees covered by KRS Chapter 18A shall be assessed each
14 fiscal year the amount required for the operation of the Personnel Board. The agency
15 assessment shall be determined by the Secretary of the Finance and Administration
16 Cabinet based on the authorized full-time positions of each agency on July 1 of each year
17 of the biennium. The Secretary of the Finance and Administration Cabinet shall collect
18 the assessment.

19 ➔Section 57. **Water Withdrawal Fees:** The water withdrawal fees imposed by
20 the Kentucky River Authority shall not be subject to state and local taxes.
21 Notwithstanding KRS 151.710(10), Tier 1 water withdrawal fees shall be used to support
22 the operations of the Authority and for contractual services for water supply and quality
23 studies.

24 ➔Section 58. **Urgent Needs School Assistance:** If a school district receives an
25 allotment for an Urgent Needs School authorized in 2014 Ky. Acts ch. 117, Part I, A.,
26 28., (5), 2014 Ky. Acts ch. 117, Part I, C., 1., (19)(b), 2016 Ky. Acts ch. 149, Part I, A.,
27 28., (4) and (5), 2018 Ky. Acts ch. 169, Part I, A., 27., (3), or 2021 Ky. Acts ch. 169, Part

1 I, A., 28., (3), and subsequently, as a result of litigation or insurance, receives funds for
2 the original facility, the school district shall reimburse the Commonwealth an amount
3 equal to that received for such purposes. If the litigation or insurance receipts are less
4 than the amount received, the district shall reimburse the Commonwealth an amount
5 equal to that received as a result of litigation or insurance less the district's costs and
6 legal fees in securing the judgment or payment. Any funds received in this manner shall
7 be deposited in the General Fund.

8 →Section 59. **Premium and Retaliatory Taxes:** Notwithstanding KRS 304.17B-
9 021(4)(d), premium taxes collected under KRS Chapter 136 from any insurer and
10 retaliatory taxes collected under KRS 304.3-270 from any insurer shall be credited to the
11 General Fund.

12 →Section 60. **Monthly Per Employee Health Insurance Benefits Assessment:**
13 The Personnel Cabinet shall collect a benefits assessment per month per employee
14 eligible for health insurance coverage in the state group for duly authorized use by the
15 Personnel Cabinet in administering its statutory and administrative responsibilities,
16 including but not limited to administration of the Commonwealth's health insurance
17 program.

18 →Section 61. **Executive Branch Ethics Commission:** The Executive Branch
19 Ethics Commission may increase the amount of the registration fee provided under KRS
20 11A.211(6) for the purpose of funding a new online filing system.

21 →Section 62. **Tax Expenditure Analysis:** (1) By September 1, 2024, and
22 September 1, 2025, in conjunction with the publication of the Tax Expenditure Analysis
23 and with the assistance of the Department of Revenue, the Office of State Budget
24 Director shall provide, to the Legislative Research Commission and the Interim Joint
25 Committee on Appropriations and Revenue, recommendations of tax expenditures which
26 may be considered by the General Assembly.

27 (2) The recommendations shall:

1 (a) Contain two lists, each containing 20 tax expenditures for consideration by the
2 General Assembly, one of which is for immediate sunset and one of which may be sunset
3 within five years;

4 (b) Consider all tax expenditures within the Tax Expenditure Analysis; and

5 (c) Include a description of the tax expenditure recommended for sunset, the
6 estimated fiscal impact of sunsetting the tax expenditure, and a list of specific taxpayers
7 which will be impacted if the General Assembly acts upon the recommendations.

8 (3) The information required to be reported under this section shall not be
9 considered confidential taxpayer information and shall not be subject to KRS Chapter
10 131 or any other provisions of the Kentucky Revised Statutes prohibiting disclosure or
11 reporting of information.

12 ➔Section 63. Sections 10, 18, 19, 20, and 34 of this Act take effect January 1,
13 2025.

14 ➔Section 64. Section 15 of this Act applies to the fiscal year 2023-2024
15 calculation of GF appropriations.

16 ➔Section 65. Sections 21, 28, and 33 of this Act take effect August 1, 2024.

17 ➔Section 66. Section 30 of this Act applies to fiscal years beginning or after July
18 1, 2020.

19 ➔Section 67. Sections 48 to 60 of this Act apply to the fiscal year beginning July
20 1, 2024, and ending June 30, 2025, and the fiscal year beginning July 1, 2025, and ending
21 June 30, 2026, and shall expire at the end of June 30, 2026.

22 ➔Section 68. Whereas fiscal matters are necessary in the growth and stability of
23 the Commonwealth's economy, an emergency is declared to exist, and Sections 4, 15, and
24 48 to 60 of this Act take effect upon its passage and approval by the Governor or upon its
25 otherwise becoming a law.