AN ACT relating to supervision of public documents and records and making an appropriation therefor.

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

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) On January 1, 2019 there shall be created the position of, "regional public records and licensing administrator." Regional public records and licensing administrators shall be state officials and all deputies and assistants of their offices shall be unclassified state employees. The regional public records and licensing administrator shall supplement the duties of county clerks.

(2) There shall be fifteen (15) regional public records and licensing administrators. The boundaries of each regional public records and licensing administrator's region shall correspond to that particular regional public records and licensing administrator's area development district boundaries.

(3) Regional public records and licensing administrators shall be:

(a) Appointed by the Governor from a list of three (3) nominees provided by the board of directors of the relevant area development district;

(b) Appointed for a period of four (4) years, and

(c) Eligible for reappointment.

(4) The regional public records and licensing administrators and all deputies and assistants of their offices who qualify as full-time employees shall be eligible for participation in the provisions of KRS 18A.205, 18A.230 to 18A.275, and 61.510 to 61.705.

(5) (a) A regional public records and licensing administrator may be removed from office by the Governor upon petition of:

1. Any resident of that regional public records and licensing administrator's region; or

2. The commissioner of the Department for Local Government.

(b) Removal under paragraph (a) of this subsection may be for:

1. Willful disobedience of any just or legal order of the Department for Local Government, or courts of justice; or

2. Misfeasance or malfeasance in office or willful neglect in the discharge of the administrator's official duties.

(6) If the Governor determines that a regional public records and licensing administrator should be removed from office, the regional public records and licensing administrator shall be notified in writing, and the notice of intent to remove shall state the specific reasons for removal. The notice shall also advise the regional public records and licensing administrator of his or her right to a preremoval conference and an administrative hearing.

(7) A regional public records and licensing administrator may request a preremoval conference and appear with or without counsel before the commissioner of the Department for Local Government or the commissioner's designee to answer the charges against him or her. The preremoval conference shall be requested in writing within six (6) working days of the date on which the notice of intent to remove is received, and a preremoval conference shall be scheduled within seven (7) working days of the date on which the request is received. The commissioner of the Department for Local Government or the commissioner's designee shall render a decision within five (5) working days of the conclusion of the preremoval conference. Failure of a regional public records and licensing administrator to request a preremoval hearing shall not waive the administrator's right to contest his or her removal through an administrative hearing.

(8) If an action to remove a regional public records and licensing administrator is initiated by the commissioner of the Department for Local Government, the regional public records and licensing administrator may appeal and, upon

appeal, an administrative hearing shall be conducted in accordance with KRS Chapter 13B. Appeal of the final order of the commissioner of the Department for Local Government may be filed in a Circuit Court of an adjacent judicial circuit in accordance with KRS Chapter 13B, notwithstanding the provisions of KRS Chapter 18A.

(9) Notwithstanding KRS 18A.110(5)(c), the Department for Local Government shall promulgate administrative regulations allowing regional public records and licensing administrators and their deputies to receive lump-sum payments for accrued annual leave and compensatory time when separated from employment because of termination by the employer, resignation, retirement, or death.

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

Whenever a vacancy occurs in the regional public records and licensing administrator's office, the commissioner of the Department for Local Government shall designate a qualified department employee to carry on the duties of the office until the vacancy is filled by appointment. The department employee so designated shall be compensated from Department for Local Government funds in the same manner and at the same rate as that employee was compensated prior to his or her receiving the designation. The employee shall also be compensated for necessary expenses, including travel. The employee shall have all the powers and be subject to all the administrative regulations applying to regional public records and licensing administrators.

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

(1) The Commonwealth of Kentucky shall provide for each regional public records and licensing administrator a suitable office space, together with suitable furniture.

(2) The regional public records and licensing administrator shall engage in official duties at least five (5) days a week during regular working hours and shall keep scheduled office hours at least five (5) days each week.

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) The compensation of the regional public records and licensing administrator shall be based on the schedule contained in subsection (2) of this section as modified by subsection (3) of this section. Should a regional public records and licensing administrator for any reason vacate the office in any year during his or her term of office, he or she shall be paid only for the calendar days actually served during the year.

(2) (a) The salary schedule for regional public records and licensing administrators provides for three (3) levels of salary based upon the population of the area development district in the prior year as determined by the United States Department of Commerce, Bureau of the Census annual estimates. To implement the salary schedule, the Department for Local Government shall, by November 1 of each year, certify for each area development district the population group applicable to each area development district based on the most recent estimates of the United States Department of Commerce, Bureau of the Census. If the area development district's population as certified by the Department for Local Government increases to a new group level, the regional public records and licensing administrator's salary shall be computed from the new group level at the beginning of the next year.

(b) SALARY SCHEDULE

Population	***Salary***
1-100,000	***$74,250***

100,001-400,000	***$78,375***
400,001 and greater	***$82,500***

(3) (a) For calendar year 2020, the salary schedule in subsection (2) of this section shall be increased by the amount of increase in the annual consumer price index as published by the United States Department of Commerce for the year ended December 31, 2019. This salary adjustment shall take effect on July 14, 2020, and shall not be retroactive to the preceding January 1.

(b) For each calendar year beginning after December 31, 2020, upon publication of the annual consumer price index by the United States Department of Commerce, the annual rate of salary for the regional public records and licensing administrator shall be determined by applying the increase in the consumer price index to the salary in effect for the previous year. This salary determination shall be retroactive to the preceding January 1.

(4) Deputy regional public records and licensing administrators and other authorized personnel may be advanced one (1) step in grade upon completion of twelve (12) months' continuous service. The Department for Local Government may make grade classification changes corresponding to any approved for Department for Local Government employees in comparable positions, so long as the changes do not violate the integrity of the classification system. Subject to availability of funds, the department may extend cost-of-living increases approved for Department for Local Government employees to deputy regional public records and licensing administrators and other authorized personnel, by advancement in grade.

(5) Beginning with the 2018-2020 biennium, the Department for Local Government shall prepare a biennial budget request for the staffing of regional public records and licensing administrators' offices. An equitable allocation of employee

positions to each regional public records and licensing administrator's office in the state shall be made on the basis of comparative work. Work shall be determined from the most objective information available. The total sum allowed by the state to any regional public records and licensing administrator's office as compensation for deputies, other authorized personnel, and for other authorized expenditures shall not exceed the amount fixed by the Department for Local Government. However, each regional public records and licensing administrator's office shall be allowed as a minimum such funds that are required to meet the federal minimum wage requirements for sixteen (16) full-time deputies.

(6) Beginning with the 2020-2022 biennium each regional public records and licensing administrator shall by June 1 of each year preceding the beginning of a new biennium submit to the Department for Local Government a budget request for his or her office which shall be based upon the number of employee positions allocated to that office under subsection (5) of this section. Each administrator shall also submit the amount to be expended for deputy and other authorized personnel, including the employer's share of FICA and state retirement and other authorized expenses of the office.

(7) Each regional public records and licensing administrator may appoint any persons approved by the Department for Local Government to assist the administrator in the discharge of his or her duties. Each deputy shall be at least twenty-one (21) years of age and may be removed at the pleasure of the regional public records and licensing administrator. The salaries of deputies and other authorized personnel shall be fixed by the regional public records and licensing administrator in accordance with the grade classification system established by the Department for Local Government and shall be subject to the approval of the Department for Local Government. The Personnel Cabinet shall provide advice

and technical assistance to the Department for Local Government in the revision and updating of the personnel classification system, which shall be equitable in all respects to the personnel classification systems maintained for other state employees. Any deputy regional public records and licensing administrator employed or promoted to a higher position may be examined by the Department for Local Government, in accordance with standards of the Personnel Cabinet, for the position to which the deputy is being appointed or promoted. No state funds available to any regional public records and licensing administrator's office as compensation for deputies and other authorized personnel or for other authorized expenditures shall be paid without authorization of the Department for Local Government prior to the employment by the regional public records and licensing administrator of deputies or other authorized personnel or the incurring of other authorized expenditures.

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

(1) Each regional public records and licensing administrator shall be paid from the State Treasury each month as provided in Section 4 of this Act.

(2) Deputies, other authorized personnel, and other authorized expenditures of the regional public records and licensing administrator's office shall be paid from the State Treasury monthly as approved by the Department for Local Government as provided in Section 4 of this Act.

➔SECTION 6. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

The regional public records and licensing administrator shall, subject to the direction, instruction, and supervision of the Department for Local Government and, where relevant, the Department of Revenue be responsible for:

(1) Issuance and reporting of marriage licenses;

(2) Recording and keeping of certain legal instruments;

(3) Preparation and collection of tax bills; and

(4) Performance of certain other miscellaneous duties as specified by statute.

➔SECTION 7. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

Upon the establishment of the office, all fees collected by regional public records and licensing administrators shall be remitted to the State Treasury of the Commonwealth, unless otherwise specified by statute.

➔SECTION 8. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) The Department for Local Government is hereby directed to create a Task Force on a Uniform Indexing System that shall study and develop a uniform system of indexing of documents and the updating and correction of documents for the filing of legal documents to be used by Kentucky regional public records and licensing administrators.

(2) The members of the task force shall consist of the following seven (7) members:

(a) The commissioner of the Department for Local Government, or a designee;

(b) The commissioner of the Commonwealth Office of Information Technology, or a designee;

(c) The commissioner of the Kentucky Department of Libraries and Archives, or a designee;

(d) One (1) member appointed by the State Board of Licensure for Professional Engineers and Land Surveyors;

(e) One (1) member appointed by the Kentucky Bar Association;

(f) One (1) member appointed by the Kentucky Association of Realtors; and

(g) One (1) member appointed by the Kentucky Bankers Association;

(3) The task force, no later than December 1, 2017, shall report its findings to the:

(a) Respective commissioners of their departments, boards, or associations; and

(b) Governor's Office.

(4) No later than December 1, 2018 the Department for Local Government shall promulgate administrative regulations, pursuant to KRS Chapter 13A, necessary to implement this Uniform Indexing System.

➔Section 9. KRS 14A.2-040 is amended to read as follows:

(1) Except as provided in subsection (2) of this section, one (1) exact or conformed copy of each of the following documents shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the entity or foreign entity maintains its registered office:

(a) Articles of incorporation and all amendments thereto;

(b) Articles of organization and all amendments thereto;

(c) Certificate of limited partnership and all amendments thereto;

(d) Declaration of trust for a business trust or certificate of trust for a statutory trust and all amendments thereto;

(e) Application for a certificate of authority;

(f) Amendment to a certificate of authority;

(g) Withdrawal of a certificate of authority;

(h) Articles of merger;

(i) A statement of change of principal office address filed pursuant to KRS 14A.5-010 or predecessor law;

(j) A statement of change of registered office or registered agent or both filed pursuant to KRS 14A.4-020 or predecessor law; and

(k) Articles of association and all amendments thereto.

(2) The articles of incorporation of a rural electric cooperative or a rural telephone cooperative, all amendments thereto, and all articles of merger involving a rural electric cooperative or rural telephone cooperative shall be filed with the ***regional***

public records and licensing administrator[~~county clerk~~] in which is maintained the principal office address.

(3) Annual reports filed with the Secretary of State pursuant to KRS 14A.6-010 or predecessor law need not be filed with the ***regional public records and licensing administrator***[~~county clerk~~].

(4) The ***regional public records and licensing administrator***[~~county clerk~~] shall ***collect***[~~receive~~] a fee as provided in KRS 64.012 for each filing made pursuant to subsection (1) or (2) of this section ***and remit this fee to the State Treasury of the Commonwealth***.

(5) The ***regional public records and licensing administrator***[~~county clerk~~] shall ***collect***[~~receive~~] a fee pursuant to KRS 64.012 for recording and issuing reports, articles, and statements pertaining to an entity or foreign entity ***and remit this fee to the State Treasury of the Commonwealth***.

(6) Any amendment to articles of incorporation or a certificate of limited partnership that was itself not required to be filed with the Secretary of State under the law applicable at the time of incorporation or organization shall be filed by the ***regional public records and licensing administrator***[~~county clerk~~] notwithstanding the absence of a prior filing with the Secretary of State.

➔Section 10. KRS 14A.2-070 is amended to read as follows:

(1) Except as provided in subsection (2) of this section and KRS 14A.2-090(3), a document delivered to the Secretary of State for filing shall be effective:

(a) On the date and at the time of filing, as evidenced by such means as the Secretary of State may use for the purpose of recording the date and time of filing; or

(b) At the time specified in the document as its effective time on the date it is effective.

(2) A document may specify a delayed effective time and date, and if it does so the

document shall become effective at the time and date specified. If a delayed effective date but no time is specified, the document shall be effective as of 5 p.m. prevailing time in Frankfort, Kentucky, on that date. A delayed effective date for a document may not be later than the ninetieth day after the date it is filed; a document delivered for filing with a delayed effective date more than ninety (90) days after the date of filing will be effective on the ninetieth day thereafter. A document cannot have an effective time or date preceding the document's filing by the Secretary of State.

(3) A document filed by the Secretary of State shall be effective regardless of a failure to file the document with the ***regional public records and licensing administrator*** ~~[county clerk]~~ pursuant to KRS 14A.2-040.

➔Section 11. KRS 42.355 is amended to read as follows:

(1) The Department for Local Government shall examine each capital project selected by the area development districts, and when it finds that a proposed project conforms to the requirements of KRS 42.350 to 42.370; that the estimated costs of the project are reasonable; that the costs proposed to be paid from the fund are within the amount available; and that the proposed beneficiary agency will be reasonably able to finance the operation and maintain the capital project during its estimated useful life, the commissioner of the Department for Local Government shall approve it. If the Department for Local Government determines that a capital project proposal does not conform to the requirements of KRS 42.350 to 42.370, that the estimated costs of the project are excessive or unreasonable in light of the public benefit to be derived from the project, or the unencumbered balance in the fund available for expenditure in the area development district is insufficient to pay the costs of the project, or the part thereof proposed to be paid out of the fund, or the beneficiary agency cannot reasonably finance the operation of or maintain the capital project during its estimated useful life, the project proposal shall be

disapproved by the Department for Local Government. The final decision to either approve or disapprove any project proposal shall be made no later than forty-five (45) days following official submittal of a complete proposal by the area development district, and the area development district shall be accordingly notified at that time.

(2) The commissioner of the Department for Local Government may make direct grants-in-aid of money out of the fund to any beneficiary agency for the construction or acquisition of any approved capital project. When a direct grant-in-aid has been made to a beneficiary agency, all contracts awarded for the purchase of materials, supplies, equipment, or services, except professional and technical services, required for the construction or acquisition of the project shall be awarded to the lowest and best bidder in the discretion of the beneficiary agency after public advertisement as required by KRS Chapter 424 or other applicable law. All contracts awarded under this section for the construction, reconstruction, or renovation of a building or other improvement to real estate shall be deemed contracts for public works within the meaning of KRS 341.317 and KRS Chapter 376 and other applicable statutes. All beneficiary agencies receiving a direct grant-in-aid under this subsection shall keep and maintain complete and accurate records of accounts of all expenditures of the grant moneys which shall be subject to audit by the Commonwealth for a period of five (5) years after completion of the capital project. Beneficiary agencies shall complete approved capital projects within a reasonable period of time as determined by the Department for Local Government. Upon completion of capital projects, beneficiary agencies shall submit project completion reports to the Department for Local Government as prescribed by the Department for Local Government and containing documents and information as may be necessary to determine compliance with KRS 42.350 to 42.360 and other applicable statutes and administrative regulations. Beneficiary agencies shall be

liable to repay to the fund any granted funds for failure to submit full project completion reports within a reasonable period of time or for expenditure of granted funds in violation of statutes and regulations. No additional area development funds may be approved until compliance, except at the discretion of the commissioner of the Department for Local Government. Any grant moneys not required after all of the costs of the capital project have been paid by the beneficiary agency shall be promptly returned to the Commonwealth for reallocation for expenditure for other capital projects in the area development district to which the funds had been originally allocated.

(3) No capital project shall be constructed under KRS 42.350 to 42.370 except upon land to which (a) the Commonwealth, a political subdivision of the Commonwealth, or the beneficiary agency of the capital project has a good and marketable title, free of encumbrances, or (b) the beneficiary agency of the project has the right to the uninterrupted use, occupancy, and possession for a period longer than the estimated useful life of the capital project; provided nothing herein shall prohibit the construction or renovation of public buildings on land with an existing encumbrance to secure payment of funds obtained for the acquisition or improvement of said land. Each beneficiary agency shall execute and deliver to the Commonwealth its written assurances, which shall be binding on the agencies' successors and assigns, guaranteeing that during its estimated useful life, the capital project shall be operated and maintained for public purposes and pledging that no mortgage or other encumbrances shall be placed against any capital project wholly financed out of the fund, except industrial development projects, for the breach of which assurances the Commonwealth shall have right of entry to the capital project and the beneficiary agency, or its successors and assigns, shall forthwith convey the title to the capital project to the Commonwealth. Similar assurances shall be executed and delivered to the Commonwealth by the beneficiary agencies of capital

projects financed in part out of the fund and in part from other sources, except that when additional funding is derived from the issuance and sale of revenue bonds or under other statutorily authorized financing methods, to secure the repayment of which funds a statutory mortgage lien is granted in favor of any person or group of persons, the capital project may be encumbered to the extent authorized or required by the law under which the financing method was undertaken; nor shall anything in this section prohibit the encumbrance of any real property located within an industrial park or constituting an industrial site, developed or improved as a capital project under KRS 42.350 and this section, by any person, firm, company, partnership, or corporation to which the property has been conveyed, to obtain financing for the construction upon the property of industrial and commercial buildings. The written assurances provided by beneficiary agencies under this section shall be lodged for recording and recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the proposed project shall be located.

➔Section 12. KRS 56.060 is amended to read as follows:

(1) All deeds and judgments conveying to or from or vesting in or divesting the state of any land or interest in land shall be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ where the land or the greater part of it lies.

(2) In cases conveying to or vesting in the state any land or interest therein, other than highway right-of-way acquisitions, the deed or copy of the judgment shall be immediately transmitted to the Secretary of State by the ***regional public records and licensing administrator***~~[clerk]~~. The ***regional public records and licensing administrator***~~[county clerk]~~ shall endorse on the document the book, page number and county where he has recorded it, as follows: "Recorded in .... Book ...., Page ...., ... ***Regional Public Records and Licensing Administrator's***~~[County Clerk's]~~

Office."

(3) In cases of deeds or judgments conveying from or divesting the state of land or an interest therein, the clerk shall immediately transmit a copy of the document to the Secretary of State. This document shall be endorsed as follows: "Recorded in .... Book ...., Page ...., ... ***Regional Public Records and Licensing Administrator's***~~[County Clerk's Office]~~."

➔Section 13. KRS 56.8177 is amended to read as follows:

All built-to-suit lease agreements shall be reviewed by the Office of Financial Management within the Office of the Controller prior to execution on behalf of the Commonwealth by the secretary of the Finance and Administration Cabinet or on behalf of an institution in accordance with KRS 164A.630, and approved for form and legality by the Attorney General or an assistant attorney general, before they shall be binding against the Commonwealth. All the leases shall be lodged for record and recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the leased property is located.

➔Section 14. KRS 61.098 is amended to read as follows:

(1) No ***regional public records and licensing administrator,*** county clerk or circuit clerk shall maintain a law partnership or association with an attorney-at-law.

(2) No ***regional public records and licensing administrator,*** circuit clerk, county clerk, justice of the peace, constable, or recorder shall keep his office with that of an attorney-at-law.

➔Section 15. KRS 61.320 is amended to read as follows:

Each county road official shall, at the expiration of his term of office, pay over to his successor all the money in his hands by virtue of his office, and take duplicate receipts therefor, one (1) of which shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~. If he fails to do so, the county may recover double the amount in his hands.

➔Section 16. KRS 61.360 is amended to read as follows:

The Governor or ***the Governor's***~~[his]~~ agent may appoint special local peace officers, for such time as ***the Governor***~~[he]~~ deems necessary, to preserve the peace and protect the property of any person from waste or destruction; provided, however, that no such peace officer(s) shall be actively employed at any factory, mine, workshop, retail establishment, or at any other location where a strike, a slowdown, a sit in, or any other type of work stoppage exists, if the employment of such peace officer(s) would result in the unreasonable expansion of the normal complement of such peace officers or the relieving of normal guards or peace officers to perform other duties. Upon the application of an owner of property for such services, and upon payment of a fee of ten dollars ($10) for each officer to be appointed, the Governor may immediately appoint the person recommended by the owner, if the person is eligible. No person shall be eligible for appointment under this section unless he has established to the satisfaction of the Governor that he possesses the following qualifications:

(1) No person shall serve as a special local peace officer:

(a) Unless he is a citizen of the United States, is twenty-one (21) years of age or over, and unless he is able to read and write;

(b) Unless he has resided in the Commonwealth for a period of at least one (1) year;

(c) Who has ever been convicted of or is under indictment for a crime involving moral turpitude, dishonesty, or fraud; unauthorized divulging or selling of information or evidence; impersonation of a law enforcement officer or employee of the United States or any state or political subdivision thereof; illegally using, carrying, or possessing a firearm or dangerous weapon; habitual drunkenness; using or selling or possessing narcotics; or who has been adjudged mentally disabled by a court of competent jurisdiction and such adjudication has not been set aside; or has renounced his citizenship, or, being

an alien, is illegally or unlawfully in the United States;

(d) Who within a period of two (2) years has hired himself out, performed any service, or received any compensation from any private source for acting, as a privately paid detective, policeman, guard, peace officer, or otherwise as an active participant in any labor dispute, or conducted the business of a private detective agency or of any agency supplying private detectives, private policemen, or private guards, or advertised or solicited any such business in connection with any labor dispute;

(e) Unless he has filed his photograph with the ***regional public records and licensing administrator*** ~~[county clerk]~~ of the ***area development district*** ~~[county]~~ in which he is to serve, together with his affidavit stating his full name, age, and residence address and that he is not prohibited from serving by this section.

(2) The photograph so filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~ shall constitute a public record. The Governor may remove any officer so appointed at will or at the request of the owner of the property.

(3) The duties of the officer shall be confined to the premises of the property to be protected, except while in pursuit of a person fleeing from the property after committing an act of violence or destruction of the property. In that case, the officer may pursue the person and make arrest anywhere within this state. He may wear such badges and insignia as will plainly indicate to the public that he is a special local peace officer, but he shall not, in any event, wear any uniform, or any part thereof, of any public police officer; nor shall he in any way impersonate a public police officer or represent himself to any person or persons as being a public police officer; nor shall he perform any of the duties of a public police officer, except those specifically herein granted and at the places herein specifically designated.

(4) Application fees shall be placed in the State Treasury and credited to a revolving fund for administrative expenses.

(5) Every special local peace officer appointed pursuant to this section shall execute bond in the amount of five thousand dollars ($5,000).

➔Section 17. KRS 61.933 is amended to read as follows:

(1) (a) Any agency that collects, maintains, or stores personal information that determines or is notified of a security breach relating to personal information collected, maintained, or stored by the agency or by a nonaffiliated third party on behalf of the agency shall as soon as possible, but within seventy-two (72) hours of determination or notification of the security breach:

1. Notify the commissioner of the Kentucky State Police, the Auditor of Public Accounts, and the Attorney General. In addition, an agency shall notify the secretary of the Finance and Administration Cabinet or his or her designee if an agency is an organizational unit of the executive branch of state government; notify the commissioner of the Department for Local Government if the agency is a unit of government listed in KRS 61.931(1)(b) or (c) that is not an organizational unit of the executive branch of state government; notify the commissioner of the Kentucky Department of Education if the agency is a public school district listed in KRS 61.931(1)(d); and notify the president of the Council on Postsecondary Education if the agency is an educational entity listed under KRS 61.931(1)(e). Notification shall be in writing on a form developed by the Commonwealth Office of Technology. The Commonwealth Office of Technology shall promulgate administrative regulations under KRS 61.931 to 61.934 regarding the contents of the form; and

2. Begin conducting a reasonable and prompt investigation in accordance

with the security and breach investigation procedures and practices referenced in KRS 61.932(1)(b) to determine whether the security breach has resulted in or is likely to result in the misuse of the personal information.

(b) Upon conclusion of the agency's investigation:

1. If the agency determined that a security breach has occurred and that the misuse of personal information has occurred or is reasonably likely to occur, the agency shall:

a. Within forty-eight (48) hours of completion of the investigation, notify in writing all officers listed in paragraph (a)1. of this subsection, and the commissioner of the Department for Libraries and Archives, unless the provisions of subsection (3) of this section apply;

b. Within thirty-five (35) days of providing the notifications required by subdivision a. of this subparagraph, notify all individuals impacted by the security breach as provided in subsection (2) of this section, unless the provisions of subsection (3) of this section apply; and

c. If the number of individuals to be notified exceeds one thousand (1,000), the agency shall notify, at least seven (7) days prior to providing notice to individuals under subdivision b. of this subparagraph, the Commonwealth Office of Technology if the agency is an organizational unit of the executive branch of state government, the Department for Local Government if the agency is a unit of government listed under KRS 61.931(1)(b) or (c) that is not an organizational unit of the executive branch of state government, the Kentucky Department of Education if the agency

is a public school district listed under KRS 61.931(1)(d), or the Council on Postsecondary Education if the agency is an educational entity listed under KRS 61.931(1)(e); and notify all consumer credit reporting agencies included on the list maintained by the Office of the Attorney General that compile and maintain files on consumers on a nationwide basis, as defined in 15 U.S.C. sec. 1681a(p), of the timing, distribution, and content of the notice; or

2. If the agency determines that the misuse of personal information has not occurred and is not likely to occur, the agency is not required to give notice, but shall maintain records that reflect the basis for its decision for a retention period set by the State Archives and Records Commission as established by KRS 171.420. The agency shall notify the appropriate entities listed in paragraph (a)1. of this subsection that the misuse of personal information has not occurred.

(2) (a) The provisions of this subsection establish the requirements for providing notice to individuals under subsection (1)(b)1.b. of this section. Notice shall be provided as follows:

1. Conspicuous posting of the notice on the Web site of the agency;
2. Notification to regional or local media if the security breach is localized, and also to major statewide media if the security breach is widespread, including broadcast media, such as radio and television; and
3. Personal communication to individuals whose data has been breached using the method listed in subdivision a., b., or c. of this subparagraph that the agency believes is most likely to result in actual notification to those individuals, if the agency has the information available:

a. In writing, sent to the most recent address for the individual as

reflected in the records of the agency;

b. By electronic mail, sent to the most recent electronic mail address for the individual as reflected in the records of the agency, unless the individual has communicated to the agency in writing that they do not want email notification; or

c. By telephone, to the most recent telephone number for the individual as reflected in the records of the agency.

(b) The notice shall be clear and conspicuous, and shall include:

1. To the extent possible, a description of the categories of information that were subject to the security breach, including the elements of personal information that were or were believed to be acquired;

2. Contact information for the notifying agency, including the address, telephone number, and toll-free number if a toll-free number is maintained;

3. A description of the general acts of the agency, excluding disclosure of defenses used for the protection of information, to protect the personal information from further security breach; and

4. The toll-free numbers, addresses, and Web site addresses, along with a statement that the individual can obtain information from the following sources about steps the individual may take to avoid identity theft, for:

a. The major consumer credit reporting agencies;

b. The Federal Trade Commission; and

c. The Office of the Kentucky Attorney General.

(c) The agency providing notice pursuant to this subsection shall cooperate with any investigation conducted by the agencies notified under subsection (1)(a) of this section and with reasonable requests from the Office of Consumer Protection of the Office of the Attorney General, consumer credit reporting

agencies, and recipients of the notice, to verify the authenticity of the notice.

(3) (a) The notices required by subsection (1) of this section shall not be made if, after consultation with a law enforcement agency, the agency receives a written request from a law enforcement agency for a delay in notification because the notice may impede a criminal investigation. The written request may apply to some or all of the required notifications, as specified in the written request from the law enforcement agency. Upon written notification from the law enforcement agency that the criminal investigation has been completed, or that the sending of the required notifications will no longer impede a criminal investigation, the agency shall send the notices required by subsection (1)(b)1. of this section.

(b) The notice required by subsection (1)(b)1.b. of this section may be delayed if the agency determines that measures necessary to restore the reasonable integrity of the data system cannot be implemented within the timeframe established by subsection (1)(b)1.b. of this section, and the delay is approved in writing by the Office of the Attorney General. If notice is delayed pursuant to this subsection, notice shall be made immediately after actions necessary to restore the integrity of the data system have been completed.

(4) Any waiver of the provisions of this section is contrary to public policy and shall be void and unenforceable.

(5) This section shall not apply to:

(a) Personal information that has been redacted;

(b) Personal information disclosed to a federal, state, or local government entity, including a law enforcement agency or court, or their agents, assigns, employees, or subcontractors, to investigate or conduct criminal investigations and arrests or delinquent tax assessments, or to perform any other statutory duties and responsibilities;

(c) Personal information that is publicly and lawfully made available to the general public from federal, state, or local government records;

(d) Personal information that an individual has consented to have publicly disseminated or listed; or

(e) Any document recorded in the records of either a ***regional public records and licensing administrator,*** county clerk**,** or circuit clerk of a county, or in the records of a United States District Court.

(6) The Office of the Attorney General may bring an action in the Franklin Circuit Court against an agency or a nonaffiliated third party that is not an agency, or both, for injunctive relief, and for other legal remedies against a nonaffiliated third party that is not an agency to enforce the provisions of KRS 61.931 to 61.934. Nothing in KRS 61.931 to 61.934 shall create a private right of action.

➔Section 18. KRS 64.012 is amended to read as follows:

(1) The regional public records and licensing administrator shall collect for the following services the following fees:

(a) 1. Recording and indexing of a:

a. Deed of trust or assignment for the benefit of creditors;

b. Deed;

c. Real estate mortgage;

d. Deed of assignment;

e. Real estate option;

f. Power of attorney;

g. Revocation of power of attorney;

h. Lease which is recordable by law;

i. Deed of release of a mortgage or lien under KRS 382.360;

j. United States lien;

k. Release of a United States lien;

l. Release of any recorded encumbrance other than state liens;

m. Lis pendens notice concerning proceedings in bankruptcy;

n. Lis pendens notice;

o. Mechanic's and artisan's lien under KRS Chapter 376;

p. Assumed name;

q. Notice of lien issued by the Internal Revenue Service;

r. Notice of lien discharge issued by the Internal Revenue Service;

s. Original, assignment, amendment, or continuation financing statement;

t. Making a record for the establishment of a city, recording the plan or plat thereof, and all other service incident;

u. Survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city;

v. Recording with statutory authority for which no specific fee is set, except a military discharge; and

w. Filing with statutory authority for which no specific fee is set.

For all items in this paragraph if the entire thereof does not exceed three (3) pages $12.00
And, for all items in this paragraph exceeding three (3) pages, for each additional page $3.00
And, for all items in this paragraph for each additional reference relating to same instrument $4.00

2. The twelve dollar ($12) fee imposed by subparagraph 1. of this paragraph shall be divided as follows:

a. Six dollars ($6) shall be collected by the regional public records and licensing administrator and remitted to the State Treasury; and

b. Six dollars ($6) shall be paid to the affordable housing trust fund established in KRS 198A.710 and shall be remitted by the regional public records and licensing administrator within ten (10) days following the end of the quarter in which the fee was received. Each remittance to the affordable housing trust fund shall be accompanied by a summary report on a form prescribed by the Kentucky Housing Corporation.

(b) Recording and indexing a file-stamped copy of documents set forth in KRS 14A.2-040(1) or (2) that have been filed first with the Secretary of State:

1. The entire record thereof does not exceed three (3) pages $10.00

2. And, exceeding three (3) pages, for each additional page $3.00

(c) Recording wills or other probate documents pursuant to KRS Chapter 392 or 394 .....$ 8.00

(d) Recording court ordered name changes pursuant to KRS Chapter 401 $ 8.00

(e) For noting a security interest on a certificate of title pursuant to KRS Chapter 186A $12.00

(f) For filing the release of collateral under a financing statement and noting same upon the face of the title pursuant to KRS Chapter 186 or 186A...$5.00

(g) Filing or recording state tax or other state liens $5.00

(h) Filing release of a state tax or other state lien $5.00

(i) Marginal release, noting release of any lien, mortgage, or redemption other than a deed of release $8.00

(j) Acknowledging or notarizing any deed, mortgage, power of attorney, or other written instrument required by law for recording and certifying same $4.00

(k) Recording a land use restriction according to KRS 100.3681 .....$15.00

(l) Recording plats, maps, and surveys, not exceeding 24 inches by 36 inches,

per page $20.00

(m) Recording a bond, for each bond $10.00

(n) Each bond required to be taken or prepared by the clerk $4.00

(o) Copy of any bond when ordered $3.00

(p) Issuing a license for which no other fee is fixed by law $8.00

(q) Issuing a solicitor's license $15.00

(r) Marriage license, indexing, recording, and issuing certificate thereof $24.00

(s) Every order concerning the establishment, changing, closing, or discontinuing of roads, to be paid out of the country levy when the road is established, changed, closed, or discontinued, and by the applicant when it is not $3.00

(t) Registration of licenses for professional persons required to register with the county clerk $10.00

(u) Certified copy of any record $5.00

Plus fifty cents ($.50) per page after three (3) pages

(v) Filing certification required by KRS 65.070(2)(a) $5.00

(w) Notarizing any signature, per signature $2.00

(x) Filing bond for receiving bodies under KRS 311.310 .....$10.00

(y) Noting the assignment of a certificate of delinquency and recording and indexing the encumbrance under KRS 134.126 or 134.127 .....$27.00

(z) Filing a going-out-of-business permit under KRS 365.445 .....$50.00

(aa) Filing a renewal of a going-out-of-business permit under KRS 365.445 $50.00

(2) The county clerk shall receive for the following services the following fees:

(a) Registration of licenses for professional persons required to register with the county clerk $10.00

(b) Filing notification and declaration and petition of candidates for Commonwealth's attorney.....$200.00

(c) Filing notification and declaration and petition of candidates county and independant boards of education $20.00

(d) Filing notification and declaration and petition of candidates for boards of soil and water conservation districts $20.00

(e) Filing notification and declaration and petition of candidates for other office $50.00

(f) Filing declaration of intent to be a write-in candidate for office $50.00

(g) Filing petitions for elections, other than nominating petitions $50.00

(h) Notarizing any signature, per signature $2.00

(i) Such other fees as established by statute.

~~[The county clerk shall receive for the following services the following fees:~~

~~(1) (a) Recording and indexing of a:~~

~~1. Deed of trust or assignment for the benefit of creditors;~~

~~2. Deed;~~

~~3. Real estate mortgage;~~

~~4. Deed of assignment;~~

~~5. Real estate option;~~

~~6. Power of attorney;~~

~~7. Revocation of power of attorney;~~

~~8. Lease which is recordable by law;~~

~~9. Deed of release of a mortgage or lien under KRS 382.360;~~

~~10. United States lien;~~

~~11. Release of a United States lien;~~

~~12. Release of any recorded encumbrance other than state liens;~~

~~13. Lis pendens notice concerning proceedings in bankruptcy;~~

~~14. Lis pendens notice;~~

~~15. Mechanic's and artisan's lien under KRS Chapter 376;~~

~~16. Assumed name;~~

~~17. Notice of lien issued by the Internal Revenue Service;~~

~~18. Notice of lien discharge issued by the Internal Revenue Service;~~

~~19. Original, assignment, amendment, or continuation financing statement;~~

~~20. Making a record for the establishment of a city, recording the plan or plat thereof, and all other service incident;~~

~~21. Survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city;~~

~~22. Recording with statutory authority for which no specific fee is set, except a military discharge; and~~

~~23. Filing with statutory authority for which no specific fee is set.~~

~~For all items in this subsection if the entire thereof does not exceed three (3) pages .....$12.00~~

~~And, for all items in this subsection exceeding three (3) pages, for each additional page .....$3.00~~

~~And, for all items in this subsection for each additional reference relating to same instrument .....$4.00]~~

~~[(b) The twelve dollar ($12) fee imposed by paragraph (a) of this subsection shall be divided as follows:~~

~~1. Six dollars ($6) shall be retained by the county clerk; and~~

~~2. Six dollars ($6) shall be paid to the affordable housing trust fund established in KRS 198A.710 and shall be remitted by the county clerk within ten (10) days following the end of the quarter in which the fee was received. Each remittance to the affordable housing trust fund shall be accompanied by a summary report on a form prescribed by the Kentucky Housing Corporation.]~~

~~(2) Recording and indexing a file-stamped copy of documents set forth in KRS 14A.2-~~

~~040(1) or (2) that have been filed first with the Secretary of State:~~

~~(a) The entire record thereof does not exceed three (3) pages .....$10.00~~

~~(b) And, exceeding three (3) pages, for each additional page .....$3.00~~

~~(3) Recording wills or other probate documents pursuant to KRS Chapter 392 or 394 .....$ 8.00~~

~~(4) Recording court ordered name changes pursuant to KRS Chapter 401 .....$ 8.00~~

~~(5) For noting a security interest on a certificate of title pursuant to KRS Chapter 186A .....$12.00~~

~~(6) For filing the release of collateral under a financing statement and noting same upon the face of the title pursuant to KRS Chapter 186 or 186A .....$5.00~~

~~(7) Filing or recording state tax or other state liens .....$5.00~~

~~(8) Filing release of a state tax or other state lien .....$5.00~~

~~(9) Marginal release, noting release of any lien, mortgage, or redemption other than a deed of release .....$8.00~~

~~(10) Acknowledging or notarizing any deed, mortgage, power of attorney, or other written instrument required by law for recording and certifying same ....$4.00~~

~~(11) Recording a land use restriction according to KRS 100.3681 .....$15.00~~

~~(12) Recording plats, maps, and surveys, not exceeding 24 inches by 36 inches, per page .....$20.00~~

~~(13) Recording a bond, for each bond .....$10.00~~

~~(14) Each bond required to be taken or prepared by the clerk .....$4.00~~

~~(15) Copy of any bond when ordered .....$3.00~~

~~(16) Administering an oath and certificate thereof .....$5.00~~

~~(17) Issuing a license for which no other fee is fixed by law .....$8.00~~

~~(18) Issuing a solicitor's license .....$15.00~~

~~(19) Marriage license, indexing, recording, and issuing certificate thereof .....$24.00~~

~~(20) Every order concerning the establishment, changing, closing, or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed, or discontinued, and by the applicant when it is not .....$3.00~~

~~(21) Registration of licenses for professional persons required to register with the county clerk .....$10.00~~

~~(22) Certified copy of any record .....$5.00~~

~~Plus fifty cents ($.50) per page after three (3) pages~~

~~(23) Filing certification required by KRS 65.070(2)(a) .....$5.00~~

~~(24) Filing notification and declaration and petition of candidates for Commonwealth's attorney .....$200.00~~

~~(25) Filing notification and declaration and petition of candidates for county and independent boards of education .....$20.00~~

~~(26) Filing notification and declaration and petition of candidates for boards of soil and water conservation districts .....$20.00~~

~~(27) Filing notification and declaration and petition of candidates for other office .....$50.00~~

~~(28) Filing declaration of intent to be a write-in candidate for office .....$50.00~~

~~(29) Filing petitions for elections, other than nominating petitions .....$50.00~~

~~(30) Notarizing any signature, per signature .....$2.00~~

~~(31) Filing bond for receiving bodies under KRS 311.310 .....$10.00~~

~~(32) Noting the assignment of a certificate of delinquency and recording and indexing the encumbrance under KRS 134.126 or 134.127 .....$27.00~~

~~(33) Filing a going-out-of-business permit under KRS 365.445 .....$50.00~~

~~(34) Filing a renewal of a going-out-of-business permit under KRS 365.445 .....$50.00~~

~~(35) Filing a grain warehouseman's license under KRS 359.050 .....$10.00~~

~~(36) Filing and processing a transient merchant permit under KRS 365.680 ..... $25.00]~~

➔Section 19. KRS 64.015 is amended to read as follows:

The regional public records and licensing administrator shall be paid by the fiscal court the fees provided for in KRS 64.012, for taking acknowledgments, certifying, and recording deeds conveying right-of-way to be used in the county road system. These fees shall be remitted to the State Treasury. No fees shall be paid by the state road fund for taking acknowledgments, certifying, and recording deeds conveying right-of-way to be used in the state road system.

~~[(1) County clerks shall be paid out of the state road fund the fees provided for in KRS 64.012, for taking acknowledgments, certifying, and recording deeds conveying right-of-way to be used in the state road system.~~

~~(2) County clerks shall be paid by the fiscal court the fees provided for in KRS 64.012, for taking acknowledgments, certifying, and recording deeds conveying right-of-way to be used in the county road system.]~~

➔Section 20. KRS 64.019 is amended to read as follows:

Notwithstanding any other provision of the Kentucky Revised Statutes:

(1) A county clerk ***or a regional public records and licensing administrator*** may establish procedures for obtaining copies of records under his or her control, including restricting the use of devices including but not limited to scanners, cameras, computers, personal copiers, or other devices that may be used by an individual seeking a copy of a document maintained by the clerk, but a clerk ***or a regional public records and licensing administrator*** shall not restrict the ability of any person to make handwritten notes regarding documents and records maintained by the clerk ***or the regional public records and licensing administrator***.

(2) (a) Unless the provisions of paragraph (b) of this subsection apply, the county clerk ***or the regional public records and licensing administrator*** shall collect a per-page fee, not to exceed fifty cents ($0.50) per page, for providing legal

size or smaller paper copies of records or documents maintained by the clerk.

(b) If a higher fee for copying a document or record is specifically established by statute, the provisions of that statute shall prevail over the provisions of this subsection.

➔Section 21. KRS 64.530 is amended to read as follows:

(1) Except as provided in subsections (5) and (6) of this section, the fiscal court of each county shall fix the reasonable compensation of every county officer and employee except the officers named in KRS 64.535 and the county attorney and jailer. The fiscal court may provide a salary for the county attorney.

(2) For the purposes of this section, justices of the peace and constables in all counties shall be deemed to be county officers and deputies or assistants of county officers shall be deemed to be county employees, but employees of county boards or commissions which are now authorized by law to fix the compensation of their employees shall not be deemed to be county employees for the purposes of this section.

(3) In the case of officers compensated from fees, or partly from fees and partly by salary, the fiscal court shall fix the reasonable maximum compensation that any officer except the officers named in KRS 64.535 may receive from both sources. The fiscal court may also fix the reasonable maximum amount that the officer may expend each year for expenses of his office. The fiscal court shall fix annually the reasonable maximum amount, including fringe benefits, which the officer may expend for deputies and assistants, and allow the officer to determine the number to be hired and the individual compensation of each deputy and assistant. Any revenue received by a county clerk in any calendar year shall be used exclusively for the statutory duties of the county clerk and budgeted accordingly. At the conclusion of each calendar year, any excess fees remaining shall be paid to the fiscal court pursuant to KRS 64.152.

(4) In the case of county officers elected by popular vote and the county attorney, in the event the fiscal court provides him a salary, the monthly compensation of the officer and of his deputies and assistants shall be fixed by the fiscal court, consistent with the provisions of subsection (3) of this section, not later than the first Monday in May in the year in which the officers are elected, and the compensation of the officer shall not be changed during the term but the compensation of his deputies or assistants may be reviewed and adjusted by the fiscal court not later than the first Monday in May of any successive year upon the written request of the officer. On or before August 1, 1966, the fiscal court shall fix the salary provided herein for the county attorneys for the term commencing in January, 1966, notwithstanding any other provisions of this section which may be inconsistent herewith.

(5) Nothing in this section shall apply to ***regional public records and licensing administrators,*** property valuation administrators or their deputies, assistants, and expenses, in any county, or to the circuit court clerk, county clerk, sheriff, jailer, and their deputies, assistants, and expenses, in counties having a population of seventy thousand (70,000) or more. If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of KRS 64.368 shall apply.

(6) Justices of the peace serving on a fiscal court in any county, and county commissioners serving on a fiscal court in any county shall be paid for their services, out of the county treasury, not to exceed the maximum compensation allowable under KRS 64.527. The fiscal court shall fix the amount to be received within the above limit, but no change of compensation shall be effective as to any member of a fiscal court during his term of office. All of said annual salaries shall be payable monthly. Justices of the peace and county commissioners shall not receive any compensation for their services on the fiscal court, other than as provided by this section; provided, however, justices of the peace and county

commissioners may receive no more than three thousand six hundred dollars ($3,600) annually or three hundred dollars ($300) per month as an expense allowance for serving on committees of the fiscal court. The fiscal court shall fix the amount to be received within the above limit, but no change of compensation except as provided in KRS 64.285 shall be effective as to any member of a fiscal court during his term of office.

➔Section 22. KRS 65.182 is amended to read as follows:

Except as otherwise provided by state law, the sole methods of creating a taxing district shall be in accordance with the following:

(1) (a) Persons desiring to form a taxing district shall present a petition to the fiscal court clerk and to each member of the fiscal court, meeting the criteria of KRS 65.184, and signed by a number of registered voters equal to or greater than twenty-five percent (25%) of an average of the voters living in the proposed taxing district and voting in the last four (4) general elections. At time of its submission to fiscal court, each petition shall be accompanied by a plan of service, showing such of the following as may be germane to the purposes for which the taxing district is being formed:

1. The statutory authority under which the district is created and under which the taxing district will operate;
2. Demographic characteristics of the area including but not limited to population, density, projected growth, and assessed valuation;
3. A description of the service area including but not limited to the population to be served, a metes and bounds description of the area of the proposed taxing district, the anticipated date of beginning service, the nature and extent of the proposed service, the projected effect of providing service on the social and economic growth of the area, and projected growth in service demand or need;

4. A three (3) year projection of cost versus revenue;
5. Justification for formation of the taxing district including but not limited to the location of nearby governmental and nongovernmental providers of like services; and
6. Any additional information, such as land use plans, existing land uses, drainage patterns, health problems, and other similar analyses which bear on the necessity and means of providing the proposed service.

(b) A majority of the members of a fiscal court may vote to form a taxing district set forth in a plan of service that shall contain those items set forth in paragraph (a)1. to 6. of this subsection as may be germane to the purposes for which the taxing district is being formed.

(2) The fiscal court clerk shall notify all planning commissions, cities, and area development districts within whose jurisdiction the proposed service area is located and any state agencies required by law to be notified of the proposal for the creation of the taxing district.

(3) The fiscal court clerk shall schedule a hearing on the proposal for no earlier than thirty (30) nor later than ninety (90) days following receipt of the petition, charter, and plan of service, and shall, in accordance with the provisions of KRS Chapter 424, publish notice of the time and place of the public hearing and an accurate map of the area or a description in layman's terms reasonably identifying the area.

(4) At the public hearing, the fiscal court shall take testimony of interested parties and solicit the recommendations of any planning commission, city, area development district, or state agency meeting the criteria of subsection (2) of this section.

(5) The fiscal court may extend the hearing, from time-to-time, for ninety (90) days from the date of the initial hearing and shall render a decision within thirty (30) days of the final adjournment of the hearing.

(6) Following the hearing, the fiscal court shall set forth its written findings of fact and

shall approve or disapprove the formation of the taxing district to provide service as described in the plan of service and to exercise the powers granted by the specific statutes that apply to the taxing district being formed.

(7) The creation of a taxing district shall be of legal effect only upon the adoption of an ordinance, in accordance with the provisions of KRS 67.075 and 67.077, creating the taxing district, and compliance with the requirements of KRS 65.005.

(8) A certified copy of the ordinance creating the taxing district shall be filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~ who shall add the levy to the tax bills of the county. For taxing purposes, the effective date of the tax levy shall be January 1 of the year following the certification of the creation of the taxing district.

(9) Nothing in this section shall be construed to enlarge upon or to restrict the powers granted a taxing district under the taxing district's specific authorizing statutes.

(10) In a county which does not contain a city of the first class, the fiscal court may adopt the procedures of KRS 65.192 to create a fire protection district or a volunteer fire department district, but only those qualified voters who live within the boundaries of the proposed district shall vote on the question of whether it shall be established.

➔Section 23. KRS 65.192 is amended to read as follows:

In counties containing a consolidated local government or city of the first class, the following method of creating a taxing district shall be an alternative to KRS 65.182 to 65.190:

(1) Persons desiring to form a taxing district shall present a petition to the fiscal court clerk or clerk of the legislative council of a consolidated local government and to each member of the fiscal court or consolidated local government council, requesting that the question of establishing the special district be placed upon the ballot for the next general election. The petition shall be signed by at least one

hundred (100) registered voters from each senatorial district, contained wholly or partially within the proposed taxing district. If one hundred (100) registered voters do not reside within a senatorial district and within the boundaries of the proposed taxing district, then the petition shall be signed by twenty-five percent (25%) of the registered voters within said senatorial district. At the time of its submission to the fiscal court or consolidated local government council each petition shall be accompanied by a plan of service, showing such of the following as may be germane to the purposes for which the taxing district is being formed:

(a) The statutory authority under which the district is created and under which the taxing district will operate;

(b) The method of creating and appointing the governing body of such district if it is to be different from the general statutory authority under which it will operate;

(c) Demographic characteristics of the area, including but not limited to population, density, projected growth, and assessed valuation;

(d) A description of the service area, including but not limited to the population to be served, a metes and bounds description of the area of the proposed taxing district, the anticipated date of beginning service, the nature and extent of the proposed service, the projected effect of providing service on the social and economic growth of the area, and projected growth in service demand or need;

(e) A three (3) year projection of cost versus revenue and the method chosen for raising such revenues as authorized in this section;

(f) Justification for formation of the taxing district, including but not limited to the location of nearby governmental and nongovernmental providers of like services; and

(g) Any additional information such as land use plans, existing land uses, drainage patterns, health problems, and other similar analyses which bear on

the necessity and means of providing the proposed service.

(2) The fiscal court clerk or the clerk of the legislative council of a consolidated local government shall notify all planning commissions, cities, and area development districts within whose jurisdiction the proposed service area is located and any state agencies required by law to be notified of the proposal for the creation of the taxing district.

(3) The fiscal court clerk or the clerk of the legislative council of a consolidated local government shall review the petition, and if the fiscal court or consolidated local government council determines that the signatures are valid, the fiscal court or consolidated local government council shall schedule a hearing on the proposal for no earlier than thirty (30) nor later than sixty (60) days following receipt of the petition, charter, and plan of service, and shall, in accordance with the provisions of KRS Chapter 424, publish notice which includes the time and place of the public hearing, alerts the public that the issue discussed at the hearing will be placed upon the ballot, and includes an accurate map of the area or a description in layman's terms reasonably identifying the area.

(4) At the public hearing, the fiscal court or the legislative council of a consolidated local government shall take testimony of interested parties and solicit the recommendations of any planning commission, city, area development district, or state agency meeting the criteria of subsection (2) of this section.

(5) Following the public hearing, the fiscal court or the legislative council of a consolidated local government shall adopt a resolution submitting to the qualified voters of the county or the consolidated local government the question as to whether a taxing district should be established for the area and a special ad valorem tax or an occupational license fee imposed for the maintenance and operation of the district. A certified copy of the order of the fiscal court or the legislative council of a consolidated local government shall be filed with the county clerk not later than the

second Tuesday in August prior to the next regular election and thereupon the clerk shall cause the question to be placed upon the ballot.

(6) The question shall be stated so that the service to be provided by the district, the type of governing body, and the method of financing as allowed by this section are clearly outlined.

(7) If a majority of those voting on the question favor the establishment of a special district with authorization to impose an ad valorem tax, then it shall be so established and shall constitute and be a taxing district within the meaning of Section 157 of the Constitution of Kentucky. If a majority of those voting on the question favor the establishment of a special district with an increase in the occupational license fee as authorized by this section, it shall be so established and shall operate as set forth in the question on the ballot.

(8) If an ad valorem tax is approved, the ***regional public records and licensing administrator*** ~~[county clerk]~~ shall add the levy to the tax bills of the county or the consolidated local government. For taxing purposes, the effective date of the tax levy shall be January 1 of the year following the election. If an occupational license fee increase is approved, the appropriate legislative bodies shall add the levy to the occupational license fee as of January 1 of the year following the election. The tax or fee shall be collected in the same manner as are other county or consolidated local government ad valorem taxes or occupational license fees and shall be turned over to the governing body of the district. The special ad valorem tax or fee shall be in addition to all other ad valorem taxes or occupational license fees.

(9) Nothing in this section shall be construed to enlarge upon or to restrict the powers granted a taxing district under the taxing district's specific authorizing statutes.

(10) A special district created pursuant to this section may be financed either by a special ad valorem tax imposed by the governing body of the district, as authorized by the voters in an election on the question, of an amount not to exceed ten cents ($0.10)

per one hundred dollars ($100) of assessed value of the property subject to local taxation of the district; or by a levy of occupational license fees by the public body or bodies with jurisdiction over the area served by the special district, if the levy has been approved by the voters in an election on the question. The special district shall not levy both an ad valorem tax and an occupational license fee. The occupational license fee shall not exceed one percent (1%) of:

(a) Salaries, wages, commissions, and other compensation earned by persons for work done and services performed or rendered; and

(b) The net profits of businesses, trades, professions, or occupations from activities conducted in the district, except public service companies, banks, trust companies, combined banks and trust companies, combined trust, banking and title companies, any savings and loan association whether state or federally chartered, and in all other cases where a public body is prohibited by law from imposing a license fee.

(11) The budget of any taxing district created pursuant to this section shall be approved by the fiscal court or legislative council of a consolidated local government if financed by an ad valorem tax, or by the fiscal court or the legislative council of a consolidated local government and the legislative body levying the fee, if funded by an occupational license fee increase. The board of the district shall submit its estimate of revenue and proposed budget to the appropriate approving body or bodies by May 1 of each year, and such body or bodies shall approve or amend the budget by June 1.

➔Section 24. KRS 65.290 is amended to read as follows:

Before any agreement made pursuant to KRS 65.210 to 65.300 shall become operative or have force and effect, a certified copy thereof shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ ***in*** which ***the county that*** is party to the agreement ***is located***, the

regional public records and licensing administrator~~[county clerk]~~ of the ***area development district***~~[county]~~ wherein any other political subdivision of the state is located which is party to such agreement, and with the Secretary of State. In the event that an agreement entered into pursuant to KRS 65.210 to 65.300 is between or among one or more public agencies of this state and one or more public agencies of another state or of the United States, said agreement shall have the status of an interstate compact, but in any case or controversy involving performance or interpretation thereof or liability thereunder, the public agencies party thereto shall be real parties in interest and the state may maintain an action to recoup or otherwise make itself whole for any damages or liability which it may incur by reason of being joined as a party therein. Such action shall be maintainable against any public agency or agencies whose default, failure of performance, or other conduct caused or contributed to the incurring of damage or liability by the state.

➔Section 25. KRS 65.472 is amended to read as follows:

Upon acceptance of any instrument creating a scenic easement the clerk of the local legislative body shall record the same in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ and file copies with the property valuation administrator and the local planning commission if such commission exists. From and after the time of such recordation such contract shall import such notice thereof to all persons as is afforded by the recording laws of this state.

➔Section 26. KRS 65.474 is amended to read as follows:

From time to time, the local legislative body may accept an instrument whereby the term of any scenic easement is extended in the same manner as is provided for the acceptance of an instrument originally creating a scenic easement. Upon the acceptance thereof the same shall be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ and copies filed with the property valuation administrator and the local planning commission.

➔Section 27. KRS 65.660 is amended to read as follows:

(1) A fiscal court in a county with a county-wide fire protection district formed under KRS Chapter 75 that has entered into an interlocal agreement to provide fire service to the largest city in the county may, through the adoption of an ordinance in accordance with KRS 67.075 and 67.077, merge the boards of the following special districts that are wholly contained within the county:

(a) Ambulance districts created under KRS 108.080 to 108.180;

(b) Fire protection districts created under KRS 75.010 to 75.260; and

(c) Local rescue squad districts created under KRS Chapter 39F.

(2) Once the fiscal court has merged any of the boards listed in paragraphs (a) to (c) of subsection (1) of this section, no additional special districts listed in paragraphs (a) to (c) of subsection (1) of this section shall be permitted to be created whose board of directors and taxing authority are not transferred to the emergency services board, and no boundary of a district shall exceed the boundary of the county that the emergency services district represents.

(3) An emergency services board's jurisdiction shall encompass the boundaries of the special districts whose boards and taxing authority it is replacing.

(4) An emergency services board shall have the powers that constitute a taxing district within the meaning of Section 157 of the Constitution of Kentucky.

(5) If an emergency services board chooses to levy the tax allowed in KRS 65.670, a certified copy of the ordinance levying the tax shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ who shall add the levy to the tax bills of the county. For taxing purposes, the effective date of the tax levy shall be January 1 of the year following the certification of the creation of the emergency services board.

(6) An emergency services board may be dissolved or the boundaries of the districts it represents may be altered if the procedures under KRS 65.164 to 65.176 are

followed. If the emergency services board is dissolved, then the boards of the special districts of which it assumed the board duties shall be reappointed according to statute within thirty (30) days of the emergency services board's dissolution, and the original taxing protocol applicable to the specific special district shall apply. Each special district shall assume that portion of the debt attributable to its service. Any unattributable debt shall be assumed by the fiscal court.

➔Section 28. KRS 65.662 is amended to read as follows:

(1) Two (2) or more fiscal courts of which one (1) county shall have a county-wide fire protection district formed under KRS Chapter 75 that has entered into an interlocal agreement to provide fire service to the largest city in the county may, through the adoption of concurrent ordinances in accordance with KRS 67.075 and 67.077, merge the boards of the following special districts that are wholly contained within their counties:

(a) Ambulance districts created under KRS 108.080 to 108.180;

(b) Fire protection districts created under KRS 75.010 to 75.260; and

(c) Local rescue squad districts created under KRS Chapter 39F.

(2) Once the fiscal courts have merged any of the boards listed in paragraphs (a) to (c) of subsection (1) of this section, no additional special districts listed in paragraphs (a) to (c) of subsection (1) of this section shall be permitted to be created in any of the member counties whose administration and taxing authority are not transferred to the emergency services board, and no boundary of a district shall exceed the boundaries of the counties that the multicounty emergency services district represents.

(3) A multicounty emergency services board's jurisdiction shall encompass the boundaries of the special districts within the member counties whose boards and taxing authority it is replacing.

(4) A multicounty emergency services board shall have the powers that constitute a

taxing district within the meaning of Section 157 of the Constitution of Kentucky.

(5) If a multicounty emergency services board chooses to levy the tax allowed in KRS 65.670, a certified copy of the ordinance levying the tax shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ of each member county who shall add the levy to the tax bills of the county. For taxing purposes, the effective date of the tax levy shall be January 1 of the year following the certification of the creation of the emergency services board.

(6) A multicounty emergency services board may be dissolved or the boundaries altered if the procedures under KRS 65.164 to 65.176 are followed. If the emergency services board is dissolved, then the boards of the special districts of which it assumed the board duties shall be reappointed according to statute within thirty (30) days of the emergency services board's dissolution, and the original taxing protocol applicable to the specific special district shall apply. Each special district shall assume that portion of the debt attributable to its service. Any unattributable debt shall be assumed equally by each fiscal court formerly participating in the multicounty emergency services board.

➔Section 29. KRS 65.7065 is amended to read as follows:

(1) A city, county, or issuer may enter into a service payment agreement.

(2) The service payment agreement may provide that the city, county, or issuer shall have a lien on property described in the service payment agreement equal to the amount of periodic payments due under the service payment agreement. The service payment agreement may further provide that any lien created pursuant to this section shall be governed by the provisions set forth in KRS 91A.280, provided that a lien created pursuant to this section shall not have the priority established in KRS 91A.280 in relation to an existing lien on the property covered by the agreement unless, prior to recording the service payment agreement, the lien holder under the service payment agreement provides notice of the lien created by the service

payment agreement to the holder of the existing lien, and the holder of the existing lien consents to the priority in writing. If written consent is not obtained, the priority of the lien created under this subsection in relation to the prior lien shall be determined in the same manner as a mortgage lien under KRS 382.280.

(3) A lien authorized by this section shall not be valid and enforceable until evidence of the lien has been recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~. The lien shall commence upon the issuance of increment bonds or other obligations and shall continue until other funding sources pledged to and derived from the project that is the subject of the service payment agreement are sufficient to make, when due, all payments on the increment bonds or other obligations identified in the service payment agreement. Upon termination of a lien authorized by this section, a release shall be filed by the city, county, or issuer with the ***regional public records and licensing administrator***~~[county clerk]~~.

➔Section 30. KRS 65.8835 is amended to read as follows:

(1) The local government shall possess a lien on property owned by the person found by a final, nonappealable order of a code enforcement board, or by a final judgment of the court, to have committed a violation of a local government ordinance for all fines assessed for the violation and for all charges and fees incurred by the local government in connection with the enforcement of the ordinance. The lien shall be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~. The lien shall be notice to all persons from the time of its recording and shall bear interest until paid. The lien shall take precedence over all other subsequent liens, except state, county, school board, and city taxes, and may be enforced by judicial proceedings.

(2) In addition to the remedy prescribed in subsection (1) of this section, the person found to have committed the violation shall be personally responsible for the amount of all fines assessed for the violation and for all charges and fees incurred

by the local government in connection with the enforcement of the ordinance. The local government may bring a civil action against the person and shall have the same remedies as provided for the recovery of a debt.

➔Section 31. KRS 65.925 is amended to read as follows:

The Department for Local Government shall consult with the Legislative Research Commission to determine a format for electronic data which is acceptable to both. At the earliest date possible, but no later than September 30, 1992, and each year thereafter, the Department for Local Government shall provide a copy of all reliable data from the uniform financial information reports of all reporting governments to the Legislative Research Commission in the agreed upon electronic format. The Department for Local Government shall, upon receipt, file a copy of each completed uniform financial information report with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the reporting unit of local government is located.

➔Section 32. KRS 67.327 is amended to read as follows:

(1) If a county fire department is authorized by law to collect membership charges or subscriber fees for combating fires or serving in other emergencies, the fiscal court may adopt an ordinance to require those annual membership charges or subscriber fees to be added to property tax bills. In any county where the fiscal court has adopted such an ordinance, the ***regional public records and licensing administrator***~~[county clerk]~~ shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners.

(2) The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy.

➔Section 33. KRS 67.485 is amended to read as follows:

When any county buildings commission desires to construct, remodel or improve a building under the provisions of KRS 67.480, the county buildings commission shall by resolution cause plans and specifications for the building to be duly made and filed in the office of the ***regional public records and licensing administrator***~~[county clerk]~~. The plans and specifications shall give a full description of the building to be constructed, remodeled or improved, the details thereof and the manner of construction. The plans and specifications shall be prepared by an architect selected by the county buildings commission and approved by the county. If the plans and specifications are approved and if the county offers to lease the building under a lease of the kind provided in KRS 67.475, the county buildings commission shall cause its secretary to advertise for bids, and thereafter the county buildings commission through its chairman may contract for the construction, remodeling or improvement of the building.

➔Section 34. KRS 67.720 is amended to read as follows:

The county judge/executive shall execute a bond for the faithful performance of the duties of his office. The bond shall be a minimum of ten thousand dollars ($10,000) with sureties approved by the fiscal court, which shall record the approval of sureties in its minutes. If the fiscal court does not approve sureties under this section within thirty (30) days after the county judge/executive has taken office, the Circuit Judge shall approve the sureties. Premiums on the bond of the county judge/executive shall be paid from county funds appropriated by the fiscal court. The fiscal court shall file a record of the bond with the ***regional public records and licensing administrator***~~[county clerk]~~.

➔Section 35. KRS 67.938 is amended to read as follows:

(1) The tax structure, tax rates, and level of services in effect in the county and in each of the participating cities upon the adoption of a unified local government shall remain in effect after the adoption of the unified local government and shall remain the same until changed by the newly elected unified local government legislative

council.

(2) In order to maintain the tax structure, tax rates, or level of services in the areas of the unified local government formerly comprising incorporated cities, the unified local government council may provide, in a manner described in this section, for taxes and services within the formerly incorporated cities that are different from the taxes and services which are applicable in the remainder of the unified local government. If a unified local government is formed that contains a participating city with a restaurant tax imposed pursuant to KRS 91A.400, the restaurant tax may be retained by the unified local government in the area of the participating city.

(3) Any difference in the ad valorem tax rate on the class of property which includes the surface of the land in the portion of the county formerly comprising the incorporated cities, and the surface of the land in the portion of the county other than that formerly comprising the incorporated cities, may be imposed directly by the unified local government legislative council. Any change in these ad valorem tax rates shall comply with KRS 68.245, 132.010, 132.017, and 132.027 and shall be used for services as provided by KRS 82.085.

(4) All delinquent taxes of a participating city in a unified local government shall be filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~ and shall be known as certificates of delinquency or personal property certificates of delinquency and shall be governed by the procedures set out in KRS Chapter 134, except that certificates of delinquency and personal property certificates of delinquency on former city tax bills may be paid or purchased directly from the ***regional public records and licensing administrator*** ~~[clerk]~~ under KRS 134.126 and 134.127.

➔Section 36. KRS 67A.795 is amended to read as follows:

Each annual improvement assessment, with any penalty or interest incident to the nonpayment thereof, shall constitute a lien upon the lot or parcel of benefited property

against which it is assessed. The lien shall attach to each lot or parcel of benefited property as the same is described by the owner's deed of record in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office at the time of the publication of the Third Ordinance, as provided in KRS 67A.760, and thereupon shall take precedence over all other liens, whether created prior to or subsequent to the publication of said ordinance, except state and county taxes, general municipal taxes, and prior improvement taxes and shall not be defeated or postponed by any private or judicial sale, by any mortgage, or by any error or mistake in the description of the property or in the names of the owners. No error in the proceedings of the governing body shall exempt any benefited property from its share of the improvement assessment, or from the payment thereof, or from the penalties or interest thereon, as herein provided. No error in the proceedings of the governing body shall exempt any property from liability for payment of any annual improvement assessment, or for any interest or penalty incident to nonpayment thereof. The urban-county's governing body, or any court of competent jurisdiction, shall have power to make such rules and orders as may be required to do justice to all parties.

➔Section 37. KRS 67A.889 is amended to read as follows:

Each annual improvement assessment, with any penalty or interest incident to the nonpayment thereof, shall constitute a lien upon the lot or parcel of benefited property against which it is assessed. The lien shall attach to each lot or parcel of benefited property as the same is described by the owner's deed of record in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office at the time of the publication of the ordinance of initiation, as provided, and thereupon shall take precedence over all other liens, whether created prior to or subsequent to the publication of the ordinance, except state and county taxes, general municipal taxes, and prior improvement assessments and shall not be defeated or postponed by any private or judicial sales, by any mortgage, or by any error or mistake in the description of the property or in the names of

the owners. No error in the proceedings of the urban-county council shall exempt any benefited property from the lien for the improvement assessment, or from the payment thereof, or from the penalties or interest thereon, as herein provided. No error in the proceedings of the urban-county council shall exempt any property from liability for payment of any annual improvement assessment, or for any interest or penalty incident to nonpayment thereof. The urban-county council of the government shall have power to make such rules and orders as may be required to properly administer the project.

➔Section 38. KRS 67C.123 is amended to read as follows:

(1) The tax structure, tax rates, and level of services in effect in the city of the first class and its county upon the adoption of a consolidated local government shall remain in effect after the adoption of the consolidated local government and shall remain the same until changed by the newly elected consolidated local government council.

(2) All delinquent taxes of the former city of a first class in a consolidated local government shall be filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~ and shall be known as certificates of delinquency or personal property certificates of delinquency and shall be governed by the procedures set out in KRS Chapter 134, except that the certificates of delinquency and personal property certificates of delinquency on tax bills of the former city of the first class may be paid or purchased directly from the ***regional public records and licensing administrator*** ~~[clerk]~~ under KRS 134.126 and 134.127.

(3) Notwithstanding the provisions of KRS 67C.115(2), all contracts, bonds, franchises, and other obligations of the city of the first class and of the county in existence on the effective date of a consolidated local government shall continue in force and effect as obligations of the consolidated local government and the consolidated local government shall succeed to all rights and entitlements thereunder. All conflicts in the provisions of the contracts, bonds, franchises, or other obligations shall be resolved in a manner that does not impair the rights of any parties thereto.

➔Section 39. KRS 68.030 is amended to read as follows:

Each settlement made by the county treasurer shall be approved by the fiscal court in open court, and shall, by order of the fiscal court, be recorded by the ***regional public records and licensing administrator***~~[county clerk]~~ in a book kept for that purpose. The original shall be filed in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office, and preserved as a record of the court. All statements, vouchers and other papers relating to the annual settlement shall be filed in the office of the ***regional public records and licensing administrator***~~[county clerk]~~, to be disposed of as the fiscal court directs.

➔Section 40. KRS 70.020 is amended to read as follows:

(1) The sheriff shall execute a bond for the faithful performance of the duties of his or her office. This bond shall be in addition to the bond required of him or her by KRS 134.230 and shall be a minimum of ten thousand dollars ($10,000), with sureties approved by the fiscal court, which shall enter the approval in its minutes and shall record the bond with the ***regional public records and licensing administrator***~~[county clerk]~~. The fiscal court shall require the sheriff to renew this bond annually, and more often if it deems proper.

(2) No ***regional public records and licensing administrator,*** jailer, coroner, judge, county clerk, clerk of a Circuit Court, or attorney shall be surety for a sheriff on his official bond.

➔Section 41. KRS 70.045 is amended to read as follows:

(1) The sheriff of a county with a population of ten thousand (10,000) or more may appoint and have sworn in and ***registered with the regional public records and licensing administrator***~~[entered on the county clerk order book one]~~ (1) special deputy for each two thousand five hundred (2,500) residents or part thereof in his county, to assist him with general law enforcement and maintenance of public order. The sheriff of a county with a population of less than ten thousand (10,000)

may appoint and have sworn in and ***registered with the regional public records and licensing administrator***~~[entered on the county clerk order book]~~ one (1) special deputy for each one thousand (1,000) residents or part thereof in his county, to assist him with general law enforcement and maintenance of public order. The population of the county shall be determined by the most recent count or estimate by the Federal Bureau of Census.

(2) The sheriff in each county may appoint and have sworn in, and ***registered with the regional public records and licensing administrator***~~[entered on the county clerk order book]~~, as many special deputies as needed to assist him in the execution of his duties and office in preparation for or during an emergency situation, such as fire, flood, tornado, storm, or other such emergency situations. For purposes of this section only, an emergency situation is a condition which, in the judgment of the sheriff, requires a response immediately necessary for the preservation of public peace, health or safety, utilizing special deputies previously appointed in preparation for the contingency.

(3) The special deputy shall:

(a) Be appointed and dismissed on the authority of the sheriff;

(b) Not receive any monetary compensation for his time or services;

(c) Serve at the request of the sheriff, unless personal conditions rule otherwise;

(d) Be answerable to and under the supervision of the sheriff, who shall be responsible for the actions of the special deputy; and

(e) Be appointed regardless of race, color, creed, or position.

(4) The position of special deputy as created and defined in subsections (1), (2), and (3) is subject to the provisions of this section only.

➔Section 42. KRS 70.310 is amended to read as follows:

(1) Every constable shall execute bond in the minimum amount of ten thousand dollars ($10,000), with good sureties approved by the fiscal court.

(2) The bond shall be recorded by the fiscal court with the ***regional public records and licensing administrator***~~[county clerk]~~, and the approval of the sureties shall be entered on the records of the fiscal court.

(3) The bond shall be renewed biennially, and more often if required by the fiscal court. When additional security is required of the constable, he shall be given ten (10) days' notice.

➔Section 43. KRS 70.430 is amended to read as follows:

(1) Constables in counties containing a population of over 250,000 on or before the tenth day of each calendar month shall make a report to the ***regional public records and licensing administrator***~~[county clerk]~~ concerning the performance of the duties of office by himself and his deputies during the next preceding calendar month.

(a) Under the heading of civil matters, the report shall contain a statement showing the total number of each kind of civil processes and orders received, the total number of each returned executed, returned unexecuted, and not returned and not executed.

(b) Under the heading of criminal matters, the report shall contain a list of the names and addresses of all persons for whom warrants of arrest have been obtained by the constable and his deputies, noting the name of the officer obtaining each warrant, the name of the officer executing each warrant, and indicating the warrants returned executed, returned unexecuted, and not returned and not executed; a list of the names and addresses of all persons for whom warrants of arrest have been obtained by others and delivered to the constable and his deputies for execution, noting the name and address of the person obtaining each warrant; the name of the officer executing it, and indicating the warrants returned executed, returned unexecuted, and not returned and not executed; a list of the names and addresses of all persons arrested by the constable and his deputies without warrant, noting the name of

the officer making the arrest and the cause of the arrest; a list of all the places for which search warrants have been obtained by the constable and his deputies, noting the name of the officer obtaining each search warrant, the name of the officer executing it, and indicating the search warrants returned executed, returned and unexecuted, and not returned, and not executed.

(c) Under the heading of other matters, the report shall contain a brief but adequate report upon all other acts of the constable and his deputies performed under authority, or under color of authority, of office.

(2) Each monthly report shall be subscribed and sworn to by the constable and such parts thereof as pertain to the acts of his deputies beyond his presence shall be deemed to be sworn to upon information and belief. The ***regional public records and licensing administrator*** ~~[clerk]~~ shall cause attested copies thereof to be promptly delivered to the county judge/executive, the county attorney, and the attorney for the Commonwealth.

➔Section 44. KRS 71.010 is amended to read as follows:

The jailer shall take the oath prescribed by the Constitution and execute bond to the Commonwealth in the minimum amount of ten thousand dollars ($10,000), with sureties approved by the fiscal court, which shall record the approval in its minutes and shall file the bond with the ***regional public records and licensing administrator*** ~~[county clerk]~~. No ***regional public records and licensing administrator,*** coroner, sheriff, sheriff's deputy, county judge/executive or Circuit Judge, county or circuit clerk, or attorney shall be surety for the jailer on his official bond.

➔Section 45. KRS 72.010 is amended to read as follows:

Every coroner shall execute bond in the minimum amount of ten thousand dollars ($10,000) with sureties approved by the fiscal court. The bond shall be recorded by the fiscal court in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~. The fact that the constitutional oath has been taken and the

approval of the bond shall be entered upon the records of the fiscal court. Premiums on the bond of the coroner may be paid from county funds when appropriated by the fiscal court. No ***regional public records and licensing administrator,*** jailer, sheriff or sheriff's deputy, county judge/executive, clerk, or attorney shall be surety for the coroner on his official bond. Every coroner shall have the authority to appoint deputy coroners. Deputy coroners shall execute a bond with sureties in accordance with the provisions of this section.

➔Section 46. KRS 73.010 is amended to read as follows:

The county surveyor, before he enters on the duties of his office, shall give a bond in the minimum amount of ten thousand dollars ($10,000) with sureties approved by the fiscal court, which shall record the approval in its minutes and shall file the bond with the ***regional public records and licensing administrator*** ~~[county clerk]~~.

➔Section 47. KRS 73.110 is amended to read as follows:

The county may provide the county surveyor with an office at the county seat, and with record books. The records shall be county property and shall be kept in the office of the surveyor or the ***regional public records and licensing administrator*** ~~[county clerk]~~.

➔Section 48. KRS 73.120 is amended to read as follows:

The county surveyor shall keep a record of plats, and explanatory notes of all surveys made by him or his deputies, and copies of the record, certified to by the county surveyor, shall be legal evidence in any court. No survey or resurvey of real estate made by any person except the county surveyor or his deputy, shall be considered as legal evidence in any court, unless such survey is made by mutual consent in writing, signed by the parties, and recorded in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ or county surveyor's office, or made by order of court. Any survey or resurvey filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~ shall meet the requirements of KRS 64.012 and shall have required fees attached.

➔Section 49. KRS 73.130 is amended to read as follows:

(1) In counties where there have been no record plat books kept by the county surveyors, the fiscal court, by contract with the county surveyor, may order him to record by plat and explanatory notes all or any part of the surveys he has made and preserved while in office, and any other surveys made and certified to by his predecessors in office. Surveys made in the past by a person other than the county surveyor shall not be platted in the record books except to explain some work done on the ground by the county surveyor.

(2) Anyone having a certified copy of a survey made by a county surveyor may have the survey platted and recorded at his expense in the ***regional public records and licensing administrator's***~~[county clerk's]~~ or surveyor's office. Any such survey filed with the ***regional public records and licensing administrator***~~[county clerk]~~ shall meet the requirements of KRS 64.012.

➔Section 50. KRS 73.140 is amended to read as follows:

When the office of county surveyor is vacant, ~~[the county judge/executive shall order]~~ the ***regional public records and licensing administrator***~~[county clerk to take]~~ ***shall take*** charge of the books and papers of the office, and the ***regional public records and licensing administrator***~~[clerk]~~ shall give certified copies of the records when demanded, and the requirements of KRS 64.012 have been satisfied.

➔Section 51. KRS 73.250 is amended to read as follows:

The reports of processioners, the plats and certificates of the surveyor, notices and affidavits, and depositions taken by the processioners, shall be filed and kept by the ***regional public records and licensing administrator***~~[county clerk]~~. The report, notice and plat shall be recorded, and shall be prima facie evidence against the parties interested and others claiming through or under them.

➔Section 52. KRS 74.140 is amended to read as follows:

When the final report is completed and filed, it shall be examined by the county judge/executive, and if it is found to be sufficient it shall be accepted. If it is not

sufficient, it may be referred back to the commission with instructions to secure further information, to be reported at a subsequent date fixed by the county judge/executive. When the report is fully completed and accepted by the county judge/executive, a date not less than twenty (20) days thereafter shall be fixed by the county judge/executive for the final hearing upon the report, and notice of the hearing shall be given by publication pursuant to KRS Chapter 424. During that time, a copy of the report shall be on file in the office of the ***regional public records and licensing administrator***~~[county clerk]~~, and shall be open to the inspection of any landowner or person interested within the district. Any landowner assessed therein may file exception to the report. The county judge/executive upon final hearing shall confirm or reject the report.

➔Section 53. KRS 74.150 is amended to read as follows:

(1) After the classification of the land and the ratio of assessment of the different classes to be made has been confirmed by the county judge/executive, the commission shall prepare an assessment roll in duplicate, signed by the chairman and secretary of the commission, giving a description of all the land in the water district, the name of the owner, and the amount of assessment against each of the several tracts of land. In preparing this assessment roll the commission shall ascertain the total cost of the improvement, the cost of the proceedings and all wages paid or to be paid, and the total shall be the amount to be paid by the lands benefited. Attached to this water-assessment roll and filed with it, shall be a statement of all the costs of the work to be done, and five percent (5%) in addition to meet any unforeseen contingencies. This statement of costs shall also be made in duplicate and signed by the chairman and secretary of the commission. One (1) copy of the assessment roll and statement of costs shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ in which the proceeding is pending, and he shall then give at least ten (10) days' notice of the time of the hearing on the assessment roll and statement of costs.

(2) At the time fixed for the hearing, the county judge/executive shall hear in a summary way all objections to the cost of the improvement, as set out in the statement made by the commission and filed with the assessment roll, and all objections to the assessments of lands therein set forth, and shall enter an order confirming the assessment roll, or directing the commission to change the assessments in accordance with the finding of the county judge/executive. The order of the county judge/executive confirming or modifying the assessment roll and statement of costs shall be final for all purposes if not appealed within thirty (30) days after the entry of the order. The county judge/executive shall also direct the clerk to certify to the treasurer of the commission a copy of the assessment roll as filed by the commission or changed by the county judge/executive. One (1) copy of the assessment roll shall be retained by the clerk and recorded as part of the record.

➔Section 54. KRS 74.190 is amended to read as follows:

(1) Upon the first Monday after an installment is due, the commission shall meet and ascertain the parties whose installments are in default and shall within sixty (60) days issue warrants directing the sheriff or other collecting officer to collect the installments that are in default. The collecting officer shall collect the installments, with interest due on them and deferred installments, together with a penalty of six percent (6%), in the same way state and county taxes are collected, and the collecting officer shall settle with the commission within sixty (60) days from the time the installments were certified to him.

(2) All lands upon which the installments have not been collected at the end of sixty (60) days shall be advertised and sold by the collecting officer in the same manner as in the case of state and county taxes. The sale so made shall be subject to the future installments of the assessments, and at the expiration of ninety (90) days from the date of the original certification of the installments to the collecting officer, the collecting officer shall make final settlement with the commission and

pay to them all the moneys in his hands. If the collecting officer fails to make a settlement, the commission may compel him to make the settlement by order against him issued by the district court, after giving him five (5) days' notice in writing. In case any land is not purchased at the sale, the collecting officer shall bid in the land for the district and in his final settlement with the commission shall take credit therefor. The collecting officer shall certify each of the sales to the ***regional public records and licensing administrator***~~[county clerk]~~ as required in the sale of lands for state and county taxes, and the ***regional public records and licensing administrator***~~[clerk]~~ shall record each sale in a book kept by ***the regional public records and licensing administrator***~~[him]~~. For collecting the assessments certified to him the collecting officer shall be paid by the water commission the same fees allowed him for collecting state and county taxes and in the same manner. For recording the certificate of sale the ***regional public records and licensing administrator***~~[clerk]~~ shall ***collect and remit to the State Treasury***~~[be allowed and paid]~~ the same fees allowed ***the regional public records and licensing administrator***~~[him]~~ by law for similar work in reference to state and county taxes.

(3) The owner of such real estate, or his representatives, heirs or assigns, shall have the right to redeem the land from the sale as is provided for the redemption of lands sold for state and county taxes, but only upon the same terms and conditions and within the same time as allowed in such case.

➔Section 55. KRS 75.015 is amended to read as follows:

(1) A fire protection subdistrict may be formed according to the provisions of this section. A fire protection subdistrict shall:

(a) Be located within the territorial limits of a fire protection district or volunteer fire department district;

(b) Have a continuous boundary; and

(c) Be managed by the board of trustees of the district, which shall:

1. Impose an ad valorem tax on property in the subdistrict in addition to the ad valorem tax the board imposes on property in the district as a whole; and
2. Expend the revenue from that additional tax on improved fire protection facilities and services for the subdistrict.

(2) Persons desiring to form a fire protection subdistrict shall present a petition to the fiscal court clerk and to each member of the fiscal court. The petition shall be accompanied by a map and a metes and bounds description or other description which specifically identifies the boundaries of the proposed subdistrict. The petition shall be signed by more than sixty percent (60%) of the persons who both:

(a) Live within the proposed subdistrict; and

(b) Own property that is located within the proposed subdistrict and is subject to taxation by the district under KRS 75.040.

(3) The petition shall contain the name and address of each petitioner and the address of each petitioner's property that is located within the proposed subdistrict. It shall be in substantially the following form: "The following owners of property located within (insert the name of the fire protection district or volunteer fire department district) hereby petition the fiscal court to form a fire protection subdistrict located at (insert a brief description of the location of the proposed subdistrict). The board of trustees of (insert the name of the fire protection district or volunteer fire department district) shall have the authority to impose a special ad valorem tax of (insert amount, not to exceed the maximum allowed under subsection (6) of this section) on each one hundred dollars ($100) worth of property assessed for local taxation in the subdistrict, in order to provide enhanced fire protection for the subdistrict. This tax shall be in addition to the ad valorem tax imposed by the trustees on the district as a whole."

(4) Upon receipt of the petition, the fiscal court shall hold a hearing and provide

notification in the manner required for creation of a taxing district under KRS 65.182(2) to (5). Following the hearing, the fiscal court shall set forth its written findings of fact and shall approve or disapprove the formation of the subdistrict. The creation of the subdistrict shall be of legal effect only upon the adoption of an ordinance in accordance with the provisions of KRS 67.075 to 67.077. A certified copy of the ordinance creating the subdistrict shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~.

(5) Upon the creation of a fire protection subdistrict, the trustees shall levy a tax, not to exceed the amount stated in the petition, on the property in the subdistrict, for the purpose of improving fire protection facilities and services in the subdistrict.

(6) The tax levied under this section, combined with the tax for fire and emergency services levied on the entire district under KRS 75.040, shall not exceed:

(a) Ten cents ($0.10) per one hundred dollars ($100) of valuation as assessed for county taxes if neither the fire district nor the fire subdistrict operates an emergency ambulance service under KRS 75.040; or

(b) Twenty cents ($0.20) per one hundred dollars ($100) of valuation as assessed for county taxes if either the fire district or fire subdistrict operates an emergency ambulance service under KRS 75.040.

At no time shall the trustees increase either of these taxes so that the combined total exceeds this limit.

(7) The ***regional public records and licensing administrator***~~[county clerk]~~ shall add the levy to the tax bills of the affected property owners. For taxing purposes, the effective date of the tax levy shall be January 1 of the year following the certification and creation of the subdistrict. The tax shall be administered in the same manner as the tax on the entire district under KRS 75.040(2) and (3).

(8) The board of trustees shall not reduce the tax rate imposed on property in the district as a whole as a result of receiving extra revenue from the additional tax on

property in the subdistrict. The trustees shall expend the extra revenue solely on improving fire protection facilities and services in the subdistrict and shall not expend the extra revenue on facilities or services that are shared by the entire district.

(9) Fire subdistrict taxes shall be placed on the tax bill in a place separate from the bill of the fire district tax so that ratepayers can ascertain the amount of each tax and its rate.

(10) The sheriff shall separately account to the fire district for the funds collected for each subdistrict within the fire district.

(11) Fire districts shall maintain a separate accounting of all subdistrict funds, and if there is more than one (1) subdistrict, a separate accounting for each subdistrict.

➔Section 56. KRS 75.020 is amended to read as follows:

(1) (a) The territorial limits of an established fire protection district, or a volunteer fire department district, as established under KRS 75.010 to 75.080, may be enlarged or diminished in the following way: The trustees of the fire protection district or of the volunteer fire department district shall file a petition in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office of the county in which that district and the territory to be annexed or stricken off, or the greater part thereof, is located, describing the territory to be annexed or stricken and setting out the reasons therefor. Notice of the filing of such petition shall be given by publication as provided for in KRS Chapter 424. On the day fixed in the notice, the county judge/executive shall, if the proper notice has been given, and the publication made, and no written objection or remonstrance is interposed enter an order annexing or striking off the territory described in the petition. Fifty-one percent (51%) or more of the freeholders of the territory sought to be annexed or stricken off may, at any time before the date fixed in the notice, remonstrate in writing,

filed in the ***regional public records and licensing administrator***~~[clerk's]~~ office, to the action proposed. If such written remonstrance is filed, the ***regional public records and licensing administrator***~~[clerk]~~ shall promptly give notice to the trustees of the fire protection district, or of the volunteer fire department district, and the county judge/executive shall hear and determine the same. If upon such hearing, the county judge/executive finds from the evidence that a failure to annex or strike off such territory will materially retard the functioning of the fire protection district or the volunteer fire department district and materially affect adversely the owners and the inhabitants of the territory sought to be annexed or stricken off, he or she shall enter an order, granting the annexation or striking off the territory. In the latter event, no new petition to annex or strike off all or any part of the same territory shall be entertained for a period of two (2) years. Any aggrieved person may bring an action in Circuit Court to contest the decision of the county judge/executive.

(b) In addition to the provisions of paragraph (a) of this subsection, if the trustees of a fire protection district or a volunteer fire department district, as established under KRS 75.010 to 75.080, are seeking to expand territory into an area served by a fire department created under KRS Chapter 273, then the trustees shall, prior to executing the provisions of paragraph (a) of this subsection, enter into a written agreement with the fire chief and the board of the fire department created under KRS Chapter 273. The agreement shall establish the proposed new boundary. On the day the agreement is finalized, the trustees of the district shall send by certified mail, return receipt requested, or have personally delivered a copy of the agreement to the county judge/executive of the county containing the territory subject to the expansion. The notice required in paragraph (a) of this subsection shall, in lieu of the

applicable publication requirements set out in KRS Chapter 424, be published at least once a week, for a minimum of two (2) weeks. The last publication shall occur no less than seven (7) days before the date fixed in the notice.

(c) If the trustees approach the fire chief and board of the fire department created under KRS Chapter 273 in the manner authorized in paragraph (b) of this subsection and are unable to reach an agreement within thirty (30) days, the trustees, or any real property holder of the territory subject to the annexation, may directly seek permission from the real property holders of that territory to continue with the annexation procedure set out in paragraphs (a) and (b) of this subsection by circulating a petition and securing the signatures of at least fifty-one percent (51%) of the real property holders within that territory. The petition shall include the residential address of the signer and the date of the signature. The petition shall be certified by the ***regional public records and licensing administrator***~~[county clerk]~~ if the ***regional public records and licensing administrator***~~[clerk]~~ finds the petition sufficient in form and requisite amount of signatures.

(2) The property in any territory annexed to a fire protection district or to a volunteer fire department district shall not be liable to taxation for the purpose of paying any indebtedness incurred by the fire protection district or the volunteer fire department district prior to the date of the annexation of such territory, except such indebtedness as represents the balance owing on the purchase price of firefighting equipment. The property in any territory stricken off from a fire protection district or a volunteer fire department district by the incorporation of or annexation by a city of this Commonwealth shall not be relieved of liability of such taxes as may be necessary to pay its proportionate share of the indebtedness incurred while such territory was a part of that district. Territories stricken by action of the county judge/executive under the provisions of subsection (1) shall be relieved of liability

for all indebtedness incurred by the fire protection district or the volunteer fire department district.

(3) Any city that maintains a "regular fire department," and has either by incorporation or annexation caused property to be stricken from a fire protection district or a volunteer fire department district, shall comply with KRS 75.022(3).

(4) The territorial limits of two (2) or more fire protection districts, or volunteer fire department districts, as established by KRS 75.010 to 75.080, may be merged into one (1) fire protection district or volunteer fire department district as follows:

(a) The trustees of each fire protection district or volunteer fire department district shall file a joint petition in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office of the county in which all of the districts and the territory to be merged into one (1) district, or the greater part of the district, is located, describing the territory to be merged into the district and setting out the reasons for the merger;

(b) Notice of the filing of the petition shall be given by publication as provided in KRS Chapter 424 for public notices;

(c) On the day fixed in the notice, the county judge/executive shall, if proper notice by publication has been given, and no written objection or remonstrance has been made, enter an order merging the fire protection districts or volunteer fire department districts described in the petition;

(d) Fifty-one percent (51%) or more of the property owners of the territory sought to be merged into one (1) district may, at any time before the date fixed in the notice, remonstrate by written petition to the ***regional public records and licensing administrator*** ~~[county clerk]~~ regarding their objection to the merger of the districts. If a petition is filed, the ***regional public records and licensing administrator*** ~~[county clerk]~~ shall give prompt notice to the trustees of the fire protection districts or the volunteer fire protection districts and the county

judge/executive;

(e) The county judge/executive shall schedule a hearing regarding the petition and shall give public notice as to the date, time, and place of the hearing. If after the hearing, the county judge/executive finds from the evidence that a failure to merge the territory will materially retard the functioning of the fire protection districts or volunteer fire department districts and materially affect adversely the owners and the inhabitants of the territory sought to be merged, he or she shall enter an order granting the merger of the districts into one (1) fire protection district or volunteer fire department district; and

(f) Any aggrieved person may bring an action in Circuit Court to contest the decision of the county judge/executive regarding the merger fire protection districts or volunteer fire department districts.

(5) The property in any fire protection district or volunteer fire department district which is merged with another fire protection district or volunteer fire department district shall not be liable to taxation for the purpose of paying any indebtedness incurred by the other fire protection district or volunteer fire department district prior to the date of the merger into one (1) fire protection district, except indebtedness which represents a balance owed on the purchase price of firefighting equipment from the other fire protection district or volunteer fire department district.

➔Section 57. KRS 75.040 is amended to read as follows:

(1) (a) Upon the creation of a fire protection district or a volunteer fire department district as provided in KRS 75.010 to 75.031, the trustees of a district are authorized to establish and operate a fire department and emergency ambulance service as provided in subsection (6) of this section and to levy a tax upon the property in the district. Property that may be taxed includes property within cities in a fire protection district

or a volunteer fire department district:

1. As provided by KRS 75.022; or
2. Within the metes and bounds of a city that does not maintain a regular fire department as defined by KRS 95.010(3)(b).

The property taxed shall be subject to county tax, and the tax levied by the district shall not exceed ten cents ($0.10) per one hundred dollars ($100) of valuation as assessed for county taxes, for the purpose of defraying the expenses of the establishment, maintenance, and operation of the fire department or to make contracts for fire protection for the districts as provided in KRS 75.050. The rate set in this subsection shall apply, notwithstanding the provisions of KRS 132.023.

(b) A fire protection district or a volunteer fire department district that establishes and operates an emergency ambulance service and is the primary service provider in the district may levy a tax upon the property in the district not to exceed twenty cents ($0.20) per one hundred dollars ($100) of valuation as assessed for county taxes, for the purpose of defraying the expenses of the establishment, maintenance, and operation of the fire department and emergency ambulance service or to make contracts for fire protection for the districts as provided in KRS 75.050. The rate set in this subsection shall apply, notwithstanding the provisions of KRS 132.023.

(2) The establishment, maintenance, and operation of a fire protection district or volunteer fire department district shall include, but not be limited to, the following activities:

(a) Acquisition and maintenance of adequate fire protection facilities;

(b) Acquisition and maintenance of adequate firefighting equipment;

(c) Recruitment, training, and supervision of firefighters;

(d) Control and extinguishment of fires;

(e) Prevention of fires;

(f) Conducting fire safety activities;

(g) Payment of compensation to firefighters and providing the necessary support and supervisory personnel;

(h) Payment for reasonable benefits or a nominal fee to volunteer firefighters when benefits and fees do not constitute wages or salaries under KRS Chapter 337 and are not taxable as income to the volunteer firefighters under Kentucky or federal income tax laws; and

(i) The use of fire protection district equipment for activities which are for a public purpose and which do not materially diminish the value of the equipment.

(3) The property valuation administrator of the county or counties involved, with the cooperation of the board of trustees, shall note on the tax rolls the taxpayers and valuation of the property subject to such assessment. The ***regional public records and licensing administrator*** ~~[county clerk]~~ shall compute the tax on the regular state and county tax bills in such manner as may be directed by regulation of the Department of Revenue.

(4) Such taxes shall be subject to the same delinquency date, discounts, penalties, and interest as are applied to the collection of ad valorem taxes and shall be collected by the sheriff of the county or counties involved and accounted for to the treasurer of the district. The sheriff shall be entitled to a fee of one percent (1%) of the amount collected by him.

(5) Nothing contained in this subsection shall be construed to prevent the trustees of a fire protection district located in a city or county which provides emergency ambulance service from using funds derived from taxes for the purpose of providing supplemental emergency medical services so long as the mayor of the city or the county judge/executive of the county, as appropriate, certifies to the trustees in

writing that supplemental emergency medical services are reasonably required in the public interest. For the purposes of this subsection, "supplemental emergency medical services" may include EMT, EMT-D, and paramedic services rendered at the scene of an emergent accident or illness until an emergency ambulance can arrive at the scene.

(6) The trustees of those fire protection districts or volunteer fire department districts whose districts or portions thereof do not receive emergency ambulance services from an emergency ambulance service district or, whose districts are not being served by an emergency ambulance service operated or contracted by a city or county government, may develop, maintain, and operate or contract for an emergency ambulance service as part of any fire department created pursuant to this chapter. No taxes levied pursuant to subsection (1) of this section shall be used to develop, maintain, operate, or contract for an emergency ambulance service until the tax year following the year the trustees of the district authorize the establishment of the emergency ambulance service.

➔Section 58. KRS 75.420 is amended to read as follows:

(1) The commission shall recognize all fire departments which comply with the provisions of KRS 75.410 and regulations promulgated in compliance therewith. Applications for recognition shall be made on forms provided by the commission. The department shall attach to the application an accurate map and a written description which delineates the boundaries of the area served by the department. The map and description shall also be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the department is located. ***If the boundaries extend into two (2) or more area development districts, the map and description shall be filed with the regional public records and licensing administrator in each area development district in which a part of the department's service area is located***~~[If the~~

~~boundaries extend into two (2) or more counties, the map and description shall be filed with the county clerk in each county in which a part of the department's service area is located~~].

(2) The boundaries between two (2) or more departments created pursuant to KRS Chapter 273 may be altered if the departments enter into a written agreement establishing the boundaries, and if a majority of the property owners in the affected area approve the new boundaries. A new map and written description of the altered boundaries shall be filed with the commission and with the ***regional public records and licensing administrator***[~~county clerks~~] in the affected ***area development districts***[~~counties~~].

➔Section 59. KRS 75.440 is amended to read as follows:

(1) Only fire departments recognized and certified by the commission shall be eligible to receive volunteer fire department aid pursuant to KRS 95A.262(2), to receive low interest loans pursuant to KRS 95A.262(14), or to participate in the Professional Firefighters Foundation Program, pursuant to KRS 95A.200 to 95A.290.

(2) A fire department created pursuant to KRS Chapter 273 which has been recognized and certified by the commission shall have the following rights and responsibilities:

(a) Designation as the only fire department authorized to protect property within its geographic area as filed with the commission and the ***regional public records and licensing administrator***[~~ county clerk~~], but the department may seek the assistance of other departments, and may make reciprocal aid contracts pursuant to KRS 75.050;

(b) Authority to secure water immediately for purposes of fighting a fire from any source, public or private. Upon request, the department shall compensate the owner in a reasonable amount for water used within six (6) months of use; and

(c) All rights identified in the Kentucky Revised Statutes for fire departments.

(3) The officers and firefighters, whether paid or unpaid, of each fire department

created pursuant to KRS Chapter 273 and recognized and certified by the commission shall select a chief. The appointment of the chief shall be subject to the approval of the governing board of the department. The chief shall establish a chain of command within the department. The chief, or the highest person available in the chain of command if the chief cannot be present, shall, subject to all state statutes as applicable, have the following rights and responsibilities:

(a) Authority to order the immediate evacuation of areas endangered by fire, a hazardous materials incident, or other impending disaster that constitutes a threat to life or property;

(b) Authority to be in charge of all fire ground operations at the scene of a fire or other emergency;

(c) Control of all department personnel while on duty; and

(d) Control of all equipment of the department.

(4) The chief of each fire department created pursuant to KRS Chapter 273 and recognized and certified by the commission shall perform necessary actions to maintain recognition and certification of the department by the commission.

➔Section 60. KRS 75.450 is amended to read as follows:

(1) A fire department which collects membership charges or subscriber fees for combatting fires or serving in other emergencies shall base its annual fee or charge on the level of protection offered.

(2) A fire department that responds to a fire or other emergency on the property of a nonmember or nonsubscriber may charge the following fees for services rendered:

(a) Up to five hundred dollars ($500) for single family residential units; utility occupancies of two thousand (2,000) or fewer square feet; assembly and business occupancies having a capacity which does not exceed one hundred (100) persons; equipment; vehicles; and grass or woods fires; and

(b) Up to one thousand dollars ($1,000) for multifamily residential units;

assembly and business occupancies having a capacity exceeding one hundred (100) persons; storage occupancies; utility occupancies of more than two thousand (2,000) square feet; and all industrial, educational, or institutional occupancies; and

(c) Up to five hundred dollars ($500) for responding to emergencies not covered in paragraphs (a) and (b) of this subsection, including response to high hazard occupancies as defined in KRS 198B.010. The department may be entitled to recover necessary and reasonable costs in excess of the five hundred dollar ($500) limit based upon submission of a written itemized claim for the total costs incurred. Disputes involving fees in excess of the five hundred dollar ($500) limit shall be submitted to arbitration by the commission.

(3) For the purposes of subsection (2)(a) and (b) of this section, the meaning of assembly, business, industrial, educational, and institutional occupancies shall be as defined in KRS 198B.010. The meaning of storage and utility occupancies shall be as defined in the Kentucky Building Code, Sections 311.1 and 312.1 respectively, promulgated pursuant to KRS 198B.050.

(4) Property owned by the Commonwealth of Kentucky and the federal government shall be exempt from charges.

(5) If more than one (1) department responds to a fire or other emergency, the fee shall be paid only to the department which is authorized to protect the property pursuant to KRS 75.440(2)(a).

(6) A fire department shall respond within its jurisdiction to all fires and to other emergencies for which it is responsible as set forth in its mission statement. A copy of each fire department mission statement shall be filed with the commission. A new department shall file its statement when it is incorporated. A department in existence on July 15, 1994, shall file its mission statement by July 1, 1995. A copy of the mission statement shall be posted in a conspicuous location in each station of

the department, and shall be filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~ of each ***area development district*** ~~[county]~~ in which the department has jurisdiction pursuant to KRS 75.440(2)(a). The mission statement shall remain in effect until amended, and filed and posted by the fire department in the locations as required by this subsection.

(7) If a fire department collects membership charges or subscriber fees, the fiscal court may adopt an ordinance to require the annual membership charges or subscriber fees to be added to property tax bills. In any county where the fiscal court has adopted such an ordinance, the county clerk shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners in a place separate from the bill of the fire district tax or fire subdistrict tax so that ratepayers can ascertain the amount of the membership charges or subscriber fees apart from the fire district tax.

(8) The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy. The fiscal court shall, in the ordinance set forth in subsection (7) of this section and in consultation with the sheriff and the fire department, set a collection fee for the sheriff to retain an amount not to exceed four and one-fourth percent (4.25%) of the membership charges or subscriber fees collected.

➔Section 61. KRS 76.160 is amended to read as follows:

(1) Subsections (2) and (3) have no application to construction subdistrict bonds or obligations. All references to revenues, rates, rentals, charges, or collections in subsections (2) and (3) exclude those derived from or made on account of construction subdistricts. District facilities referred to in subsections (2) and (3) exclude construction subdistrict facilities.

(2) In the event that the district shall default in the payment of principal of, or interest on, any of the bonds issued pursuant to KRS 76.010 to 76.210 after the said principal or interest shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty (30) days, or in the event that the district shall fail or refuse to comply with the provisions of KRS 76.010 to 76.210, or shall default in any agreement made with the holders of the bonds, the holders of twenty percent (20%) in aggregate principal amount of the bonds then outstanding, by instrument or instruments filed in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ embracing the district and proved or acknowledged in the same manner as a deed to be recorded, may apply to a judge of the Circuit Court of the county, to appoint a trustee to represent all of the bondholders for the purposes herein provided. Upon such application such judge shall appoint a trustee and such trustee may, and upon written request of the holders of twenty percent (20%) in principal amount of the bonds of the district then outstanding shall, in his or its own name, (a) by mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the bondholders, including but not limited to the right to require the district to collect rates, rentals, and other charges, adequate to carry out any agreement as to, or pledge of, the revenues of the district, and to require the district and its officers to carry out any other agreement with the bondholders and to perform its and their duties under KRS 76.010 to 76.210; (b) bring suit upon the bonds; (c) by action or suit in equity, require the district to account as if it were the trustee of an express trust for the bondholders; (d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of bondholders; (e) declare all bonds due and payable, and if all defaults shall be made good then to annul such declarations and its consequences.

(3) Any such trustee, whether or not all bonds have been declared due and payable, shall be entitled as of right, upon application to the judge in the chancery branch, to

the appointment of a receiver, who may enter upon and take possession of the facilities of the district, or any part or parts thereof, and operate and maintain the same, and collect and receive all rentals, rates, and other charges, and other revenues, of the district, thereafter arising therefrom, in the same manner as the district and its officers might do, and shall deposit all such moneys in a separate account and apply the same in such manner as such court shall direct. In any suit, action, or proceeding, by the trustee, the fees, counsel fees, and expenses of the trustee and of the receiver, if any, shall constitute disbursements taxable as costs. All costs and disbursements allowed by the court shall be a first charge on any revenue derived from the facilities of the district. Such trustee shall, in addition to the foregoing, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the bondholders in the enforcement and protection of their rights.

➔Section 62. KRS 76.170 is amended to read as follows:

(1) The initial unit of the district embraces the area that is coterminous with the boundaries of the city forming a district pursuant to KRS 76.010. The district also embraces the district area as defined in KRS 76.005. When territory which is part of a construction subdistrict is annexed to the city, that territory shall not become part of the district area during the existence of the construction subdistrict. When the existence of the construction subdistrict is wound up under KRS 76.271, the territory therein shall become a part of the district area if it is then a part of the city or whenever it is annexed by the city. When a construction subdistrict consisting of territory outside the city is wound up, the board of the district shall incorporate the territory into the district area under conditions of KRS 76.271. The district may also expand the district area by constructing and extending its initial sewer and drainage system and facilities beyond the corporate limits of the city and within the county in which the city is located whenever the district and the owners of real property to be

served and located outside the limits of the city, by appropriate written instrument, agree as to apportionment of any and all costs of construction work, subsequent maintenance and operation appertaining thereto, and as to payments by the owners of the real property, of rates, rentals and charges for the services and facilities to be thus afforded and for that portion of the district's capital costs, equitably allocable to the real property. Thereupon the real property served becomes a part of the district area. In a like manner and upon the same conditions, the district may construct and extend its sewer and drainage system and facilities so as to serve all or any part of any other city or other incorporated area located in the same county, pursuant to a written agreement between the district and the other city or incorporated area approved by their respective governing boards or bodies; provided, however, nothing in this subsection shall be construed as requiring the district to obtain the consent of any city with a population of less than three thousand (3,000) based upon the most recent federal decennial census located within a county containing a consolidated local government prior to constructing any sanitary or storm sewerage facilities within the limits of such a city, regardless of whether said facilities will serve the said city or not. All agreements referred to in this section shall be in appropriate form for recording and shall be filed of record with the ***regional public records and licensing administrator*** ~~[county clerk]~~ as other instruments relating to transfer or creating a lien upon real estate. Any agreements entered into by the district pursuant to this section may provide that the district area shall include the real estate in such city or incorporated area, or part thereof, to be served pursuant to such agreement, and in such case when such instrument has been filed of record with the county clerk as aforesaid, the district area shall be thereby officially enlarged and extended to include same; except that the district area shall not be enlarged to include a construction subdistrict by agreement or otherwise.

(2) The district may also expand the district area by constructing and extending its

initial sewer and drainage system, or by constructing or extending new sewerage and drainage systems and facilities, into areas of the county outside of the city of the first class and annexing the areas to be served by such new or expanded systems or facilities to the district area, as provided in KRS 76.171.

(3) The words "incorporated area" as used in this section do not mean or apply to any sanitation district organized under KRS Chapter 220.

(4) The provisions of this section shall not apply in cases involving annexation by a city of the first class pursuant to KRS 81.300 to 81.360.

➔Section 63. KRS 76.241 is amended to read as follows:

(1) The district may establish a construction subdistrict when twenty-five percent (25%) or more of the freeholders of land sought to be included in the construction subdistrict file their petition with the district. The petition shall describe the territory intended to be included in the construction subdistrict and the sewer and drainage conditions and facilities existing in this territory. The territory of the construction subdistrict may be noncontiguous to other territory of the district. Tenants in common, joint tenants with or without right of survivorship, and tenants by the entireties shall be deemed one (1) freeholder or property owner.

(2) When the petition is filed with the district, said district shall give notice of the filing by publication pursuant to KRS Chapter 424. Within thirty (30) days after the publication, any resident or freeholder of the proposed construction subdistrict may file objections and the district shall set the case for hearing within thirty (30) days. If the district finds that the establishment of the construction subdistrict is reasonably necessary for the public health, convenience and comfort of the residents of the subdistrict, it shall make an order establishing the construction subdistrict and designating it by name and number.

(3) If the district finds that the construction subdistrict is not necessary, it may dismiss the petition. If the district finds that any part of the proposed territory will not be

benefited, it may strike such part. If the district strikes a certain portion of the area, the signature of the freeholders of that portion shall not be counted in determining whether the necessary twenty-five percent (25%) have petitioned for the creation of the subdistrict. A copy of the order of the board establishing a construction subdistrict shall be published in accordance with KRS Chapter 424.

(4) An order of the district rejecting or dismissing the petition shall be deemed a final order of the district appealable to the Circuit Court under the procedure set forth in KRS 76.247 within sixty (60) days. Appeals to the Circuit Court from the order establishing a construction subdistrict or striking or refusing to strike any territory from a construction subdistrict shall be made only as provided in KRS 76.247 and only after following the procedures required in KRS 76.247.

(5) In the event the owner or owners of all property or properties proposed to be included within the territorial boundaries of a construction subdistrict shall tender to the district their written request or requests that the district proceed immediately with the creation of a construction subdistrict, and the construction and installation therein of sewer facilities as provided in KRS 76.241 to 76.273, inclusive, and shall unqualifiedly waive all formalities and substantive rights contained in:

(a) KRS 76.241, concerning the affording of notice as to creation of a construction subdistrict, the time for filing objections to the creation thereof, and the time for appealing from an order establishing a construction subdistrict;

(b) KRS 76.243, concerning the affording of notice as to proposed assessments; and

(c) KRS 76.246, concerning the holding of a public hearing, and permitting litigation following the making and publication of an order concerning the construction plan in general.

(6) The district may thereupon make and publish an order creating such construction

subdistrict, and its order as provided in KRS 76.246(2), without further action being required, and may thereupon proceed to carry out said plan for improvements without further recourse to said identified statutory provisions and formalities; but in all such instances the written request or requests of the owner or owners of all properties proposed to be included within the territorial boundaries of such construction subdistrict shall be in recordable form and shall be recorded in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ of the ***area development district*** ~~[county]~~ wherein the properties are situated, and ***the regional public records and licensing administrator*** ~~[said clerk]~~ is authorized to record such instruments as in the case of mortgages and ***shall collect and remit to the State Treasury*** ~~[may charge and receive]~~ fees therefor as in the case of mortgages. Each resolution of the district, by which an improvement is undertaken according to this section, shall contain a recitation of the receiving of written requests and waivers from the owners of all properties included within the territorial boundaries of the construction subdistrict. In the event the district proceeds pursuant to KRS Chapter 107, as authorized by KRS 76.251, the lien for which provision is made in KRS 107.160 shall attach upon publication of the resolution (equivalent to the "third ordinance") which authorizes issuance of improvement assessment bonds.

➔Section 64. KRS 76.261 is amended to read as follows:

(1) The holders in aggregate principal amount of twenty percent (20%) of any class of construction subdistrict bonds authorized by KRS 76.254 may ex parte move a judge of the Circuit Court of the county containing the construction subdistrict to appoint a trustee to represent all of the holders of the same class of bonds when the facts described in paragraph (b) of subsection (2) have occurred.

(2) The judge shall appoint a trustee (which may be corporate) upon a showing that:

(a) Movants in fact are holders of twenty percent (20%) or more of the aggregate principal amount of the affected class of the bonds;

(b) Movants claim that there has been a default exceeding thirty (30) days in the payment of interest or principal on the bonds, that the district has failed to comply with the provisions of KRS 76.005 to 76.295 relating to construction subdistrict bonds, or that the district has breached a contract with the holders of the bonds; and

(c) Movants have filed in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ of the ***area development district*** ~~[county]~~ containing the district an instrument in the nature of a notice of action against the district which instrument states that movants have applied to have a trustee appointed pursuant to this section and which names the affected construction subdistrict.

(3) The trustee may, or upon written request of any twenty percent (20%) in aggregate principal amount of his bondholder beneficiaries shall, file an action in his name against the district; the action shall seek all remedies, including but not limited to mandamus, prohibition, judgment against a special fund or funds, injunction, and declaratory judgment, needed to preserve and enforce the rights of the bondholders. The action shall be filed in the Circuit Court of the county containing the district.

(4) The rights of bondholders include, but are not limited to, the right to:

(a) Require the district to collect from the construction subdistrict rates, rentals, and charges adequate to pay principal and interest on the bonds;

(b) Require the district to perform all lawful agreements with the bondholders;

(c) Require the district to account to the bondholders as if it were trustee of an express trust for their benefit;

(d) Have the district enjoined from doing any acts or things which may be unlawful or in violation of the rights of the bondholders;

(e) Have all bonds of the affected class declared due and payable.

(5) Any trustee, whether or not all bonds have been declared due and payable, shall be entitled as of right, upon application to the Circuit Court, to the appointment of a

receiver, who may enter upon and take possession of the construction subdistrict facilities, or any part thereof, and operate and maintain the same, and collect and receive all rentals, rates, other charges, and revenues of the construction subdistrict payable after commencement of the receivership. The receiver shall deposit such moneys in a separate account and apply them as the court directs. In any suit, action, or proceeding, by the trustee, the fees, counsel fees, and expenses of the trustee and of the receiver, if any, shall constitute disbursements taxable as costs. All costs and disbursements allowed by the court shall be a first charge on any revenue derived from the construction subdistrict facilities. Such trustee shall, in addition to the foregoing, have and possess all the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the bondholders in the enforcement and protection of their rights.

➔Section 65. KRS 76.268 is amended to read as follows:

Annexation to subdistricts may be accomplished by any of the following procedures, as the board may elect:

(1) (a) After the creation of a construction subdistrict under the provisions of KRS 76.241 to 76.246, the board may, if it deems it advisable, use the authority and procedures granted to sanitation districts by KRS 220.535 to 220.537 to annex territory to a subdistrict, the words "board of directors" being read as "metropolitan sewer district board."

(b) Language in KRS 220.535 limiting the powers of annexation to a sanitation district in a county not containing a city of the first class shall not be applicable to a metropolitan sewer district which might use this method of annexation to a construction subdistrict even if it is located in a county containing a city of the first class, and the secretary of the Energy and Environment Cabinet shall function in regard to annexation by it in the same manner and under the same procedures, as set out in KRS 220.535 to 220.537,

as he would in his capacity as commissioner of sanitation districts for any sanitation district.

(2) After the creation of a construction subdistrict under the provisions of KRS 76.241 to 76.246, the board may annex any area, contiguous or noncontiguous, subject to the limitations of KRS 76.242, to the construction subdistrict by making a preliminary order describing the area to be annexed and causing said order to be published pursuant to KRS Chapter 424. The notice so published shall state that objections in writing to the proposed annexation may be filed with the district within thirty (30) days of the date of said notice. The district shall examine and hear all such complaints. It may modify or amend the areas proposed to be annexed; and it shall make a final order, within sixty (60) days of the date of publication of said notice, describing the areas to be annexed and shall cause the same to be published, pursuant to KRS Chapter 424. A freeholder of land within the area proposed to be annexed may appeal such final order in the manner described in KRS 76.247. In referring to KRS 76.247, this section is not intended to provide for de novo trial.

(3) In the event the owner or owners of all the property or properties proposed to be annexed to a construction subdistrict shall tender to the district their written request or requests that the district proceed immediately with the annexation of said property or properties, and shall unqualifiedly waive all formalities and substantive rights contained in subsection (2) of this section, the district may thereupon make and publish a final order annexing said property or properties to the construction subdistrict. Said order shall contain a recitation of the receiving of waivers from the owners of all properties to be annexed thereunder. Provided, however, that in all such instances the written request or requests of the owner or owners of all properties proposed to be annexed to a construction subdistrict shall be in recordable form and shall be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ wherein the property is located; and said clerk is authorized to record

such instruments as in the case of mortgages and may charge and receive fees therefor as in the case of mortgages.

(4) The provisions of subsections (1), (2), and (3) of this section shall not repeal or reduce any existing rights or duties of metropolitan sewer districts, but shall constitute merely a procedure for annexation to construction subdistricts by a metropolitan sewer district.

➔Section 66. KRS 76.276 is amended to read as follows:

Whenever by resolution of the fiscal court acting upon its own initiative or upon petition from the metropolitan sewer district, it is declared for the best interests of ***a***~~[such]~~ county and the inhabitants ***of that county***~~[thereof]~~ that ***a***~~[such]~~ sanitation tax district or districts be created under the provisions of KRS 76.005 to 76.295, the fiscal court of ***the***~~[such]~~ county shall file a certified copy of ***this***~~[such]~~ resolution with the ***regional public records and licensing administrator***~~[county clerk]~~. The resolution shall describe the territory included within the sanitation tax district.

➔Section 67. KRS 76.278 is amended to read as follows:

(1) In order to establish a comprehensive sewage and sewage treatment system, or storm water and surface drainage system, or both, within the sanitation tax district, the sanitation tax district through its board may levy an ad valorem tax upon the real property in the district, not exceeding limits designated by the Constitution of the Commonwealth. Provided, however, that notice stating the amount of the proposed tax and the area to be affected be published in a newspaper of bona fide circulation as provided in KRS 424.130. Provided, further, that no resolution of the board imposing an ad valorem tax shall go into effect until the expiration of thirty (30) days after the first publication of the notice. If during the thirty (30) days next following the first notice of said resolution, a petition signed by a number of constitutionally qualified voters equal to fifteen percent (15%) of the votes cast within the area affected at the last preceding general election, stating the residence

of each signer, and verified as to signatures and residence by the affidavits of one (1) or more persons is presented to the county judge/executive protesting against passage of such resolution or if the fiscal court passes a resolution suspending the tax, the resolution shall be suspended from going into effect. The county judge/executive shall notify the board of the sanitation tax district of the receipt of the petition or of the suspension of the resolution or both. If the resolution is not repealed by the board, the board shall submit to the voters of the area to be taxed, at the next regularly-scheduled November election, the question as to whether the tax shall be levied. The question as it will appear on the ballot shall be filed with the county clerk not later than the second Tuesday in August preceding the regular election. The question shall be so framed that the voter may by his vote answer "for" or "against." If a majority of the votes cast upon the question oppose its passage, the resolution shall not go into effect. If a majority of the votes cast upon the question favor its passage, the resolution shall go into effect as of January 1 of the year succeeding the year in which the election is held.

(2) When such tax levy has been fully approved, the property valuation administrator, with the cooperation of the board shall note on the tax rolls the taxpayers and valuation of the property subject to such tax. The ***regional public records and licensing administrator***~~[county clerk]~~ shall compute the tax on the regular state and county tax bills in such manner as may be directed by regulation of the Department of Revenue.

(3) Such ad valorem taxes shall be collected by the sheriff in accordance with the general law and accounted for to the board. The sheriff shall be entitled to a fee of one percent (1%) of the amount collected.

➔Section 68. KRS 76.305 is amended to read as follows:

(1) When the petition is filed the ***regional public records and licensing administrator***~~[county clerk]~~ shall give notice of the filing by publication pursuant to

KRS Chapter 424 and by posting notices in three (3) public places within the proposed district. Within thirty (30) days after the publication, any freeholder of the proposed district may file objections, and the county judge/executive shall set the case for hearing at the first rule day after expiration of ~~[said]~~thirty (30) days. If the county judge/executive finds that the establishment of ***a***~~[such]~~ district is reasonably necessary for the public health, convenience and comfort of the residents of the district, he shall make an order establishing the district and designating it by name and number.

(2) If the county judge/executive finds that the district is not necessary, he may dismiss the petition. If the county judge/executive finds that any part of the territory will not be benefited, he may strike such part.

(3) Any party may appeal to the Circuit Court from the order establishing a district or dismissing the petition or striking or refusing to strike any territory from the district. From a decision of the Circuit Court any party may appeal to the Court of Appeals.

➔Section 69. KRS 77.045 is amended to read as follows:

(1) A copy of a resolution of the fiscal court declaring that there is need for an air pollution control district, duly certified by the ***regional public records and licensing administrator***~~[county clerk]~~, is admissible in evidence in any suit, action or proceeding.

(2) A copy of an ordinance of the legislative body of the largest city within the county declaring that there is need for an air pollution control district, duly certified by the clerk of such legislative body, is admissible in evidence in any suit, action or proceeding.

➔Section 70. KRS 81.006 is amended to read as follows:

(1) If the General Assembly establishes a population requirement for cities and bases that population requirement upon the most recent federal decennial census, a city may file a petition with the circuit clerk of the county in which the city, or the

largest part of the city, is contained, if the city is in more than one (1) county, and, as a consequence, more than one (1) judicial circuit, to certify the city's population at a number different than shown by the most recent federal decennial census.

(2) The petition shall be presented in the form of a resolution passed by the city legislative body and shall contain:

(a) An accurate map of the city;

(b) An affidavit certifying new growth of the city that may be through any of the following:

1. Annexation since the most recent federal decennial census;

2. Property valuation records;

3. Population counts conducted by the city, or by a person contracted with the city;

4. Census estimates of the United States Bureau of Census; and

5. Any other data that the city may provide to certify the additional growth of the city since the most recent federal decennial census.

(3) The petition shall be docketed for hearing not less than sixty (60) days from the date of filing the petition. Notice of the filing of the petition and of its object shall be given by publication pursuant to KRS Chapter 424.

(4) At the hearing, the court shall, if the proper notice has been given and publication made and no defense is interposed, enter a judgment declaring the city's population as requested by the petition filed pursuant to this section, if the court finds that the information provided pursuant to subsection (2) of this section is accurate.

(5) Defense may be made to the petition by any resident of the city and, if so, the court shall hear and determine the same, and render a judgment either declaring the city's population as requested by the petition, or by refusing to declare the city's population as requested by the petition. If the court refuses to declare the city's population as requested by the petition, then the population as determined by the

most recent federal decennial census shall remain effective for determining the city's population pursuant to the requirements in state law. If the court finds in favor of the petitioners, the court shall in the judgment direct the clerk of the court wherein the judgment is entered to, not later than ten (10) days thereafter, certify a copy thereof to the ***regional public records and licensing administrator*** ~~[county clerk]~~ who shall properly index and file the judgment as a permanent record in his office.

(6) A judgment of the court of the city's population shall be used to determine the city's population for any population requirements established by the General Assembly wherein the most recent federal decennial census is used to measure the population of a city.

(7) At the time of the federal decennial census next following any judgment of the court finding the city's population to be different than that of the federal decennial census, the judgment shall expire and that population determination of the most recent federal decennial census shall be used to determine the population for any population requirements established by the General Assembly until such time a city petitions the court for a determination of population under the provisions of this section.

➔Section 71. KRS 81.500 is amended to read as follows:

(1) When two (2) cities of the home rule class have a common boundary and it is determined that a specified area within one (1) city can be better served by the adjoining city, the specified incorporated area may be transferred to the adjoining city upon enactment of identical ordinances by each city legislative body and the submission of a petition in support of the transfer signed by voters in the area to be transferred.

(2) The ordinances declaring the transfer of property between two (2) cities shall include, but not be limited to, the following:

(a) A definition of the area to be transferred;

(b) A statement of the financial considerations between the two (2) cities regarding the area and the terms of any financial agreements;

(c) The resolution of any taxes or revenues from the area; and

(d) A statement of the land use or zoning regulations which would be applicable to the area being transferred if planning and zoning is in effect pursuant to KRS Chapter 100 in either city.

(3) Prior to the effective date of the transfer of the property, a petition in support of the transfer, containing a number of signatures of residents in the area to be transferred which is not less than fifty-one percent (51%) of the number of registered voters in the area to be transferred, shall be submitted to the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ from which the property is being transferred. The ***regional public records and licensing administrator***~~[county clerk]~~ shall within ten (10) working days of receipt of the petition notify each city of the validity of each signature and address on the petition. No petition shall be required to be submitted when the property proposed for transfer contains no residents and the property owners consent in writing to the transfer.

(4) The enactment of ordinances by each city shall be pursuant to KRS 83A.060.

(5) The authority for the transfer of incorporated property between cities shall be exclusive of the provisions of KRS 81A.440.

(6) In addition to other public notice requirements, cities involved in the transfer of incorporated areas between cities shall comply with the provisions of KRS 81A.470 and 81A.475.

(7) The incorporated area being transferred shall assume the local option status of the city to which it is being transferred.

➔Section 72. KRS 81A.470 is amended to read as follows:

(1) If the limits of a city are enlarged or reduced, the city shall, within sixty (60) days of the enlargement or reduction, cause an accurate map and description of the annexed, transferred, or severed area, together with a copy of the ordinance duly certified, to be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district or area development districts***~~[county or counties]~~ in which the city is located and in the office of the Secretary of State. The map and description shall be prepared by a professional land surveyor. The documents shall depict the parcel annexed, transferred, or severed as a closed geometric figure on a plat annotated with bearings and distances or sufficient curve data to describe each line. The professional land surveyor shall clearly state on the documents the location of the existing municipal boundary, any physical feature with which the proposed municipal boundary coincides, and a statement of the recorded deeds, plats, right-of-way plans, or other resources used to develop the documents depicting the municipal boundary.

(2) No city which has annexed unincorporated or accepted transfer of incorporated territory may levy any tax upon the residents or property within the annexed or transferred area until the city has complied with the provisions of subsection (1) of this section, and of KRS 81A.475.

➔Section 73. KRS 81A.475 is amended to read as follows:

If any city annexes any unincorporated area, accepts the transfer of incorporated territory, or reduces the boundaries of the city, it shall be the duty of the legislative body of the city to provide within sixty (60) days, to the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district or area development districts***~~[county]~~ in which the city is located, a map clearly delineating the boundaries of the area affected along with a list of properties included in the annexation, transfer, or reduction. The list of properties required by this section shall include the name and address of each property owner.

➔Section 74. KRS 82.400 is amended to read as follows:

(1) If any person desires to offer for dedication by recorded plat any public way or easement within the jurisdictional limits of the city or a consolidated local government, he or she shall file with the legislative body of the city or a consolidated local government, a map or plat of the territory bounded, intersected, or immediately adjacent to the proposed public way or easement, showing the proposed name, nature, and dimensions of the public way or easement offered for dedication. If the legislative body of the city or a consolidated local government decides the proposed dedication would be beneficial to the public interest and suitable for the immediate or future acceptance of the city or consolidated local government, it shall approve the map or plat, and the mayor shall subscribe a certificate of approval on the map and acknowledge the execution thereof before any public officer authorized to take acknowledgments of deeds. The map or plat may then be recorded in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~.

(2) Except as provided for by ordinance in a consolidated local government, in a city of the first class, or in a county containing a city of the first class, subdivision regulations which have been adopted as provided in KRS Chapter 100, and where streets or public ways as dedicated on the final subdivision plat have been constructed, inspected, and approved in accordance with the subdivision regulations, then the procedure for filing the map or plat with the legislative body of the consolidated local government, city, or county, as the case may be, as required in subsection (1) of this section shall be waived, and the dedicated street or public way shall automatically be deemed beneficial to the public interest and shall be, by operation of law, automatically accepted for maintenance by the consolidated local government, city, or county, respectively, forty-five (45) days after inspection and final approval, and shall be a public way for all purposes, KRS Chapter 83A,

regarding a city's, county's, or consolidated local government's adoption of ordinances notwithstanding.

(3) When any property has been opened to the unrestricted use of the general public for five (5) consecutive years, it shall be conclusively presumed to have been dedicated to the city or consolidated local government as a public way or easement, subject to acceptance by the city or consolidated local government. The city or consolidated local government may, at any time after the expiration of five (5) years from the time the property is opened to the public, pass an ordinance declaring it so dedicated, and accepting the dedication, whereupon it shall be a public way or easement of the city or consolidated local government for all purposes. The lack of an actual dedication to the city or consolidated local government, or of a record title on the part of the city or consolidated local government, shall be no defense against the collection of any tax that may be levied against property abutting thereon for the payment of the cost of any improvement constructed thereon by order of the city or consolidated local government. Nothing herein shall be construed to require the expiration of five (5) years to raise a presumption of dedication in any case where, under any rule of law in force in this state, a dedication would be presumed in less than five (5) years. Provided, however, that property of a railroad company shall not be presumed to be dedicated as a public way or easement under this section or any other rule of law in force in this state unless the company consents to said dedication in writing.

(4) Any person who shall lodge for record in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office, and any ***regional public records and licensing administrator*** ~~[county clerk]~~ or deputy ***regional public records and licensing administrator*** who shall receive for record or permit to be lodged for record, any plat, map, deed, or other instrument contrary to the provisions of this section, shall be fined not less than twenty-five dollars ($25) nor more than one

hundred dollars ($100) for each offense.

➔Section 75. KRS 82.405 is amended to read as follows:

(1) If a legislative body of a city determines that a public way located within the city should be closed in whole or in part, and that all property owners in or abutting the public way or portion thereof agree to the closing of the public way, the legislative body may proceed to close the public way or portion thereof as provided in subsection (2) of this section. If that determination is not made, a public way or portion thereof may be closed only as provided in subsections (3) and (4) of this section.

(2) The legislative body of a city may close a public way, in whole or in part, as provided in this subsection, if it makes the following findings of fact:

(a) Identification of all property owners in or abutting the public way or portion thereof to be closed;

(b) Written notice of the proposed closing was given to all property owners in or abutting the public way or portion thereof being closed; and

(c) All property owners in or abutting the public way or portion thereof being closed have given their written notarized consent to the closing, and copies of the consent shall be attached thereto.

If the legislative body makes the findings of fact in subsections (2)(a), (b), and (c) of this section, it may enact an ordinance reciting the findings of fact and declaring the public way or portion thereof closed without any further action. The ordinance shall be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the city is located.

(3) Unless the findings of fact required in subsection (2) of this section are made, upon the adoption of an ordinance by the city legislative body closing the whole or any portion of a public way, the city shall institute an action in the Circuit Court to have it closed. All the owners of property in or abutting that public way, or the portion

proposed to be closed, shall be made defendants.

(4) If all defendants fail to object to the closing within twenty (20) days after the date of service, the court shall render a decree accordingly, but if any defendant objects within that time, the court shall award damages, if any, in the same manner as prescribed by the Eminent Domain Act of Kentucky and shall direct that the public way be closed upon payment into court of the amount awarded. The court shall give these proceedings precedence over other cases.

➔Section 76. KRS 83A.040 is amended to read as follows:

(1) A mayor shall be elected by the voters of each city at a regular election. A candidate for mayor shall be a resident of the city for not less than one (1) year prior to his or her election. His term of office shall begin on the first day of January following his election and shall be for four (4) years and until his successor qualifies. If a person is elected or appointed as mayor in response to a vacancy and serves less than four (4) calendar years, then that period of service shall not be considered for purposes of re-election a term of office. A mayor shall be at least twenty-one (21) years of age, shall be a qualified voter in the city, and shall reside in the city throughout his term of office.

(2) If a vacancy occurs in the office of mayor, the following provisions shall apply:

(a) The legislative body of the city shall fill the vacancy within thirty (30) days.

(b) A member of the legislative body in any city organized and governed under the commission plan as provided by KRS 83A.140 or city manager plan as provided by KRS 83A.150 may vote for himself.

(c) A member of the legislative body in any city organized and governed under the mayor-council plan as provided by KRS 83A.130 and in any city of the first class organized under the mayor-alderman plan as provided by KRS Chapter 83 shall not vote for himself.

(d) The legislative body shall elect from among its members an individual to

preside over meetings of the legislative body during any vacancy in the office of mayor in accordance with the provisions of KRS 83A.130 to 83A.150.

(3) When voting to fill the vacancy created by a resignation of a mayor the resigning mayor shall not vote on his successor.

(4) Each legislative body member shall be elected at large by the voters of each city at a regular election. A candidate for a legislative body shall be a resident of the city for not less than one (1) year prior to his or her election. His term of office shall begin on the first day of January following his election and shall be for two (2) years, except as provided by KRS 83A.050. A member shall be at least eighteen (18) years of age, shall be a qualified voter in the city, and shall reside in the city throughout his term of office.

(5) If one (1) or more vacancies on a legislative body occur in a way that one (1) or more members remain seated, the remaining members shall within thirty (30) days fill the vacancies one (1) at a time, giving each new appointee reasonable notice of his selection as will enable him to meet and act with the remaining members in making further appointments until all vacancies are filled. If vacancies occur in a way that all seats become vacant, the Governor shall appoint qualified persons to fill the vacancies sufficient to constitute a quorum. Remaining vacancies shall be filled as provided in this section.

(6) If for any reason, any vacancy in the office of mayor or the legislative body is not filled within thirty (30) days after it occurs, the Governor shall promptly fill the vacancy by appointment of a qualified person who shall serve for the same period as if otherwise appointed.

(7) No vacancy by reason of voluntary resignation in the office of mayor or on a legislative body shall occur unless a written resignation which specifies a resignation date is tendered to the legislative body. The resignation shall be effective at the next regular or special meeting of the city legislative body occurring

after the date specified in the written letter of resignation.

(8) Pursuant to KRS 118.305(7), if a vacancy occurs which is required by law to be filled temporarily by appointment, the legislative body or the Governor, whichever is designated to make the appointment, shall immediately notify in writing both the ***regional public records and licensing administrator*** ~~[county clerk]~~ and the Secretary of State of the vacancy.

(9) Except in cities of the first class, any elected officer, in case of misconduct, incapacity, or willful neglect in the performance of the duties of his office, may be removed from office by a unanimous vote of the members of the legislative body exclusive of any member to be removed, who shall not vote in the deliberation of his removal. No elected officer shall be removed without having been given the right to a full public hearing. The officer, if removed, shall have the right to appeal to the Circuit Court of the county and the appeal shall be on the record. No officer so removed shall be eligible to fill the office vacated before the expiration of the term to which originally elected.

(10) Removal of an elected officer in cities of the first class shall be governed by the provisions of KRS 83.660.

➔Section 77. KRS 91.320 is amended to read as follows:

(1) Every person owning or holding taxable property, either in his own right or as a fiduciary or agent, shall return to the assessor or his assistant a true list of all such property, stating the value of the personal property, upon blanks prepared for that purpose by the assessor, in the form prescribed by ordinance, and shall make oath before the assessor or his assistant. However, if it be deemed expedient, the city assessor may mail, by postal card, appropriate notice to the last known address of the taxpayer and by agreement with the property valuation administrator receive the return of the said true list or schedule of all such taxable property in the office of the property valuation administrator simultaneously with the taking of such list or

schedule for state and county purposes by the property valuation administrator, and under such arrangement the city tax assessor shall provide for such purpose a sufficient number of deputies to expeditiously perform such duties and they shall perform such duties in the office of the property valuation administrator during the period necessary to complete said duties. If such arrangement is made, both the city assessor and the property valuation administrator, and the deputies of each and either, are hereby empowered to administer any oath to the taxpayer, provided by law in connection with the return of any list or schedule, whether the property be located in the county outside the city or in the corporate limits of the city. The method of payment of salaries to said deputies engaged in said work shall not be affected by such arrangement. If the office of the property valuation administrator is put to any additional expense by reason of the taking of such lists or schedules for city property, such additional expense shall be paid by the city. Nothing in this section shall be construed as an acceptance by the city of the assessment of the property valuation administrator on property located in the city, but for the sole purpose of convenience and economy.

(2) If any such person fails to return a true list under oath, the assessor may, according to the best information he can obtain, assess the property.

(3) The district court shall, at the instance of the assessor, enforce by rule or process of contempt the return, under oath, of the list required by this section.

(4) The assessor shall each day make diligent search among the conveyances and probated wills recorded in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ and among the confirmations of sales in the courts, and shall also make personal inquiry in his yearly rounds about deaths among the owners of lands or improvements in the city.

(5) The assessor shall keep in alphabetical order a register of all transfers of real estate. All purchasers of real estate in the city shall furnish the assessor information thereof

within two (2) days after the conveyance has been lodged for record. The assessor shall notify such purchasers of any taxes that remain unpaid and are a lien on the property bought.

➔Section 78. KRS 91.440 is amended to read as follows:

(1) Every fiduciary appointed under the laws of this state or by a deed or will recorded in any ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office in this state who has the management of any lands or improvements in the city, every agent of a nonresident owner of property located in the city who collects the rent thereof, and every person who collects the rent or income or enjoys by occupation the profits of lands or improvements owned by his spouse and located in the city, shall, before July 1 of each year, pay out of the net income of the lands and improvements the city tax assessed upon the same in the preceding year, with accrued interest, before applying the income to the wants of, or paying it over to, his beneficiary or employer. In default thereof, he shall be liable for the tax to the amount of the income that he might have so applied, which liability may be enforced by equitable proceedings in any court of competent jurisdiction. In such proceedings it shall not be an answer that the city has a security in its lien upon the lands and improvements and the right to sell same for taxes.

(2) Tax bills assessed against an administrator, executor or trustee shall be a charge upon and may be enforced against the whole succession of trust estates, in addition to other remedies provided for in this chapter.

➔Section 79. KRS 91.4884 is amended to read as follows:

(1) The collector shall also cause to be prepared and mailed by first class mail, certified by a United States postal service certificate of mailing, within thirty (30) days after the filing of such petition, a brief notice of the filing of the suit to any taxing authority or person of record owning or holding any tax bills or claiming any right, title, or interest in or to, or lien upon, any such parcel of real estate as set out in the

petition.

(2) The notice shall be substantially as follows:

To the person to whom this notice is addressed:

Public records indicate that you may own or claim some right, title, or interest in or to, or hold a lien upon a certain parcel of real estate located at (here insert the street address and the property valuation administrator's tax parcel number) and set out in count number _____ in a certain petition bearing Action No. _____ filed in the Circuit Court of _____ County, Kentucky at _____ (city) on _____, 19_____, wherein an enforcement of the liens of various delinquent tax bills is sought and a court order asked for the purpose of selling said real estate at a public sale for payment of all delinquent tax bills, together with interest, penalties, and costs. Publication of notice of such enforcement was commenced on the _____ day of _____, 19...., in _____ (here insert name of city).

Public records in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ or other public office indicate you may own or claim some interest in this parcel by reason of (Here insert specific reference to any public document of record as disclosed in a thorough examination of title status.).

Unless all delinquent city taxes are paid upon the parcel of real estate described in said petition and unless the owners of said real estate shall either have discharged any city tax liens or satisfied any judgment rendered on said liens in favor of the city, prior to the time of the enforcement sale of such real estate by the master commissioner, or within sixty (60) days after the sale if the purchase price at sale is less than the parcel's certified assessed value, the owner or any taxing authority or person of record claiming any right, title, or interest in or to, or lien upon, any such parcel of real estate shall be forever barred and foreclosed of all right, title and interest and equity of redemption in and to such parcel of real estate; provided, however, that any such person shall have the right to file an answer in said suit on or before the _____ day of _____, 19____, in the office of

the Circuit Court clerk and copy thereof to the city of _____, in accordance with the Kentucky rules of civil procedure, setting forth in detail the nature and amount of the interest and any defense or objection to the enforcement.

Dated _____, 19____ _____, Kentucky

(Name of city)

_____

Attorney

_____

_____

_____

Address

_____

Phone

➔Section 80. KRS 91.4885 is amended to read as follows:

(1) The court shall order the master commissioner to sell, pursuant to the provisions of KRS 426.560 to 426.715, except as otherwise provided in this section, each parcel separately by individual count number. The court shall further order that a report of the sale be made by the master commissioner to the court for further proceedings under the provisions of KRS 91.484 to 91.527.

(2) Prior to the master commissioner's setting each parcel for sale pursuant to court order, the collector shall file with the Circuit Court clerk an affidavit as to the most recent certified tax assessment of each parcel to be sold. The most recent certified assessment of a property shall be the property valuation administrator's last assessment which shall have been certified by the Kentucky Department of Revenue to the ***regional public records and licensing administrator***~~[county clerk]~~, as required by KRS 133.180.

(3) The most recent certified assessment as sworn to in the affidavit furnished by the

collector shall be used in all actions brought under KRS 91.484 to 91.527 to determine the owner's equity of redemption as provided by KRS 91.511(2).

➔Section 81. KRS 91.511 is amended to read as follows:

(1) At any time prior to the sale of the property any person having any right, title or interest in, or lien upon, any parcel of real estate described in the petition may discharge any city lien or satisfy a judgment in favor of the city as to said parcel of real estate by paying to the collector all of the sums mentioned therein, including the principal, interest, penalties, and costs then due.

(2) If the property is sold pursuant to the judgment or order of the court and does not bring its most recent assessed value certified by the Department of Revenue to the ***regional public records and licensing administrator*** ~~[county clerk]~~ as required by KRS 133.180, the owner may redeem it within sixty (60) days from the day of the sale, by paying the purchaser the original purchase money and interest at eighteen percent (18%) per annum. Any owner who redeems his land shall take a receipt from the purchaser and lodge it with the clerk of the court. The receipt shall be entered upon the records of the court.

(3) The owner may tender the redemption money to the purchaser, his agent or attorney, if found in the county where the land lies or in the county in which the judgment was obtained or order of sale made. If the money is refused, or if the purchaser does not reside in either of the counties, the owner may, before the expiration of the right of redemption, go to the clerk of the court in which the judgment was rendered or the order made, and make affidavit of the tender and refusal, or that the purchaser or his agent or attorney do not reside in either of the counties. He may then pay to the clerk the redemption money, and the clerk shall give receipt therefor and file the affidavit among the papers of the action.

(4) When the right of redemption exists, the owner may remain in possession of the property until it expires. Real property so sold shall not be conveyed to the

purchaser until the right of redemption has expired. If it is redeemed, the sale shall, from and after the redemption or from and after the deposit of the redemption money with the clerk, be null and void.

(5) In the event of failure to redeem within the period provided for redemption, the owner or any other party in interest shall be barred forever of all his right, title and interest in and to the parcel of real estate described in the petition.

(6) Upon redemption, as permitted by this section, the person redeeming shall be entitled to a certificate of redemption from the collector describing the property in the same manner as it is described in the petition and the collector shall thereupon note on his records the word "redeemed" and the date of the payment opposite the description of the parcel of real estate.

➔Section 82. KRS 91A.070 is amended to read as follows:

(1) Any city may by ordinance elect to have all city ad valorem taxes including delinquent taxes collected by the sheriff of the county. The election shall be effective only if a copy of the ordinance is delivered to the sheriff as soon as practicable, and a copy of the ordinance levying the taxes to be collected is delivered to the ***regional public records and licensing administrator***~~[county clerk]~~ as soon as practicable. If the city so elects:

(a) The ***regional public records and licensing administrator***~~[county clerk]~~ shall place city ad valorem taxes due on the tax bills of owners of property in the city, prepared in accordance with KRS 133.220 and 133.230.

(b) The sheriff shall collect all city ad valorem taxes, including delinquent taxes, in the same manner as county ad valorem taxes as provided in KRS Chapter 134, and the sheriff shall be compensated in an amount calculated to defray additional costs to the sheriff for the services performed, but such amount shall not exceed the rates provided for tax collection by KRS Chapter 134. All procedures provided by KRS Chapter 134 concerning collection of delinquent

taxes by counties shall be applicable.

(2) If a city does not elect to have city ad valorem taxes collected by the sheriff as provided in subsection (1) of this section, the city shall establish by ordinance procedures for the collection of ad valorem taxes which shall specify the following:

(a) The date that city ad valorem taxes are due and payable, except that ad valorem taxes on motor vehicles and motorboats shall be governed by the provisions of KRS 134.800 to 134.830;

(b) The manner of billing;

(c) The place and manner for payment, which may permit the payment of the taxes in installments under such terms and conditions specified in the ordinance;

(d) Discounts, if any, for early payment;

(e) Any penalties and interest for late payment or nonpayment; and

(f) Any other necessary procedures related to ad valorem tax administration not otherwise in conflict with state law.

(3) In cities proceeding under subsection (2) of this section, ad valorem taxes upon real or personal property shall be delinquent if not paid by the date due and payable by ordinance or statute. A lien superior to all other liens, except a lien for state taxes, whether such liens were acquired before or after the maturity of the taxes referred to in this section, shall exist in favor of the city from the date the taxes are due, for the amount of the taxes, interest and penalties, upon all the real and personal property of the delinquent taxpayer. The city may enforce the lien by action in the name of the city in the Circuit Court as provided by statute. In that action it may also obtain a personal judgment against the delinquent taxpayer for the tax, penalties, interest and costs of the suit.

(4) Any city establishing penalties and interest for the late payment or nonpayment of ad valorem property taxes under subsection (3) of this section may, by ordinance,

provide an amnesty program as determined by the city's legislative body for the forgiveness or a reduction of a taxpayer's accumulated penalties and interest for late payment or nonpayment of ad valorem property taxes in previous tax years.

➔Section 83. KRS 95.018 is amended to read as follows:

(1) If a city fire department is authorized by law to collect membership charges or subscriber fees for combatting fires or serving in other emergencies, the city legislative body may adopt an ordinance to require those annual membership charges or subscriber fees to be added to property tax bills. In any city where the legislative body has adopted such an ordinance, the ***regional public records and licensing administrator***~~[county clerk]~~ shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners.

(2) The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy.

➔Section 84. KRS 96.820 is amended to read as follows:

(1) For the purposes of this section, unless the context requires otherwise:

(a) "Taxing jurisdiction" shall mean each county, each school district, each municipality, and each other special taxing district located within the state.

(b) "State" shall mean the Commonwealth of Kentucky.

(c) "Tax equivalent" shall mean the amount in lieu of taxes computed according to this section which is required to be paid by each board to the state and to each taxing jurisdiction in which the board operates and required by subsection (11) of KRS 96.570 to be included in resale rates.

(d) "Tax year" shall mean the twelve (12) calendar-month period ending with December 31.

(e) "Current tax rate" shall mean the actual levied ad valorem property tax rate of the state and of each taxing jurisdiction which is applicable to all property of the same class as a board's property subject to taxation for the tax year involved.

(f) "Book value of property" or "book value of property owned by the board" shall mean the sum of:

1. The original cost (less reasonable depreciation or retirement reserve) of a board's electric plant in service on December 31 of the immediately preceding calendar year located within the state, used and held for use in the transmission, distribution, and generation of electric energy, and
2. The cost of the material and supplies owned by a board on December 31 of the immediately preceding calendar year. For the purpose of this definition, "electric plant in service" shall mean those items included in the "electric plant in service" account prescribed by the Federal Energy Regulatory Commission uniform system of accounts for electric utilities, and "material and supplies" shall mean those items included in the accounts grouped under the heading "material and supplies" in the said system of accounts.

(g) "Adjusted book value of property" or "adjusted book value of property owned by the board" shall mean the book value of property owned by the board excluding manufacturing machinery as interpreted by the Department of Revenue for franchise tax determination purposes.

(h) The "adjustment factor" shall be one hundred twenty-five percent (125%) for the tax year 1970. For each tax year thereafter, it shall be the duty of the Department of Revenue to compute the adjustment factor for that tax year as follows: For each five (5) percentage points or major fraction thereof by which the adjustment ratio for electric utility property for the immediately preceding

tax year exceeded or was less than one hundred sixteen percent (116%), five (5) percentage points shall be added to or subtracted from one hundred twenty-five percent (125%). For the purposes of this computation, "adjustment ratio for electric utility property" shall mean the ratio of total assessed value to total property value for all public service corporations distributing electric energy to more than fifty thousand (50,000) retail electric customers within the state. "Total assessed value" shall mean the total actual cash value assigned by the Department of Revenue for ad valorem property tax purposes to the property of such corporations located within the state (properly adjusted for property under construction). "Total property value" shall mean the sum of:

1. The depreciated original cost of the total utility plant in service of such corporations within the state, and
2. The book value of material and supplies of such corporations located within the state, both as derived from published reports of the Federal Energy Regulatory Commission, or in the absence thereof, from information provided to the Department of Revenue by such corporations.

(i) "Electric operations" shall mean all activities associated with the establishment, development, administration, and operation of any electric system and the supplying of electric energy and associated services to the public, including without limitation the generation, purchase, sale, and resale of electric energy and the purchase, use, and consumption thereof by ultimate consumers.

(2) It shall be the duty of each board, on or before April 30, to certify to the Department of Revenue the book value of property owned by the board and the adjusted book value of property owned by the board and located within the state and within each

taxing jurisdiction in which the board operates. A copy of the certification shall also be sent by the board to each such taxing jurisdiction. The book value of property and adjusted book value of property shall be determined, and the books and records of the board shall be kept in accordance with standard accounting practices, and the books and records of each board shall be subject to inspection by the Department of Revenue and by representatives of the affected taxing jurisdictions and to adjustment by the Department of Revenue if found not to comply with the provisions of this section. Upon the receipt of the required certification from a board, the Department of Revenue shall make any inspection and adjustment, hereinabove authorized, as it deems necessary, and no earlier than September 1 of each year the Department of Revenue shall certify to the board and to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which the board operates the book value of property owned by the board and the adjusted book value of property owned by the board, located within each taxing jurisdiction in which the board operates and within the state. At the same time, the Department of Revenue shall certify to the board and to the ***regional public records and licensing administrator***~~[county clerk]~~ the adjustment factor for the tax year. The ***regional public records and licensing administrator***~~[county clerk]~~ shall promptly certify the book value of property, the adjusted book value of property, and the adjustment factor certified by the Department of Revenue, to the respective taxing jurisdiction in which the board operates.

(3) (a) Each board shall pay for each tax year, beginning with the tax year 1970, to the state and to each taxing jurisdiction in which the board operates, a tax equivalent from the revenues derived from the board's electric operations for that tax year, computed according to this subsection.

(b) The tax equivalent for each tax year payable to the state shall be the total of:

1. The book value of the property owned by the board within the state, multiplied by the adjustment factor, multiplied by the current tax rate of

the state, less thirty cents ($0.30), plus

2. The state's portion of the amount payable under paragraph (d) of this subsection.

(c) The tax equivalent for each tax year payable to each taxing jurisdiction in which the board operates shall be the total of:

1. The adjusted book value of property owned by the board within the taxing jurisdiction, multiplied by the adjustment factor, multiplied by the current tax rate of the taxing jurisdiction; provided, however, for the purpose of this calculation the tax rate for school districts shall be increased by thirty cents ($0.30), plus

2. The taxing jurisdiction's portion of the amount payable under paragraph (d) of this subsection.

(d) For purposes of this subsection, "amount payable" shall mean four-tenths of one percent (0.4%) of the book value of property owned by the board located within the state. The state shall be paid the same proportion of the amount payable as the payment to the state under subparagraph 1. of paragraph (b) of this subsection represents of the total payments to the state and all taxing jurisdictions in which the board operates required by subparagraph 1. of paragraph (b) and subparagraph 1. of paragraph (c) of this subsection. Each taxing jurisdiction in which the board operates shall be paid the same proportion of the amount payable as the payment to the taxing jurisdiction under subparagraph 1. of paragraph (c) of this subsection represents of the total payments to the state and all taxing jurisdictions in which the board operates required by subparagraph 1. of paragraph (b) and subparagraph 1. of paragraph (c) of this subsection. Under the regulations the Department of Revenue may prescribe, upon the board's receipt from the state and taxing jurisdictions of notice of the amount due under subparagraph 1. of paragraph

(b) and subparagraph 1. of paragraph (c) of this subsection, the board shall compute the portion of the amount payable which is due the state and each taxing jurisdiction in which the board operates.

(e) Payment of the tax equivalent under this section for each tax year shall be made by each board to the state within thirty (30) days after receipt by the board of the certification from the Department of Revenue required by subsection (2) of this section and shall be made directly to each taxing jurisdiction in which the board operates within thirty (30) days from the date of the certifications by the ***regional public records and licensing administrator*** ~~[county clerk]~~ required by subsection (2) of this section. The state and each taxing jurisdiction in which a board operates shall have a superior lien upon the proceeds of the sale of electric energy by that board for the amounts required by this section to be paid to it.

(4) Except as hereinafter provided, the tax equivalents computed under this section shall be in lieu of all state, municipal, county, school district, special taxing district, other taxing district, and other state and local taxes or charges on the tangible and intangible property, the income, franchises, rights, and resources of every kind and description of any municipal electric system operating under KRS 96.550 to 96.900 and on the electric operations of any board established pursuant thereto, and the tax equivalent for any tax year computed and payable under this section to the state or to any taxing jurisdiction in which any board operates shall be reduced by the aggregate amount of any tax or charge within the meaning of this sentence which is imposed by the state, or by any taxing jurisdiction in which a board operates, on the board, the electric system, or the board's electric operations. Provided, however, that if any school district in which property of a board is located has elected, or does hereafter elect, to apply the utility gross receipts license tax for schools to all utility services as provided by KRS 160.613 through KRS 160.617, or as may hereafter be

provided by other statutes, the amount of such utility gross receipts license tax shall not reduce, or in any manner affect, the amount payable to any such board or boards under the provisions of this section. It is the intent and purpose of this provision to eliminate all sums received by any such board or boards by reason of the utility gross receipts license tax from any computation of the amount payable under this section to any such board or boards, irrespective of the manner in which that payment is computed, so that, in no event, shall any sum received by any school district by reason of the utility gross receipts license tax reduce, directly or indirectly, the amount payable to such district under this chapter. Provided, further, that if the state shall levy a statewide retail sales or use tax on electric power or energy, collected by retailers of the energy from the vendees or users thereof, and imposed at the same rate or rates as are generally applicable to the sale or use of personal property or services, including natural or artificial gas, fuel oil, and coal as well as electric power or energy, the retail sales or use tax shall not be deemed to be a tax or charge within the meaning of the first sentence of this subsection, and the tax equivalent payable for the tax year to the state under this section shall not be reduced on account of such retail sales or use tax.

(5) (a) Notwithstanding subsection (3) of this section, until the first tax year in which the total of:

1. The tax equivalent payable to the state, or to any taxing jurisdiction in which the board operates, computed under subsection (3) of this section, plus
2. The additional amounts permitted to be paid to the state or taxing jurisdiction without deduction under the second and third sentences of subsection (4) of this section, exceeds the minimum payment to the state or taxing jurisdiction specified in paragraph (b) of this subsection, the tax equivalent for each tax year payable to the state or taxing jurisdiction

shall be an amount equal to the minimum payment computed under paragraph (b) of this subsection.

(b) For purposes of this subsection, the minimum payment to the state or to any taxing jurisdiction in which the board operates shall mean an amount equal to the total of:

1. The largest actual payment made by the board pursuant to this section to the state or to the taxing jurisdiction for any of the tax years 1964, 1965, or 1966, plus

2. The state's or taxing jurisdiction's pro rata share of an amount equal to four-tenths of one percent (0.4%) of the increase since July 1, 1964, in the book value of property owned by the board within the state. For the purposes of this paragraph "pro rata share" shall mean the same proportion of the amount computed under this subparagraph as the largest actual payment in lieu of taxes made by the board to the state or taxing jurisdiction for the applicable tax year under subparagraph 1. of this paragraph represents of the total amount of the largest actual payments in lieu of taxes made by the board to the state and to all taxing jurisdictions in which it operated for any of the applicable tax years.

(c) The provisions of paragraph (e) of subsection (3) of this section shall apply to all payments required under this subsection.

(d) This subsection shall not be applicable for the first tax year specified in paragraph (a) of this subsection or for any tax year thereafter, except however, that tax year 1977 shall not be deemed as the "first tax year" as specified in paragraph (a) and this subsection shall continue to apply in such cases.

➔Section 85. KRS 96.919 is amended to read as follows:

The first ordinance shall be published pursuant to KRS Chapter 424. A certified copy of the first ordinance shall be delivered to the county judge/executive ***of each***

county in which any area affected by the ordinance outside the city may be situated, and also delivered to ~~[or]~~***the regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which any area affected by the ordinance outside the city may be situated**.**~~[, and]~~ The county judge/executive ***and the***~~[, or]~~ ***regional public records and licensing administrator***~~[county clerk]~~, shall, upon receiving the same, cause it to be posted at the county courthouse door, as in the case of notices of judicial sales of real property.

➔Section 86. KRS 98.013 is amended to read as follows:

(1) On and after July 1, 1952 a city of the first class shall have a lien upon all real estate and rights to real estate belonging to or thereafter acquired by any recipient of general assistance through said city's department of public welfare. The lien shall become effective upon the first payment of assistance to the recipient after June 19, 1952, and shall be cumulative and shall include all amounts paid to the recipient. The lien shall continue until it is satisfied, or becomes unenforceable.

(2) The lien shall not be effectual as against any mortgage, purchaser, or judgment creditor without actual notice until notice thereof has been filed by the director of public welfare of the city in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the property is located. Such notice, from the date of the filing thereof, shall constitute notice of all payments of assistance, whether paid prior or subsequent to the date of the filing of the notice. Such notice shall be filed by the director of public welfare in those cases in which it is discovered that the recipient has sufficient real estate to justify the filing of such a notice.

(3) The director of public welfare shall file an adequate notice of the existence of the lien provided for by this section which notice shall not specify the amount of assistance paid but the director of public welfare shall furnish to any authorized person upon proper request the total amount of the lien as of the date of the inquiry.

(4) The ***regional public records and licensing administrator***~~[county clerk]~~ shall file, record and index such notices as other liens on real estate are required by law to be filed, recorded and indexed but shall index said lien only in the name of the recipient. The lien shall be designated "City's Lien."

(5) The ***regional public records and licensing administrator***~~[clerk]~~ shall be entitled to a fee pursuant to KRS 64.012 for filing and indexing the lien. The department of public welfare of the city shall pay the fee but the fee shall become a part of the lien as an added cost to the recipient to be recovered at the time a lien is satisfied.

(6) The lien shall not be enforceable while the real estate is occupied by the surviving spouse or until she remarries, or is occupied by a dependent child, provided, no other action is brought to settle the estate.

(7) In any case in which it appears that it would be to the best interest of the recipient to sell his real estate and reinvest the proceeds in other real estate, the department of public welfare of the city may grant permission and waive the lien to the extent necessary for the purpose of effecting the transfer but such lien shall attach to the reinvested property.

(8) Any claim under KRS 98.011 to 98.014 may be precipitated and the lien provided by this section may be enforceable during the lifetime of any person who has received general assistance in order to recover any amount obtained as a result of such person knowingly making a false statement or representation or knowingly failing to disclose a fact to procure, increase, or continue any material benefit for himself.

➔Section 87. KRS 98.340 is amended to read as follows:

(1) The department may administer or assist in administering any state or local public welfare function by agreement between the fiscal court and the legislative body or officers, department, or agency in which the responsibility for administration of such activity is vested. Such agreements may include the performance of any duties

and the exercise of any powers imposed upon or vested in such legislative body or officer, department, or agency, with respect to the administration of such function. Such agreement shall be in writing by the other party to the agreement, in the necessary form, and the acceptance shall be in the form of a resolution of the fiscal court. When such resolution becomes effective, the exercise of the powers and duties to which the agreement relates, including those provided in KRS 98.010, shall be transferred to the department, and the other party shall be exempt from all further responsibility for the exercise of the powers and duties so transferred during the life of the agreement.

(2) Such agreement may be revoked at the option of either party by a resolution or ordinance or order of the revoking party filed in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~, and a copy shall be delivered to the other party. Such revocation shall become effective at the end of the fiscal year occurring at least one (1) year following the filing of said resolution or order. In the absence of such revocation so filed, the agreement shall continue indefinitely.

(3) The transfer of property and records of other state or local public welfare activities shall be according to the terms of the agreement.

➔Section 88. KRS 100.127 is amended to read as follows:

(1) All agreements for joint or regional planning units shall be in writing, and shall describe the boundaries of the area involved, and shall contain all details which are necessary for the establishment and administration of the planning unit in regard to planning commission organization, preparation of plans, and aids to plan implementation. The agreement shall be adopted as an ordinance by the legislative bodies which are parties to the agreement in accordance with the procedures for the adoption of an ordinance pursuant to KRS Chapters 67, 67A, 67C, 83, and 83A, and filed in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ of all counties which are parties to the agreement or

which contain a city which is a party to the agreement. The ***regional public records and licensing administrator***~~[county clerk]~~ may charge a fee pursuant to KRS 64.012 for the filing of the agreement. Combination under this subsection shall be permitted notwithstanding the fact that the governmental units are also involved in area planning under KRS 147.610 to 147.705. Combined planning operations shall be jointly financed, and the agreement shall state the method of proration of financial support.

(2) Agreements for planning units shall be in existence as long as at least two (2) of the original signators are operating under the combination despite the fact that other signators have withdrawn from the unit. In addition, any enlargement of a unit may be accomplished under the existing agreement by filing a copy of the agreement in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of all member counties along with a statement as to when it was admitted to the unit. The ***regional public records and licensing administrator***~~[clerk]~~ may charge a fee pursuant to KRS 64.012 for the filing.

(3) If the planning unit, or any part thereof, has adopted regulations for historical districts under KRS 100.201 and 100.203, the planning agreement may provide for the creation of a three (3) or five (5) member board to advise the zoning administrator regarding issuance of permits in such districts, the board being guided by the standards and restrictions of the community's comprehensive plan and by the historical district regulations adopted by the planning unit.

(4) Notwithstanding any other provisions of this section, when a planning unit includes a county with a consolidated local government created pursuant to KRS Chapter 67C, a planning agreement is not required.

➔Section 89. KRS 100.167 is amended to read as follows:

The planning commission shall adopt bylaws for the transaction of business, and shall keep minutes and records of all proceedings, including regulations, transactions, findings,

and determinations, and the number of votes for and against each question, and if any member is absent or disqualifies from voting, indicating the fact, all of which shall, immediately after adoption, be filed in the office of the commission or board, as applicable. If the commission has no office, such records shall be filed in the office of the ***regional public records and licensing administrator***~~[county clerk]~~. A transcript of the entire proceedings of a planning commission shall be provided if requested by a party, at the expense of the requesting party, and the transcript shall constitute the record.

➔Section 90. KRS 100.277 is amended to read as follows:

(1) All subdivision of land shall receive commission approval.

(2) No person or his agent shall subdivide any land before securing the approval of the planning commission of a plat designating the areas to be subdivided, and no plat of a subdivision of land within the planning unit jurisdiction shall be recorded by the ***regional public records and licensing administrator***~~[county clerk]~~ until the plat has been approved by the commission and the approval entered thereon in writing by the chairman, secretary, or other duly authorized officer of the commission.

(3) No person owning land composing a subdivision, or his agent, shall transfer or sell any lot or parcel of land located within a subdivision by reference to, or by exhibition, or by any other use of a plat of such subdivision, before such plat has received final approval of the planning commission and has been recorded. Any such instrument of transfer or sale shall be void and shall not be subject to be recorded unless the subdivision plat subsequently receives final approval of the planning commission, but all rights of such purchaser to damages are hereby preserved. The description of such lot or parcel by metes and bounds in any instrument of transfer or other document used in the process of selling or transferring same shall not exempt the person attempting to transfer from penalties provided or deprive the purchaser of any rights or remedies he may otherwise have. Provided, however, any person, or his agent, may agree to sell any lot or parcel of

land located within a subdivision by reference to an unapproved or unrecorded plat or by reference to a metes and bounds description of such lot and any such executory contract of sale or option to purchase may be recorded and shall be valid and enforceable so long as the subdivision of land contemplated therein is lawful and the subdivision plat subsequently receives final approval of the planning commission.

(4) Any street or other public ground which has been dedicated shall be accepted for maintenance by the legislative body after it has received final plat approval by the planning commission. Any street that has been built in accordance with specific standards set forth in subdivision regulations or by ordinance shall be, by operation of law, automatically accepted for maintenance by a legislative body forty-five (45) days after inspection and final approval.

(5) Any instrument of transfer, sale or contract that would otherwise have been void under this section and under any of its subsections previously, is deemed not to have been void, but merely not subject to be recorded unless the subdivision plat subsequently receives final approval of the planning commission. This subsection shall not apply to instruments of transactions affecting property in counties containing cities of the first class, in consolidated local governments created pursuant to KRS Chapter 67C, or in urban-counties created pursuant to KRS Chapter 67A.

➔Section 91. KRS 100.283 is amended to read as follows:

After the approval of a subdivision plat by the planning commission, it shall be recorded at the expense of the subdivider in the office of the ***regional public records and licensing administrator***~~[county clerk]~~. The plat shall be in the form of a rectangle and the ***regional public records and licensing administrator***~~[clerk]~~ shall not be required to record a plat exceeding twenty-four (24) inches on one side and thirty-six (36) inches on the other. The ***regional public records and licensing administrator***~~[county clerk]~~ shall provide a

plat cabinet with an appropriate index for those plats which are too large to be placed in a plat book.

➔Section 92. KRS 100.329 is amended to read as follows:

All final plats approved by the planning commission shall be recorded at the expense of the applicant in the office of the ***regional public records and licensing administrator***~~[county clerk]~~. A copy of all regulations and the official maps of each planning unit shall be filed with the appropriate agency as provided in this chapter, or as otherwise provided by law.

➔Section 93. KRS 100.3681 is amended to read as follows:

(1) Effective October 1, 1988, the ***regional public records and licensing administrator***~~[county clerk]~~ of every county containing a planning unit which has enacted land use regulations pursuant to this chapter shall, upon receipt of a recording fee pursuant to KRS 64.012, file and maintain among the official records of his office certificates of land use restriction completed according to this section and KRS 100.3682 to 100.3684. The certificates shall be in the form designated in KRS 100.3683; shall be completed and filed by the secretary of the planning commission, board of adjustment, legislative body, or fiscal court which finally adopts or imposes the land use restriction described in the certificate; and shall be filed within thirty (30) days of the date upon which the body takes final action to impose or adopt the restriction. The certificate shall set forth the name and address of the property owner; the address of the property; the name of the subdivision or development, if there is one; the name and address of the body which maintains the original records containing the restriction; and shall indicate the type of land use restriction adopted or imposed upon the subject property on or after October 1, 1988, including variances, conditional use permits, conditional zoning conditions, unrecorded preliminary subdivision plats, and development plans; but not including zoning map amendments which impose no limitations or restrictions upon the use

of the subject property other than those generally applicable to properties within the same zone and not including any recorded subdivision plat. The ***regional public records and licensing administrator*** ~~[county clerk]~~ shall index the certificates by property owner and, if applicable, name of subdivision or development. The ***regional public records and licensing administrator*** ~~[county clerk]~~ shall maintain in his office a record of the name and address of the agency having custody of the official zoning map for each planning unit within the county. All zoning map amendments shall be reflected on the official zoning map within thirty (30) days of the date upon which final action approving the amendments is taken by the planning unit.

(2) The planning unit shall collect the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ filing fee for the certificate from the applicant at the time any proceeding is initiated which may result in the imposition, adoption, amendment, or release of any land use restriction provided for in this chapter; and the planning unit may also charge the applicant a fee for the reasonable cost of completing and filing the certificate, not to exceed ten dollars and fifty cents ($10.50), in addition to any other applicable filing or administrative fee, to compensate the planning unit for completing and filing the certificate. The fees permitted by this subsection shall be refunded to the applicant in the event no land use restriction is imposed or adopted as a result of the proceeding.

(3) When a restriction reflected on the certificate is amended, a new certificate shall be filed. In the case of such amendment or in the event the original restriction is released, the previous certificate shall be released by the secretary of the body which amended or released the restriction in the same manner as releases of encumbrances upon real estate.

(4) The failure to file, to file on time, or to complete the certificate properly or accurately shall not affect the validity or enforceability of any land use restriction or

regulation. Any improper filing may be cured by a subsequent proper filing. Nothing herein shall affect the running of time for any appeal or other act for which a time limit is prescribed by this chapter.

➔Section 94. KRS 100.9865 is amended to read as follows:

In addition to the requirements of KRS 100.987, a uniform application shall include:

(1) The full name and address of the applicant;

(2) The applicant's articles of incorporation, if applicable;

(3) A geotechnical investigation report, signed and sealed by a professional engineer registered in Kentucky, that includes boring logs and foundation design recommendations;

(4) A written report, prepared by a professional engineer or land surveyor, of findings as to the proximity of the proposed site to flood hazard areas;

(5) Clear directions from the county seat to the proposed site, including highway numbers and street names, if applicable, with the telephone number of the person who prepared the directions;

(6) The lease or sale agreement for the property on which the tower is proposed to be located, except that, if the agreement has been filed in abbreviated form with the ***regional public records and licensing administrator***~~[county clerk]~~, an applicant may file a copy of the agreement as recorded by the ***regional public records and licensing administrator***~~[county clerk]~~ and, if applicable, the portion of the agreement demonstrating compliance with KRS 100.987(2);

(7) The identity and qualifications of each person directly responsible for the design and construction of the proposed tower;

(8) A site development plan or survey, signed and sealed by a professional engineer registered in Kentucky, that shows the proposed location of the tower and all easements and existing structures within five hundred (500) feet of the proposed site on the property on which the tower will be located, and all easements and existing

structures within two hundred (200) feet of the access drive, including the intersection with the public street system;

(9) A vertical profile sketch of the tower, signed and sealed by a professional engineer registered in Kentucky, indicating the height of the tower and the placement of all antennas;

(10) The tower and foundation design plans and a description of the standard according to which the tower was designed, signed, and sealed by a professional engineer registered in Kentucky;

(11) A map, drawn to a scale no less than one (1) inch equals two hundred (200) feet, that identifies every structure and every owner of real estate within five hundred (500) feet of the proposed tower;

(12) A statement that every person who, according to the records of the property valuation administrator, owns property within five hundred (500) feet of the proposed tower or property contiguous to the site upon which the tower is proposed to be constructed, has been:

(a) Notified by certified mail, return receipt requested, of the proposed construction, which notice shall include a map of the location of the proposed construction;

(b) Given the telephone number and address of the local planning commission; and

(c) Informed of his or her right to participate in the planning commission's proceedings on the application;

(13) A list of the property owners who received the notice, together with copies of the certified letters sent to the listed property owners;

(14) A statement that the chief executive officer of the affected local governments and their legislative bodies have been notified, in writing, of the proposed construction;

(15) A copy of the notice sent to the chief executive officer of the affected local

governments and their legislative bodies;

(16) A statement that:

(a) A written notice, of durable material at least two (2) feet by four (4) feet in size, stating that "[Name of applicant] proposes to construct a telecommunications tower on this site" and including the addresses and telephone numbers of the applicant and the planning commission, has been posted and shall remain in a visible location on the proposed site until final disposition of the application; and

(b) A written notice, at least two (2) feet by four (4) feet in size, stating that "[Name of applicant] proposes to construct a telecommunications tower near this site" and including the addresses and telephone numbers of the applicant and the planning commission, has been posted on the public road nearest the site;

(17) A statement that notice of the location of the proposed construction has been published in a newspaper of general circulation in the county in which the construction is proposed;

(18) A brief description of the character of the general area in which the tower is proposed to be constructed, which includes the existing land use for the specific property involved;

(19) A statement that the applicant has considered the likely effects of the installation on nearby land uses and values and has concluded that there is no more suitable location reasonably available from which adequate service to the area can be provided, and that there is no reasonably available opportunity to locate its antennas and related facilities on an existing structure, including documentation of attempts to locate its antennas and related facilities on an existing structure, if any, with supporting radio frequency analysis, where applicable, and a statement indicating that the applicant attempted to locate its antennas and related facilities on a tower

designed to host multiple wireless service providers' facilities or on an existing structure, such as a telecommunications tower or other suitable structure capable of supporting the applicant's antennas and related facilities; and

(20) A map of the area in which the tower is proposed to be located, that is drawn to scale, and that clearly depicts the necessary search area within which an antenna tower should, pursuant to radio frequency requirements, be located.

➔Section 95. KRS 102.020 is amended to read as follows:

(1) The articles of incorporation shall be as follows: "We, the undersigned business and professional persons resident, or conducting a business, or having a branch office, in the city of _____, county of _____, Kentucky, adopt the following articles of incorporation:

"Article I. The objects of this corporation shall be to advance and improve civic welfare, and to advertise and develop the industries and resources of _____, Kentucky.

"Article II. The name of this corporation shall be _____ Chamber of Commerce.

"Article III. The affairs of this corporation shall be conducted by a board of not less than six (6) directors, and such officers as may be established by the bylaws of the corporation.

"Article IV. The annual dues of the members of this corporation shall be not less than twelve dollars ($12), payable as provided in the bylaws of the corporation.

"Article V. Any resident of the city or county, or any firm or individual operating a business or branch office therein, whose application meets with the approval of the board of directors, may become a member by paying the first dues, and thereafter complying with the articles of incorporation and bylaws.

"Article VI. This corporation shall continue until terminated by operation of law.

"Article VII. The board of directors shall adopt such bylaws as they deem necessary for the regulation of the affairs of this corporation."

(2) The articles of incorporation shall be recorded by the ***regional public records and licensing administrator***~~[county clerk]~~ without fee.

➔Section 96. KRS 104.550 is amended to read as follows:

If no suit is filed against the secretary under KRS 104.540, or if suit is filed and final judgment in the Circuit Court or on appeal is in favor of the secretary, the secretary shall forthwith declare the district organized into a flood control district and give it a corporate name as provided in KRS 104.490, by which in all proceedings it shall thereafter be known. The secretary shall certify his act to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which any part of the district is located, and to the Secretary of State, each of whom shall record the certificate as articles of incorporation. The secretary shall also certify his act to the county judge/executive of each county in which any part of the district is located. The district shall then be a political subdivision and shall have perpetual existence, with power to sue and be sued, contract and be contracted with, incur liabilities and obligations, exercise the right of eminent domain, assess, tax, issue bonds, and do and perform all acts expressly authorized in KRS 104.450 to 104.680 and all acts necessary and proper for the carrying out of the purpose for which the district was created, and for executing the powers with which it is invested.

➔Section 97. KRS 104.570 is amended to read as follows:

The secretary shall designate in the certificate the place where the office of the district shall be located, which shall be within the corporate limits of the district if practicable. The place may be changed by the board of directors of the district from time to time, by the certification of the change to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which the district is located and the notation thereof on the records of the ***regional public records and licensing administrator***~~[clerk]~~. The records of the district shall have "Flood Control District Records" printed, stamped, or written thereon. They shall be kept at the office and

shall be open to inspection as are the records of the fiscal court.

➔Section 98. KRS 104.580 is amended to read as follows:

(1) Within thirty (30) days after the secretary certifies to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which the district is located that the district is incorporated, there shall be appointed a board of directors for the district, consisting of five (5) members, which shall control and manage the affairs of the district. If all or part of a city with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census lies within the district, the mayor of such city shall appoint three (3) members of the board of directors, and the county judge/executive shall appoint two (2) members, or if the district lies within two (2) counties, each county judge/executive shall appoint one (1) member, or if the district lies within more than two (2) counties, the county judge/executive of each of two (2) of the counties, in rotation as determined by lot, shall appoint one (1) member. If all or part of two (2) cities with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census lies within the district the mayor of each city shall each appoint two (2) members of the board of directors, and the fifth member shall be appointed by the county judge/executive of the county in which the major portion of the district lies. If all or part of more than two (2) cities with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census lies within the district the mayor of each city shall appoint one (1) member of the board and one (1) additional member shall be appointed by each mayor of the city or cities containing most of the district to make the full number of five (5) directors. If no city with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census, or part thereof, lies within the district, the county judge/executive shall appoint all five (5) members, or if the district lies in two (2) counties, the county judge/executive of the county in which the major portion of the district is located shall appoint three (3)

members and the county judge/executive of the other county shall appoint two (2) members, or if the district lies in more than two (2) counties, the county judge/executive of each county shall appoint one (1) member and one (1) additional member shall be appointed by each county judge/executive of the county or counties containing most of the district to make the full number of five (5) directors. No director shall in any way be associated or connected with the ownership, operation or control of any privately-owned public utility operating within the district. Two (2) of the members of the first board of directors shall hold their offices for one (1) year, and the others shall hold their offices for two (2), three (3) and four (4) years, respectively, from the dates of their appointments, the length of the term of office of each member to be determined by lot at their first meeting. After the expiration of the respective terms of office of the members of the first board of directors, each director shall be appointed and shall serve for a period of four (4) years and until his successor has been appointed and has qualified. Vacancies resulting from any cause other than expiration of a term of office shall be filled only for the unexpired term and until a successor has been appointed and has qualified. The directors shall at all times be residents and real estate owners within the district, and the office of any director who moves his residence outside the district or who ceases to be a real estate owner within the district shall automatically be vacated.

(2) (a) All appointments by a county judge/executive pursuant to this section shall be with the approval of the fiscal court.

(b) A member of the board of directors may be removed from office as provided by KRS 65.007.

➔Section 99. KRS 104.620 is amended to read as follows:

The secretary shall be the custodian of the seal, minutes and records of the district, and shall assist the board of directors in such particulars as the board directs in the performance of its duties. The secretary shall attest, under the seal of the district, such records as are required of him by the provisions of KRS 104.450 to 104.680, or by any

person ordering the same, and shall receive for such transcription the same compensation allowed ***regional public records and licensing administrators***~~[county clerks]~~ for copying records. Any portion of the record so certified and attested shall prima facie import verity.

➔Section 100. KRS 104.670 is amended to read as follows:

The board of directors, as soon as duly appointed and qualified, may levy an annual tax of not more than fifteen cents ($0.15) upon each one hundred dollars ($100) of assessed valuation of property within the district. This tax shall be certified to the ***regional public records and licensing administrator***~~[county clerks]~~ of the ***affected counties***~~[various counties]~~ and by them to the respective treasurers of their counties. The tax shall be based upon the last preceding assessment for state and county purposes, its collection shall conform to the collection of taxes for counties, and it shall constitute a lien against the property subordinate only to state, county and city ad valorem taxes, and the same provisions concerning the collection of delinquent taxes for counties shall apply. The tax shall be added by the ***regional public records and licensing administrator***~~[county clerk]~~, as a separate item, to the next state and county tax bill following the levy of the tax by the board of directors, and shall be collected concurrently with the state and county taxes. Neither the property valuation administrator nor the ***regional public records and licensing administrator***~~[county clerk]~~ shall be entitled to any additional compensation for services rendered in connection with the listing of property for taxation nor shall the sheriff receive any additional compensation for the collection of the tax.

➔Section 101. KRS 107.085 is amended to read as follows:

In the event the owner or owners of all property or properties which will be subject to assessment for an improvement proposed to be undertaken shall tender to the city their written request or requests, that the improvement be undertaken and financed according to KRS 107.010 to 107.220, and shall waive the formalities of the "First Ordinance," the holding of a public hearing, the "Second Ordinance," and the provisions of KRS 107.060, permitting litigation; the governing body may, in its discretion, dispense with all of said

proceedings and formalities, and may proceed as provided in KRS 107.090 with reference to the "Third Ordinance"; but in all such instances, the written requests of the owners of all properties which will be subject to assessment shall be in recordable form and shall be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ wherein the respective properties may be situated, and ***the regional public records and licensing administrator***~~[said clerk]~~ is authorized to record such instruments as in the case of mortgages, and may charge and receive fees therefor as in the case of mortgages. Each ordinance by which an improvement is undertaken according to this section shall contain a recitation of the receiving of written requests and waivers from the owners of all properties which will be subject to assessment for each such improvement. In such instances the lien for which provision is made in KRS 107.160 shall attach upon publication of the ordinance (equivalent to the "Third Ordinance") which authorizes issuance of the improvement assessment bonds.

➔Section 102. KRS 107.160 is amended to read as follows:

Each annual improvement assessment, including an initial levy payable on a lump-sum or cash basis, with any penalty or interest incident to the nonpayment thereof, shall constitute a lien upon the lot or parcel of benefited property against which it is assessed. The lien shall attach to each lot or parcel of benefited property as the same is described by the owner's deed of record in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office at the time of the publication of the first ordinance, as herein provided, and thereupon shall take precedence over all other liens, whether created prior to or subsequent to the publication of said ordinance, except state and county taxes, general municipal taxes, and prior improvement taxes and shall not be defeated or postponed by any private or judicial sale, by any mortgage, or by any error or mistake in the description of the property or in the names of the owners. No error in the proceedings of the governing body shall exempt any benefited property from the lien for

the improvement assessment, or from the payment thereof, or from the penalties or interest thereon, as herein provided. No error in the proceedings of the governing body shall exempt any property from liability for payment of any annual improvement assessment, or for any interest or penalty incident to nonpayment thereof. The city's governing body, or any court of competent jurisdiction, shall have power to make such rules and orders as may be required to do justice to all parties.

➔Section 103. KRS 108.070 is amended to read as follows:

(1) The area of a city or of another district may be added to the area of an urban services district by an agreement between the district council and the legislative body of the city or governing board of another district. Territory in an unincorporated area may be added to the urban services district upon approval by the council and the county judge/executive when a petition signed by fifty-one percent (51%) of the registered voters of that territory is filed with the county judge/executive.

(2) An urban services district may include territory in two (2) or more counties. In the organization, conduct of elections, and expansion of such districts, the county judge/executive and the ***regional public records and licensing administrator***~~[county clerk]~~ of ***the affected counties***~~[each]~~ county shall perform the duties provided for by this chapter in relationship to the territory and voters of the district within that county.

➔Section 104. KRS 108.100 is amended to read as follows:

(1) A district may be created by the fiscal court as provided in KRS 65.182. In the event that the citizens of a city seek to create a district the boundaries of which shall be coterminous with those of the city, or which lie wholly within the boundaries of said city such citizens shall petition the city legislative body and the city legislative body shall exercise all rights, powers and duties of the fiscal court as set forth in KRS 65.182 in determining whether to create the district.

(2) The special ad valorem tax that may be imposed for the maintenance and operation of the district, shall not exceed ten cents ($0.10) on each one hundred dollars ($100) of the assessed valuation of all property in the district.

(3) Upon the creation of a district by a fiscal court or city legislative body as provided in KRS 65.182, the district shall be so established and shall constitute and be a taxing district within the meaning of Section 157 of the Constitution of Kentucky.

(4) If the ambulance district consists solely of a single city, the ad valorem tax, as authorized by KRS 108.100 to 108.180, shall be collected in the same manner as are the other city ad valorem taxes, and turned over to the board of the ambulance service district. All other special ad valorem taxes authorized by KRS 108.080 to 108.180 shall be collected in the following manner:

(a) The property valuation administrator of the county shall note on the tax rolls the taxpayers and valuation of the property subject to such assessment;

(b) The ***regional public records and licensing administrator*** ~~[county clerk]~~ shall compute the tax on the regular state and county tax bills;

(c) The special ad valorem tax shall be in addition to all other ad valorem taxes;

(d) The sheriff shall collect the tax, turn it over to the board of the ambulance district, and shall be entitled to a fee of four percent (4%) of the amount of the tax collected by him for such district and all other special ad valorem taxes authorized by KRS 108.080 to 108.180 shall be collected in the same manner as are other county and city ad valorem taxes in each county and city affected and shall be turned over to the board of directors as the governing body of the district. The special ad valorem tax shall be in addition to all other ad valorem taxes. The sheriff shall be entitled to a fee of one percent (1%) of the amount of the tax collected by him for all special ad valorem taxes except the tax for the ambulance district.

➔Section 105. KRS 108.160 is amended to read as follows:

Single city or county districts may be dissolved in the following manner:

(1) Upon the filing of a certified petition of a number of registered voters equal to or greater than twenty-five percent (25%) of the average of the voters living in the taxing district and voting in the last four (4) general elections or upon the determination of the fiscal court or city legislative body that the abolishment of the district is in the best interest of the inhabitants of the county or city, the fiscal court or city legislative body (as appropriate) shall adopt a resolution submitting to the qualified voters of the county or city as to whether the district should be dissolved and the imposition of the special ad valorem tax discontinued. A certified copy of the resolution of the fiscal court or city legislative body (as appropriate) shall be filed with the county clerk not later than the second Tuesday in August prior to the next regular election and thereupon the clerk shall cause the question to be placed before the voters.

(2) The question shall be in substantially the following form: "Are you in favor of dissolving the emergency ambulance service district for (insert name of city or county) and discontinuing the special ad valorem tax that is imposed for the maintenance and operation of the district?"

(3) If a majority of those voting on the question favor dissolving the district and discontinuing the imposition of the special ad valorem tax the ***regional public records and licensing administrator***~~[county clerk]~~ or the collector of city taxes shall remove the levy of the special ad valorem tax from the tax bills of the property owners of the district and the district shall be dissolved by order of the fiscal court or the city legislative body. If less than a majority of those voting on the question favor dissolving the district, the district shall be continued and no future vote may be taken on the question of dissolving the district until the next regular election four (4) years later.

(4) A resolution for the dissolution of the district shall not be considered to have any

legal effect if contractual obligations assumed prior to the time of the passage of the resolution by the board have not been met.

➔Section 106. KRS 131.140 is amended to read as follows:

(1) The department shall requisition the Finance and Administration Cabinet to furnish to local officials an adequate supply of forms for listing property for taxation and other forms and blanks the state is required by law to provide. The books and records prescribed for use by property valuation administrators, ***regional public records and licensing administrators and*** county clerks, sheriffs and other county tax collectors shall be designed to promote economical operation, adequate control, availability of useful information, and safekeeping.

(2) The department may confer with, advise and direct local officials respecting their duties relating to taxation, and shall supervise the officials in the performance of those duties. The department shall provide to the property valuation administrators up-to-date appraisal manuals outlining uniform procedures for appraising all types of real and personal property assessed by them. The property valuation administrators shall follow the uniform procedures for appraising property outlined in these manuals. The department shall maintain and make accessible to all property valuation administrators a statewide commercial real property comparative sales file. The department, by authorized agents, may visit local governmental units and officers for investigational purposes, when necessary.

(3) The Department of Revenue shall conduct a biennial performance audit of each property valuation administrator's office. This audit shall include, but shall not be limited to, an inspection of maps and records, an appraisal study of real property, and an evaluation of the overall effectiveness of the office. Each property valuation administrator's office shall provide the department with access to its files, maps and records during the audit. The department shall prepare a report on assessment equity and quality for each county based on the performance audit, and shall provide a

copy to the Legislative Research Commission.

(4) The department shall arrange for an annual conference of the property valuation administrators, or the county officers whose duty it is to assess property for taxation, to give them systematic instruction in the fair and just valuation and assessment of property, and their duty in connection therewith. The conference shall continue not more than five (5) days. The officers shall attend and take part in the conference, unless prevented by illness or other reason satisfactory to the commissioner. Any officer willfully failing to attend the conference may be removed from office by the Circuit Court of the county where he was elected. If the officer participates in all sessions of the conference, one-half (1/2) of his actual and necessary expenses in attending the conference shall be paid by the state, and the other half shall be paid by the county from which he attends. Each officer shall prepare an itemized statement showing his actual and necessary expenses, and if it is found regular and supported by proper receipts it shall be approved by the department before payment.

➔Section 107. KRS 131.175 is amended to read as follows:

Notwithstanding any other provisions of KRS Chapters 131 to 143A, for all taxes payable directly to the Department of Revenue, the sheriff or the ***regional public records and licensing administrator or the*** county clerk, the commissioner shall have authority to waive the penalty, but not interest, where it is shown to the satisfaction of the department that failure to file or pay timely is due to reasonable cause.

➔Section 108. KRS 131.515 is amended to read as follows:

(1) If any person liable to pay any tax administered by the department, other than a tax subject to KRS 134.420, neglects or refuses to pay the tax after demand, the tax due together with all penalties, interest, and other costs applicable provided by law shall be a lien in favor of the Commonwealth of Kentucky. The lien shall attach to all property and rights to property owned or subsequently acquired by the person

neglecting or refusing to pay the tax.

(2) The lien imposed by subsection (1) of this section shall remain in force for ten (10) years from the date the notice of tax lien has been filed by the commissioner, or his or her designee with the ***regional public records and licensing administrator***~~[county clerk]~~ of any ***area development district or districts***~~[county or counties]~~ in which the taxpayer's business or residence is located, or any ***area development district***~~[county]~~ in which the taxpayer has an interest in property.

(3) The tax lien imposed by subsection (1) of this section shall not be valid as against any purchaser, judgment lien creditor, or holder of a security interest or mechanic's lien until notice of the tax lien has been filed by the commissioner or his or her designee with the ***regional public records and licensing administrator***~~[county clerk]~~ of any ***area development district***~~[county or counties]~~ in which the taxpayer's business or residence is located, or in any ***area development district***~~[county]~~ in which the taxpayer has an interest in property. The recording of the tax lien shall constitute notice of both the original assessment and all subsequent assessments of liability against the same taxpayer. Upon request, the department shall disclose the specific amount of liability at a given date to any interested party legally entitled to the information.

(4) Even though notice of a tax lien has been filed as provided by subsection (3) of this section, and notwithstanding the provisions of KRS 382.520, the tax lien imposed by subsection (1) of this section shall not be valid with respect to a security interest which came into existence after tax lien filing by reason of disbursements made within forty-five (45) days after the date of tax lien filing or the date the person making the disbursements had actual notice or knowledge of tax lien filing, whichever is earlier, provided the security interest:

(a) Is in property which:

1. At the time of tax lien filing is subject to the tax lien imposed by

subsection (1) of this section; and

2. Is covered by the terms of a written agreement entered into before tax lien filing; and

(b) Is protected under local law against a judgment lien arising, as of the time of tax lien filing, out of an unsecured obligation.

➔Section 109. KRS 132.020 is amended to read as follows:

(1) The owner or person assessed shall pay an annual ad valorem tax for state purposes at the rate of:

(a) Thirty-one and one-half cents ($0.315) upon each one hundred dollars ($100) of value of all real property directed to be assessed for taxation;

(b) One and one-half cents ($0.015) upon each one hundred dollars ($100) of value of all privately owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103, upon the prior approval of the Kentucky Economic Development Finance Authority, except that the rate shall not apply to the proportion of value of the leasehold interest created through any private financing;

(c) One and one-half cents ($0.015) upon each one hundred dollars ($100) of value of all qualifying voluntary environmental remediation property, provided the property owner has corrected the effect of all known releases of hazardous substances, pollutants, contaminants, petroleum, or petroleum products located on the property consistent with a corrective action plan approved by the Energy and Environment Cabinet pursuant to KRS 224.1-400, 224.1-405, or 224.60-135, and provided the cleanup was not financed through a public grant or the petroleum storage tank environmental assurance fund. This rate shall apply for a period of three (3) years following the Energy

and Environment Cabinet's issuance of a No Further Action Letter or its equivalent, after which the regular tax rate shall apply;

(d) One and one-half cents ($0.015) upon each one hundred dollars ($100) of value of all tobacco directed to be assessed for taxation;

(e) One and one-half cents ($0.015) upon each one hundred dollars ($100) of value of unmanufactured agricultural products;

(f) One-tenth of one cent ($0.001) upon each one hundred dollars ($100) of value of all farm implements and farm machinery owned by or leased to a person actually engaged in farming and used in his farm operations;

(g) One-tenth of one cent ($0.001) upon each one hundred dollars ($100) of value of all livestock and domestic fowl;

(h) One-tenth of one cent ($0.001) upon each one hundred dollars ($100) of value of all tangible personal property located in a foreign trade zone established pursuant to 19 U.S.C. sec. 81, provided that the zone is activated in accordance with the regulations of the United States Customs Service and the Foreign Trade Zones Board;

(i) Fifteen cents ($0.15) upon each one hundred dollars ($100) of value of all machinery actually engaged in manufacturing;

(j) Fifteen cents ($0.15) upon each one hundred dollars ($100) of value of all commercial radio and television equipment used to receive, capture, produce, edit, enhance, modify, process, store, convey, or transmit audio or video content or electronic signals which are broadcast over the air to an antenna, including radio and television towers used to transmit or facilitate the transmission of the signal broadcast and equipment used to gather or transmit weather information, but excluding telephone and cellular communication towers;

(k) Fifteen cents ($0.15) upon each one hundred dollars ($100) of value of all

tangible personal property which has been certified as a pollution control facility as defined in KRS 224.1-300;

(l) One-tenth of one cent ($0.001) upon each one hundred dollars ($100) of value of all property which has been certified as an alcohol production facility as defined in KRS 247.910, or as a fluidized bed energy production facility as defined in KRS 211.390;

(m) Twenty-five cents ($0.25) upon each one hundred dollars ($100) of value of motor vehicles qualifying for permanent registration as historic motor vehicles under the provisions of KRS 186.043;

(n) Five cents ($0.05) upon each one hundred dollars ($100) of value of goods held for sale in the regular course of business, which includes:

1. Machinery and equipment held in a retailer's inventory for sale or lease originating under a floor plan financing arrangement;

2. Motor vehicles:

a. Held for sale in the inventory of a licensed motor vehicle dealer, including licensed motor vehicle auction dealers, which are not currently titled and registered in Kentucky and are held on an assignment pursuant to the provisions of KRS 186A.230; or

b. That are in the possession of a licensed motor vehicle dealer, including licensed motor vehicle auction dealers, for sale, although ownership has not been transferred to the dealer;

3. Raw materials, which includes distilled spirits and distilled spirits inventory; and

4. In-process materials, which includes distilled spirits and distilled spirits inventory, held for incorporation in finished goods held for sale in the regular course of business;

(o) Ten cents ($0.10) per one hundred dollars ($100) of assessed value on the

operating property of railroads or railway companies that operate solely within the Commonwealth;

(p) One and one-half cents ($0.015) per one hundred dollars ($100) of assessed value on aircraft not used in the business of transporting persons or property for compensation or hire;

(q) One and one-half cents ($0.015) per one hundred dollars ($100) of assessed value on federally documented vessels not used in the business of transporting persons or property for compensation or hire, or for other commercial purposes; and

(r) Forty-five cents ($0.45) upon each one hundred dollars ($100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed, except as provided in KRS 132.030, 132.200, 136.300, and 136.320, providing a different tax rate for particular property.

(2) Notwithstanding subsection (1)(a) of this section, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent that the increase exceeds the preceding year's assessment by more than four percent (4%), excluding:

(a) The assessment of new property as defined in KRS 132.010(8);

(b) The assessment from property which is subject to tax increment financing pursuant to KRS Chapter 65; and

(c) The assessment from leasehold property which is owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 and entitled to the reduced rate of one and one-half cents ($0.015) pursuant to subsection (1)(b) of this section. In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the

preceding year from real property.

(3) By July 1 each year, the department shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of subsection (2) of this section and certify the rate to the ***regional public records and licensing administrators*** ~~[county clerks]~~ for their use in preparing the tax bills. If the assessments for all counties have not been certified by July 1, the department shall, when either real property assessments of at least seventy-five percent (75%) of the total number of counties of the Commonwealth have been determined to be acceptable by the department, or when the number of counties having at least seventy-five percent (75%) of the total real property assessment for the previous year have been determined to be acceptable by the department, make an estimate of the real property assessments of the uncertified counties and compute the state tax rate.

(4) If the tax rate set by the department as provided in subsection (2) of this section produces more than a four percent (4%) increase in real property tax revenues, excluding:

(a) The revenue resulting from new property as defined in KRS 132.010(8);

(b) The revenue from property which is subject to tax increment financing pursuant to KRS Chapter 65; and

(c) The revenue from leasehold property which is owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 and entitled to the reduced rate of one and one-half cents ($0.015) pursuant to subsection (1) of this section;

the rate shall be adjusted in the succeeding year so that the cumulative total of each year's property tax revenue increase shall not exceed four percent (4%) per year.

(5) The provisions of subsection (2) of this section notwithstanding, the assessed value of unmined coal certified by the department after July 1, 1994, shall not be included

with the assessed value of other real property in determining the state real property tax rate. All omitted unmined coal assessments made after July 1, 1994, shall also be excluded from the provisions of subsection (2) of this section. The calculated rate shall, however, be applied to unmined coal property, and the state revenue shall be devoted to the program described in KRS 146.550 to 146.570, except that four hundred thousand dollars ($400,000) of the state revenue shall be paid annually to the State Treasury and credited to the Department for Energy Development and Independence for the purpose of public education of coal-related issues.

➔Section 110. KRS 132.130 is amended to read as follows:

(1) Effective January 1, 1967, every owner, proprietor, or custodian of a bonded warehouse or of premises under the control and supervision of the United States Internal Revenue Service, in which distilled spirits are stored shall between January 1 and February 1 of each year file with the Department of Revenue a report sworn to by him showing the quantity and kind of distilled spirits in the bonded warehouse or premises as of January 1 of that year; the quantity and kind of spirits on which the federal tax has been paid or is due; what distilled spirits have been removed from the bonded warehouse or premises for transfer in bond out of this state during the preceding twelve (12) months; the county, city, and taxing district in which such distilled spirits were certified for taxation; the fair cash value of the distilled spirits estimated at a price it would bring at a fair voluntary sale; and such other facts pertaining to the distilled spirits as the department may require.

(2) On January 1, May 1, and September 1, after the federal tax has been paid or becomes due, or after any of the distilled spirits are removed from the bonded warehouse or premises for transfer in bond out of this state, every owner, proprietor, or custodian of a bonded warehouse or premises in which distilled spirits are stored upon which taxes have accrued on assessments prior to January 1, 1967, shall file with the Department of Revenue and the ***regional public records and licensing administrator***~~[county clerk]~~, in

which ***area development district***~~[county]~~ the distilled spirits were at the time of the assessment, a statement, sworn to by him, showing the quantity of the distilled spirits on which the federal tax has been paid or is due; what distilled spirits have been removed from the bonded warehouse or premises or transferred in bond out of this state during the preceding four (4) months; the years in which such distilled spirits were assessed for taxation; and the county, city, or taxing district in which the distilled spirits were stored at the time of the assessment. At the same time, all taxes and interest on such distilled spirits due the state, county, or other taxing district shall be paid to the officers entitled to receive them. The report required by this section shall be made whether or not any distilled spirits are stored in the bonded warehouse or premises at the time the report is due.

➔Section 111. KRS 132.150 is amended to read as follows:

Immediately after the valuation of the distilled spirits has been finally fixed, the department shall certify to the ***regional public records and licensing administrator***~~[county clerks]~~ of the respective ***area development district***~~[counties]~~ the amount liable for county, city, or district taxation, and the date when the bonded period will expire on the spirits. The report shall be filed by the ***regional public records and licensing administrator***~~[county clerk]~~ in his office, and certified by him to the proper collecting officer of the county, city, or taxing district for collection. The spirits, in addition to the tax for state purposes, shall be taxed for county, school, and city purposes at the prevailing rates of taxation on tangible personal property in the respective counties, school districts, and cities in which the spirits are stored, but the combined rate of taxation for city and school purposes in cities of the first class shall not exceed one dollar and twenty-five cents ($1.25) on each one hundred dollars ($100) of assessed value of the spirits.

➔Section 112. KRS 132.330 is amended to read as follows:

The field agents, accountants, and attorneys of the Department of Revenue shall

cause to be listed for taxation all property omitted by the property valuation administrators, county board of assessment appeals, department, or any other assessing authority, for any year omitted. The agent, accountant, or attorney proposing to have the property assessed shall file in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the property may be liable to assessment a statement containing a description and value of the property or corporate franchise proposed to be assessed, the name and place of residence of the owner, his agent or attorney, or person in possession of the property, if known, and the year the property was unassessed. The ***regional public records and licensing administrator***~~[county clerk]~~ shall thereupon issue a summons against the owner, or person in possession of the property if the owner is unknown, to show cause within ten (10) days after the service of the summons, why the property or corporate franchise shall not be assessed at the value named in the statement filed. No decision shall be rendered against the alleged owner unless the statement filed contains a description of the property sought to be assessed that will enable the county judge/executive to identify it. The summons shall be executed by the sheriff by delivering a copy thereof to the owner, or if he is not in the county to his agent, attorney, or person in possession of the property. If the property is real property, and the owner is known but is absent from the state and has no attorney or agent in this state and no one is in possession of the property, the summons shall be served by posting it in a conspicuous place upon the property; if the property consists of tangible personal property the summons shall be placed in a conspicuous place where the property is located. In the case of tangible personal property, where the owner and his place of residence are unknown and no one has possession of the property, an action for assessment shall be instituted by filing the petition above mentioned and procuring constructive service against the owner under the provisions of rules 4.05, 4.06, 4.07, and 4.08 of the Rules of Civil Procedure. In all of the above cases an attachment of the property omitted from assessment may be procured from the District Court against the

owner, at the time of the institution of the action or thereafter, and without the execution of a bond by the Commonwealth or its relator, by the representative of the Department of Revenue making an affidavit that the property described in the petition is subject to state, county, school, or other taxing district tax, and is unassessed for any taxable year.

➔Section 113. KRS 132.340 is amended to read as follows:

(1) Within ten (10) days after the summons has been served, or within thirty (30) days after the warning order against the defendant whose name and place of residence are unknown has been made, if it appears to the county judge/executive that the property is liable for taxation and has not been assessed, the county judge/executive shall enter an order fixing the value at the fair cash value estimated as required by law. The county judge/executive shall certify the assessment of the property and its value, together with such other facts as may be required by law or directed by the county judge/executive to appear in the order, to the Department of Revenue and to the sheriff of the county, together with the amount of penalty and cost of assessment, in order that the taxes due the state, county, school or any other taxing district may be collected, with the penalty and costs. If the property is not liable for taxes, the county judge/executive shall make an order to that effect. Either party may appeal from the decision of the county judge/executive to the Circuit Court, and then to the Court of Appeals as in other civil cases, except that no appeal bond shall be required where the appeal is by the commissioner of revenue acting as the relator.

(2) If the owner of the property fails to pay the tax assessed, interest, penalties and costs, the lien under the attachment may be enforced and a sufficiency of the property sold to pay the obligation to the state, county, school or other taxing district. All persons owning property that is assessed as herein provided shall, in addition to the taxes and interest from the time the taxes should have been paid, pay the costs of the proceedings and a penalty of twenty percent (20%) on the amount of

the taxes due, except where the property was duly listed and the taxes paid thereon within the time prescribed by law, and except where some different penalty is expressly provided by law.

(3) The taxes, costs and penalties shall be collected and accounted for as other taxes and penalties are required to be collected, and by the same officers. The ***regional public records and licensing administrator***~~[county clerk]~~ shall enter all such assessments in a book to be kept for that purpose, showing the date of the assessment, the name of the person against whom the assessment is made, the location and description of the property assessed, and the value thereof. The officer collecting the taxes shall, when they are paid, notify the ***regional public records and licensing administrator***~~[clerk]~~ of the payment, and the payment shall be noted by the ***regional public records and licensing administrator***~~[clerk]~~ opposite the entry of the assessment.

➔Section 114. KRS 132.350 is amended to read as follows:

The ***regional public records and licensing administrator***~~[county clerk]~~ shall, upon the filing of a statement by an agent, accountant or attorney of the Department of Revenue for the assessment of omitted property, enter the name of the person signing the statement as attorney for the department, and enter the name of the county attorney as attorney for the state, county, school and other taxing districts for which the commissioner of revenue is authorized to act as relator in such proceeding. The county attorney shall appear and prosecute or assist in the prosecuting of the proceeding in all the courts to which it may be taken for trial. If there is a judgment assessing the property for taxation, the judgment in each case shall recite whether or not the county attorney was present and assisted in the trial of the proceeding. When he is present and assists in the proceeding he shall be allowed as compensation for his services ten percent (10%) of the amount of state and county taxes assessed and collected pursuant to the judgment. The state and county shall be liable respectively for the payment only of the percentage allowance of compensation

to the county attorney on the amount that each collects, and this shall be paid to the county attorney within thirty (30) days after the collection of the taxes, and charged against the fund to which the tax was credited.

➔Section 115. KRS 132.480 is amended to read as follows:

(1) Each ***regional public records and licensing administrator***~~[county clerk]~~ shall, on or before the fifteenth day of each month, provide to the property valuation administrator a copy of all deeds and other conveyances transferring real property made during the preceding month. ***The fiscal court shall remit to the State Treasury reasonable compensation for this service. This compensation shall not exceed the actual cost of providing this service, as determined by the Department for Local Government***~~[For this service the clerk shall be allowed reasonable compensation by the fiscal court]~~.

(2) (a) The property valuation administrator shall review the deeds to ascertain the in-care-of address to which the property tax bill shall be sent, as reflected in the deed and as required by KRS 382.135(1), and shall update his or her records to reflect the in-care-of address.

(b) Inclusion of the in-care-of address in the records of the property valuation administrator, if the in-care-of address is other than that of the owner of the property on January 1, shall in no way impact the legal responsibility of the owner of the property as of January 1 for the payment of the tax.

(3) Information provided by the property valuation administrator to the ***regional public records and licensing administrator***~~[county clerk]~~ for preparation of the tax bills shall include all in-care-of addresses reflected in all deeds reviewed by the property valuation administrator during that year prior to the transfer of information to the ***regional public records and licensing administrator***~~[county clerk]~~.

➔Section 116. KRS 132.550 is amended to read as follows:

~~[(1)]~~After the ***regional public records and licensing administrator***~~[county clerk]~~ has

completed the services required of him upon delivery of the tax rolls and schedules to him by the property valuation administrator, he shall then calculate the taxes due the state, county, school, county polls, and school polls, for each individual taxpayer, opposite their name in the tax rolls, upon the form prescribed by the Department of Revenue. The rolls and forms shall be a permanent record of the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office.

~~[(2) For performing the services required by this section the county clerk shall be paid the sum of fifteen cents ($0.15) for each tax list on the tax rolls, one-half (1/2) of this sum to be paid by the state, and the other one-half (1/2) to be paid by the county.]~~

➔Section 117. KRS 132.610 is amended to read as follows:

Before the county judge/executive shall grant a certificate or order of allowance under KRS 132.590, the property valuation administrator and his deputies shall in open court make and file the following affidavit, subscribed and sworn to by them before the ***regional public records and licensing administrator*** ~~[county clerk]~~:

"I do swear that I have not received from any person a list of taxable property and returned the same until the person rendering the list has made oath to the truth of the same; and I do further swear that I have in no instance assessed any property at a greater or less sum than I deemed a fair cash value, estimated at the price it would bring at a fair voluntary sale."

➔Section 118. KRS 132.660 is amended to read as follows:

(1) The Department of Revenue shall have authority to order an emergency assessment of all or any part of the taxable property in any taxing district to be made by one (1) or more persons appointed for that purpose by the department, whenever: there has been no regular assessment; the records of an assessment have been destroyed, mutilated or lost; complaint is made by the owners of not less than ten percent (10%) in value of the taxable property in the taxing district; or investigation of the

department discloses that the assessment of property in such taxing district is so grossly inequitable or fiscally infeasible that an emergency exists. The order directing such emergency assessments shall state the reasons therefor and a copy shall be filed in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ where the property lies. Such order, when filed, shall void any assessment for the assessment year for which the emergency assessment is made. Any person appointed to make such an emergency assessment shall have the same powers and duties as the property valuation administrator. Whenever the tax roll has been completed under an emergency assessment and the tentative valuations have been determined, the department shall cause to be published pursuant to KRS Chapter 424, a notice as to the date when the tax roll will be ready for inspection and the time available for such purpose; also a copy of the notice shall be posted at the courthouse door. If any property is assessed at a greater value than that listed by the taxpayer or unlisted property is assessed, the taxpayer shall be charged with notice of such action by reason of the inspection period, and no further notice need be given of such action taken before the beginning of the inspection period. At the close of the inspection period, the tax roll shall be delivered to the ***regional public records and licensing administrator*** ~~[county clerk]~~ and the county judge/executive shall immediately convene the board of assessment appeals to hear and determine any appeals from such emergency assessment. The board shall remain in session for the time and shall receive the compensation as provided in KRS 133.030(3). Appeals shall be taken and heard from such emergency assessments in the same manner as appeals from regular assessments.

(2) The department may appoint the property valuation administrator to make an emergency assessment provided he was not at fault, and if the property valuation administrator is so appointed he shall receive reasonable compensation for his services in making this assessment, which shall not affect in any manner the

payment to him of any compensation that he has received for himself or on behalf of a deputy or that may be due him, for services in making the regular assessment. Whenever through the property valuation administrator's fault an emergency assessment is ordered, the property valuation administrator shall become liable for the cost thereof as provided in KRS 132.620, such cost to be limited to the amount due or paid him in accordance with the provisions of KRS 132.590.

➔Section 119. KRS 132.820 is amended to read as follows:

(1) The department shall value and assess unmined coal, oil, and gas reserves, and any other mineral or energy resources which are owned, leased, or otherwise controlled separately from the surface real property at no more than fair market value in place, considering all relevant circumstances. Unmined coal, oil, and gas reserves and other mineral or energy resources shall in all cases be valued and assessed by the Department of Revenue as a distinct interest in real property, separate and apart from the surface real estate unless:

(a) The unmined coal, oil, and gas reserves, and other mineral or energy resources are owned in their entirety by the surface owner;

(b) The surface owner is neither engaged in the severance, extraction, processing, or leasing of mineral or other energy resources nor is he an affiliate of a person who engages in those activities; and

(c) The surface is being used by the surface owner primarily for the purpose of raising for sale agricultural crops, including planted and managed timberland, or livestock or poultry.

For purposes of this section, "affiliate" means a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another individual, partnership, committee, association, corporation, or any other organization or group of persons.

(2) Each owner or lessee of property assessed under subsection (1) of this section shall

annually, between January 1 and April 15, file a return with the department in a form as the department may prescribe. Other individuals or corporations having knowledge of the property defined in subsection (1) of this section gained through contracting, extracting, or similar means may also be required by the department to file a return.

(3) Any property subject to assessment by the department under subsection (1) of this section which has not been listed for taxation, for any year in which it is taxable, by April 15 of that year shall be omitted property.

(4) After the valuation of unmined minerals or other energy sources has been finally fixed by the department, the department shall certify to the ***regional public records and licensing administrator*** ~~[county clerk]~~ of each ***area development district*** ~~[county]~~ the amount liable for county, city, or district taxation. The report shall be filed by the ***regional public records and licensing administrator*** ~~[county clerk]~~ in his ***or her*** office, and shall be certified by the ***regional public records and licensing administrator*** ~~[county clerk]~~ to the proper collecting officer of the county, city, or taxing district for collection.

(5) The notification, protest, and appeal of assessments under subsection (1) of this section shall be made pursuant to the provisions of KRS Chapter 131.

(6) No appeal shall delay the collection or payment of taxes based upon the assessment in controversy. The taxpayer shall pay all state, county, and district taxes due on the valuation which the taxpayer claims as the true value as stated in the protest filed under KRS 131.110. When the valuation is finally determined upon appeal, the taxpayer shall be billed for any additional tax and interest at the tax interest rate as defined in KRS 131.010(6), from the date the tax would have become due if no appeal had been taken. The provisions of KRS 134.015(6) shall apply to the tax bill.

(7) The collection of tax bills generated from the assessments made under subsection (1) of this section shall be made pursuant to the provisions of KRS Chapter 134.

➔Section 120. KRS 132.825 is amended to read as follows:

(1) It shall be the duty of all persons providing communications services or multichannel video programming services defined under KRS 136.602 owning or having any interest in tangible personal property in this state to list or have listed the property with the department between January 1 and May 15 in each year reporting the full details, a correct description of the property and its value.

(2) The department shall have sole power to value and assess all tangible personal property of multichannel video programming service providers and communications service providers. Such property shall be valued and assessed in accordance with procedures established for locally assessed tangible property. The department shall develop forms for reporting.

(3) Providers of multichannel video programming services or communications services shall not be required to list, and the department shall not assess intangible property as defined in KRS 132.010.

(4) It is the intent of KRS 136.600 to 136.660 to relieve communications service providers and multichannel video programming service providers from the tax liability imposed under KRS 136.120 by:

(a) Requiring real, tangible, and intangible property owned by communications service providers and multichannel video programming service providers to be assessed and taxed in the same manner as real, tangible, and intangible property of all other taxpayers under KRS Chapter 132 excluding KRS 132.030; and

(b) Replacing revenues received from communications service providers and multichannel video programming service providers under KRS 136.120, attributable to the franchise portion of operating property as defined in KRS 136.115, with the levy imposed under KRS 136.616.

To the extent that any tangible or intangible property was considered a part of the

franchise portion of operating property under KRS 136.115 and 136.120 for tax periods ending prior to January 1, 2006, for a communications service provider or a multichannel video programming service provider, such property shall be exempt from taxation under KRS Chapter 132 and shall not be listed, valued or assessed under this section for tax periods beginning on or after December 31, 2005.

(5) It is also the intent of KRS 136.600 to 136.660 that for communications service providers and multichannel video programming service providers the following items, to the extent these items are intangible property, shall be exempt from taxation under KRS Chapter 132 and shall not be listed, valued, or assessed by the department or local jurisdictions. The items include but shall not be limited to:

(a) Franchises;

(b) Certificates of public convenience and necessity;

(c) Licenses;

(d) Authorizations issued by the Federal Communications Commission or any state public service commission;

(e) Customer lists;

(f) Assembled labor force;

(g) Goodwill;

(h) Managerial skills;

(i) Business enterprise value;

(j) Speculative value; and

(k) Any other type of personal property that is not tangible personal property.

(6) Any person dissatisfied with or aggrieved by the finding or ruling of the department may appeal the finding or ruling in the manners provided in KRS 131.110.

(7) All persons in whose name property is assessed shall remain bound for the tax, notwithstanding that they may have sold or parted with it.

(8) The department shall allocate the assessed value of property described in subsection

(1) of this section among the counties, cities, and taxing districts. The assessed value shall be allocated to the county, city, or taxing district where the property is situated.

(9) The department shall certify, unless otherwise specified, to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which any of the property assessment listed by the corporation is liable to local taxation, the amount of tangible personal property liable for county, city, or district tax.

(10) No appeal shall delay the collection or payment of taxes based upon the assessment in controversy. The taxpayer shall pay all state, county, and district taxes due on the valuation that the taxpayer claims as the true value as stated in the protest filed under KRS 131.110. When the valuation is finally determined upon appeal, the taxpayer shall be billed for any additional tax and interest at the tax interest rate as defined in KRS 131.010(6), from the date the tax would have become due if no appeal had been taken. The provisions of KRS 134.015(6) shall apply to the tax bill.

(11) The certification of valuation shall be filed by each ***regional public records and licensing administrator***~~[county clerk]~~ in the ***regional public records and licensing administrator's***~~[clerk's]~~ office and shall be certified by the ***regional public records and licensing administrator***~~[county clerk]~~ to the proper collecting officer of the county, city, or taxing district for collection. Any district that has the value certified by the department shall pay an annual fee to the department that represents an allocation of the department's operating and overhead expenses incurred in generating the valuations. This fee shall be determined by the department and shall apply to valuations for tax periods beginning on or after January 1, 2005.

➔Section 121. KRS 132.990 is amended to read as follows:

(1) Any person who willfully fails to supply the property valuation administrator or the Department of Revenue with a complete list of his property and such facts with

regard thereto as may be required or who violates any of the provisions of KRS 132.570 shall be fined not more than five hundred dollars ($500).

(2) Any property valuation administrator who willfully fails or neglects to perform any duty legally imposed upon him shall be fined not more than five hundred dollars ($500) for each offense.

(3) Any ***regional public records and licensing administrator***~~[county clerk]~~ who willfully fails or neglects to perform any duty required of him by KRS 132.480 shall be fined not more than fifty dollars ($50) for each offense.

(4) Any person who willfully falsifies application for exemption or who fails to notify the property valuation administrator of any changes in qualifying requirements under the provision of KRS 132.810 shall be fined not more than five hundred dollars ($500).

➔Section 122. KRS 133.020 is amended to read as follows:

(1) (a) The county board of assessment appeals shall be composed of reputable real property owners residing in the county at least five (5) years.

(b) The appointing authorities may appoint qualified property owners residing in adjacent counties when qualified members cannot be secured within the county.

(c) 1. The board shall consist of three (3) members, one (1) to be appointed by the county judge/executive, one (1) to be appointed by the fiscal court, and one (1) to be appointed by the mayor of the city with the largest assessment using the county tax roll or appointed as otherwise provided by the comprehensive plan of an urban-county government.

2. The mayor's appointment shall serve for four (4) years, the county judge/executive's appointment shall serve for three (3) years, and the fiscal court's appointment shall serve for two (2) years. Each person appointed thereafter shall serve for three (3) years.

3. If no city in the county uses the county assessment, the county judge/executive shall appoint two (2) members.

(d) A board member who has served for a full term shall not be eligible for reappointment. However, he or she shall be eligible for appointment after a hiatus of three (3) years.

(e) 1. If the number of appeals to the board of assessment appeals filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~ exceeds one hundred (100), temporary panels of the board may be appointed with approval of the department.

2. Each temporary panel shall consist of three (3) members having the same qualifications and appointed in the same manner as the board members.

3. The number of additional panels shall not exceed one (1) for each one hundred (100) appeals in excess of the first one hundred (100).

4. The county judge/executive shall designate one (1) of the members of the board of assessment appeals to serve as chairman of the board.

5. If additional panels are appointed, as provided in this paragraph, the chairman of the board of assessment appeals shall designate one (1) member of each additional panel as chairman of the panel.

(f) 1. A majority of the board or of any panel may determine the action of the board or panel respectively and make decisions.

2. Each panel of the board shall have the same powers and duties given the board by KRS 133.120, except the action of any panel shall be subject to review and final approval by the board.

(2) Each member of the board shall have extensive knowledge of real estate values, preferably in real estate appraisal, sales, management, financing, or construction.

(3) The board shall be subject to call by the county judge/executive at any time

prescribed by law.

(4) The members of the county board of assessment appeals, and any panel of the board, before undertaking their duties, shall take the following oath, to be administered by the county judge/executive or other person authorized by KRS 62.020 to administer official oaths: "You swear (affirm) that you will, to the best of your ability, discharge the duties required of you as a member of the county board of assessment appeals, and that you will fix at fair cash value all property assessments brought before you for review as prescribed by law."

(5) The department shall prepare and furnish to each property valuation administrator guidelines and materials for an orientation and training program to be presented to the board by the property valuation administrator or his deputy each year.

(6) (a) A board member shall produce evidence of his qualifications upon request of the department.

(b) A board member shall be replaced by the appointing authority upon proof of the member's failure to meet the qualifications of the position.

(c) Any vacancy on the board shall be filled by the appointing authority that appointed the member to be replaced.

(d) The appointee shall have the qualifications required by statute for the board member appointed by the particular appointing authority and shall hold office only to the end of the unexpired term of the member replaced.

(7) Members of the county board of assessment appeals, and any temporary panel, shall abstain from hearing or ruling on an appeal for any property in which they have any personal or private interests.

➔Section 123. KRS 133.030 is amended to read as follows:

(1) The county board of assessment appeals shall convene each year at the county seat no earlier than twenty-five (25) days and no later than thirty-five (35) days following the conclusion of the tax roll inspection period provided for in KRS

133.045; except that no meeting shall be held until the tax roll has been completed and the inspection period has been held as provided by law, or until revaluation of the property has been completed by the property valuation administrator at the direction of the Department of Revenue as provided by KRS 132.690 or by the department itself as provided by KRS 133.150. All records of the property valuation administrator, including all data concerning property sales within the preceding year, shall be available to the board while meeting.

(2) The first regular meeting day of the board shall be devoted to the orientation and training program provided for in KRS 133.020(5), to a review of the assessment of the property valuation administrator and his deputies, and to a review of the appeals filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~ as clerk of the board, including a review of recent sales of comparable properties provided in accordance with the provisions of subsection (1) of this section, and an inspection of the properties involved in the appeals when in the opinion of the board such inspection will assist in the proper determination of fair cash value.

(3) The board of assessment appeals shall continue in session only such time as is necessary to hear appeals. The board shall not continue in session more than one (1) day, if there are no appeals to be heard, nor more than five (5) days after it convenes in each year, unless an extension of time is authorized by the Department of Revenue upon request of the county judge/executive. Each board member shall be paid one hundred dollars ($100) for each day he serves. This compensation shall be paid one-half (1/2) out of the county levy and the other half out of the State Treasury.

(4) Members of temporary panels of the board shall serve the time necessary for hearing appeals but in no case more than five (5) days except upon approval of an extension of time by the Department of Revenue. Compensation of panel members shall be in the same manner and at the same rate as provided for members of the

board.

➔Section 124. KRS 133.047 is amended to read as follows:

(1) Notwithstanding the provisions of KRS 61.870 to 61.884, when the Department of Revenue has completed action on the assessment of property in any county and has certified the assessment to the ***regional public records and licensing administrator*** ~~[county clerk]~~ of that ***area development district*** ~~[county]~~, as provided for in KRS 133.180, the property tax roll, or a copy of the property tax roll, shall be retained in the office of the property valuation administrator for maintenance as an open public record for five (5) years. The property tax roll shall be available for public inspection during the regular working hours of the office of the property valuation administrator as provided for in KRS 132.410(2).

(2) Any person inspecting a property tax roll shall do so in a manner not unduly interfering with the proper operation of the custodian's office.

(3) Personal property tax returns, accompanying documents, and assessment records, with the exception of the certified personal property tax roll, shall be considered confidential under the provisions of KRS 131.190.

(4) Real property tax returns and accompanying documents submitted by a taxpayer shall be considered confidential under the provisions of KRS 131.190. Other real property records in the office of the property valuation administrator shall be subject to the provisions of KRS 61.870 to KRS 61.884. However, notwithstanding the provisions of KRS 61.874 the Department of Revenue shall develop and provide to each property valuation administrator a reasonable fee schedule to be used in compensating for the cost of personnel time expended in providing information and assistance to persons seeking information to be used for commercial or business purposes. Any person seeking information on his own property, or any other person, including the press, seeking information directly related to property tax assessment, appeals, equalization, requests for refunds, or similar matters shall not be subject to

fees for personnel time.

(5) The Department of Revenue shall provide advice, guidelines, and assistance to each property valuation administrator in implementing the provisions of KRS 61.870 to 61.884.

➔Section 125. KRS 133.120 is amended to read as follows:

(1) (a) Any taxpayer desiring to appeal an assessment on real property made by the property valuation administrator shall first request a conference with the property valuation administrator or his or her designated deputy. The conference shall be held prior to or during the inspection period provided for in KRS 133.045.

(b) 1. Any person receiving compensation to represent a property owner at a conference with the property valuation administrator for a real property assessment shall be:

a. An attorney;

b. A certified public accountant;

c. A certified real estate broker;

d. A Kentucky licensed real estate broker;

e. An employee of the property owner;

f. A licensed or certified Kentucky real estate appraiser;

g. An appraiser who possesses a temporary practice permit or reciprocal license or certification in Kentucky to perform appraisals and whose license or certification requires him or her to conform to the Uniform Standards of Professional Appraisal Practice; or

h. Any other individual possessing a professional appraisal designation recognized by the department.

2. A person representing a property owner before the property valuation

administrator shall present written authorization from the property owner which sets forth his or her professional capacity and shall disclose to the property valuation administrator any personal or private interests he or she may have in the matter, including any contingency fee arrangements, except that attorneys shall not be required to disclose the terms and conditions of any contingency fee arrangement.

(c) During this conference, the property valuation administrator or his or her deputy shall provide an explanation to the taxpayer of the constitutional and statutory provisions governing property tax administration, including the appeal process, as well as an explanation of the procedures followed in deriving the assessed value for the taxpayer's property.

(d) The property valuation administrator or his or her deputy shall keep a record of each conference which shall include but not be limited to the initial assessed value, the value claimed by the taxpayer, an explanation of any changes offered or agreed to by each party, and a brief account of the outcome of the conference.

(e) At the request of the taxpayer, the conference may be held by telephone.

(2) (a) Any taxpayer still aggrieved by an assessment on real property made by the property valuation administrator after complying with the provisions of subsection (1) of this section may appeal to the board of assessment appeals.

(b) The taxpayer shall appeal his or her assessment by filing in person or sending a letter or other written petition to the ***regional public records and licensing administrator***~~[county clerk]~~ stating the reasons for appeal, identifying the property for which the appeal is filed, and stating the taxpayer's opinion of the fair cash value of the property.

(c) The appeal shall be filed no later than one (1) workday following the conclusion of the inspection period provided for in KRS 133.045.

(d) The ***regional public records and licensing administrator*** ~~[county clerk]~~ shall notify the department of all assessment appeals and of the date and times of the hearings.

(e) The board of assessment appeals may review and change any assessment made by the property valuation administrator upon recommendation of the county judge/executive, mayor of any city using the county assessment, or the superintendent of any school district in which the property is located, if the recommendation is made to the board in writing specifying the individual properties recommended for review and is made no later than one (1) work day following the conclusion of the inspection period provided for in KRS 133.045, or upon the written recommendation of the department. If the board of assessment appeals determines that the assessment should be increased, it shall give the taxpayer notice in the manner required by subsection (4) of KRS 132.450, specifying a date when the board will hear the taxpayer, if he or she so desires, in protest of an increase.

(f) Any real property owner who has listed his or her property with the property valuation administrator at its fair cash value may ask the county board of assessment appeals to review the assessments of real properties he or she believes to be assessed at less than fair cash value, if he or she specifies in writing the individual properties for which the review is sought and factual information upon which his or her request is based, such as comparable sales or cost data and if the request is made no later than one (1) work day following the conclusion of the inspection period provided for in KRS 133.045.

(g) Nothing in this section shall be construed as granting any property owner the right to request a blanket review of properties or the board the power to conduct such a review.

(3) (a) The board of assessment appeals shall hold a public hearing for each individual taxpayer appeal in protest of the assessment by the property valuation administrator filed in accordance with the provisions of subsection (2) of this section, and after hearing all the evidence, shall fix the assessment of the property at its fair cash value.

(b) The department may be present at the hearing and present any pertinent evidence as it pertains to the appeal.

(c) The taxpayer shall provide factual evidence to support his or her appeal. If the taxpayer fails to provide reasonable information pertaining to the value of the property requested by the property valuation administrator, the department, or any member of the board, his or her appeal shall be denied.

(d) This information shall include but not be limited to the physical characteristics of land and improvements, insurance policies, cost of construction, real estate sales listings and contracts, income and expense statements for commercial property, and loans or mortgages.

(e) The board of assessment appeals shall only hear and consider evidence which has been submitted to it in the presence of both the property valuation administrator or his or her designated deputy and the taxpayer or his or her authorized representative.

(4) (a) Any person receiving compensation to represent a property owner in an appeal before the board shall be:

1. An attorney;
2. A certified public accountant;
3. A certified real estate broker;
4. A Kentucky licensed real estate broker;
5. An employee of the taxpayer;
6 A licensed or certified Kentucky real estate appraiser;

7. An appraiser who possesses a temporary practice permit or reciprocal license or certification in Kentucky to perform appraisals and whose license or certification requires him or her to conform to the Uniform Standards of Professional Appraisal Practice; or

8. Any other individual possessing a professional appraisal designation recognized by the department.

(b) A person representing a property owner before the county board of assessment appeals shall present a written authorization from the property owner which sets forth his or her professional capacity and shall disclose to the county board of assessment appeals any personal or private interests he or she may have in the matter, including any contingency fee arrangements, except that attorneys shall not be required to disclose the terms and conditions of any contingency fee arrangement.

(5) The board shall provide a written opinion justifying its action for each assessment either decreased or increased in the record of its proceedings and orders required in KRS 133.125 on forms or in a format provided or approved by the department.

(6) The board shall report to the property valuation administrator any real property omitted from the tax roll. The property valuation administrator shall assess the property and immediately give notice to the taxpayer in the manner required by KRS 132.450(4), specifying a date when the board of assessment appeals will hear the taxpayer, if he or she so desires, in protest of the action of the property valuation administrator.

(7) The board of assessment appeals shall have power to issue subpoenas, compel the attendance of witnesses, and adopt rules and regulations concerning the conduct of its business. Any member of the board shall have power to administer oaths to any witness in proceedings before the board.

(8) The powers of the board of assessment appeals shall be limited to those specifically

granted by this section.

(9) No appeal shall delay the collection or payment of any taxes based upon the assessment in controversy. The taxpayer shall pay all state, county, and district taxes due on the valuation which he or she claims as true value and stated in the petition of appeal filed in accordance with the provisions of subsection (1) of this section. When the valuation is finally determined upon appeal, the taxpayer shall be billed for any additional tax and interest at the tax interest rate as defined in KRS 131.010(6) from the date when the tax would have become due if no appeal had been taken. The provisions of KRS 134.015(6) shall apply to the tax bill.

(10) Any member of the county board of assessment appeals may be required to give evidence in support of the board's findings in any appeal from its actions to the Kentucky Board of Tax Appeals. Any persons aggrieved by a decision of the board, including the property valuation administrator, taxpayer, and department, may appeal the decision to the Kentucky Board of Tax Appeals. Any taxpayer failing to appeal to the county board of assessment appeals, or failing to appear before the board, either in person or by designated representative, shall not be eligible to appeal directly to the Kentucky Board of Tax Appeals.

(11) The county attorney shall represent the interest of the state and county in all hearings before the board of assessment appeals and on all appeals prosecuted from its decision. If the county attorney is unable to represent the state and county, he or she the fiscal court shall arrange for substitute representation.

(12) Taxpayers shall have the right to make audio recordings of the hearing before the county board of assessment appeals. The property valuation administrator may make similar audio recordings only if prior written notice is given to the taxpayer. The taxpayer shall be entitled to a copy of the department's recording as provided in KRS 61.874.

(13) The county board of assessment appeals shall physically inspect a property upon the

request of the property owner or property valuation administrator.

➔Section 126. KRS 133.125 is amended to read as follows:

(1) No later than three (3) working days after the expiration of the inspection period provided for in KRS 133.045, the ***regional public records and licensing administrator***~~[county clerk]~~ shall provide a copy to the property valuation administrator of each appeal petition and a summary of the appeals filed with the county board of assessment appeals. The summary shall be in a format, or on a form, provided or approved by the Department of Revenue. The property valuation administrator shall, within three (3) working days of receipt of the summary, prepare and submit to the Department of Revenue a final recapitulation of the real property tax roll incorporating all changes made since the submission of the first recapitulation. Those properties under appeal shall be listed for recapitulation and certification purposes at the value claimed by the taxpayer. After submission of the final recapitulation to the Department of Revenue, assessments shall not be amended except for adjustments ordered by the board and for corrections made under the provisions of KRS 133.110 and KRS 133.130.

(2) The ***regional public records and licensing administrator***~~[county clerk]~~, or ***an authorized designee***~~[an authorized deputy]~~, shall act as clerk of the board of assessment appeals; and where additional board panels are appointed, as provided by law, one (1) authorized deputy shall act as clerk for each panel. An accurate record of the proceedings and orders of the board and of each of its authorized panels shall be kept and shall show the name of the owner of the property, the description, the type of property, the amount of the assessment the property valuation administrator placed on the property, and the amount of change made in the assessment by the board. A copy certified by the chairman of the board and attested by the ***regional public records and licensing administrator***~~[county clerk]~~ shall be filed by the ***regional public records and licensing administrator***~~[clerk]~~

with the property valuation administrator and with the Department of Revenue within five (5) days after the adjournment of the board.

(3) The ***regional public records and licensing administrator***~~[county clerk]~~ shall certify to the county judge/executive the number of days during which the board was in session, and the court shall enter this fact of record along with the amount due the board members for their services. On a presentation of a copy of the order, the Finance and Administration Cabinet shall draw a warrant on the State Treasurer in favor of the board members ~~[and clerk]~~for the amount due for their services.

~~[(4) The county clerk and any authorized deputies serving as clerk of the board or a panel thereof shall be allowed the same compensation per day for their services as is allowed to members of the board of their county, and they shall be paid in the same manner as members of the board are paid. The county clerk and his authorized deputies shall be allowed compensation for completing and filing the record of the board in the same manner as allowed for their services while acting as clerk of the board or clerk of a panel of the board.]~~

➔Section 127. KRS 133.170 is amended to read as follows:

(1) When the Department of Revenue has completed its equalization of the assessment of the property in any county, it shall certify its action to the county judge/executive, with a copy of the certification for the ***regional public records and licensing administrator***~~[county clerk]~~, to be laid before the fiscal court of the county.

(2) If the fiscal court deems it proper to ask for a review of the aggregate equalization of any class or subclass of property, it shall direct the county attorney to prosecute an appeal of the aggregate increase to the Kentucky Board of Tax Appeals within ten (10) days from the date of the certification.

(3) Within ten (10) days from the date that the department's aggregate equalization of any or all classes or subclasses of property becomes final by failure of the fiscal court to prosecute an appeal or by order of the Kentucky Board of Tax Appeals or

the courts, the fiscal court shall cause to be published, at least one (1) time, in the newspaper having the largest circulation within the county, a public notice of the department's action.

(4) Within ten (10) days from the date of the publication of the notice required in subsection (3) of this section, any individual taxpayer whose property assessment is increased above its fair cash value by the equalization action may file with the ***regional public records and licensing administrator***~~[county clerk]~~ an application for exoneration of his property assessment from the increase. The application shall be filed in duplicate and shall include the name and address of the person in whose name the property is assessed; the assessment of the property before the increase; the description and location of the property including the description shown on the tax roll; the property owner's reason for appeal; and all other pertinent facts having a bearing upon its value. The ***regional public records and licensing administrator***~~[county clerk]~~ shall forward one (1) copy, of each application for exoneration to the Department of Revenue and shall exclude the amount of the equalization increase from the assessment in the preparation of the property tax bill for each property for which an application for exoneration has been filed.

(5) The county judge/executive shall reconvene the board of supervisors immediately following the close of the period for filing applications for exoneration from the increase. The board shall schedule and conduct hearings on all applications in the manner prescribed for hearing appeals by KRS 133.120; however, the board shall not have authority to reduce any assessment to an amount less than that listed for the property at the time of adjournment of the regular board session.

(6) The ***regional public records and licensing administrator or an authorized designee***~~[county clerk]~~ shall act as clerk of the reconvened board and shall keep an accurate record of the proceedings in the same manner as provided by KRS 133.125. Within five (5) days of the adjournment of the reconvened board, ***the***

regional public records and licensing administrator or the authorized designee ~~[he]~~ shall notify each property owner in writing of the final action of the board with relation to the equalization increase and shall forward a copy of the proceedings certified by the chairman of the board and attested by him to the Department of Revenue and to the other taxing districts participating in the tax.

(7) Any taxpayer whose application has been denied, in whole or in part, may appeal to the Kentucky Board of Tax Appeals as provided in KRS 131.340, and appeals thereafter may be taken to the courts as provided in KRS 131.370.

(8) The provisions of KRS 133.120(9) shall apply to the payment of taxes upon any property assessment for which an application for exoneration has been filed.

(9) The provisions of subsections (4), (5), (6), (7), and (8) of this section shall only apply to appeals growing out of equalization action by the Department of Revenue under the provisions of KRS 133.150.

➔Section 128. KRS 133.180 is amended to read as follows:

(1) When the department has completed its action on the assessment of property in any county, it shall immediately certify to the ***regional public records and licensing administrator*** ~~[county clerk]~~ the assessment and the amount of taxes due. The department shall charge the amount of taxes due from the county to the sheriff of the county. When any item of property is in process of appeal and the valuation has not been finally determined, the certification of such property shall be based on the valuation claimed by the taxpayer as the true value. The ***regional public records and licensing administrator*** ~~[county clerk]~~ shall affix the certification to the tax books and enter it of record in the order book, and it shall be the sheriff's or collector's warrant for the collection of taxes.

(2) Where provision is not otherwise made for the collection of taxes, the assessment or proportion thereof allocable to a local taxing district shall be certified to the ***regional public records and licensing administrator*** ~~[county clerk]~~ ***of the area***

development district in which the taxing district is located, for collection as provided by law.

➔Section 129. KRS 133.181 is amended to read as follows:

If the Department of Revenue, in making its equalization of the property in any county in accordance with the provisions of KRS 133.150, causes any increase or decrease to be made in the value of any property, the ***regional public records and licensing administrator***~~[county clerk]~~ shall correct the tax books to comply with the final certification of the assessment by the department.~~[As compensation for his services, the clerk shall receive the same compensation per day that he receives for serving as clerk of the board of assessment appeals for as many days as are necessary to make the corrections but not to exceed a total of ten (10) days. One-half (1/2) of such amounts shall be paid out of the county levy and one-half (1/2) out of the State Treasury. Such sums shall be paid at the same time and in the same manner as is the clerk's compensation for preparing the tax bills under KRS 133.240(2).]~~

➔Section 130. KRS 133.185 is amended to read as follows:

Except as provided in KRS 132.487, no tax rate for any taxing district imposing a levy upon the county assessment shall be determined before the assessment is certified by the Department of Revenue to the ***regional public records and licensing administrator***~~[county clerk]~~ as provided in KRS 133.180.

➔Section 131. KRS 133.220 is amended to read as follows:

(1) The department annually shall furnish to each ***regional public records and licensing administrator***~~[county clerk]~~ tax bill forms designed for adequate accounting control sufficient to cover the taxable property on the rolls.

(2) After receiving the forms, the ***regional public records and licensing administrator***~~[county clerk]~~ shall prepare for the use of the sheriff or collector a correct tax bill for each taxpayer in the county whose property has been assessed and whose valuation is included in the certification provided in KRS 133.180. If the

bills are bound, the cost of binding shall be paid out of the county levy. Each tax bill shall show the rate of tax upon each one hundred dollars ($100) worth of property for state, county, and school purposes; the name of the taxpayer and his or her mailing address; the number of acres of farm land and its value; the number of lots and their value; the amount and value of notes and money; the value of mixed personal property; the total amount of taxes due the state, county, school district, and any other taxing district for which the sheriff collects taxes; and shall include a statement that notifies the taxpayer that costs and fees increase substantially if the taxes become delinquent. Provision shall be made for the sheriff to have a stub, duplicate, or other proper evidence of receipt of payment of each tax bill.

(3) Tax bills prepared in accordance with the certification of the department shall be delivered to the sheriff or collector by the ***regional public records and licensing administrator***~~[county clerk]~~ before September 15 of each year. The ***regional public records and licensing administrator***~~[clerk]~~ shall take a receipt showing the number of tax bills and the total amount of tax due each taxing district as shown upon the tax bills. The receipt shall be signed and acknowledged by the sheriff or collector before the ***regional public records and licensing administrator***~~[county clerk]~~, filed with the county judge/executive, and recorded in the order book of the county judge/executive in the manner required by law for recording the official bond of the sheriff.

(4) Upon delivery to him or her of the tax bills, the sheriff or collector shall mail a notice to each taxpayer, showing the total amount of taxes due the state, county, school district, and any other taxing district for which the sheriff collects taxes, the date on which the taxes are due, and any discount to which the taxpayer may be entitled upon payment of the taxes prior to a designated date. The sheriff shall not mail tax notices prior to September 15.

(5) All notices returned as undeliverable shall be submitted no later than the following

work day to the property valuation administrator. The property valuation administrator shall correct inadequate or erroneous addresses if the information to do so is available and, if property has been transferred, shall determine the new owner and the current mailing address, or the in-care-of address reflected in the deed as required by KRS 382.135. The property valuation administrator shall return the corrected notices to the sheriff or collector on a daily basis as corrections are made, but no later than fifteen (15) days after receipt. Uncorrected notices shall be submitted to the department by the property valuation administrator.

➔Section 132. KRS 133.230 is amended to read as follows:

Upon receipt of a certification of omitted property by the property valuation administrator or by the Department of Revenue, the ***regional public records and licensing administrator***~~[county clerk]~~ shall make out for the use of the sheriff or collector a tax bill for each taxpayer who owes omitted taxes. The omitted tax bills shall be attested by the ***regional public records and licensing administrator***~~[clerk]~~ in the same manner as the tax bills described in KRS 133.220. The ***regional public records and licensing administrator***~~[clerk]~~ shall deliver the omitted tax bill to the sheriff or collector as soon as the omitted property has been finally assessed.

➔Section 133. KRS 133.990 is amended to read as follows:

(1) The failure of any member to be in attendance promptly on the days fixed for the sessions of the county board of assessment appeals without reasonable excuse shall subject him to a fine of not exceeding twenty-five dollars ($25).

(2) Any ***regional public records and licensing administrator***~~[county clerk]~~ who fails to make out, for the use of the sheriff or collector, the book or books of tax bills and stubs provided in KRS 133.220, and deliver same to the sheriff or collector on or before September 15 of each year, shall ***be subject to administrative sanctions up to and including removal from office on the charges of nonfeasance, misfeasance or malfeasance. Any removal shall be in accordance with the provisions of***

Section 1 of this Act~~[pay a penalty of ten dollars ($10) for each day's delay which must be deducted by the Department of Revenue from such sum, or sums, as may be due, or become due from the Commonwealth for official duties, and the date of the receipt required to be signed by the sheriff or collector by the provisions of KRS 133.220 shall be prima facie evidence of the delivery of same]~~.

(3) Any ***regional public records and licensing administrator***~~[county clerk]~~ who, without reasonable excuse, fails to return to the Department of Revenue copies of any books, papers, or records required by it in the manner and at the time prescribed by law, shall, upon conviction, be fined not less than ten dollars ($10) nor more than one hundred dollars ($100) for each offense.

➔Section 134. KRS 134.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Certificate of delinquency" means a tax claim on real property for taxes that:

(a) Remains unpaid on April 15 under the regular collection schedule, or three (3) full months and fifteen (15) days from the date the taxes were due under an alternative collection schedule as determined under KRS 134.015; and

(b) Has been filed with the ***regional public records and licensing administrator***~~[county clerk]~~ pursuant to KRS 134.122;

(2) "Chief executive" means the elected head of the executive branch of government in a city or county;

(3) "Commissioner" means the commissioner of the department;

(4) "County" includes counties, urban-county governments, charter county governments, consolidated local governments, and unified local governments;

(5) "Department" means the Department of Revenue;

(6) "Governing body of a county" means the elected legislative body of a county;

(7) "Omitted property" means property described in KRS 132.290;

(8) "Personal property" includes every species and character of property, tangible and

intangible, other than real property;

(9) "Personal property certificate of delinquency" means a personal property tax claim that:

(a) Remains unpaid as of April 15 under the regular collection schedule or three (3) full months and fifteen (15) days from the date the taxes were due under an alternative collection schedule as determined under KRS 134.015; and

(b) Has been filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~ pursuant to KRS 134.122;

(10) "Priority certificate of delinquency" means a certificate of delinquency available for sale that relates to a parcel of property against which a third-party purchaser already holds a certificate of delinquency from a prior tax year;

(11) "Protected list" means the list submitted to the ***regional public records and licensing administrator*** ~~[county clerk]~~ by the county attorney of certificates of delinquency not eligible for sale pursuant to KRS 134.504(10);

(12) (a) "Property taxes" means the ad valorem taxes due the state, a county, a county school district, or other taxing district;

(b) "Property taxes" also includes any other ad valorem taxes imposed by a governmental entity that are included on the same property tax bill as the levies listed in paragraph (a) of this subsection and that the sheriff is responsible for collecting either through a statutory requirement or agreement with a taxing district;

(13) "Real property" includes all lands within the state and improvements thereon;

(14) "Taxpayer" means the owner of property on the assessment date, or any person otherwise made liable by law for ad valorem taxes attributable to that assessment date;

(15) "Tax claim" includes the taxes due on a tax bill, the penalties, costs, fees, interest, commissions, the lien provided in KRS 134.420 and any other expenses that have

become or are by reason of the delinquent tax bill proper legal charges imposed by this chapter against the delinquent taxpayer at any given time; and

(16) "Third-party purchaser" means a purchaser of a certificate of delinquency.

➔Section 135. KRS 134.119 is amended to read as follows:

(1) (a) The sheriff shall be the collector of all state, county, county school district, and other taxing district property taxes unless the payment is directed by law to be made to some other person. The sheriff may contract to collect taxes on behalf of cities, independent school districts, or any other governmental unit with the authority to levy a property tax, if the enabling legislation authorizing imposition of the tax permits the governmental unit to contract for the performance of tax collection duties.

(b) The provisions of this chapter relating to the collection of property taxes shall apply to other property tax collectors to the extent that the governing body of the city, school district, or taxing district appointing the tax collector has not adopted alternative tax collection processes and procedures.

(2) Payment to the sheriff may be provided by any commercially acceptable means. The sheriff may limit the acceptable methods of payment to those that ensure that payment cannot be reversed or nullified due to insufficient funds.

(3) (a) 1. The sheriff shall accept payment from the day on which the tax bills are mailed by the sheriff to the taxpayer as provided in KRS 133.220 and 133.230, through the day on which the sheriff files the uncollected tax claims with the ***regional public records and licensing administrator***~~[county clerk]~~ pursuant to KRS 134.122. During this time period, the sheriff may accept full or partial payment for any outstanding taxes or tax claims.

2. a. Any payments received by the sheriff by mail that:

i. Are received after the day on which uncollected tax claims

are filed with the ***regional public records and licensing administrator***~~[county clerk]~~ pursuant to KRS 134.122; and

ii. Have a postmark that reflects a date on or before the day the uncollected tax claims are filed with the ***regional public records and licensing administrator***~~[county clerk]~~;

shall be accepted and processed, and the amount due shall be the amount due immediately before the transfer of the uncollected tax claims by the sheriff to the ***regional public records and licensing administrator***~~[county clerk]~~.

b. Payments described in this subparagraph may be processed as agreed by the sheriff and ***regional public records and licensing administrator***~~[county clerk]~~.

c. Absent an agreement between the sheriff and the ***regional public records and licensing administrator***~~[county clerk]~~, the payment shall be accepted and processed by the sheriff.

d. If the sheriff accepts and processes the payment, the sheriff shall notify the ***regional public records and licensing administrator***~~[county clerk]~~, and the ***regional public records and licensing administrator***~~[county clerk]~~ shall update his or her records to reflect payment of the certificate of delinquency.

e. The sheriff and the ***regional public records and licensing administrator***~~[county clerk]~~ shall reconcile all transactions addressed by this subparagraph by preparation of an addendum to the original reconciliation provided by the sheriff to the ***regional public records and licensing administrator***~~[county clerk]~~ at the time of transfer. The addendum shall be prepared thirty (30) days after the original transfer, and shall be filed by the ***regional public***

records and licensing administrator~~[county clerk]~~ in the ***regional public records and licensing administrator's***~~[clerk's]~~ order book.

(b) All payments received by the sheriff shall be entered immediately by the sheriff on his or her books. Partial payments shall be credited against the total amount due and shall be apportioned by the sheriff among the entities included on the tax bill in the same proportion the amount due to each bears to the amount paid.

(c) The acceptance of any payment before the taxpayer's tax liability has been finally determined shall not imply that the payment was the correct amount due and shall not preclude the assessment and collection of additional taxes due or the refund of any part of the amount paid that is in excess of the amount determined to be due.

(d) The sheriff may accept payment of any tax or tax claim from any other person on behalf of the taxpayer. Any person making a payment on behalf of a taxpayer may, upon the written notarized request of the taxpayer, be treated as a transferee as provided in KRS 134.121.

(e) The sheriff may accept payment of any amount due on a delinquent tax claim from any of the persons described in subparagraphs 1., 2., and 3. of this paragraph without permission of the taxpayer. The person seeking to make the payment shall provide sufficient proof to the sheriff that he or she meets the requirements to pay under this paragraph. The sheriff shall be held harmless if he or she relies upon information provided and accepts payment from a person not qualified to pay under this paragraph. Any person listed in subparagraph 1., 2., or 3. of this paragraph who makes full payment, may, upon written request to the sheriff, be treated as a transferee under KRS 134.121:

1. Any person holding a legal or equitable estate in the real or personal property upon which the delinquent taxes are due, other than a person

whose only interest in the property is a lien resulting from ownership of a prior year certificate of delinquency;

2. A tenant or lawful occupant of real property, or a bailee or person in possession of any personal property upon which the delinquent taxes are due; or

3. Any person having a mortgage on real property or a security interest in real or personal property upon which the delinquent taxes are due.

(4) If, upon expiration of the five percent (5%) penalty period established by KRS 134.015(2)(c), the real property tax delinquencies of a sheriff exceed fifteen percent (15%) of the amount charged to the sheriff for collection, the department may require the sheriff to make additional reasonable collection efforts. If the sheriff fails to initiate additional reasonable collection efforts within fifteen (15) business days following notification from the department that such efforts shall be made, the department may assume responsibility for collecting the delinquent taxes. If the department assumes the responsibility for collecting delinquent taxes, the department shall receive the amounts that would otherwise be paid to the sheriff as fees or commissions for the collection of tax bills.

(5) In collecting delinquent taxes, the sheriff:

(a) May distrain and sell personal property owned by a delinquent taxpayer in the amount necessary to satisfy the delinquent tax claim. The sale shall be made under execution for cash. If the personal property of the delinquent taxpayer within the county is not sufficient to satisfy the delinquent tax claim, the sheriff may sell so much of the personal property as is available; and

(b) Shall retain any amounts that come into his or her possession payable to a delinquent taxpayer, other than claims allowed for attendance as a witness, and shall apply such amounts to the amount due on the delinquent tax claim.

(6) (a) As compensation for collecting property taxes the sheriff shall be paid the

following amounts, regardless of whether the amounts are collected by the sheriff prior to filing the tax claims with the ***regional public records and licensing administrator*** ~~[county clerk]~~, or by the ***regional public records and licensing administrator***~~[county clerk]~~ after the tax claims become certificates of delinquency or personal property certificates of delinquency:

1. From the Commonwealth the sheriff shall be paid four and one-quarter percent (4.25%) of the amount collected on behalf of the Commonwealth;
2. From counties the sheriff shall be paid four and one-quarter percent (4.25%) of the amount collected on behalf of the counties;
3. The sheriff shall be compensated as provided by law or as negotiated if negotiation is permitted by law, for collecting taxes on behalf of any taxing district;
4. The sheriff shall be compensated as provided in KRS 160.500 for collecting school district taxes; and
5. The sheriff shall be compensated as provided in KRS 91A.070 for collecting taxes on behalf of any city.

(b) The sheriff shall include the amounts he or she is entitled to under the provisions of paragraph (a) of this subsection as part of the delinquent tax claims filed with the ***regional public records and licensing administrator***~~[county clerk]~~. The amount so included shall become a part of the certificate of delinquency, and shall be paid by the person paying the certificate of delinquency rather than the taxing jurisdiction for which the taxes were collected.

(7) As additional compensation for the collection of delinquent taxes, the sheriff shall be entitled to an amount equal to ten percent (10%) of the total taxes due plus ten percent (10%) of the ten percent (10%) penalty for all delinquent taxes. This fee

shall be added to the total amount due, and shall be paid by the person paying the tax claim if payment is made to the sheriff, or the certificate of delinquency or personal property certificate of delinquency if payment is made after the tax claim has been filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~.

(8) If, in the process of collecting property taxes, the sheriff becomes aware of a new address for a taxpayer, the sheriff shall provide, on a form provided by the department, the information relating to the new address to the property valuation administrator, who shall update his or her records to reflect the new address.

➔Section 136. KRS 134.122 is amended to read as follows:

(1) (a) The sheriff shall, on April 15 or three (3) months and fifteen (15) days from the date the taxes were due under an alternative collection schedule, file all tax claims on real and personal property remaining in his or her possession with the ***regional public records and licensing administrator*** ~~[county clerk]~~, except that in a consolidated local government the sheriff shall have fourteen (14) working days from the required filing date to file the delinquent tax claims with the ***regional public records and licensing administrator*** ~~[county clerk]~~.

(b) The content of the information provided by the sheriff to the ***regional public records and licensing administrator*** ~~[county clerk]~~ shall be determined by the department through the promulgation of an administrative regulation.

(c) The ***regional public records and licensing administrator*** ~~[county clerk]~~ shall acknowledge receipt of the tax claims by providing the sheriff with a receipt in the format required by the department.

(d) If the sheriff fails to file the tax claims as required by this subsection, the sheriff shall be liable on his or her bond for the aggregate amount of the tax claims not filed with the ***regional public records and licensing administrator*** ~~[clerk]~~.

(2) (a) Upon filing with the ***regional public records and licensing administrator***~~[county clerk]~~, a real property tax claim shall become a certificate of delinquency and a personal property tax claim shall become a personal property certificate of delinquency, and the department, rather than the sheriff, shall be responsible for the collection of all amounts due in accordance with KRS 134.504.

(b) Certificates of delinquency and personal property certificates of delinquency filed with the ***regional public records and licensing administrator***~~[county clerk]~~ are owned by the taxing jurisdictions whose taxes are included as part of the certificate of delinquency or personal property certificate of delinquency.

(c) The clerk shall accept payment for certificates of delinquency as provided in KRS 134.126 and 134.127.

(d) A certificate of delinquency or personal property certificate of delinquency shall include:

1. The face amount of the tax due;
2. The ten percent (10%) penalty as provided in KRS 134.015; and
3. The sheriff's commission and the ten percent (10%) sheriff's add-on as provided in KRS 134.119.

(e) The certificate of delinquency or personal property certificate of delinquency shall be prima facie evidence that:

1. The property represented by the certificate of delinquency or personal property certificate of delinquency was subject to the taxes levied thereon, and that the property was assessed as required by law;
2. The tax claim was valid and correct in all respects; and
3. The taxes were not paid any time before the establishment of the certificate of delinquency or personal property certificate of delinquency.

(3) If, in the process of collecting property taxes, the ***regional public records and licensing administrator***~~[county clerk]~~ becomes aware of a new address for a taxpayer, the ***regional public records and licensing administrator***~~[county clerk]~~ shall provide, using a form provided by the department, the information relating to the new address to the property valuation administrator, who shall update his or her records to reflect the new address.

➔Section 137. KRS 134.126 is amended to read as follows:

(1) (a) The ***regional public records and licensing administrator***~~[county clerk]~~ shall receive and record payments for all certificates of delinquency and personal property certificates of delinquency filed by the sheriff pursuant to KRS 134.122.

(b) The ***regional public records and licensing administrator***~~[county clerk]~~ may accept payment by any commercially acceptable means. The ***regional public records and licensing administrator***~~[county clerk]~~ may limit the acceptable methods of payment to those that ensure that the payment cannot be reversed or nullified due to insufficient funds.

(2) The ***regional public records and licensing administrator***~~[county clerk]~~ shall give a receipt to the person making payment.

(3) The ***regional public records and licensing administrator***~~[county clerk]~~ shall report by the tenth day of each month to the department, the county treasurer, the sheriff, and the proper officials of the taxing districts. The governing body of a county may ***request***~~[require]~~ the ***regional public records and licensing administrator***~~[county clerk]~~ to report and pay on a more frequent basis if necessary for bonding requirements; however, the ***regional public records and licensing administrator***~~[county clerk]~~ shall not ~~[be required to]~~report and pay more frequently than weekly.

(4) The ***regional public records and licensing administrator***~~[county clerk]~~ shall

allocate payments among the various entities entitled to a portion of the payment. The ***regional public records and licensing administrator***~~[county clerk]~~ shall, at the time he or she makes the reports required by subsection (3) of this section:

(a) Pay to the department for deposit in the State Treasury all moneys received due the state;

(b) Pay to the county treasurer all moneys received due the county;

(c) Pay to the authorized officers of the taxing districts the amount due each taxing district; and

(d) Pay the amount of fees, costs, commissions, and penalties to the persons, agencies, or parties entitled thereto.

(5) (a) Upon full payment of a certificate of delinquency or personal property certificate of delinquency owned by the state, county, and taxing districts, the ***regional public records and licensing administrator***~~[county clerk]~~ shall note on the certificate the name and address of the person making the payment, the amount paid, and any other information the department may require. The clerk shall mark the certificate of delinquency or personal property certificate of delinquency paid in full.

(b) If payment in full is made by a person other than the person primarily liable on the certificate, the person making the payment may request that the payment be treated as an assignment. Upon such request, the ***regional public records and licensing administrator***~~[county clerk]~~ shall:

1. Note the assignment on the certificate of delinquency or personal property certificate of delinquency;
2. Record the encumbrance represented by the certificate of delinquency in the same manner as a notice of lis pendens; and
3. Include as part of the encumbrance recording the information required by KRS 134.490(3)(e).

For recording the assignment and encumbrance, the ***regional public records and licensing administrator***~~[county clerk]~~ shall ***collect and remit to the State Treasury***~~[receive]~~ the fee provided in KRS 64.012.

(c) If a person other than the person primarily liable on the certificate does not request the payment to be treated as an assignment, he or she shall be treated in the same manner as the person primarily liable on the certificate, and any payment made pursuant to this subsection shall not constitute an assignment of the certificate. The payor shall not be subrogated to the lien of the state, county, and taxing districts as provided in subsection (8) of this section, and shall not be considered a third-party purchaser under the provisions of this chapter, or a transferee under KRS 134.121.

(6) After the initial recording of an assignment of a certificate of delinquency or personal property certificate of delinquency as provided in subsection (5)(b) of this section, all subsequent actions relating to that certificate of delinquency or personal property certificate of delinquency, including assignments and releases shall be made in accordance with the general laws and procedures governing land records, except the additional information required by KRS 134.490(3)(e) shall be included. The applicable fees established by KRS 64.012 shall apply.

(7) A certificate of delinquency or personal property certificate of delinquency shall be assignable. Failure of an assignee to record the assignment shall render the claim of such person to any real estate represented thereby inferior to the rights of other bona fide purchasers, payors, or creditors.

(8) Any person other than the person primarily liable on a certificate who:

(a) Pays the certificate of delinquency in full, and who requests to the ***regional public records and licensing administrator***~~[county clerk]~~ that the payment be treated as an assignment pursuant to subsection (5)(b) of this section; or

(b) Is the assignee of such a person, if the assignment has been recorded as

required by this section or KRS 134.127;

shall be subrogated to the lien priority of the state, county, and taxing districts as provided in KRS 134.420, and the amount due may be collectible as provided in KRS 134.546(2).

(9) As compensation for collection of payments on certificates of delinquency, personal property certificates of delinquency, and other delinquent taxes, and the processing of delinquent property tax payments, the ***regional public records and licensing administrator***~~[county clerk]~~ shall ***collect and remit to the State Treasury***~~[be paid]~~ ten percent (10%) of the amount due each taxing unit for each certificate of delinquency, personal property certificate of delinquency, or other delinquent tax claim. The fee shall be added to the amount of the tax claim and shall be paid by the person paying the tax claim.

➔Section 138. KRS 134.127 is amended to read as follows:

(1) (a) The following persons may pay to the ***regional public records and licensing administrator***~~[county clerk]~~ at any time the total amount due on a certificate of delinquency or personal property certificate of delinquency that is owned by the taxing jurisdictions and in the possession of the ***regional public records and licensing administrator***~~[county clerk]~~. It shall be the responsibility of the person seeking to pay the ***regional public records and licensing administrator***~~[county clerk]~~ to provide sufficient proof to the ***regional public records and licensing administrator***~~[county clerk]~~ that he or she meets the requirements to pay under this paragraph. The ***regional public records and licensing administrator***~~[county clerk]~~ shall be held harmless if he or she relies upon information provided and accepts payment from a person not qualified to pay under this paragraph. The ***regional public records and licensing administrator***~~[county clerk]~~ may also accept partial payments from these persons:

1. The person primarily liable on the certificate of delinquency or personal property certificate of delinquency, or a person paying on behalf of the person primarily liable on the certificate, provided that a person paying on behalf of the person primarily liable on the certificate under this paragraph shall, notwithstanding the provisions of KRS 134.126(5), be treated in the same manner as the person primarily liable on the certificate and shall not be treated as an assignee or a transferee under the provisions of this chapter; and
2. The following persons may pay a certificate of delinquency or personal property certificate of delinquency that relates to the specific property in which he or she has an interest, other than a person whose only interest in the property is an interest resulting from a prior year certificate of delinquency:
   a. Any person having a legal or equitable estate in real property subject to a certificate of delinquency;
   b. A tenant or lawful occupant of real property, or a bailee or person in possession of any personal property; or
   c. Any person having a mortgage on real property or a security interest in real or personal property.

   Upon full payment of a certificate of delinquency under this subparagraph, KRS 134.126(5), (6), (7), and (8) shall apply regarding the rights and interests of the person making the payment.

(b) Any other person may pay the total amount due on a certificate of delinquency that is owned by the taxing jurisdictions and in the possession of the ***regional public records and licensing administrator***~~[county clerk]~~ to the ***regional public records and licensing administrator***~~[county clerk]~~ after ninety (90) days have passed from the filing of the tax claims with the ***regional public***

records and licensing administrator~~[county clerk]~~ in accordance with KRS 134.128.

(c) 1. Only the persons listed in paragraph (a) of this subsection may pay a personal property certificate of delinquency. Personal property certificates of delinquency shall not be included in any sale conducted under KRS 134.128, and may not be purchased by any third party not specifically listed in paragraph (a) of this subsection.

2. A certificate of delinquency on property of a public service company that is centrally assessed, and that includes personal property and real property on the same certificate of delinquency, shall be treated for all purposes as a certificate of delinquency on real property.

(2) The duties of the ***regional public records and licensing administrator***~~[county clerk]~~ with regard to payment of a certificate of delinquency or personal property certificate of delinquency by a person other than the person primarily liable on the certificate, are set forth in KRS 134.126(5) and (6).

(3) (a) The delinquent taxpayer or any person having a legal or equitable estate in the property covered by a certificate of delinquency may, at any time, pay the total amount due to a third-party purchaser of a certificate of delinquency. The third-party purchaser may also accept payment from any other person at any time.

(b) When full payment for a certificate of delinquency is made to a third-party purchaser, the third-party purchaser shall execute a release of the lien in accordance with the provisions of KRS 382.365. The remedies included in KRS 382.365 shall apply if the third-party purchaser fails to release the lien as provided in KRS 382.365.

(c) Any person other than the person primarily liable on a certificate of delinquency who pays a certificate of delinquency to a third-party purchaser

may, by paying a fee pursuant to KRS 64.012, have the ***regional public records and licensing administrator***~~[county clerk]~~ record the payment, and the recordation shall constitute an assignment thereof, and KRS 134.126(6) and (8) shall apply. Failure of an assignee to record the assignment shall render the claim of such person to any real estate represented thereby inferior to the rights of other bona fide purchasers, payors, or creditors.

(d) If the third-party purchaser fails to release the lien in accordance with the provisions of KRS 382.365, or to surrender the certified copy of the certificate of delinquency to the person making full payment within thirty (30) days after payment has been tendered at the mailing address designated in the notice required by KRS 134.490 or the mailing address of record in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office if no notice has been provided as required by KRS 134.490, the person making the payment shall have all of the remedies provided in KRS 382.365.

(e) 1. A person entitled to make payment under this section who is having difficulty locating the third-party purchaser of the certificate of delinquency to make payment may send a registered letter addressed to the third-party purchaser of record at the address reflected in the most recent notice received from the third-party purchaser pursuant to KRS 134.490, or if no notice has been received, at the address reflected in the records of the ***regional public records and licensing administrator***~~[county clerk]~~, indicating a desire to make payment. If the letter is returned by mail unclaimed, or if the third-party purchaser fails to respond in writing within thirty (30) days, the sender may take to the ***regional public records and licensing administrator***~~[county clerk]~~ as proof of mailing the certified mail receipts stamped by the post office showing that the certified letter was mailed to the correct address and the

date it was mailed. If the letter was returned, the sender shall also provide the returned letter to the clerk. The sender shall attest under oath that the letter was mailed to the correct address, and if the letter was not returned, the attestation shall also provide that the third-party purchaser did not respond in writing within thirty (30) days of the date the letter was mailed. The department shall develop attestation forms for distribution to the ***regional public records and licensing administrators***~~[county clerks]~~ that include a notice that any false statement made in the attestation shall be punishable by law. The form shall be a public record under KRS 519.010(2), subject to KRS 519.060(1)(a). The clerks' taking of such testimony shall be an official proceeding under KRS 523.010(3).

2. Upon the acceptance of proof and attestation by the ***regional public records and licensing administrator***~~[county clerk]~~ that the person has failed in his or her attempt to contact the third-party purchaser about making payment, the person may pay the full amount due as reflected in the records maintained by the ***regional public records and licensing administrator***~~[county clerk]~~ plus applicable interest, and the ***regional public records and licensing administrator***~~[county clerk]~~ shall make the necessary assignment or release of the certificate of delinquency. The ***regional public records and licensing administrator***~~[county clerk]~~ shall also discharge any notice filed pursuant to KRS 382.440 or 382.450 as provided in KRS 382.470, except the ***regional public records and licensing administrator***~~[county clerk]~~ shall prepare and record an in-house release executed by the ***regional public records and licensing administrator***~~[county clerk]~~ along with the proof of payment, rather than requiring the signature or writing as required by KRS 382.470. The

regional public records and licensing administrator[~~ clerk~~] shall ***collect and remit to the State Treasury***[~~receive~~] a fee pursuant to KRS 64.012 for recording the release.

3. The ***regional public records and licensing administrator***[~~county clerk~~] shall deposit the money paid in an escrow account for this specific purpose in a bank having its deposits insured with the Federal Deposit Insurance Corporation. The name of the bank in which the money is deposited shall be noted on the certificate of delinquency. The ***regional public records and licensing administrator***[~~county clerk~~] may maintain ***as many***[~~one (1)~~] escrow ***accounts***[~~ account~~] for all deposits made pursuant to this subparagraph***, as the Department of Revenue and the regional public records and licensing administrator agree are necessary. The regional public records and licensing administrator*** [~~and ~~]shall maintain a record reflecting the amount due each owner of a certificate of delinquency.

4. [~~The county clerk may deduct the sum of twenty dollars ($20) as a fee for such service.~~

5. ~~ ~~]The ***regional public records and licensing administrator***[~~county clerk~~] shall mail a copy of the certificate of delinquency by regular mail to the third-party purchaser of record at the address on the certificate of delinquency.

5.[~~6.~~] If any ***regional public records and licensing administrator***[~~county clerk~~] fails to pay to the person entitled thereto, upon written demand clearly identified as a demand for payment, the money received in payment of a certificate of delinquency, the ***regional public records and licensing administrator***[~~county clerk~~] and ***the State Treasury***[~~the county clerk's sureties~~] shall be liable for the amount of the payment and

twenty percent (20%) interest thereon annually from the fifteenth day after the time the ***regional public records and licensing administrator***~~[county clerk]~~ received the written demand until paid.

(4) Copies of the records provided for in this section and KRS 134.126, when certified by the ***regional public records and licensing administrator***~~[county clerk]~~, shall be evidence of the facts stated in them in all the courts of this state.

➔Section 139. KRS 134.128 is amended to read as follows:

(1) The sale of certificates of delinquency by ***regional public records and licensing administrators***~~[county clerks]~~ to persons other than those listed in KRS 134.127(1)(a) shall be conducted in accordance with the provisions of this section.

(2) The department shall promulgate administrative regulations to establish a process for the purchase and sale of certificates of delinquency to third parties. The process developed by the department shall:

(a) 1. Establish an annual statewide schedule for the sale of certificates of delinquency in each county. The schedule shall be published on the department's Web site at least ten (10) days prior to the first sale. The sale in each county shall be administered by the ***regional public records and licensing administrator***~~[county clerk]~~.

2. The sale in each county shall be scheduled at least ninety (90) days but not more than one hundred thirty-five (135) days after the unpaid tax claims are filed by the sheriff with the ***regional public records and licensing administrator***~~[county clerk]~~, unless the provisions of subparagraph 3. of this paragraph apply. The department may stagger the schedule so that sales are conducted on different dates and times in different counties.

3. A ***regional public records and licensing administrator***~~[county clerk]~~ who:

a. Due to the assessment schedule established by the department, anticipates receiving certificates of delinquency relating to unmined coal, oil or gas reserves, or any other mineral or energy resources assessed separately from the surface real property pursuant to KRS 132.820 too late to be included in the annual sale scheduled during the timeframes established by subparagraph 2. of this paragraph; and

b. Wants to include those certificates in the annual sale for the year in which the certificates of delinquency are created;

may submit a request to the department to hold the annual sale for that county up to one hundred ninety-five (195) days after the bulk of the unpaid tax claims are filed by the sheriff with the ***regional public records and licensing administrator*** ~~[county clerk]~~ in accordance with KRS 134.122;

(b) Except as provided in KRS 134.127(1)(a), prohibit the payment of any newly filed certificates of delinquency by a third party prior to the scheduled annual sale of certificates of delinquency for that year for that county;

(c) Prohibit the payment of any certificates of delinquency:

1. Involved in bankruptcy litigation in which the county attorney or department has filed a claim;

2. Involved in other litigation initiated by the county attorney or the department, or in which the county attorney or department responds or files a claim; or

3. Under a payment plan that has been agreed to by the taxpayer and the county attorney or the department, and on which the payment agreement is in good standing;

(d) Establish a process to be used by ***regional public records and licensing***

administrators~~[county clerks]~~ in determining the order in which interested third-party purchasers may select and pay available certificates of delinquency at the annual sale. The process shall, at a minimum:

1. Be uniform in all counties to the extent practicable;
2. Establish a process, if there is more than one (1) purchaser registered to purchase certificates of delinquency at the sale, that allows all interested purchasers an opportunity to purchase certificates of delinquency on an equitable basis. The sale shall not be structured in such a manner to allow one (1) third party to purchase all of the certificates of delinquency if there are other properly registered third parties that are also interested in purchasing certificates of delinquency;
3. Establish fairness for all participants by prohibiting the participation of multiple related entities, or multiple individuals representing related interests as separate entities in the selection process at an annual sale. The department shall define "related entities" and "related interests" as part of the regulatory process; and
4. Establish a process to be used by ***regional public records and licensing administrators***~~[county clerks]~~ in identifying, verifying, and selling priority certificates of delinquency. The process shall:
   a. Require third-party purchasers to submit a list of priority certificates of delinquency to the ***regional public records and licensing administrator***~~[county clerk]~~ up to ten (10) days before the annual sale so that the ***regional public records and licensing administrator***~~[clerk]~~ may identify and allocate priority certificates of delinquency to third-party purchasers prior to the annual sale;
   b. Require that all priority certificates of delinquency allocated to a third-party purchaser prior to the annual sale be removed from the

annual sale;

c. Allow any third-party purchaser holding a certificate of delinquency on a parcel of property from a prior year to submit a priority list and purchase any priority certificates of delinquency to which the third-party purchaser is entitled, notwithstanding that the third-party purchaser may be related to another third-party purchaser participating in the sale; and

d. Give priority to the third-party purchaser holding a certificate of delinquency from the most recent tax year if more than one (1) third party holds an outstanding certificate of delinquency on a parcel of property;

(e) Require all potential participants in the sale to register at least one (1) week in advance with the ***regional public records and licensing administrator*** ~~[county clerk]~~;

(f) Require a review of the list of registered participants, either by the ***regional public records and licensing administrator*** ~~[county clerk]~~ or the department, prior to the sale to ensure that:

1. All registered participants seeking to pay multiple certificates of delinquency are properly registered with the department as required by KRS 134.129; and

2. No registered participants or related entities or related interests prohibited from separate participation in the annual sale pursuant to the provisions of paragraph (d)3. of this subsection and the administrative regulations promulgated thereunder have separately registered to participate in the annual sale;

(g) Establish advance deposit requirements for registered participants based upon the maximum amount the registered participant may pay for desired

certificates of delinquency;

(h) Establish a registration fee to be paid to the ***regional public records and licensing administrator***~~[clerk]~~. The registration fee paid to each ***regional public records and licensing administrator***~~[county]~~ shall not exceed two hundred fifty dollars ($250) annually and may be tiered;

(i) Establish payment requirements, which may include nullification of the payment and forfeiture of the advance deposit if a third-party purchaser fails to produce full payment within the specified time; and

(j) Establish payment methods.

(3) Any person who, in any calendar year:

(a) Pays or plans to pay more than five (5) certificates of delinquency statewide;

(b) Pays or plans to pay more than three (3) certificates of delinquency in any county; or

(c) Invests or plans to invest more than ten thousand dollars ($10,000) in the payment of certificates of delinquency on a statewide basis in any calendar year;

shall register with the department annually as provided in KRS 134.129.

(4) The department shall be responsible for monitoring the sale of certificates of delinquency.

(5) (a) At least thirty (30) but not more than forty-five (45) days before the scheduled sale date ***for each county sale***, the ***regional public records and licensing administrator***~~[county clerk]~~ shall cause a notice to be published in accordance with the provisions of KRS Chapter 424. ***A separate***~~[The]~~ notice shall ***be provided for each county, and shall*** list by property owner, property address, and if available, parcel number or lot number, all certificates of delinquency available for sale. The notice shall provide the date, time, and location of the sale. In addition, the notice shall list, in a separate section, all personal

property certificates of delinquency held by the ***regional public records and licensing administrator for that county***~~[county clerk]~~.

(b) As compensation for advertising the sale, the ***regional public records and licensing administrator***~~[county clerk]~~ shall ***collect and remit to the State Treasury***~~[receive]~~ five dollars ($5) for each certificate of delinquency and personal property certificate of delinquency advertised. The fee shall be added to the amount of the certificate of delinquency or personal property certificate of delinquency and shall be paid by the person paying the certificate of delinquency or personal property certificate of delinquency.

(c) The cost of placing the advertisement shall be paid by the county. The cost shall be added to the amount of the certificate of delinquency or personal property certificate of delinquency and shall be paid by the person paying the certificate of delinquency or personal property certificate of delinquency. The department shall establish a formula that may be used by counties in allocating the advertising costs among the delinquent tax claims. The formula shall take into account that a percentage of delinquent tax claims remains unpaid.

(6) Any certificate of delinquency not paid at the annual sale, not subject to a payment plan with the department or county attorney, and not known to be in litigation may be paid to the ***regional public records and licensing administrator***~~[county clerk]~~ at any time by any person after the sale, provided that:

(a) Any person required by KRS 134.129 to register with the department shall hold a current certificate of registration at the time of purchase;

(b) Any person not previously registered with the ***regional public records and licensing administrator***~~[county clerk]~~ during the calendar year shall register with the ***regional public records and licensing administrator*** ~~[county clerk]~~ and shall pay the registration fee established by administrative regulation

pursuant to subsection (2)(h) of this section; and

(c) Any person previously registered with the ***regional public records and licensing administrator***~~[county clerk]~~ during the calendar year who has not paid the maximum registration fee for that year shall pay the appropriate amount for each certificate of delinquency paid, as established by administrative regulation pursuant to subsection (2)(h) of this section, until the maximum registration has been paid.

(7) Any certificate of delinquency received by the ***regional public records and licensing administrator***~~[county clerk]~~ too late to be included in the annual sale in any year shall be retained by the ***regional public records and licensing administrator***~~[clerk]~~ until the next scheduled annual sale. During that time period, the ***regional public records and licensing administrator***~~[clerk]~~ may accept payment on the certificate of delinquency only from those individuals and entities listed in KRS 134.127(1)(a).

➔Section 140. KRS 134.131 is amended to read as follows:

(1) On or before May 15, 2013, and each May 15 thereafter, each ***regional public records and licensing administrator***~~[county clerk]~~ shall provide or shall arrange to provide to the department a list of all certificates of delinquency received by the ***regional public records and licensing administrator***~~[county clerk]~~ from the sheriff for that year, and that are in the possession of the ***regional public records and licensing administrator***~~[clerk]~~ on the day the information is provided. The list shall include, at a minimum, the property owner name, property address, and parcel number or lot number if available. To the extent possible, the list shall be provided to the department in an electronic format.

(2) On or before June 1, 2013, and on or before each June 1 thereafter, the department shall publish on its Internet Web site a consolidated list of certificates of delinquency by county. To the extent possible, within each county, the list shall be

in alphabetical order by property owner name, and shall include at a minimum the property owner name, property address, and parcel number or lot number if available.

(3) The information required by this section shall be provided by the ***regional public records and licensing administrators***~~[county clerks]~~ and department as a public service. The department, the ***regional public records and licensing administrator***~~[county clerk]~~, and the employees thereof shall be held harmless regarding the content or any omission relating to information provided.

(4) If the tax collection schedule is delayed in any county, that county shall provide the information required by subsection (1) of this section to the department within thirty (30) days of receipt from the sheriff, and the department shall publish the information on its Web site within fifteen (15) days of receipt from the ***regional public records and licensing administrator***~~[county clerk.]~~

➔Section 141. KRS 134.191 is amended to read as follows:

(1) The sheriff shall provide monthly reports by the tenth day of each month to the chief executive of the county, the department, and any other district for which the sheriff collects taxes. The governing body of the county may require the sheriff to report and pay on a more frequent basis if necessary for bonding requirements; however, the sheriff shall not be required to report and pay more frequently than weekly.

(2) The report shall be broken down by governmental entity and shall include the following information for the preceding month or reporting period, if the reporting period is other than monthly:

(a) The total amount of taxes collected;

(b) The total amount of any fines, forfeitures, or other moneys collected; and

(c) The disposition of such revenue or money collected.

(3) At the time of making the report, the sheriff shall pay to the county treasurer or other officer designated by the governing body of a county, to the department, and

to any other district for which the sheriff collects taxes, all funds belonging to the county, the state, or the district that were collected during the period covered by the report.

(4) Any sheriff failing to pay over taxes collected as required by law shall be subject to a penalty of one percent (1%) for each thirty (30) day period or fraction thereof that the payment is not made, plus interest at the tax interest rate provided in KRS 131.183 on such amounts. The governing body of a county, the department, or the other district for which the sheriff collects taxes, in its settlement with the sheriff, shall charge him or her with such penalties and interest.

(5) The chief executive of a county, or the commissioner of the department may grant an extension of time, not to exceed fifteen (15) days, for filing the report required by subsection (1) of this section with that entity when good cause exists. The extension shall be in writing and shall be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~. The extension when granted shall suspend the penalty and interest for the duration of the extension. The penalty and interest shall apply at the expiration of the extension.

➔Section 142. KRS 134.192 is amended to read as follows:

(1) Each sheriff shall annually settle his or her accounts with the department, the county, and any district for which the sheriff collects taxes on or before September 1 of each year. If any sheriff resigns, dies, or otherwise vacates his or her office, the books and records shall be made available to the department, the county, and any other district for which the sheriff collects taxes within thirty (30) days from the date that the office is vacated. The annual settlement of the sheriff shall be audited in accordance with KRS 43.070 and 64.810.

(2) (a) The department shall conduct the settlement relating to taxes collected for the state.

(b) The sheriff shall settle his or her accounts with the county, the school district,

and any other taxing district for which he or she collects taxes. On request of the governing body of the county or any other district for which the sheriff collects taxes, the department may conduct the local settlement. If no local settlement has been initiated by July 1 of any year, the department may initiate the local settlement on behalf of the county, the school district, and the taxing districts. Upon completion of the local settlement, the department may receive reasonable reimbursement for expenses incurred.

(3) In making his or her settlement with the local governments and the department, the sheriff shall be allowed credit for the uncollected tax claims properly filed with the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office as required by KRS 134.122.

(4) All tax bills on omitted property that were not turned over to the sheriff in time to be collected shall be carried over as a charge against the sheriff as part of the annual settlement.

(5) The report of the state and local settlement shall be filed in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office and approved by the governing body of the county no later than September 1 of each year. The settlement shall show the amount of ad valorem tax collected for the county, the school district, and all taxing districts, and an itemized statement of the money disbursed to or on behalf of the county, the school district, and all taxing districts.

(6) The settlement shall be published pursuant to KRS Chapter 424.

(7) On the final settlement, the sheriff shall pay to the county treasurer all money that remains in his or her hands attributable to amounts charged against the sheriff relating to the collection of property taxes, and shall take receipts as provided in KRS 134.160. The sheriff shall pay any additional amounts charged against him or her as a result of the settlements.

(8) (a) If the sheriff fails to remit amounts charged against him or her to the

appropriate taxing district, the department may issue bills for the subsequent year and may assume all collection duties in the name of and on behalf of the cities, counties, school districts, and other taxing districts.

(b) The fees and commissions which the sheriff would have been entitled to receive from the taxing districts shall be paid to the department.

(9) No tax bills or tax books shall be delivered to the sheriff during the second or any subsequent calendar year of the sheriff's regular term until the settlement is submitted and approved by the department and the governing body of a county, and until the sheriff's bond is in place, should a bond be required by the fiscal court.

(10) If the tax records of a county are destroyed by fire, flood, tornado, or other act of nature, or are lost, stolen, or mutilated so as to require a reassessment of the property in the county or a recertification of the tax bills, the sheriff shall have five (5) months from the time he or she receives the recertified tax bills to make settlement pursuant to this section.

(11) In counties containing a population of less than seventy thousand (70,000), the sheriff shall file annually with his or her settlement:

(a) A complete statement of all funds received by his or her office for official services, showing separately the total income received by his or her office for services rendered, exclusive of his or her commissions for collecting taxes, and the total funds received as commissions for collecting state, county, and school taxes; and

(b) A complete statement of all expenditures of his or her office, including his or her salary, compensation of deputies and assistants, and reasonable expenses.

(12) At the time he or she files the statements required by subsection (11) of this section, the sheriff shall pay to the governing body of the county any fees, commissions, and other income of his or her office, including income from investments, which exceed the sum of his or her maximum salary as permitted by the Constitution and other

reasonable expenses, including compensation of deputies and assistants. The settlement for excess fees and commissions and other income shall be subject to correction by audit conducted pursuant to KRS 43.070 or 64.810. The provisions of this subsection shall not be construed to amend KRS 64.820 or 64.830.

(13) If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of KRS 64.368 shall apply.

➔Section 143. KRS 134.215 is amended to read as follows:

(1) An outgoing sheriff, as soon as his or her successor has been qualified and inducted into office and his or her official bond approved, shall:

(a) Immediately vacate his or her office;

(b) Deliver to his or her successor all books, papers, records, and other property held by virtue of his or her office; and

(c) Make a complete settlement of his or her accounts as sheriff, as provided in KRS 134.192, except as otherwise provided in this section.

(2) (a) All unpaid tax claims and tax claims upon which partial payments have been accepted in the possession of the sheriff upon the date of expiration of his or her term shall be turned over to the incoming sheriff, who shall collect and account for them as provided by law.

(b) The outgoing sheriff shall take a receipt from the incoming sheriff for the unpaid and partially paid tax claims. This receipt shall show in detail for each unpaid and for each partially paid tax claim the total amount due each taxing district as reflected on the tax claims. The receipt shall be signed and acknowledged by the incoming sheriff before the ***regional public records and licensing administrator***~~[county clerk]~~, filed with the ***regional public records and licensing administrator***~~[county clerk]~~, and recorded in the order book of the ~~[county]~~ clerk in the manner required by law for recording the official

bond of the sheriff. A certified copy of the receipt as recorded in the order book of the ***regional public records and licensing administrator*** ~~[county clerk]~~ shall be filed with the department.

(c) The outgoing sheriff and his or her bondsmen or sureties shall be relieved in the final settlement of his or her accounts of all responsibility for collecting and accounting for the amounts covered by the receipt, and the incoming sheriff shall be charged with full responsibility for collecting and accounting for these amounts as otherwise provided by law for the collection and accounting for taxes.

(3) Each outgoing sheriff shall make a final settlement with the department, the fiscal court, and all districts for which his or her office collected taxes by March 15 immediately following the expiration of his or her term of office. The settlement shall address all charges of taxes made against the sheriff and all money received by him or her as sheriff, and shall include all of the information required for the annual settlement pursuant to KRS 134.192. Upon approval of the final settlement, the outgoing sheriff shall deliver these records to the incumbent sheriff. The final settlement of the outgoing sheriff shall be audited as provided in KRS 43.070 and 64.810.

(4) (a) For the purpose of establishing an accurate accounting for unpaid and partially paid tax claims, either the outgoing sheriff, the incoming sheriff, or both, may, by giving advance notice by publication pursuant to KRS Chapter 424, refuse to accept payment of ad valorem taxes during any or all of the period from January 1 through January 15.

(b) During the transition period from January 1 through January 15, both the incoming and outgoing sheriffs shall have working access to the office facilities and to the records and mail of the sheriff's office relating to the payment, collection, and refund of ad valorem taxes on property.

(c) Interest shall not be assessed or collected for the period during which payment of taxes is prohibited under the terms of this section.

(5) The outgoing sheriff shall be paid in accordance with KRS 64.140 and 64.530 the reasonable expenses actually incurred in preparing the receipt required under this section. Reasonable expenses actually incurred may include office expenses and salaries of himself or herself, deputies, and employees paid in accordance with the schedule of the previous year or the amount paid an auditor necessary in determining, verifying, and recording the unpaid and partially paid tax claims turned over to the incoming sheriff.

➔Section 144. KRS 134.230 is amended to read as follows:

(1) (a) The sheriff shall execute a bond annually to the Commonwealth with one (1) or more sufficient sureties in the minimum sum of ten thousand dollars ($10,000), conditioned on the faithful performance of his or her duties and to pay over to the proper person and at the proper time all money collected. The bond shall be executed prior to the sheriff collecting taxes for the year in which the bond is executed. The bond shall be approved by order of the governing body of the county, and shall be filed by the governing body of the county with the ***regional public records and licensing administrator*** ~~[county clerk]~~ and with the department.

(b) The governing body of the county may require the sheriff to enter into an additional bond, with good surety to be approved by the governing body of the county.

(2) (a) Subject to the provisions of paragraph (b) of this subsection, the sureties on all bonds executed by the sheriff pursuant to this section shall be jointly and severally liable for any default of the sheriff during the calendar year in which the bond was executed, whether the liability accrues before or after the execution of the bond.

(b) Neither the sheriff nor a surety shall be liable for any act or default of the sheriff relating to the sheriff's revenue duties unless notice of the act or default of the sheriff giving rise to a claim upon the bond has been given to the surety by the department, the chief executive of the county, the county attorney, or other person asserting the claim within ninety (90) days after discovery or at the latest within one (1) year after the end of the year within which the bond was executed.

(3) (a) Any sheriff who fails to execute a bond as required by this section shall forfeit his or her office. The vacancy shall be filled as provided in KRS 63.220.

(b) If the chief executive of the county does not appoint a sheriff as provided in KRS 63.220 within thirty (30) days, the department may appoint a tax collector to collect the moneys due the state. An appointed collector shall execute a bond within ten (10) days of being appointed, in the same manner and under the same conditions as provided in this section for a sheriff. A sheriff who forfeits his or her office under this subsection or who resigns his or her office shall not be appointed as collector under this section.

➔Section 145. KRS 134.420 is amended to read as follows:

(1) The state and each county, city, or other taxing district shall have a lien on the property assessed for taxes due them respectively for eleven (11) years following the date when the taxes become delinquent.

(2) This lien shall not be defeated by gift, devise, sale, alienation, or any means except by sale to a bona fide purchaser, but no purchase of property made before final settlement for taxes for a particular assessment date has been made by the sheriff shall preclude the lien covering the taxes.

(3) The lien shall include all interest, penalties, fees, commissions, charges, costs, attorney fees, and other expenses as provided by this chapter that have been incurred by reason of delinquency in payment of the tax claim certificate of

delinquency, personal property certificate of delinquency, or in the process of collecting any of them, and shall have priority over any other obligation or liability for which the property is liable.

(4) The lien of any city, county, or other taxing district shall be of equal rank with that of the state.

(5) When any proceeding is instituted to enforce the lien provided in this subsection, it shall continue in force until the matter is judicially terminated.

(6) Every city with a population of less than twenty thousand (20,000) based upon the most recent federal decennial census shall file notice of the delinquent tax liens with the ***regional public records and licensing administrator*** ~~[county clerk]~~ of any ***area development district or area development districts*** ~~[county or counties]~~ in which the taxpayer's business or residence is located, or in any county in which the taxpayer has an interest in property. The notice shall be recorded in the same manner as notices of lis pendens are filed, and the file shall be designated miscellaneous state and city delinquent and unpaid tax liens.

➔Section 146. KRS 134.421 is amended to read as follows:

(1) When real property is owned by two (2) or more persons and had been assessed as one (1) tract, and one (1) owner does not pay his or her share of the taxes due, the taxes owed by the owner failing to pay may be paid by any other owner. Any owner who pays the amount due by another owner under this section shall have a lien on the delinquent taxpayer's portion of the real property for the amount paid and may file suit to recover the amount paid.

(2) (a) Whenever one (1) tax claim or certificate of delinquency exists on land which is divided both as to ownership and area into two (2) or more tracts, any person or persons owning any of the tracts may, upon ten (10) days' notice given to the owners of the other tracts, make application to the county attorney and to the property valuation administrator of the county for an apportionment

of the assessment.

(b) The property valuation administrator of the county may make an apportionment of the amount of the encumbrance among the owners of each tract according to the value of their respective interests as shown by the proof introduced by them.

(c) Any owner of a tract for which the tax claim or certificate of delinquency was apportioned may have the encumbrance on his or her property released by paying to the sheriff his or her pro rata share of the tax claim or to the ***regional public records and licensing administrator***~~[county clerk]~~ his or her pro rata share of the certificate of delinquency as ascertained by the decision of apportionment.

(d) The determination of the property valuation administrator of the county shall be final unless an appeal therefrom to the Circuit Court is prosecuted within sixty (60) days from the issuance of the decision.

➔Section 147. KRS 134.452 is amended to read as follows:

(1) Notwithstanding any other provisions of this chapter, a third-party purchaser of a certificate of delinquency shall be entitled to collect only the following prelitigation fees:

(a) The amount actually paid for the certificate of delinquency;

(b) Interest as provided in KRS 134.125, calculated on the amount actually paid to the ***regional public records and licensing administrator***~~[county clerk]~~ from the date the certificate of delinquency was purchased until paid; and

(c) 1. Prelitigation attorneys' fees, which may include amounts incurred for collection efforts and costs related to notification, processing, research, communication, compliance, legal costs, documentation, and similar expenses, from the date the third-party purchaser purchases the certificate of delinquency from the ***regional public records and***

licensing administrator~~[county clerk]~~, to the date on which the notice required by KRS 134.490(2) is mailed by the third-party purchaser.

2. The amount that may be collected by the third-party purchaser as prelitigation attorneys' fees shall be subject to the following limitations:

   a. i. If the amount paid for a certificate of delinquency is between five dollars ($5) and three hundred fifty dollars ($350), actual reasonable fees incurred up to one hundred percent (100%) of the amount of the certificate of delinquency, not to exceed three hundred fifty dollars ($350);

   ii. If the amount paid for a certificate of delinquency is between three hundred fifty-one dollars ($351) and seven hundred dollars ($700), actual reasonable fees incurred up to eighty percent (80%) of the amount of the certificate of delinquency, not to exceed five hundred sixty dollars ($560); and

   iii. If the amount paid for a certificate of delinquency is above seven hundred one dollars ($701), actual reasonable fees incurred up to seventy percent (70%) of the amount of the certificate of delinquency, not to exceed seven hundred dollars ($700); and

   b. If a third-party purchaser is the owner of more than one (1) certificate of delinquency against the same taxpayer, actual and reasonable prelitigation attorneys' fees for all certificates of delinquency against the same taxpayer shall not exceed one and one-half (1.5) times the maximum amount permitted in subdivision a. of this subparagraph for the largest tax bill owed by the taxpayer.

3. The amounts allowed by subparagraph 2. of this paragraph shall not accrue to the account of the delinquent taxpayer, nor be charged by the third-party purchaser against the delinquent taxpayer all at one (1) time unless the amount of certificate of delinquency is one hundred seventy-five dollars ($175) or less. The third-party purchaser may accrue to the account of the delinquent taxpayer, and charge the delinquent taxpayer an amount equal to the lesser of prelitigation attorney's fees incurred by the third-party purchaser since the prior notice was sent or one hundred seventy-five dollars ($175), for each notice sent to the delinquent taxpayer, provided that:
   a. The total aggregate amount of prelitigation attorneys' fees that may accrue to the account of the delinquent taxpayer and be charged by the third-party purchaser against the delinquent taxpayer shall not exceed the limitations established by paragraph (a) of this subsection; and
   b. Additional fees shall not accrue to the account of the delinquent taxpayer or be charged by the third-party purchaser against the delinquent taxpayer more frequently than every ninety (90) days, regardless of how many notices the third-party purchaser may send.

(2) If the delinquent taxpayer and the third-party purchaser enter into a payment agreement, the third-party purchaser may collect the installment payment processing fee authorized by KRS 134.490(5).

(3) (a) In addition to the fees established by subsections (1), (2), and (4) of this section, a third-party purchaser may collect actual, reasonable attorneys' fees and costs that arise due to the prosecution of collection remedies or the protection of a certificate of delinquency that is involved in litigation. Fees

and costs permitted under this subsection include fees and costs incurred from the first day after the notice required by KRS 134.490(2) is sent through the day any litigation is finally concluded.

(b) For purposes of this subsection:

1. Actual attorneys' litigation fees up to two thousand dollars ($2,000) may be reasonable if the fees are based upon documented work performed at a rate commensurate with hourly rates customarily charged by private attorneys in that jurisdiction for similar services. A flat rate, without hours documented for work performed, may be reasonable if the flat fee is determined to be discounted from the usual and customary rates for comparable work; and

2. Any attorneys' litigation fee in excess of two thousand dollars ($2,000) shall be allowed if authorized by the court upon a finding that the third-party purchaser incurred actual attorneys' litigation fees in excess of two thousand dollars ($2,000) and that those attorneys' litigation fees were warranted based upon the complexity of the issues presented in the litigation.

(4) The third-party purchaser may collect administrative fees incurred for preparing, recording, and releasing an assignment of the certificate of delinquency in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office, not to exceed one hundred fifteen dollars ($115).

(5) The General Assembly recognizes that third-party purchasers play an important role in the delinquent tax collection system, allowing taxing districts to receive needed funds on a timely basis. The General Assembly has carefully considered the fees and charges authorized by this section, and has determined that the amounts established are reasonable based on the costs of collection and fees and charges incurred in litigation.

(6) A certificate of delinquency owned by a third-party purchaser shall be deemed a general intangible for the purposes of Article 9 of KRS Chapter 355.

➔Section 148. KRS 134.490 is amended to read as follows:

(1) The following notices shall be sent by a third-party purchaser to the delinquent taxpayer by first-class mail with proof of mailing, and shall include the information required by subsection (3)(d) of this section:

(a) Within fifty (50) days after the delivery of a certificate of delinquency by the clerk to a third-party purchaser, the third-party purchaser shall send a notice to the delinquent taxpayer informing the delinquent taxpayer that the certificate of delinquency has been purchased by the third-party purchaser; and

(b) At least annually thereafter, until the notice required by subsection (2) of this section is sent, the third-party purchaser shall send a notice to the delinquent taxpayer.

(2) Anytime after the expiration of the one (1) year tolling period established by KRS 134.546, the third-party purchaser may institute an action to collect the amount due on a certificate of delinquency. At least forty-five (45) days before instituting a legal action, the third-party purchaser shall send to the taxpayer by first-class mail with proof of mailing, a notice informing the taxpayer that enforcement action will be taken. This notice shall also include the information required by subsection (3) of this section, and shall be in addition to any notice sent under subsection (1) of this section.

(3) (a) 1. For certificates of delinquency for all property except property described in paragraph (b) of this subsection, third-party purchasers or their designees shall obtain from the office of the property valuation administrator of the county in which the real property is located the most recent address for the property owner.

2. To obtain information from the office of the property valuation

administrator, the third-party purchaser shall, at the option of the property valuation administrator, either:

a. Obtain information from an up-to-date public access list or Web site offered by the property valuation administrator; or

b. Submit a list of addresses, map identification numbers, or parcel numbers for which updated information is requested to the property valuation administrator, who shall update his or her records with regard to the properties for which information is requested and provide the updated information to the third-party purchaser within ten (10) days.

3. For this service, the property valuation administrator may charge a fee not to exceed two dollars ($2) for each address provided or obtained.

4. Except as provided in paragraph (b) of this subsection, the third-party purchaser shall send the notices required by subsections (1) and (2) of this section to the address provided by the property valuation administrator. Unless the provisions of subparagraph 7. of this paragraph apply, the third-party purchaser shall not be required to send a notice to any party other than the owner of record as provided by the property valuation administrator at the time the notice is sent.

5. If, due to insufficient staffing, the property valuation administrator is unable to provide the requested information to the third-party purchaser within ten (10) days of submission, the property valuation administrator shall immediately notify the third-party purchaser, and the third-party purchaser may send the notices required by subsections (1) and (2) of this section to the address reflected in the public records of the property valuation administrator.

6. Any notices sent pursuant to information obtained under this paragraph

that are returned as undeliverable shall be re-sent by first-class mail with proof of mailing addressed to the "Occupant" at the address of the property that is the subject of the certificate of delinquency. These notices shall be sent within twenty (20) days of receipt of the returned notice.

7. If a third-party purchaser becomes aware of a more recent or more accurate address for a delinquent taxpayer that is different from the address reflected in the records of the property valuation administrator, the third-party purchaser shall send notices to the updated address in the manner required by this subsection, and shall notify the property valuation administrator of the updated address.

8. If a third-party purchaser receives an address from the property valuation administrator during an address check after a first notice is sent and returned as undeliverable, and the address is the same as was originally provided, the third-party purchaser shall send the notice addressed to "Occupant" at the address of the property that is the subject of the certificate of delinquency.

(b) 1. For certificates of delinquency relating to unmined coal, oil or gas reserves, or any other mineral or energy resources assessed separately from the surface real property pursuant to KRS 132.820, third-party purchasers or their designees shall obtain from the department the most recent address for the property owner.

2. To obtain information about a particular property, the third-party purchaser shall submit to the department a list of addresses, map identification numbers, parcel numbers, and any other information the department may require. The department shall:

a. Update its records with regard to the properties for which

information is requested; and

b. Provide the updated information to the third-party purchaser within ten (10) business days.

3. For this service, the department may charge a fee not to exceed two dollars ($2) for each address provided.

4. The third-party purchaser shall send the notices required by subsections (1) and (2) of this section relating to unmined coal, oil or gas reserves, or any other mineral or energy resources assessed separately from the surface real property pursuant to KRS 132.820 to the address provided by the department. Unless the provisions of subparagraph 5.f. of this paragraph apply, the third-party purchaser shall not be required to send a notice to any party other than the owner of record as provided by the department at the time the notice is sent.

5. a. Any notice sent pursuant to subsections (1) and (2) of this section based on information obtained pursuant to this paragraph and returned as undeliverable shall be submitted to the department within ten (10) days of receipt of the returned notice.

b. The department shall attempt to obtain an updated address for the owner of the property subject to the certificate of delinquency from the individual or entity filing the property tax return for the property.

c. The individual or entity filing the property tax return shall provide an address of the property owner upon request of the department.

d. The department shall provide any updated address information to the third-party purchaser.

e. If updated information is provided, the notices shall be re-sent by first-class mail with proof of mailing to the updated address of the

owner within ten (10) days of the receipt of the updated information from the department.

f. If a third-party purchaser becomes aware of a more recent or more accurate address for a delinquent taxpayer that is different from the address reflected in the records of the department, the third-party purchaser shall send notices to the updated address in the manner required by this subsection, and shall notify the department of the updated address.

(c) The third-party purchaser shall maintain complete and accurate records of all notices sent pursuant to this section.

(d) The notices required by this section shall include the following information:

1. A statement that the certificate of delinquency is a lien of record against the property for which delinquent taxes are owed;

2. A statement that the certificate bears interest at the rate provided in KRS 134.125;

3. A statement that if the certificate is not paid, it will be subject to collection as provided by law, and that collection actions may include foreclosure. The notice required by subsection (2) of this section shall also include a statement of the intent to institute legal action to collect the amount due;

4. A complete listing of the amount due, as of the date of the notice, broken down as follows:

a. The purchase price of the certificate of delinquency;

b. Interest accrued subsequent to the purchase of the certificate of delinquency; and

c. Fees imposed by the third-party purchaser;

5. If the third-party purchaser is required to register with the department as

provided in KRS 134.128(3), for certificates of delinquency purchased after June 1, 2012, a statement informing the taxpayer that upon written request and the payment of a processing fee, the third-party purchaser will offer a payment plan; and

6. Information, in a format and with content as determined by the department, detailing the provisions of the law relating to third-party purchaser fees and charges.

(e) In addition, the notice shall provide the following information to the taxpayer:

1. The legal name of the third-party purchaser;
2. The third-party purchaser's physical address;
3. The third-party purchaser's mailing address for payments, if different from the physical address; and
4. The third-party purchaser's telephone number.

If the information required by this paragraph changes, the third-party purchaser shall, within thirty (30) days of the change becoming effective, send a notice to each taxpayer by first-class mail with proof of mailing with the corrected information. The third-party purchaser shall also update contact information included in the records of the ***regional public records and licensing administrator***~~[county clerk]~~ within ten (10) days of the change becoming effective. Failure to send the original notice or any correction notices shall result in the suspension of the accrual of all interest and any fees incurred by the third-party purchaser after that date until proper notice is given as required by this subsection.

(4) If a person entitled to pay a certificate of delinquency to a third-party purchaser makes payment on the certificate of delinquency to the ***regional public records and licensing administrator***~~[county clerk]~~ under the conditions described in KRS 134.127(3)(d), the payment shall constitute payment in full, and no other amounts

may be collected by the third-party purchaser from the person.

(5) (a) For certificates of delinquency purchased after June 1, 2012, at the written request of a delinquent taxpayer, a third-party purchaser required to register with the department as provided in KRS 134.128(3) shall provide a monthly installment payment plan to a taxpayer.

(b) The taxpayer and third-party purchaser shall sign an agreement detailing the terms of the installment payment plan.

(c) The third-party purchaser may impose a processing fee, not to exceed eight dollars ($8) per month to offset the administrative cost of providing the payment plan. No other fees, charges, interest, or other amounts not expressly authorized by this chapter shall be charged, assessed, or collected by the third-party purchaser.

(d) The existence of an agreement to provide a payment plan shall not impact the right of the third-party purchaser to pursue legal action if the delinquent taxpayer fails to follow the terms of the installment payment agreement.

(e) Upon default of a delinquent taxpayer:

1. The third-party purchaser shall retain all amounts paid, which shall be applied to the outstanding balance due; and

2. The third-party purchaser shall not be required to offer the delinquent taxpayer another opportunity for an installment payment plan.

(f) If a third-party purchaser who was required to offer payment plans pursuant to paragraph (a) of this subsection, subsequently does not purchase a sufficient number of certificates of delinquency to require registration with the department, the third-party purchaser shall continue to offer payment plans under the conditions established by this subsection for all delinquent taxpayers whose certificates of delinquency were purchased during a period in which the third-party purchaser was required to register with the department.

(g) A third-party purchaser who is not required to register with the department as provided in KRS 134.128(3), or who holds certificates of delinquency purchased prior to June 1, 2012, may voluntarily offer installment payment plans to delinquent taxpayers in accordance with the provisions of this subsection.

(h) The department may establish additional terms and conditions for installment payment plans in an administrative regulation.

(6) Any person to whom a third-party purchaser transfers or assigns a certificate of delinquency shall be considered a third-party purchaser under this chapter.

➔Section 149. KRS 134.504 is amended to read as follows:

(1) The department shall be responsible for the collection of certificates of delinquency and personal property certificates of delinquency. The provisions of this section relating to certificates of delinquency shall also apply to personal property certificates of delinquency unless otherwise specifically noted. The department shall offer the collection duties related to certificates of delinquency and personal property certificates of delinquency to the county attorney in each county, unless the department determines that a county attorney has previously failed to perform collection duties in a reasonable and acceptable manner.

(2) Any county attorney desiring to perform the collection duties shall enter into a contract with the department on an annual basis.

(3) The terms of the contract shall specify the duties to be undertaken by the county attorney, which shall include, at a minimum, the duties set forth in subsection (4) of this section. The terms of the contract shall also provide that, if the county attorney fails to perform the duties required by the contract during the contract period, the department may assume all collection responsibilities.

(4) The following duties shall be performed by the department or the county attorney, as the case may be, with regard to each certificate of delinquency:

(a) Within thirty (30) days after the establishment of a certificate of delinquency, the county attorney or the department shall mail a notice by regular mail to the owner of record on the assessment date at the address on the records of the property valuation administrator, or to the in-care-of address if an in-care-of address is provided as required by subsection (5) of this section. The notice shall:

1. Include the name, address, and telephone number of a contact person in the county attorney's office or the department, as the case may be;
2. Advise that:
   a. The certificate of delinquency is a lien of record against the property on which the taxes are due;
   b. The amounts due are a personal obligation of the taxpayer on the assessment date; and
   c. The certificate bears interest at the rate of twelve percent (12%) and, if not paid, will be subject to collection by the county attorney or the department as provided by law;
3. Include the total amount due as of the date of the notice;
4. Advise that anytime after ninety (90) days from the creation of the certificate of delinquency, the certificate of delinquency may be paid by a third-party purchaser and, that if so paid, the certificate of delinquency will be subject to collection by the third-party purchaser as provided by law. The notice shall also advise that a third-party purchaser may impose substantial additional administrative costs and fees associated with collection in addition to the amount due on the certificate of delinquency, and that collection actions may include foreclosure. This provision shall not be included in notices sent for personal property certificates of delinquency; and

5. Advise that the taxpayer may qualify for a payment plan with the county attorney or the department, if the taxpayer meets the requirements established by the county attorney or the department, and if terms are agreed to prior to the date of the sale;

(b) The county attorney or the department shall file in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ a list of the names and addresses to which the thirty (30) day notice was mailed along with a certificate attesting that the notices were mailed in accordance with the requirements of this section;

(c) 1. All thirty (30) day notices returned as undeliverable shall be submitted by the county attorney or department to the property valuation administrator, and a list of the returned notices shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~, who shall record the list in the order book of the county.

2. The property valuation administrator shall attempt to correct inadequate or erroneous addresses and, if property has been transferred, shall determine the new owner, current mailing address, and in-care-of address, if any, as provided in KRS 382.135.

3. The property valuation administrator shall return the notices with the corrected information to the county attorney or the department within twenty (20) days of receipt.

4. Upon receipt of the new information from the property valuation administrator, the county attorney or the department shall resend the notice required by paragraph (a) of this subsection using the updated information;

(d) 1. At least twenty (20) days after the mailing of the thirty (30) day notice required by paragraph (a) of this subsection, but within sixty (60) days

of the establishment of a certificate of delinquency, the county attorney or department shall send a second notice, by regular mail, to owners of record whose tax bills remain delinquent, or to the in-care-of addresses or corrected address, if information regarding a new property owner has been received by the county attorney or the department under the provisions of paragraph (c) of this subsection. The notice shall include, at a minimum, the following information:

a. The name, address, and telephone number of a contact person in the county attorney's office or the department, as the case may be;

b. A statement that a sale of tax claims will be held by the ***regional public records and licensing administrator*** ~~[county clerk]~~ on the date established by the department for the sale. The text of the statement shall include the actual sale date, as well as a statement noting that the certificate of delinquency may be paid by a third-party purchaser at the sale, and if the certificate of delinquency is paid by a third-party purchaser, it will be subject to collection by the third-party purchaser as provided by law, that significant additional collection fees will be imposed by the third-party purchaser, and that collection actions may include foreclosure. This statement shall not be included in notices sent to owners of property subject to a personal property certificate of delinquency; and

c. A statement that the taxpayer may qualify for a payment plan with the county attorney or the department, if the taxpayer meets the requirements established by the county attorney or the department and if terms are agreed to prior to the date of the sale.

2. The county attorney or the department shall file in the office of the

regional public records and licensing administrator~~[county clerk]~~ a list of the names and addresses to which the sixty (60) day notice was mailed, along with a certificate attesting that the notices were mailed in accordance with the requirements of this section.

3. If the notice required by paragraph (c) of this subsection is returned as undeliverable, and the property valuation administrator is not able to provide a corrected or updated address, the county attorney or the department shall address the sixty (60) day notice to "Occupant" and shall mail the notice to the address of the property to which the certificate of delinquency applies;

(e) The county attorney or the department shall deliver to the property valuation administrator, at the same time the notice required by paragraph (d) of this subsection is sent, a list of the owners whose tax bills remain delinquent. The property valuation administrator shall review this list in accordance with KRS 132.220 to establish that the properties on the list can be identified and physically located; and

(f) Anytime after the expiration of the one (1) year tolling period established by KRS 134.546, the county attorney or department may institute an action to collect the amount due on a certificate of delinquency owned by the taxing jurisdictions and in the possession of the ***regional public records and licensing administrator***~~[county clerk]~~. At least forty-five (45) days before instituting a legal action, the county attorney or department shall send, by regular mail, a notice of intent to initiate legal action to enforce the lien. The notice shall be sent to the owner of record of the property or to the in-care-of address or corrected address if either has been provided pursuant to this section.

(5) If property subject to a certificate of delinquency has been transferred in any year

after the assessment date, the property valuation administrator shall determine the in-care-of address supplied in the deed pursuant to KRS 382.135 and shall provide that information to the county attorney or the department.

(6) (a) Failure of the county attorney or the department to mail the notices required in subsection (4) of this section shall not affect the validity of the claim of the state, county, school district, and taxing district. However, the county attorney or the department shall not receive any compensation, commission, or payment related to any certificate of delinquency for which the notices required by the provisions of subsection (4) of this section are not sent.

(b) For each notice mailed, one dollar ($1) shall be added to the amount of the certificate of delinquency, to offset the cost of mailing, and, upon collection, the county attorney or the department shall be paid such amounts as reimbursement for mailing costs.

(7) (a) As compensation for the collection duties performed pursuant to a contract with the department, a county attorney shall be paid twenty percent (20%) of the amount due each taxing unit during the contract period, whether the amount is paid voluntarily, through sale, or under court order, and whether the amount is paid to the ***regional public records and licensing administrator***~~[county clerk]~~ or the county attorney. The fee for the county attorney shall be added to the amount of the certificate of delinquency and shall be paid by the person paying the certificate of delinquency.

(b) If payment in full is voluntarily made by the taxpayer to the county attorney or ***regional public records and licensing administrator***~~[county clerk]~~ within five (5) days of the filing of the tax claim with the ***regional public records and licensing administrator***~~[county clerk]~~, the county attorney fee shall be waived.

(c) If a county attorney files a court action or files a cross-claim, the county

attorney shall be paid an additional fee of thirteen percent (13%) of the amount of the certificate of delinquency and shall be reimbursed for costs incident to the court action. The additional fee and costs incident to the litigation shall be added to the certificate of delinquency and shall be paid by the person paying the certificate of delinquency.

(d) If more than one (1) county attorney renders necessary services to collect on a certificate of delinquency, the county attorney serving the last notice or rendering the last substantial service preceding collection shall be entitled to the fee.

(8) (a) The county attorney shall establish a system to accept installment payments from delinquent taxpayers. The county attorney may, during the contract period, enter into an agreement with a delinquent taxpayer to accept installment payments on the certificates of delinquency. The agreement shall not waive the county attorney's right to initiate court action or other authorized collection activities if the taxpayer does not make payments in accordance with the agreement.

(b) The county attorney may, upon written request of the taxpayer for good cause and with agreement of the affected taxing jurisdiction or fee recipient, waive or reduce fees and penalties that are part of a certificate of delinquency during settlement or negotiation with a taxpayer in accordance with guidance provided by the department.

(9) Any action by the county attorney authorized by this chapter shall be filed on relation of the commissioner. A copy of any judgment obtained by the county attorney shall be sent to the department.

(10) (a) The county attorney shall notify the ***regional public records and licensing administrator*** ~~[county clerk]~~ and the department of the filing of a suit at the time the suit is filed and of payment agreements at the time such agreements

are entered into. The ***regional public records and licensing administrator***~~[county clerk]~~ shall note on the certificate of delinquency the filing of the lawsuit or the existence of the payment agreement, and these certificates of delinquency shall not be available for purchase or payment by a third-party purchaser.

(b) The county attorney shall provide to the ***regional public records and licensing administrator***~~[county clerk]~~ at least ten (10) days but not more than twenty (20) days prior to the annual sale date for the county established pursuant to KRS 134.128, a protected list of current year certificates of delinquency that are:

1. Under a payment plan with the county attorney on which payments are current;
2. Involved in litigation initiated by the county attorney or in which the county attorney responds or files an answer; or
3. Involved in bankruptcy litigation in which the county attorney has filed a claim.

The list shall include sufficient detail for the ***regional public records and licensing administrator***~~[county clerk]~~ to accurately identify the property.

(c) The county attorney shall notify the ***regional public records and licensing administrator***~~[county clerk]~~ of the failure of any payment agreement and, upon notification to the clerk, the certificate of delinquency shall be available for purchase.

(11) The department may make its delinquent tax collection databases and other technical resources, including but not limited to tax refund offsetting, available to the county attorney upon request from the county attorney. The county attorney seeking assistance shall enter into any agreements required by the department to protect taxpayer confidentiality, to ensure database integrity, or to address the

concerns of the department.

(12) (a) If a county attorney chooses not to contract for collection duties, or if a county attorney fails to perform the duties required by the contract, the department shall assume responsibility for all uncollected certificates of delinquency and personal property certificates of delinquency, including, at the option of the department, those with pending court action or for which the county attorney has entered into an installment payment agreement.

(b) If the department assumes or retains responsibility for the collection of certificates of delinquency and personal property certificates of delinquency, the twenty percent (20%) fee that would have been paid to the county attorney under subsection (7) of this section, and any other fees or costs established by this section for the county attorney shall be paid to the department for deposit in the delinquent tax fund provided for under KRS 134.552.

➔Section 150. KRS 134.505 is amended to read as follows:

Any person while serving as county attorney who was required by law by reason of his office to prosecute an action or to assist the commissioner of revenue in prosecuting an action to enforce a claim of the state, county, school district and any other taxing district to any land which was purchased by such districts at a sheriff's sale or sales for delinquent taxes and who did not institute such action before he relinquished his office or otherwise failed to perform substantially all the duties of his office relative to the claim, shall not be entitled to receive any commission or compensation for any such sale or sales when the redemption costs are paid. Any ***regional public records and licensing administrator***~~[county clerk]~~ or other person authorized to collect funds to satisfy unredeemed land sales shall be liable for any such money distributed as a commission to any former county attorney who is not entitled to it.

➔Section 151. KRS 134.549 is amended to read as follows:

(1) After the state, county, and taxing districts obtain real property as authorized by

KRS 134.546, the designated agent of the commissioner may advertise and sell at public sale any of the lands, and the commissioner may convey the lands by deed to the purchaser. The commissioner shall, within thirty (30) days from receipt of payment, pay to the county and taxing district the amount of the proceeds due each. The department shall be entitled to an administration fee equal to fifteen percent (15%) of the sale price of the property, which shall be paid into the delinquent tax fund provided for in KRS 134.552.

(2) The sales shall be advertised by a written or printed notice posted at the courthouse door for fifteen (15) days before the date of sale, and by publication pursuant to KRS Chapter 424, and may in addition be advertised by printed handbills posted for fifteen (15) days before the date of sale in three (3) or more conspicuous places in the taxing districts.

(3) Any real property acquired by the state, county, and taxing districts pursuant to KRS 134.546 may be redeemed at any time before the commissioner gives a deed to a purchaser, by paying to the ***regional public records and licensing administrator*** ~~[county clerk]~~ the amount due at the time the property was acquired, plus subsequent costs and interest at the rate of twelve percent (12%) per annum.

➔Section 152. KRS 134.551 is amended to read as follows:

(1) If a certificate of delinquency or personal property certificate of delinquency held by an individual is declared void by a court of competent jurisdiction because of the irregularity of taxing officers, the amount for which the certificate was issued shall be refunded by the state, county, and taxing districts on a pro rata basis. If a school district or county is unable to make the refund currently when requested, it shall be given preference from the next year's revenue. The application for refund must be made within one (1) year after the judgment. The property covered by the void certificate shall be assessed immediately as omitted property and the tax bill shall be payable as soon as prepared.

(2) (a) If a certificate of delinquency held by a third-party purchaser who paid the certificate of delinquency to the ***regional public records and licensing administrator***~~[county clerk]~~:

1. Is unenforceable because:
    a. It is a duplicate certificate of delinquency;
    b. The tax liability represented by the certificate of delinquency was satisfied prior to the purchase of the certificate of delinquency;
    c. All or a portion of the certificate of delinquency is exonerated; or
    d. The property to which the certificate of delinquency applies was not subject to taxes as a matter of law as certified by the property valuation administrator; or
2. Should not have been sold because, on the date of the annual sale, the certificate of delinquency met the requirements for inclusion on the protected list pursuant to KRS 134.504(10) and it:
    a. Was included on the protected list;
    b. Was mistakenly left off the protected list; or
    c. Became eligible for inclusion on the protected list between the date the protected list was submitted and the date of sale;

the third-party purchaser may apply to the ***regional public records and licensing administrator***~~[county clerk]~~ for a refund.

(b) The application for refund filed with the ***regional public records and licensing administrator***~~[county clerk]~~ shall include written proof that one (1) of the situations described in paragraph (a) of this subsection exists with regard to the certificate of delinquency for which a refund is sought.

(c) 1. Upon acceptance and approval of the application for refund, the ***regional public records and licensing administrator***~~[county clerk]~~ shall ***inform the Department of Revenue of this refund. The Department of***

Revenue shall issue a warrant to the State Treasurer who shall then issue a check to the party designated for the refund within ninety (90) days of receipt of refund due~~[approve a refund of the amount paid to the county clerk by the third-party purchaser in satisfaction of the certificate of delinquency]~~. The refunded amount shall not include any filing fees paid by the third-party purchaser to the ***regional public records and licensing administrator***~~[county clerk]~~.

2. ***The Department of Revenue shall seek reimbursement from each taxing jurisdiction or fee office for that portion of the refund granted attributable to each taxing jurisdiction or fee office***~~[Amounts refunded to the third-party purchaser shall be deducted from amounts in the hands of the county clerk due to the state, county, taxing districts, sheriff, county attorney, and the county clerk on a pro rata basis, if the county clerk has sufficient funds in his or her hands to make the refund]~~.

3. ~~[If the county clerk does not have sufficient funds to make the refund at the time the refund is approved, the county clerk may either:~~

~~a. Retain the approved refund claim in his or her office and make the refund payment as soon as he or she has sufficient funds in his or her hands to make the refund payment; or~~

~~b. Provide a signed letter to the person to whom payment is due, which includes the amount due from each taxing jurisdiction or fee office, and which directs each taxing jurisdiction or fee official to pay to the person the amount due and owing from that taxing jurisdiction or fee official as reflected in the letter.~~

~~4.]~~Upon the making of a refund to a third-party purchaser, ***the Department of Revenue shall notify the relevant regional public records and licensing administrator and*** the ***regional public records and licensing***

administrator~~[county clerk]~~ shall issue and file a release of the lien on the property assessed for taxes as provided in this subparagraph without charge to the third-party purchaser. The release shall be linked to the encumbrance in the county ***regional public records and licensing administrator's***~~[clerk's]~~ indexing system.

a. The department shall prepare a release form to be used by the ***regional public records and licensing administrator***~~[county clerk]~~ when a refund is paid under this paragraph. The form shall include, at a minimum, the following:

   i. The name and address of the taxpayer;

   ii. The name and address of the third-party purchaser;

   iii. The book and page number of the third-party purchaser's lis pendens filing;

   iv. The property address;

   v. The applicable tax year; and

   vi. The map identification number or tax bill number.

b. The release form shall be signed by the government official responsible for making the correction.

c. In addition to the signed release form, information filed by the ***regional public records and licensing administrator***~~[county clerk]~~ shall include a copy of the documentation provided by the government official and a copy of the refund check or letter of refund authorization issued to the third-party purchaser. The ***regional public records and licensing administrator***~~[county clerk]~~ shall record and file this information without a fee.

d. The ***regional public records and licensing administrator***~~[county clerk]~~ shall also make any necessary corrections to the tax records

within the office of the ***regional public records and licensing administrator***~~[county clerk]~~.

e. The ***regional public records and licensing administrator***~~[county clerk]~~ shall return the release document to the taxpayer and shall provide a copy of the release document to the third-party purchaser.

(d) If the ***regional public records and licensing administrator***~~[county clerk]~~ denies the application for refund, or the property valuation administrator fails to certify that property was not subject to taxes as a matter of law, the third-party purchaser may appeal the decision of the ***regional public records and licensing administrator***~~[county clerk]~~ or the property valuation administrator to the Kentucky Board of Tax Appeals.

➔Section 153. KRS 135.040 is amended to read as follows:

(1) On the return of "no property found" on an execution issued upon a judgment in favor of the state, the Department of Revenue may institute equitable proceedings in the Franklin Circuit Court or any other court of competent jurisdiction, in the name of the state and on the relation of the commissioner of revenue. The choses in action or other equitable estate of the delinquent shall be subjected to the payment of the amount due on any such execution.

(2) On the return to the fiscal court or the county clerk ***or regional public records and licensing administrator, if authorized by statute,*** of any tax bill as uncollectible, a like suit may be instituted in the name of the state on the relation of the commissioner of revenue in any court of competent jurisdiction, and the choses in action or other equitable estate of the delinquent may be subjected to the amount due on any such tax bill. In such proceedings attachment may issue and other proceedings may be taken as are authorized on the return of "no property found" on an execution in favor of individuals.

(3) The county attorneys of the respective counties shall assist the Department of Revenue in prosecuting the actions mentioned in this section.

(4) No action shall be maintained under the provisions of subsection (1) of this section when the last execution issued has been returned "no property found" more than ten (10) years before the institution of the action, nor shall an action be maintained on the uncollectible tax bill under the provisions of subsection (2) of this section more than five (5) years after the date of the return by the sheriff or collector.

(5) Every person against whom an execution has been returned "no property found" and upon which an equitable action is instituted, as provided in subsection (1) of this section, shall be liable for a penalty of twenty percent (20%) of the amount due on the execution. The penalty may be recovered in the action, with the amount due on the execution. The penalty shall go to the delinquent tax fund provided for under KRS 134.552, unless the county attorney assists in the prosecution, in which case one-half (1/2) shall go to the county attorney.

➔Section 154. KRS 136.180 is amended to read as follows:

(1) The Department of Revenue shall, immediately after fixing the assessed value of the operating property and other property of a public service corporation for taxation, notify the corporation of the valuation and the amount of assessment for state and local purposes. When the valuation has been finally determined, the department shall immediately certify, unless otherwise specified, to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which any of the operating property or nonoperating tangible property assessment of the corporation is liable to local taxation, the amount of property liable for county, city, or district tax.

(2) No appeal shall delay the collection or payment of taxes based upon the assessment in controversy. The taxpayer shall pay all state, county, and district taxes due on the valuation which the taxpayer claims as the true value as stated in the protest filed

under KRS 131.110. When the valuation is finally determined upon appeal, the taxpayer shall be billed for any additional tax and interest at the tax interest rate as defined in KRS 131.010(6), from the date the tax would have become due if no appeal had been taken. The provisions of KRS 134.015(6) shall apply to the tax bill.

(3) The Department of Revenue shall compute annually a multiplier for use in establishing the local tax rate for the operating property of railroads or railway companies that operate solely within the Commonwealth. The applicable local tax rates on the operating property shall be adjusted by the multiplier. The multiplier shall be calculated by dividing the statewide locally taxable business tangible personal property by the total statewide business tangible personal property.

(4) The Department of Revenue shall annually calculate an aggregate local rate for each local taxing district to be used in determining local taxes to be collected for railroad carlines. The rate shall be the statewide tangible tax rate for each type of local taxing district multiplied by a fraction, the numerator of which is the commercial and industrial tangible property assessment subject to full local rates and the denominator of which is the total commercial and industrial tangible personal property assessment. Effective January 1, 1994, state and local taxes on railroad carline property shall become due forty-five (45) days from the date of notice and shall be collected directly by the Department of Revenue. The local taxes collected by the Department of Revenue shall be distributed to each local taxing district levying a tax on railroad carlines based on the statewide average rate for each type of local taxing district. However, prior to distribution any fees owed to the Department of Revenue by any local taxing district under the provisions of subsection (5) of this section shall be deducted.

(5) The certification of valuation shall be filed by each ***regional public records and licensing administrator*** ~~[county clerk]~~ in his ***or her*** office, and shall be certified by the ***regional public records and licensing administrator*** ~~[county clerk]~~ to the proper

collecting officer of the county, city, or taxing district for collection. Any district which has the value certified by the department shall pay an annual fee to the department which represents an allocation of department operating and overhead expenses incurred in generating the valuations. This fee shall be determined by the department and shall apply to valuations for tax periods beginning on or after December 31, 1981.

➔Section 155. KRS 136.190 is amended to read as follows:

(1) The superintendent of schools in each district in which any individual, group of individuals or corporation, operates public utility or other franchise taxpaying property assessed under KRS 136.120 shall, on or before the first day of January, 1957, furnish to the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the district is situated, to each franchise taxpayer within the district, and to the Department of Revenue, the boundary of his school district. The superintendent of schools in each district in which any franchise-paying corporation, individual, or group of individuals operates shall, on or before the first day of January, 1958, and each year thereafter, furnish to the ***regional public records and licensing administrator***~~[county clerk]~~, to each franchise taxpayer within the district, and to the Department of Revenue, any changes made in the boundary of his school district during the immediately preceding twelve (12) months.

(2) The engineer of cities of the first class and the city clerk of cities of the home rule class shall notify the ***regional public records and licensing administrator***~~[county clerk]~~, each franchise taxpayer within the city, and the Department of Revenue of their boundaries in the same manner as required of the superintendent of schools in subsection (1) of this section.

(3) The responsible governing official or the chairman of the governing body of any taxing district other than the county, school district, or city shall notify the ***regional***

public records and licensing administrator~~[county clerk]~~, each franchise taxpayer within the district, and the Department of Revenue of their boundaries in the same manner as required of the superintendent of schools in subsection (1) of this section.

➔Section 156. KRS 136.320 is amended to read as follows:

(1) Each life insurance company incorporated under the laws of and doing business in Kentucky shall value as of January 1 and report to the Department of Revenue by April 1 each year, on forms prescribed by the Department of Revenue, the following:

(a) The fair cash value of the company's intangible personal property, hereinafter referred to as "capital," consisting of all money in hand, shares of stock, notes, bonds, accounts, and other credits, exclusive of due and deferred premiums, whether secured by mortgage, pledge, or otherwise, or unsecured.

(b) The fair cash value of the company's intangible personal property exempt from taxation by law.

(c) The aggregate amount of the company's reserves, reduced by the amount of due and deferred premiums, maintained in accordance with the applicable provisions of KRS 304.6-040 and 304.6-130 to 304.6-180, on all outstanding policies and contracts supplementary thereto.

(d) Other information as may be required by the Department of Revenue to accurately determine the fair cash value of each company's "taxable capital" and "taxable reserves."

(2) Based on information supplied by each company and other information that may be available, the Department of Revenue shall value each company's "taxable capital" and "taxable reserves" as follows:

(a) "Taxable capital" shall be determined by deducting "taxable reserves" from "capital," less exempt intangible personal property.

(b) "Taxable reserves" shall be determined by multiplying the aggregate amount

of reserves as computed in subsection (1)(c) of this section by the percentage determined by dividing "capital," less exempt intangible personal property, by "capital," including exempt intangible personal property.

(3) (a) An annual tax for state purposes shall be imposed against the fair cash value of "taxable capital" for calendar years beginning before 2000, at a rate of seventy cents ($0.70) on each one hundred dollars ($100).

(b) An annual tax for state purposes shall be imposed against every company making an election pursuant to KRS 136.335 to be taxed under this section, against the fair cash value of taxable capital for calendar years beginning in 2000 as follows:

1. For calendar year 2000, fifty-six cents ($0.56) on each one hundred dollars ($100);
2. For calendar year 2001, forty-two cents ($0.42) on each one hundred dollars ($100);
3. For calendar year 2002, twenty-eight cents ($0.28) on each one hundred dollars ($100);
4. For calendar year 2003, fourteen cents ($0.14) on each one hundred dollars ($100); and
5. For calendar year 2004 and each calendar year thereafter, one tenth of one cent ($0.001) on each one hundred dollars ($100).

(c) An annual tax for state purposes shall be imposed at a rate of one-tenth of one cent ($0.001) on each one hundred dollars ($100) of the fair cash value of "taxable reserves".

(d) Beginning in tax year 2004 an insurer may offset the tax liability imposed under this subsection against the tax liability imposed under subsection (4) of this section.

(4) For calendar year 2000, and each calendar year thereafter, every company subject to

the tax imposed by subsection (3) of this section, and making an election pursuant to KRS 136.335 to be taxed under this section, shall pay the following rates of tax upon each one hundred dollars ($100) of premium receipts:

(a) For calendar year 2000, thirty-eight cents ($0.38);

(b) For calendar year 2001, seventy-two cents ($0.72);

(c) For calendar year 2002, one dollar and two cents ($1.02);

(d) For calendar year 2003, one dollar and twenty-eight cents ($1.28); and

(e) For calendar year 2004 and each calendar year thereafter, one dollar and fifty cents ($1.50).

Every company subject to the tax imposed by this subsection shall, by March 1 of each year, return to the Department of Revenue a statement under oath of all premium receipts on business done in this state during the preceding calendar year or since the last return was made. "Premium receipts" includes single premiums, premiums received for original insurance, premiums received for renewal, revival, or reinstatement of the policies, annual and periodical premiums, dividends applied for premiums and additions, and all other premium payments received on policies that have been written in this state, or on the lives of residents of this state, or out of this state on business done in this state, less returned premiums. No deduction shall be made for dividends on life insurance but dividends on accident and health insurance policies may be deducted.

(5) The taxes imposed under subsections (3) and (4) of this section shall be in lieu of all excise, license, occupational, or other taxes imposed by the state, county, city, or other taxing district, except as provided in subsections (6) and (7) of this section.

(6) The county in which the principal office of the company is located may impose a tax of fifteen cents ($0.15) on each one hundred dollars ($100) of "taxable capital."

(7) The city in which the principal office of the company is located may impose a tax of fifteen cents ($0.15) on each one hundred dollars ($100) of "taxable capital."

(8) The Department of Revenue shall by September 1 each year bill each company for the state taxes. It shall immediately certify to the ***regional public records and licensing administrator*** ~~[county clerk]~~ of the county in which the principal office of the company is located the value of "taxable capital" subject to local taxation. The ***regional public records and licensing administrator*** ~~[county clerk]~~ shall prepare and deliver a bill to the sheriff for collection of taxes collectible by the sheriff and shall certify the value to all other collecting officers of districts authorized to levy a tax.

(9) Each company's real and tangible personal property shall be subject to taxation at fair cash value by the state, county, school, and other taxing districts in which the property is located in the same manner and at the same rates as all other property of the same class.

(10) Taxes on property subject to taxation under this section shall be subject to the same discount and penalties as provided in KRS 134.015 and shall be collected in the same manner as taxes on property locally assessed, except that the state tax on the "taxable capital" and "taxable reserves" shall be collected directly by the Department of Revenue.

(11) Any taxpayer subject to taxation under this section may protest in the manner provided in KRS 131.110.

➔Section 157. KRS 136.990 is amended to read as follows:

(1) Any corporation that fails to pay its taxes, penalty, and interest as provided in subsection (2) of KRS 136.050, after becoming delinquent, shall be fined fifty dollars ($50) for each day the same remains unpaid, to be recovered by indictment or civil action, of which the Franklin Circuit Court shall have jurisdiction.

(2) Any public service corporation, or officer thereof, that willfully fails or refuses to make reports as required by KRS 136.130 and 136.140 shall be fined one thousand dollars ($1,000), and fifty dollars ($50) for each day the reports are not made after

April 30 of each year.

(3) Any superintendent of schools or ***regional public records and licensing administrator*** ~~[county clerk]~~ who fails to report as required by KRS 136.190, or who makes a false report, shall be fined not less than fifty dollars ($50) nor more than one hundred dollars ($100) for each offense. ***A regional public records and licensing administrator found guilty and fined may also be subject to removal from office in accordance with the provisions of Section 1 of this Act.***

(4) Any company or association that fails or refuses to return the statement or pay the taxes required by KRS 136.330 or 136.340 shall be fined one thousand dollars ($1,000) for each offense.

(5) Any insurance company that fails or refuses for thirty (30) days to return the statement required by KRS 136.330 or 136.340 and to pay the tax required by KRS 136.330 or 136.340, shall forfeit one hundred dollars ($100) for each offense. The commissioner of insurance shall revoke the authority of the company or its agents to do business in this state, and shall publish the revocation pursuant to KRS Chapter 424.

(6) Any person who violates subsection (3) of KRS 136.390 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each offense.

(7) Where no other penalty is mentioned for failing to do an act required, or for doing an act forbidden by this chapter, the penalty shall be not less than ten dollars ($10) nor more than five hundred dollars ($500).

(8) The Franklin Circuit Court shall have jurisdiction of all prosecutions under subsections (4) to (6) of this section.

(9) Any person who violates any of the provisions of KRS 136.073 or KRS 136.090 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180.

(10) If the tax imposed by KRS 136.070 or KRS 136.073, whether assessed by the

department or the taxpayer, or any installment or portion of the tax, is not paid on or before the date prescribed for its payment, interest shall be collected upon the nonpaid amount at the tax interest rate as defined in KRS 131.010(6) from the date prescribed for its payment until payment is actually made to the department.

(11) Any provider who violates the provisions of KRS 136.616(3) shall be subject to a penalty of twenty-five dollars ($25) per purchaser offense, not to exceed ten thousand dollars ($10,000) per month.

➔Section 158. KRS 137.130 is amended to read as follows:

(1) Every person engaged in the transportation of crude petroleum in this state from receptacles located at the place of production in this state shall be considered a transporter of crude petroleum. Every transporter of crude petroleum shall make a verified report to the Department of Revenue by the twentieth day of the month succeeding each month in which crude petroleum is so received for transportation, showing the quantity of each kind or quality of crude petroleum so received from each county in this state and the market value of the crude petroleum on the first business day after the tenth day of the month in which the report is made. The report shall show any sales of crude petroleum so received, the quantity of crude petroleum in each sale, the date of each sale, and the market price of the crude petroleum on each date of sale for the preceding month. This report shall be made upon blanks furnished and prescribed by the department. The department may require additional reports from time to time, on blanks prepared by it, from all producers and transporters of crude petroleum.

(2) Every person required to report under subsection (1) of this section shall register as a transporter of crude petroleum in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ in each ***area development district*** ~~[county]~~ in which such business is carried on by him, in a book which the department shall provide, showing the name, residence and place of business of the transporter. The

regional public records and licensing administrator~~[county clerk]~~ shall immediately certify to the department a copy of each registration as made.

➔Section 159. KRS 137.160 is amended to read as follows:

(1) When the Department of Revenue has received the reports provided for in KRS 137.130, it shall, upon such reports and such other reports and information as it may secure, assess the value of all grades or kinds of crude petroleum reported for each month.

(2) Where the report shows no sale of crude petroleum during the month covered by the report, the market value of crude petroleum on the first business day after the tenth day of the month in which the report is made shall be fixed by the department as the assessed value of all crude petroleum covered by the report. Where the report shows that all crude petroleum reported has been sold during the month covered by the report, the market price of such crude petroleum on each day of sale shall be the assessed value of all crude petroleum sold on that date of sale, and the total amount of the tax to be reported as the assessment on the report shall be the total of the assessments made on such sales. If the report shows that part of the crude petroleum reported has been sold and part remains unsold, the market price of the crude petroleum on the first business day after the tenth day of the month following the month covered by the report shall be fixed as the assessed value of the portion of the crude petroleum unsold, the market price of the crude petroleum on each day of sale shall be the assessed value of the portion sold, and the total amount of the tax to be reported as the assessment on the report shall be the total of the assessments made on the sold and unsold crude petroleum. The department, in making its assessments, shall take into consideration transportation charges.

(3) The department shall, by the last day of the month in which the reports are required to be made, notify each transporter of his assessment, and certify the assessment to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area***

development district~~[county]~~ that has reported the levy of a county tax under KRS 137.150. The ***regional public records and licensing administrator***~~[county clerk]~~ shall immediately deliver a copy thereof to the sheriff for collection of the county tax. The transporter so notified of the assessment shall have the right to an appeal to the Kentucky board of tax appeals.

➔Section 160. KRS 137.990 is amended to read as follows:

(1) (a) Any person who engages in any business or sells or offers to sell or has on hand for the purpose of sale any article or exercises any privilege for which a license is required or imposed by KRS 137.115 before procuring the license and paying the tax shall be fined not less than twenty-five dollars ($25) nor more than two hundred dollars ($200) for each offense, unless otherwise specifically provided;

(b) Any ***regional public records and licensing administrator***~~[county clerk]~~ who violates any of the provisions of KRS 137.115, or any administrative regulation promulgated by the Department of Revenue thereunder, shall be fined not less than fifty dollars ($50) nor more than one thousand dollars ($1,000) for each offense ***A regional public records and licensing administrator found guilty and fined may also be subject to removal from office in accordance with the provisions of Section 1 of this Act***; and

(c) Any person who makes a false statement in securing a license under KRS 137.115 shall be deemed guilty of a misdemeanor.

(2) (a) Any person who violates any provision of KRS 137.120 to 137.160 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180; and

(b) Any person who violates any of the provisions of KRS 137.120 to 137.160 may be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) or imprisoned for not less than thirty (30) days nor more than six (6) months, or both.

(3) Any person who violates any of the provisions of KRS 137.170 or 137.180 shall be fined not more than one thousand dollars ($1,000) or imprisoned in the county jail not more than thirty (30) days, or both so fined and imprisoned. If the offender is a corporation, the principal officer or the officer or employee directly responsible for the violation, or both, shall be punished as provided in this subsection.

➔Section 161. KRS 140.350 is amended to read as follows:

At such time as the Department of Revenue accepts the agricultural or horticultural value on qualified real estate comprising a portion of a decedent's estate and issues tax waivers thereon, it shall cause to be filed in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ where the real estate or the greater portion thereof is located, on a form prescribed by the Department of Revenue, a lien which on its face shall expire in five (5) years and the lien shall secure the payment of any additional tax which may become due as the result of the qualified real estate being sold to others than qualified persons or the qualified real estate being converted to other than a qualified use.

If additional taxes are due as the result of the real estate being transferred to other than a qualified person or its use is converted to other than agricultural or horticultural use, and the additional tax is not paid after assessment of the tax, within the time prescribed by the regulations of the Department of Revenue, then the Department of Revenue may proceed to enforce the lien in accordance with law.

➔Section 162. KRS 142.010 is amended to read as follows:

(1) The following taxes shall be paid:

(a) A tax of four dollars and fifty cents ($4.50) on each marriage license;

(b) A tax of four dollars ($4) on each power of attorney to convey real or personal property;

(c) A tax of four dollars ($4) on each mortgage, financing statement, or security agreement and on each notation of a security interest on a certificate of title

under KRS 186A.190;

(d) A tax of four dollars ($4) on each conveyance of real property; and

(e) A tax of four dollars ($4) on each lien or conveyance of coal, oil, gas, or other mineral right or privilege.

(2) The tax imposed by this section shall be collected by each ***regional public records and licensing administrator***~~[county clerk]~~ as a prerequisite to the issuance of a marriage license or the original filing of an instrument subject to the tax. Subsequent assignment of the original instrument shall not be cause for additional taxation under this section. This section shall not be construed to require any tax upon a deed of release of a lien retained in a deed or mortgage.

(3) Taxes imposed under this section shall be reported and paid to the Department of Revenue by each ***regional public records and licensing administrator***~~[county clerk]~~ within ten (10) days following the end of the calendar month in which instruments subject to tax are filed or marriage licenses issued. Each remittance shall be accompanied by a summary report on a form prescribed by the department.

(4) Any ***regional public records and licensing administrator***~~[county clerk]~~ who violates any of the provisions of this section shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180. ***A regional public records and licensing administrator found guilty and fined may also be subject to removal from office in accordance with the provisions of Section 1 of this Act.*** In every case, any tax not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010(6) from the date due until the date of payment.

(5) One dollar ($1) of the amount collected under each paragraph of subsection (1) of this section shall be placed in an agency fund in the Department for Libraries and Archives to be used exclusively for the purpose of preserving and retaining public records by continuing the local records grant program active in the Department for Libraries and Archives. The budgeted amount of funds allocated to the grant

program in the fiscal year 2005-2006 departmental budget shall not be reduced in future years, and shall be increased annually by this additional revenue to be used exclusively for the grants program.

➔Section 163. KRS 142.050 is amended to read as follows:

(1) As used in this section, unless the context otherwise requires:

(a) "Deed" means any document, instrument, or writing other than a will and other than a lease or easement, regardless of where made, executed, or delivered, by which any real property in Kentucky, or any interest therein, is conveyed, vested, granted, bargained, sold, transferred, or assigned.

(b) "Value" means:

1. In the case of any deed not a gift, the amount of the full actual consideration therefor, paid or to be paid, including the amount of any lien or liens thereon; and

2. In the case of a gift, or any deed with nominal consideration or without stated consideration, the estimated price the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer, both conversant with the property and with prevailing general price levels.

(2) A tax upon the grantor named in the deed shall be imposed at the rate of fifty cents ($0.50) for each $500 of value or fraction thereof, which value is declared in the deed upon the privilege of transferring title to real property.

(3) (a) If any deed evidencing a transfer of title subject to the tax herein imposed is offered for recordation, the ***regional public records and licensing administrator*** ~~[county clerk]~~ shall ascertain and compute the amount of the tax due thereon and shall collect the amount as prerequisite to acceptance of the deed for recordation.

(b) The amount of tax shall be computed on the basis of the value of the

transferred property as set forth in the deed.

(c) The tax required to be levied by this section shall be collected only once on each transaction and in the ***area development district***~~[county]~~ in which the deed is required to be recorded by KRS 382.110(1).

(4) The ***regional public records and licensing administrator***~~[county clerk]~~ shall collect the amount due and certify the date of payment and the amount of collection on the deed. The ***regional public records and licensing administrator***~~[county clerk]~~ shall ~~[retain five percent (5%) as his fee for collection and]~~remit ***the amount collected*** ~~[the balance]~~ every three (3) months to the county treasurer, who shall deposit the money in the county general fund.

(5) The Department of Revenue may prescribe regulations necessary to carry out the purposes of this section.

(6) Any ***regional public records and licensing administrator***~~[county clerk]~~ who willfully shall record any deed upon which a tax is imposed by this section without collecting the proper amount of tax and certifying the date and amount of collection on the deed as required by this section based on the declared value indicated in the affidavit appended to the deed shall, upon conviction, be fined $50 for each offense ***and may also be subject to removal from office in accordance with the provisions of Section 1 of this Act***.

(7) The tax imposed by this section shall not apply to a transfer of title:

(a) Recorded prior to March 27, 1968;

(b) To, in the event of a deed of gift or deed with nominal consideration, or from the United States of America, this state, any city or county within this state, or any instrumentality, agency, or subdivision hereof;

(c) Solely in order to provide or release security for a debt or obligation;

(d) Which confirms or corrects a deed previously recorded;

(e) Between husband and wife, or between former spouses as part of a divorce

proceeding;

(f) On sale for delinquent taxes or assessments;

(g) On partition;

(h) Pursuant to:

1. Merger or consolidation between and among corporations, partnerships, limited partnerships, or limited liability companies; or

2. Any conversion of a partnership, limited partnership, corporation, or limited liability company into a partnership, limited partnership, corporation, or limited liability company;

(i) Between a subsidiary corporation and its parent corporation for no consideration, nominal consideration, or in sole consideration of the cancellation or surrender of either corporation's stock;

(j) 1. Under a foreclosure proceeding; or

2. Pursuant to a voluntary surrender under a mortgage in lieu of a foreclosure proceeding;

(k) Between a person and a corporation, partnership, limited partnership or limited liability company in an amount equal to the portion of the value of the real property transferred that represents the proportionate interest of the transferor of the property in the entity to which the property was transferred, if the transfer was for nominal consideration;

(l) Between parent and child or grandparent and grandchild, with only nominal consideration therefor;

(m) By a corporation, partnership, limited partnership, or limited liability company to a person as owner or shareholder of the entity, upon dissolution of the entity, in an amount equal to the portion of the value of the real property transferred that represents the proportionate interest of the person to whom the property was transferred, if the transfer was for nominal consideration;

(n) Between a trustee and a successor trustee; and

(o) Between a limited liability company and any of its members.

(8) The tax imposed by subsection (2) of this section shall not apply to transfers to a trustee, to be held in trust, or from a trustee to a beneficiary of the trust if:

(a) The grantor is the sole beneficiary of the trust;

(b) The grantor is a beneficiary of the trust and a direct transfer from the grantor of the trust to all other individual beneficiaries of the trust would have qualified for an exemption from the tax pursuant to one (1) of the provisions of subsection (7) of this section; or

(c) A direct transfer from the grantor of the trust to all other individual beneficiaries of the trust would have qualified for an exemption from the tax pursuant to one (1) of the provisions of subsection (7) of this section.

(9) As used in this section, "trust" shall have the same definition as contained in KRS 386B.1-010.

➔Section 164. KRS 147.620 is amended to read as follows:

(1) If the fiscal courts of any two (2) or more adjacent counties elect to be consolidated as provided in KRS 147.610, and the respective legislative bodies of cities representing more than two-thirds (2/3) of the population of the residents living within the boundaries of corporate territories of each county, by ordinance or resolution elect to consolidate as provided in KRS 147.610, then the cities and counties so affected shall authorize the execution of a contract between themselves agreeing to participate in the creation of an area planning commission and agreeing to be governed by the provisions of KRS 147.610 to 147.705. When a sufficient number of municipalities and counties have executed said agreement, copies shall be filed in the office of the ***regional public records and licensing administrator***~~[clerk]~~ of each of the counties affected. Thereupon an area planning commission is established. If at some later date the fiscal court and the legislative

bodies of cities representing more than two-thirds (2/3) of the population of the residents living within the boundaries of the corporate territory of another adjacent county elect to join the area planning commission, then the cities and county so affected shall authorize the execution of a contract between themselves agreeing to participate and be governed by the provisions of KRS 147.610 to 147.705. The existing area planning council, as previously created under KRS 147.610 to 147.705 shall be empowered to execute an agreement accepting the new contract in behalf of the existing area planning council and commission. When such agreement is executed copies shall be filed in the office of the ***regional public records and licensing administrator*** ~~[clerk]~~ of each of the counties affected. Thereupon the new area planning commission boundaries are established.

(2) Any area planning commission created under the provisions of KRS 147.610 to 147.705 may be dissolved or altered in accordance with subsection (3), (4), or (5) of this section.

(3) An area planning commission may be altered or dissolved by the fiscal court, as follows:

(a) Upon receipt of a petition and following a public hearing as provided herein, the fiscal court may alter the boundaries of an area planning commission by reducing its area, or may dissolve an area planning commission if that commission has for a period of two (2) consecutive years failed to provide the services for which it was established, or if all or a portion of such services have been provided by some other entity. The fiscal court of each member county of an area planning commission must vote to dissolve the commission before such dissolution may take effect.

(b) Upon receipt of a petition signed by at least twenty-five percent (25%) of the number of registered voters who voted in the last presidential election, the fiscal court shall schedule a public hearing on the matter of alteration or

dissolution and advertise such hearing as provided in KRS 424.130.

(c) The petition shall be in substantially the following form: "The undersigned registered voters as determined by subsection (3)(b) of this section living within the area planning commission territory (and containing a description of the territory) hereby request that the fiscal court consider the alteration or dissolution of the area planning commission pursuant to this section." The petition shall conspicuously state in laymen's terms that any legal obligations of the commission must be satisfied before the commission can be dissolved and that the citizens residing within the area planning commission territory shall be responsible for the satisfaction of any obligations. Signatures on the petition shall be dated, the last no later than ninety (90) days after the first.

(d) At the hearing, the burden of proving that the commission is providing or taking substantial steps toward providing the services for which it was created, or that no other entity is providing the service, shall be upon the commission. In determining whether to alter, dissolve or to take no action in regard to the commission, the fiscal court shall consider testimony offered at the hearing and any other relevant information including but not limited to the following:

1. Present and projected need for the service provided by the commission;
2. Population density of the commission;
3. Existence of alternate providers of services;
4. Revenue base of the commission such as assessed valuation and bonding capacity; and
5. Consequences of alteration of the commission's boundaries on the effectiveness and efficiency of the commission.

(e) Within sixty (60) days following the hearing, the fiscal court shall set forth its written findings of fact in approving or disapproving the alteration or dissolution of the commission.

1. If the fiscal court determines to dissolve the commission, it shall determine a method to satisfy any legal obligations of the commission which might be affected thereby. Upon satisfaction of its legal obligations, the commission shall be legally dissolved; any special ad valorem tax imposed by the commission shall be removed from the tax rolls by the ~~[county]~~ clerk; and any assets of the commission shall be assumed by the county.
2. If the fiscal court determines to alter the boundaries of the commission, it shall draw the new boundaries of the commission and determine the proportional amount of existing legal obligations of the area which is to be excluded from the commission. Upon the satisfaction of such obligations, the new boundaries of the commission shall be legally effected and any affected taxpayer shall be removed from the tax rolls of the commission.

(f) If the final decision of the fiscal court or the Circuit Court, in the case of an appeal as provided for herein, is against the alteration or dissolution of the commission, no attempt to alter or dissolve the commission pursuant to this section shall be made within three (3) years of the decision.

(g) Any petitioner or member of the commission may, within thirty (30) days of the fiscal court's decision, appeal an adverse finding of the fiscal court to the Circuit Court in the county containing the greater part of the commission. The Circuit Court shall review the decision of the fiscal court but shall reverse the decision only if such decision is found to be arbitrary or capricious. If the Circuit Court reverses the decision of the fiscal court by ordering the alteration or dissolution of the commission, it shall direct the fiscal court to determine, as provided in subsection (3)(e) of this section, a method for satisfying any legal obligations of the commission which might be affected

thereby.

(4) An area planning commission may be dissolved by a referendum as follows:

(a) Persons seeking dissolution of the commission shall submit a petition to the county clerk signed by at least twenty-five percent (25%) of the number of registered voters who voted in the last presidential election.

(b) The petition shall be in substantially the following form: "The undersigned registered voters as determined by subsection (4)(a) of this section, living within the area planning commission territory (and containing a description of the territory) hereby request that the question of the dissolution of the commission be put to a referendum." The petition shall conspicuously state in laymen's terms that any legal obligations of the commission must be satisfied before the commission can be dissolved and that citizens residing within the area planning commission territory shall be responsible for the satisfaction of any such obligations. Signatures on the petition shall be dated, the last no later than ninety (90) days after the first.

(c) If the county clerk determines that the petition is in proper order, he shall certify the petition to the fiscal court. The fiscal court shall direct that the question be placed on the ballot at the next regular election if the question is submitted to the county clerk not later than the second Tuesday in August preceding the regular election. The fiscal court shall bear the costs of advertising and placing the question on the ballot.

(d) The county clerk shall advertise the question as provided in KRS Chapter 424 and shall prepare the question for the ballot. The ballot shall contain the following admonition to the voter: "The (name of the area planning commission) may have existing legal obligations which must be satisfied before the commission can be dissolved. The citizens residing within the area planning commission territory shall be responsible for the satisfaction of any

obligations." The question of the dissolution of the commission shall be placed on the ballot in substantially the following form: "The (name of the area planning commission and containing a description of the commission's territory) should be dissolved." The voter shall vote "yes" or "no."

(e) All registered voters shall be eligible to vote on the question of dissolution.

(f) In referendums under this section, provision shall be made for those opposing the dissolution of the commission to have equal representation with the proponents of the measure in the determination of eligibility of voters, and in the observance of canvassing and certifying of the returns.

(g) If a majority of those voting in the referendum as provided for herein, favor the dissolution of the commission, the commission shall, upon satisfaction of its legal obligations, be dissolved by the order of the fiscal court, any special ad valorem tax imposed by the commission shall be removed from the tax rolls by the ~~[county]~~ clerk and any assets of the commission shall be assumed by the county.

(h) If a majority of those voting in the referendum oppose the dissolution of the commission, no attempt to dissolve the commission pursuant to this section shall be made within five (5) years of the election.

(i) Each member county of an area planning commission must follow the procedures defined herein, before such dissolution may take effect.

(j) Any member county of an area planning commission may withdraw its membership after following the procedures defined herein. The commission shall continue to function after such withdrawals, with its boundaries consisting of the remaining county members. No county may withdraw from any commission unless it satisfies its part of all contractual obligations assumed by the commission prior to the passage of its resolution.

(5) Nothing contained herein shall be construed as prohibiting any county, which is

included in the territory of an area planning commission, from withdrawing that county's membership in an area planning commission, provided that the procedures for effectuating such withdrawal shall be in accordance with either subsection (3) or (4) of this section.

➔Section 165. KRS 147.630 is amended to read as follows:

(1) The area planning commission as created under the provisions of KRS 147.610 to 147.705 shall be composed of not more than nine (9) members who shall be selected from governmental units participating in the existence of the area planning commission by the affirmative action of the area council hereinafter provided for.

(2) Of the initial membership five (5) members shall be elected for a term of two (2) years, and four (4) members for a term of one (1) year each, and upon the expiration of their respective terms the successors of each shall be elected for a term of two (2) years.

(3) At its first regular meeting in each year, the commission shall elect from its membership a chairman and a vice chairman. The vice chairman shall have the authority to act as the chairman during the absence of its chairman.

(4) The commission may appoint from within or without its own membership a secretary, prescribe his duties and fix his compensation.

(5) Members of the commission may be removed for cause by an affirmative action of the area council.

(6) Vacancies may be filled at any time by the affirmative action of the area council for the unexpired term existing.

(7) Each member of the commission, before entering upon his official duties, shall take and subscribe to an oath that he will honestly, faithfully, and impartially perform the duties of his office, and that he will not be interested in any contract let for the purpose of carrying out any of the provisions of KRS 147.610 to 147.705. The oath shall be filed with the ***regional public records and licensing administrator*** ~~[county~~

~~clerk]~~ in the ***area development district*** ~~[county]~~ of his residence.

(8) Each member of the commission shall give a good and sufficient bond, to be approved by the area council, conditioned upon the faithful and honest performance of his duties, and as security for all moneys coming into his hands or under his control. The cost of the bond shall be paid by the commission.

(9) A quorum shall consist of a majority of the members of the commission.

(10) The commission shall appoint a treasurer from within or without its membership, prescribe his duties and fix his compensation. The treasurer shall execute a good and sufficient bond, conditioned upon the faithful and honest performance of his duties and as security for all moneys coming into his hands or under his control. Said bond shall be in the penal sum of twenty-five thousand dollars ($25,000). The cost of the bond shall be paid by the commission.

(11) Meetings shall be held at the call of the chairman.

➔Section 166. KRS 147.660 is amended to read as follows:

(1) The area planning commission created hereunder, when accepted by the cities and counties affected as provided for herein, shall then be a political subdivision and shall be in perpetual existence, with power to sue and be sued, contract and be contracted with, incur liabilities and obligations, levy an annual tax, which shall not exceed more than five cents ($0.05) upon each one hundred dollars ($100) of the assessed valuation of property within the counties affected, to be used for the purpose of defraying all expenses necessary and incidental to carry out the continuing activities of the area planning commission. This tax shall be certified to the auditors and ***regional public records and licensing administrators*** ~~[county clerks]~~ of the various counties and by them to the respective treasurers of the counties, signator to the contract provided for in KRS 147.620. The tax shall be based upon the last preceding assessment for state and county purposes. Its collection shall be imposed upon all property within the counties participating and

shall conform to the collection of taxes for counties and the same provisions concerning the nonpayment of taxes shall apply. The tax shall be added by the ***regional public records and licensing administrator***~~[county clerk]~~ to the next state and county tax bill following the levy of the tax by the area planning commission, and shall be collected concurrently with state and county taxes. The sheriff shall be allowed a fee not to exceed four percent (4%) for collection.

(2) In the performance of its duties, the area planning commission may cooperate with, contract with, or accept funds from federal, state, or local public or semipublic agencies, or private individuals or corporations within or without the Commonwealth, may expend such funds and may carry out such cooperative undertakings and contracts.

➔Section 167. KRS 148.056 is amended to read as follows:

(1) The commissioner of parks, in his discretion, may employ and commission park rangers as the commissioner deems necessary to secure the parks and property of the Department of Parks and to maintain law and order and such employees, when so commissioned, shall have all of the powers of peace officers and shall have on all parks property and on public highways transversing such property in all parts of the state the same powers with respect to criminal matters and enforcement of the laws relating thereto as sheriffs, constables and police officers in their respective jurisdictions, and shall possess all the immunities and matters of defense now available or hereafter made available to sheriffs, constables and police officers in any suit brought against them in consequence of acts done in the course of their employment.

(2) The designation of any such employee as a peace officer shall be governed by the provisions of KRS 61.300 except that he shall not be required to have resided in the county wherein he is to serve for a period of at least two (2) years, and he shall be required to file his photograph and affidavit only with the ***regional public records***

and licensing administrator for Franklin county~~[Franklin county clerk]~~.

(3) Any employee so commissioned shall be required to execute bond, subject to the provisions of KRS 62.170, for the faithful and lawful performance of his duties.

➔Section 168. KRS 149.570 is amended to read as follows:

(1) When the property tax rolls are delivered to the ***regional public records and licensing administrator***~~[county clerk]~~ by the property valuation administrator, as required by law, the ***regional public records and licensing administrator***~~[county clerk]~~ shall compute the assessment due the county from each owner of timberland in accordance with the rate fixed by the county governing body and the amount of timberland acreage indicated on the property tax roll.

(2) The computation shall be made on the regular tax bills in such manner as may be directed by regulation of the Department of Revenue.

(3) The ***regional public records and licensing administrator***~~[county clerk]~~ shall deliver these bills to the sheriff for collection as provided in KRS 133.220(3).

➔Section 169. KRS 150.240 is amended to read as follows:

(1) The commissioner, with the approval of the commission, may contract with any landowner of the state, for a specified term of years, to set aside and maintain land as a game refuge. Any such contracts may be recorded in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office of the ***area development district***~~[county]~~ in which the land is situated.

(2) The commissioner, with the approval of the commission, may issue permits for public or commercial shooting areas, and shall adopt regulations governing same.

➔Section 170. KRS 154A.420 is amended to read as follows:

(1) All proceeds from the sale of lottery tickets received by a person in the capacity of a lottery retailer shall constitute a trust fund until paid to the corporation either directly, or through the corporation's authorized collection representative. Proceeds shall include unsold instant tickets received by a lottery retailer and cash proceeds

of sale of any lottery products, net of allowable sales commissions and credit for lottery prizes paid to winners by lottery retailers. Sales proceeds and unused instant tickets shall be delivered to the corporation or its authorized collection representative upon demand. The corporation shall, by administrative regulation, require retailers to place all lottery proceeds due the corporation in accounts in institutions insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation not later than the close of the next banking day after the date of their collection by the retailer until the date they are paid over to the corporation. The corporation may require a retailer to establish a single separate electronic funds transfer account, where available, for the purpose of receiving moneys from ticket sales, making payments to the corporation, and receiving payments from the corporation. Lottery retailers shall be personally liable for all proceeds. This section shall apply to all lottery tickets generated by computer terminal, other electronic device, and any other tickets delivered to lottery retailers.

(2) Whenever any person who receives proceeds from the sale of lottery tickets in the capacity of a lottery retailer becomes insolvent, or dies insolvent, the proceeds due the corporation from such person or his estate shall have preference over all debts or demands.

(3) (a) A lien is hereby given to the corporation on all funds and other personal property, on all real property, and on all rights to real or personal property owned or subsequently acquired by each retailer in the amount of, and to secure, the retailer's obligations to remit lottery proceeds to the corporation. The lien shall be in the amount of all sums due to the corporation at any time, together with all interest, penalties, fees, commissions, charges, and other expenses incurred by reason of nonpayment of the lottery proceeds to the corporation or in the process of collecting those proceeds, and shall have priority over any other obligation or liability for which the funds or real or

personal property are liable. The lien shall be of equal rank with the tax liens of the state, or any city, county, or other taxing authority within the state. The lien shall arise upon the receipt of lottery proceeds by the retailer, whether or not the retailer is at that time obligated to remit all or any portion of those proceeds to the corporation, and shall be enforceable until the liability is paid or extinguished.

(b) The lien imposed by paragraph (a) of this subsection shall not be valid as against any purchaser, judgment lien creditor, or holder of a security interest or mechanic's lien until notice of the corporation's lien has been filed by the corporation with the ***regional public records and licensing administrator*** ~~[county clerk]~~ of any ***area development district or districts*** ~~[county or counties]~~ in which the retailer's business or residence is located, or in any ***area development district*** ~~[county]~~ in which the retailer has an interest in property. The recording of the lien shall constitute notice of both the original obligation to the corporation and all subsequent obligations to the corporation of the same retailer. Upon request, the corporation shall disclose the specific amount of liability at any given date to any interested party legally entitled to the information.

(c) Even though notice of a lien has been filed as provided by paragraph (b) of this subsection, and notwithstanding the provisions of KRS 382.520, the lien imposed by paragraph (a) of this subsection shall not be valid with respect to a security interest which comes into existence after the notice of lien has been filed by reason of disbursements made within forty-five (45) days after the date the lien was filed or the date the person making the disbursements had actual notice of the lien filing, whichever is earlier, if the security interest:

1. Is in property which at the time of filing is subject to the lien imposed by paragraph (a) of this subsection, and is covered by the terms of a written

agreement entered into before the lien is filed; and

2. Is protected under local law against a judgment lien arising as of the time of the lien filing, out of an unsecured obligation.

(d) The corporation shall be afforded the same rights and remedies with respect to enforcement of any lien and collection of lottery proceeds as is afforded state, county, city, and other taxing authorities by KRS Chapter 134.

➔Section 171. KRS 160.460 is amended to read as follows:

(1) All school taxes shall be levied by the board of education of each school district. The tax-levying authority shall levy an ad valorem tax within the limits prescribed in KRS 160.470, which will obtain for the school district the amount of money needed as shown in the district's general school budget submitted under the provisions of KRS 160.470.

(2) The tax-levying authority shall make an annual school levy not later than July 1. The school levy shall not be made until the general school budget has been received and approved by the Kentucky Board of Education. The failure of the authority to make the levy by the date prescribed shall not invalidate any levy made thereafter.

(3) All school taxes shall be levied on all property subject to local taxation in the jurisdiction of the tax-levying authority. If the school levy is to be made upon the city assessment, which is hereby authorized for independent school districts embraced by designated cities, the clerk of the city shall furnish to the school district or districts which the city embraces, the assessed valuation of property subject to local taxation in the school district, as determined by its tax assessor. If the school levy is to be made upon the county assessment the ***regional public records and licensing administrator***~~[county clerk]~~ shall furnish to the proper school district or districts the assessed valuation of property subject to local taxation in the district or districts, as certified by the Kentucky Department of Revenue. No later than July 1, 1994, all real property located in the state and subject to local

taxation shall be assessed at one hundred percent (100%) of fair cash value.

(4) As used in this section, "designated city" means a city classified as a city of the first, second, third, or fourth class as of January 1, 2014, under the city classification system in effect prior to January 1, 2015. The Department of Education shall, on or before January 1, 2015, create an official registry listing the cities that qualify as a "designated city" under this section and shall publish that registry on its Web site.

➔Section 172. KRS 164.625 is amended to read as follows:

(1) The director of extension is hereby authorized to promulgate regulations relating to the establishment of and continuation of extension councils. Said regulations may apply to a specific county.

(2) An extension council shall be established for each extension district. Each extension council shall be organized under regulations approved by the director of extension and shall be comprised of not less than fifteen (15) citizens nor more than forty (40) citizens of the county in which the extension district is located, subject to the provisions of subsection (2) of KRS 164.635. All members of the extension council shall be appointed by the county groups and organizations of the county whose major interest is in agriculture and home economics such as farm bureaus, homemaker councils, 4-H Club councils and various commodity groups but is not necessarily limited to those mentioned. In event of question the eligibility of a group to appoint to the extension council shall be determined by the director of extension. The number of members of each extension council shall be determined by the size of the county, the diversity of agricultural interests of the county, and other like factors and shall be according to regulations mentioned in subsection (1) of this section. Each extension council shall adopt a set of bylaws providing for its operation and terms of membership according to the same regulations.

(3) All regulations issued under the provisions of this section shall be filed in accordance with KRS Chapter 13A. Immediately after filing, the director of

extension shall cause the text of every regulation to be published pursuant to KRS Chapter 424. The director of extension shall also mail two (2) copies of every regulation to the ***regional public records and licensing administrator*** ~~[county clerk]~~ of the ***area development district*** ~~[county]~~ in which the regulation is applicable, one (1) copy of which shall be posted on the courthouse door or bulletin board. Additional distribution may be made at the discretion of the director of extension.

➔Section 173. KRS 164.655 is amended to read as follows:

The extension board of each extension district shall have the following powers and duties:

(1) To serve as an agency of the Commonwealth and to manage and transact all of the business and affairs of its district and have authority to acquire property necessary for the conduct of the business of the district for the purposes of KRS 164.605 to 164.675;

(2) To enter into an annual memorandum of agreement with the extension service and the extension district. This memorandum of agreement shall set forth the policy pertaining to (a) appointment of personnel to serve in the district, (b) financing of extension work in the district, and (c) responsibilities of the cooperating parties in planning and executing the program;

(3) To, and shall as soon as possible following the first meeting in which the officers are elected and annually thereafter, file in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ a certificate signed by its chairman and secretary, certifying the names, addresses and terms of office of each member and the names and addresses of the officers of the extension board with the signatures of the officers affixed thereto, and said certificate shall be conclusive as to the organization of the extension district, its extension board and as to its members and its officers;

(4) With the advice of the extension council, to make and adopt such rules and

regulations not inconsistent with the law as it may deem necessary for its own government in the transaction of the business of the extension district;

(5) To cooperate with the extension service and the extension council in conducting an extension program in agriculture, home economics, youth work and related subjects in the extension district. Said program shall be planned and executed upon the advice, recommendations and assistance of the extension council with the board to make final decisions;

(6) To cooperate with other extension districts in the employment of personnel, conduct of programs and sponsorship of activities for the mutual benefit of each;

(7) To cooperate with all extension organizations, farm organizations, state and federal agencies, civic clubs and any other organizations who may be interested in and willing to cooperate in conducting the extension programs in the extension district;

(8) To prepare annually not later than April 15 of each year in cooperation with the director of extension an extension district budget for the ensuing year. This budget shall be prepared with consideration being given to the advice and recommendations of the extension council, must be consistent with financing policies of the extension service and shall reflect the agricultural, home economics, youth and related subject matter needs of people in the extension district;

(9) To deposit all district extension education funds in a bank or banks approved by it in the name of the extension district. These receipts shall constitute a fund known as the district cooperative extension education fund which shall be disbursed by the treasurer of the extension board in accordance with the annual budget and the annual memorandum of agreement between the board and the extension service;

(10) To, from time to time when necessary and on approval of the fiscal court, borrow such funds as may be required to meet the financial obligations of the extension district; provided, however, that the extension board cannot in any fiscal year incur indebtedness in an amount which would be in excess of the anticipated revenue of

said district for the fiscal year. The amount of the anticipated revenue shall be certified to said board by the fiscal court of the county in which the district is located;

(11) To expand the district cooperative extension education fund for salaries and travel expense of extension personnel, rental, office supplies, equipment, communications, office facilities, services and property acquisition and in payment of such other items as may be necessary to carry out the extension district program;

(12) To carry over unexpended district cooperative extension education funds into the next fiscal year so that funds will be available to carry on the program; provided, however, that such anticipated carry-over funds shall be taken into consideration in the formulation of the extension district budget for the ensuing year;

(13) To comply with the requirements of KRS 65A.010 to 65A.090;

(14) To be remunerated from the district cooperative extension education fund for actual expenses incurred in the performance of services for the extension district; provided, however, that payments for expenses must be approved by the extension board;

(15) To accept contributions from fiscal courts and boards of education for use in conducting extension work in the extension district as provided for under KRS 247.080;

(16) To accept private funds for use in conducting extension work in the extension district; provided, however, that the acceptance of all such contributions must be approved by the director of extension; and

(17) To collect reasonable fees for specific services which require special equipment or personnel such as soil testing services, seed testing services or other services in support of the educational program of the extension district.

➔Section 174. KRS 173.570 is amended to read as follows:

(1) Within sixty (60) days after the close of each fiscal year the board shall make a

written report to the Department for Libraries and Archives. A copy of this report shall be filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~ of each ***area development district*** ~~[county]~~ within the district. The report shall contain:

(a) A statement of the property acquired by devise, bequest, purchase, gift or otherwise during the fiscal year;

(b) A statement of the character of library service furnished to the district during the fiscal year; and

(c) Any other statistics or information requested by the Department for Libraries and Archives.

(2) The board shall comply with the provisions of KRS 65A.010 to 65A.090.

➔Section 175. KRS 173.770 is amended to read as follows:

(1) Within sixty (60) days after the close of each fiscal year, the board shall make a written report to the Department for Libraries and Archives. A copy of this report shall be filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~ of each ***area development district*** ~~[county]~~ within the district. The report shall contain:

(a) A statement of the property acquired by devise, bequests, purchase, gift, or otherwise during the fiscal year;

(b) A statement of the character of library service furnished to the district during the fiscal year; and

(c) Any other statistics or information requested by the Department for Libraries and Archives.

(2) The board shall comply with the provisions of KRS 65A.010 to 65A.090.

➔Section 176. KRS 173.790 is amended to read as follows:

(1) The special ad valorem tax rate for the maintenance and operation of a public library district created pursuant to KRS 173.710 to 173.800 before July 13, 1984,

shall not be increased or decreased unless a duly certified petition requesting an increase or decrease in the tax rate of a specifically stated amount is signed by fifty-one percent (51%) of the number of duly qualified voters voting at the last general election in each county in the district. Such petition shall be filed with the fiscal court in each county in the district not later than ninety (90) days after the date of the first signature. The fiscal court shall order the court to increase or decrease the ad valorem tax, as stated in the petition.

(a) The petition shall read, "The following duly qualified voters of (insert name of county or counties) hereby petition the fiscal court of each county concerned to increase (or decrease) the special ad valorem tax from (insert exact amount) to (insert exact amount) on each one hundred dollars ($100) worth of property assessed for local taxation in the district for the maintenance and operation of the (insert name) Public Library District."

(b) The petition shall contain the following: The name and address of each petitioner and the date upon which he signed the petition.

(2) Any increase provided for in subsection (1) of this section shall not exceed twenty cents ($0.20) on each one hundred dollars ($100) of the assessed valuation of all property in the district.

(3) A petition requesting a decrease in the tax rate will not be considered of any legal effect if, at any time prior to the filing of such a petition for decrease, either:

(a) Contractual obligations have been assumed by pertinent contracting authorities in connection with said subject library, which contractual obligations would be adversely affected by any such decrease; or

(b) If, as of the time of filing of such a petition for decrease, the board of such district shall have arranged for the financing of a library in that district pursuant to a plan of financing involving a lease of that library to the board under which lease the board is not bound for more than one (1) year at a time

without exercising an annual option to renew the lease and such lease remains effective and has not been terminated; or

(c) If less than three (3) years have passed since the certified copy of the order of the fiscal court ordering the levy of the tax was filed with the ***regional public records and licensing administrator***~~[county clerk]~~.

➔Section 177. KRS 173.795 is amended to read as follows:

Counties outside of any existing district, and contiguous thereto, may be annexed to the district in the following manner:

(1) Upon filing with the fiscal court of a duly certified petition of fifty-one percent (51%) of the duly qualified voters voting at the last general election, the fiscal court of each county in the district and each county proposed to be annexed shall adopt a resolution annexing the territory to the district. A certified copy of the order of the fiscal court shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ within the next thirty (30) days.

(2) The petition shall be in substantially the following form: "The following duly qualified voters of (insert name of county or counties) petition their respective fiscal courts to annex the following described territory (here describe the territory) to the (name district) public library district with the authority to levy an ad valorem tax of (state exact amount) on each one hundred dollars ($100) worth of property subject to local taxation in the above stated territory."

➔Section 178. KRS 173.800 is amended to read as follows:

A district may be dissolved in the following manner:

(1) Upon filing of a duly-certified petition of fifty-one percent (51%) of the number of qualified voters who voted in the last general election in the district, the fiscal court of each county in the district shall adopt a resolution to dissolve a library district.

(2) The petition shall be in substantially the following form: "The following qualified voters in (insert name of county or counties) favor dissolving the (insert name of

district) Public Library District." It shall be presented to the fiscal court within ninety (90) days after having been signed by the first petitioner.

(3) A certified copy of the order of the fiscal court shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~.

(4) The ***regional public records and licensing administrator or regional public records and licensing administrators***~~[county clerk or clerks]~~ in the district will thereupon remove the tax levy from the tax bills of the property owners of the district and the district shall be dissolved.

(5) A petition for dissolution will not be considered of any legal effect if, at any time prior to the filing of such a petition for dissolution, either:

(a) Contractual obligations have been assumed by pertinent contracting parties in connection with said subject library, which contractual obligations would be adversely affected by any such dissolution; or

(b) If, as of the time of filing of such a petition for dissolution, the board of such district shall have arranged for the financing of a library in that district pursuant to a plan of financing involving a lease of that library to the board under which lease the board is not bound for more than one (1) year at a time without exercising an annual option to renew the lease and such lease remains effective and has not been terminated; or

(c) If less than three (3) years have passed since the certified copy of the order of the fiscal court ordering the levy of the tax was filed with the ***regional public records and licensing administrator***~~[county clerk]~~.

(6) After all contractual obligations, existing prior to the time of the attempted filing of such petition for dissolution, have been satisfied, then, at such time, a petition for dissolution may be effectively filed under this section, provided that other provisions of this section are complied with.

➔Section 179. KRS 178.040 is amended to read as follows:

(1) In order to change the width of a county road, the fiscal court, an urban-county government, or a consolidated local government shall make a special order for a different width. The order shall be recorded in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~. In order to change the width of the right-of-way of a portion of a county through road system the fiscal court of a county containing a city of the first class or a consolidated local government may make a special order for a different width. The order shall be recorded in the office of the county road engineer.

(2) All county roads and all public roads that are being adopted into a county road system after July 13, 2004, shall occupy a minimum right-of-way width of thirty (30) feet, fifteen (15) feet in each direction as measured from the centerline of the road, unless the fiscal court finds that a thirty (30) foot minimum cannot be met due to the topography of the road or other extraordinary circumstances. All county roads and all public roads that were in existence prior to July 13, 2004, shall not be required to occupy a minimum right-of-way width of thirty (30) feet under this subsection. A fiscal court, an urban-county government, or a consolidated local government may order the minimum right-of-way to be a greater width. All roads added to the county through road system in a county containing a city of the first class or a consolidated local government in accordance with KRS 178.333 shall occupy a right-of-way width as ordered by the fiscal court or the consolidated local government.

(3) In acquiring a right-of-way for a county through road within any city, the fiscal court or the county court of a county containing a city of the first class or the consolidated local government may exercise any powers granted them by statute for the acquisition of property.

➔Section 180. KRS 178.320 is amended to read as follows:

(1) The county road engineer shall turn over to the ***regional public records and***

licensing administrator~~[county clerk]~~ all documents of title to all rights-of-way, whether acquired by gift or condemnation, and all documents relating to discontinuations of public roads, including maps, plats and surveys.

(2) The ***regional public records and licensing administrator***~~[county clerk]~~ shall keep on convenient file or in books prepared for that purpose a complete record of all such documents.

➔Section 181. KRS 178.415 is amended to read as follows:

When the fiscal court has made a determination in accordance with the provisions of KRS 178.410 that the road, street, or highway has been dedicated to public use, the county shall have a fee simple title to the part of the road, street, or highway which the plat, filed in the office of the ***regional public records and licensing administrator***~~[county clerk]~~, indicates as being for street purposes. However, if the road, street, or highway is dedicated in accordance with the provisions of KRS 178.405, and a plat does not exist, then the fiscal court shall establish a thirty (30) foot minimum width as a condition precedent to dedication to public use, unless the fiscal court finds that a thirty (30) foot minimum cannot be met due to the topography of the road or other extraordinary circumstances.

➔Section 182. KRS 179.060 is amended to read as follows:

(1) The county judge/executive may remove the county engineer, appointed under KRS 179.020, at any time for incompetency, malfeasance or misfeasance in office upon written charges after a hearing of which ten (10) days' notice shall be given by serving a copy of the charges upon the county engineer. The hearing shall be at the courthouse, in the county seat.

(2) If upon the hearing the charges are sustained, the county judge/executive shall remove the county engineer and immediately notify him by mail of his removal. The notice shall state specifically the grounds for removal. The record of the proceedings shall be filed in the office of the ***regional public records and licensing***

administrator~~[county clerk]~~.

(3) Within ten (10) days after the removal, the county judge/executive, with the consent of the fiscal court, shall appoint a county engineer to fill the vacancy caused by the removal. The person so appointed shall hold office for the unexpired term or until a final order of a court of competent jurisdiction determines that the original county engineer was wrongfully and illegally removed and directs his reinstatement.

➔Section 183. KRS 179.330 is amended to read as follows:

(1) Every county road shall be known by the name by which it was designated on the map or plat or record in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which it is located or by the order of the court establishing the road, or by the deed conveying the right-of-way for the road to the county.

(2) When the name of any road has been designated as provided in subsection (1) of this section, the name of the road can only be changed by an order of the county judge/executive or the mayor of a consolidated local government. Such order may be issued on a petition and proceeding in which fifty percent (50%) or more of the property owners abutting upon the road have joined in the petition or have been summoned for a hearing upon the petition by the county judge/executive or the mayor of a consolidated local government at a day and time designated for the hearing or in counties containing a city of the first class or consolidated local government upon the recommendation of the county engineer and of the planning and zoning commission. On similar proceeding an order may be issued designating a name for any unnamed road in the county.

(3) The fiscal court or a consolidated local government may cause signs bearing the name of each road as fixed by the county judge/executive or the mayor of a consolidated local government, to be placed on the roads, or it may, by a resolution duly recorded, authorize any person or organization to erect signs, approved as to

form by the fiscal court or a consolidated local government, bearing the name designated to the road by the county judge/executive or the mayor of a consolidated local government.

(4) No person or organization shall remove or damage any sign erected as hereinabove provided for, or erect or place or cause to be erected or placed, upon a road any sign or signs, indicating, marking, or designating a road by any other name than as hereinabove provided for.

(5) Nothing in this section shall prohibit the Department of Highways from designating roads built under the supervision of the Department of Highways, either by name or number.

➔Section 184. KRS 179.710 is amended to read as follows:

(1) The territorial limits of an established subdivision road district, as established pursuant to KRS 179.700 to 179.735 may be enlarged or diminished in the following way: The trustees of the district shall file a petition in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office of the ***area development district*** ~~[county]~~ in which that district and the territory to be annexed or stricken off, or the greater part thereof, is located, describing the territory to be annexed or stricken and setting out the reasons therefor. Notice of the filing of such petition shall be given by publication and posting in the same manner as provided for in KRS 65.182. On the day fixed in the notice, the county judge/executive shall, if the proper notice has been given, and the publication made, and no written objection or remonstrance is interposed enter an order annexing or striking off the territory described in the petition. Fifty-one percent (51%) or more of the freeholders of the territory sought to be annexed or stricken off may, at any time before the date fixed in the notice, remonstrate in writing, filed in the clerk's office, to the action proposed. If such written remonstrance be filed, the clerk shall properly give notice to the trustees of the subdivision road district and the county

judge/executive shall hear and determine the same. If upon such hearing, the county judge/executive finds from the evidence that a failure to annex or strike off such territory will materially retard the functioning of the district and materially adversely affect the owners and the inhabitants of the territory sought to be annexed or stricken off, he shall enter an order, granting the annexation or striking off the territory. In the latter event, no new petition to annex or strike off all or any part of the same territory shall be entertained for a period of two (2) years. Any aggrieved person may bring an action in Circuit Court to contest the decision of the county judge/executive.

(2) The property in any territory annexed to a subdivision road district shall not be liable to taxation for the purpose of paying any indebtedness incurred by the district prior to the date of the annexation of such territory, except such indebtedness as represents balance owing on purchase price of road equipment.

(3) The property in any territory stricken off from a subdivision road district by the incorporation of or annexation by a city of this Commonwealth shall not be relieved of liability of such taxes as may be necessary to pay its proportionate share of the indebtedness incurred while such territory was a part of that district.

(4) Territories stricken by action of the county judge/executive under the provisions of subsection (1) of this section shall be relieved of liability for all indebtedness incurred by the subdivision road district.

➔Section 185. KRS 179.720 is amended to read as follows:

(1) Upon the creation of a subdivision road district as provided in KRS 179.700 to 179.735, the trustees of such district are hereby authorized to levy a tax rate upon the property in said district, provided that said property is subject to county tax, and not exceeding ten cents ($0.10) per one hundred dollars ($100) of valuation as assessed for county taxes, for the purpose of defraying the expenses of the maintenance of roads within the subdivision district. The rate set in this subsection

shall apply, notwithstanding the provisions of KRS 132.023.

(2) The trustees of a district may contract with the county containing the district to perform maintenance on or to provide personnel, materials or equipment for maintenance to be performed upon any road in the district. The county may maintain or provide personnel, materials or equipment for the maintenance of the roads of a district, so long as the district agrees to pay the county's total cost of providing services, personnel, materials or equipment.

(3) The property valuation administrator of the county or counties involved, with the cooperation of the board of trustees, shall note on the tax rolls the taxpayers and valuation of the property subject to such assessment. The ***regional public records and licensing administrator***~~[county clerk]~~ shall compute the tax on the regular state and county tax bills in such manner as may be directed by regulation of the Department of Revenue.

(4) Such taxes shall be subject to the same delinquency date, discounts, penalties and interest as are applied to the collection of ad valorem taxes and shall be collected by the sheriff of the county or counties involved and accounted for to the treasurer of the district. The sheriff shall be entitled to a fee of four percent (4%) of the amount collected by him.

➔Section 186. KRS 184.070 is amended to read as follows:

(1) Each director, before entering upon his official duties, shall take and subscribe to an oath before the ***regional public records and licensing administrator or the administrator's designee***~~[county clerk]~~ that he will honestly, faithfully and impartially perform the duties of his office and that he will not be interested directly or indirectly in any contract let for the purpose of carrying out any of the provisions of this chapter. Said oath shall be filed among the minutes of the road district and noted on the minutes of the county judge/executive.

(2) Each director shall give a good and sufficient bond in an amount to be fixed by

order entered by the county judge/executive, said bond to be approved of by the county judge/executive and to provide for the faithful performance of his duties and as security for all moneys coming into his hands. The cost of such bonds shall be borne by the road district.

➔Section 187. KRS 184.230 is amended to read as follows:

At the end of the thirty (30) day period following the notification of all property owners of the assessment against their property, the attorney for the district, upon receiving instructions so to do, shall file in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ a lis pendens notice against each parcel of property the owner of which has entered into an agreement to pay his assessment in installments or who has failed or refused either to pay his assessment in cash or to enter into an agreement, and the lien hereinbefore created shall thereupon be and become effective as against each parcel of property so affected.

➔Section 188. KRS 205.745 is amended to read as follows:

(1) A child support lien or levy in favor of the cabinet shall be enforceable against all real and personal property of the obligor if he has failed to make child support payment in an amount equal to support payable for one (1) month and the child support has been assigned to the cabinet. In accordance with subsection (4) of this section, the lien or levy shall have first priority over any other lien assigned by any other agency, association, or corporation.

(2) The cabinet shall file a notice of lien or levy with the ***regional public records and licensing administrator***~~[county clerk]~~ of any ***area development district or area development districts***~~[county or counties]~~ in which the obligor has interest in property and the notice shall be recorded in the same manner as notices of lis pendens. The recordation shall constitute notice of both the original amount of child support due and all subsequent amounts due by the same obligor. Upon request, an authorized agent of the cabinet shall disclose the specific amount of liability to any

interested party legally entitled to the information. The notice, when so filed, shall be conclusive to all persons of the lien or levy on the property having legal situs in that county. The lien or levy shall commence as to property of the obligor located in the Commonwealth at the time the notice is filed and shall continue until the original amount of child support due and any subsequent amounts, including interest, penalties, or fees, are fully paid. The lien or levy shall attach to all interest in real and personal property in the Commonwealth, then owned or subsequently acquired by the obligor. The clerk shall be entitled to a fee pursuant to KRS Chapter 64.

(3) The cabinet may force the sale of the property of the parent subject to the lien or levy for the payment of assigned child support, and distribute the proceeds in accordance with 42 U.S.C. secs. 651 et seq.

(4) The cabinet's lien or levy shall be superior to any mortgage or encumbrance created after the notice of lien or levy is recorded. The cabinet shall give full faith and credit to child support liens or levies created in other states without requirement of judicial notice or proceedings prior to enforcement, but the liens or levies shall subordinate to any child support lien or levy of the cabinet that relates to the same obligor and property.

(5) The cabinet shall not enforce the lien by foreclosure action on a principal residence of an obligor if to do so would deprive a minor child of the obligor of a homestead, unless the failure to enforce the lien by foreclosure would result in the loss of the home of the minor child of the custodial parent.

(6) In the event another lienholder initiates a foreclosure action against the property of the obligor, the cabinet may protect its interest in the property by filing an answer counterclaim and cross-claim and participate in the proceeds of any sale of the property as its interests may appear.

(7) The cabinet shall notify the obligor of the filing of its claim of lien or levy and the

opportunity to contest and appeal the action in accordance with the requirements of KRS Chapter 13B.

(8) Liens or levies resulting from actions provided by this section shall be inapplicable to an account maintained at a financial institution that is or may be subject to the data match system established by KRS 205.774, and is subordinate to any prior lien, levy, or security interest perfected by a financial institution or other legitimate lien or levy holder.

(9) The cabinet may, after application to and approval of the Circuit Court, enforce the lien by the immobilization with vehicle boots of a vehicle registered in the obligor's name. The cabinet shall establish procedures for vehicle booting by the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A. The procedures shall require that the following conditions are verified before a vehicle is immobilized with a vehicle boot:

(a) There is an arrearage that equals or exceeds six (6) months without payment;

(b) The obligor has failed, after receiving appropriate notice, to comply with subpoenas or warrants relating to child support proceedings;

(c) A lien has been filed in the county where the vehicle is kept;

(d) The Department of Vehicle Regulation shows that the vehicle identification number for the vehicle to be booted is registered in the obligor's name;

(e) The vehicle to be booted is solely owned by the obligor, co-owned by the obligor and current spouse, or owned by a business in which the obligor is the sole proprietor;

(f) A notice of intent has been sent to the obligor, unless there is reason to believe that the obligor will leave town or hide the vehicle;

(g) The obligor does not contact the cabinet within ten (10) days of notice to negotiate a settlement; and

(h) A target date is set for booting.

The administrative regulations shall also require that the cabinet send a cancellation notice to the obligor and the sheriff if a decision is made to terminate the booting of a vehicle. Once a vehicle has been booted, the cabinet shall attempt to reach a payment agreement with the obligor including terms for the release of the vehicle. If an agreement is not reached with the obligor, the cabinet may proceed with the sale of the vehicle. If the cabinet sells a vehicle, the cabinet shall notify the Department of Vehicle Regulation to issue clear title to the new owner of the vehicle.

➔Section 189. KRS 205.7785 is amended to read as follows:

(1) An interstate lien may be created and a notice of interstate lien may be filed on all of an obligor's real and personal property that is located in another state to enforce a child support obligation which has been judicially or administratively established in the Commonwealth. The lien shall be filed in the appropriate offices of the state or county where the property of the obligor is located. All aspects of the lien, including its priority and enforcement, are governed by the law of the state where the property is located and shall remain until released by the authorized agent of the party which filed the lien, or in accordance with the laws of the state of filing.

(2) A lien to enforce a child support obligation which is created in another state shall be enforceable against all real and personal property of the obligor located in this state upon the filing of a notice of interstate lien with the ***regional public records and licensing administrator***~~[county clerk]~~ of any ***area development district or area development districts***~~[county or counties]~~ in which the obligor has interest in property, and the notice shall be recorded in the same manner as notices of lis pendens. The recordation shall constitute notice of both the original amount of child support due and all subsequent amounts due by the same obligor. Upon request, an authorized agent of the party which filed the notice of interstate lien shall disclose the specific amount of liability to any interested party legally entitled to that information. The notice, when so filed, shall be conclusive notice to all persons of

the lien on the property having legal situs in that county. The lien shall commence as to property of the obligor located in the Commonwealth at the time the notice is filed and shall continue until the original amount of child support due and any subsequent amounts, including interest, penalties, or fees, are fully paid. The lien shall attach to all interest in the real and personal property in the Commonwealth, then owned or subsequently acquired by the obligor. The clerk shall be entitled to a fee pursuant to KRS 64.012 for filing the lien and the same fee for releasing the lien.

(3) A child support lien created in another state shall be on a parity with state, county, and municipal ad valorem tax liens, and superior to the lien of any mortgage or other encumbrance created after the notice of interstate lien is recorded; however, it shall be subordinate to any child support lien which has been filed by the cabinet as to the same obligor and property.

(4) The authority by which the child support lien is created in another state and filed in this state shall be certified on the notice of interstate lien by a person who is authorized to certify on behalf of the party that is filing the notice of interstate lien.

(5) The secretary of the cabinet may promulgate administrative regulations under the provisions of KRS Chapter 13A to implement this section.

➔Section 190. KRS 205.8471 is amended to read as follows:

(1) The Commonwealth shall have a lien against all property of any provider or recipient who is found to have defrauded the Medicaid program for an amount equal to the sum defrauded plus any interest and penalties levied under KRS 205.8451 to 205.8483. The lien shall attach to all property and rights to property owned by the provider or recipient and all property subsequently acquired after a finding of fraud by the Cabinet for Health and Family Services.

(2) The lien imposed by subsection (1) of this section shall not be defeated by gift, devise, sale, alienation, or any other means, and shall include the sum defrauded and

all interest, penalties, fees, or other expenses associated with collection of the debt. The lien shall have priority over any other lien or obligation against the property, except as provided in subsection (3) of this section.

(3) The lien imposed by subsection (1) of this section shall not be valid as against any purchaser, judgment lien creditor, or holder of a security interest or mechanic's lien which was filed prior to the date on which notice of the lien created by this section is filed by the secretary for health and family services or his designee with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district or area development districts***~~[county or counties]~~ in which the provider's business or residence is located, or in any county in which the taxpayer has an interest in property. The notice of lien shall be recorded in the same manner as the notice of lis pendens.

(4) The secretary for health and family services shall issue a partial release of any part of the property subject to lien upon payment by the debtor of that portion of the debt and any interest, penalty, or fees covered by the lien on that property.

(5) The secretary for health and family services may enforce the lien created pursuant to this section in the manner provided for the enforcement of statutory liens under KRS 376.110 to 376.130.

➔Section 191. KRS 209.160 is amended to read as follows:

(1) There is hereby created a trust and agency account in the State Treasury to be known as the domestic violence shelter fund. ***Each regional public records and licensing administrator shall remit to the fund, by the tenth of the month, ten dollars ($10) from each twenty-four dollars ($24) collected the previous month from the issuance of marriage licenses***~~[Each county clerk shall remit to the fund, by the tenth of the month, ten dollars ($10) from each twenty-four dollars ($24) collected during the previous month from the issuance of marriage licenses]~~. The fund shall be administered by the Department of Revenue. The Cabinet for Health

and Family Services shall use the funds for the purpose of providing protective shelter services for domestic violence victims.

(2) The Cabinet for Health and Family Services shall designate one (1) nonprofit corporation in each area development district to serve as the primary service provider and regional planning authority for domestic violence shelter, crisis, and advocacy services in the district in which the designated provider is located.

➔Section 192. KRS 212.850 is amended to read as follows:

(1) Fiscal courts of all counties uniting to establish a district health department shall certify to the cabinet a copy of their resolution for establishing a district health department and providing for its maintenance and operation, and specifying the amount of the appropriation therefor.

(2) If the cabinet finds that such a district health department has been proposed in accordance with the provisions of KRS 212.810 to 212.930 and that the appropriations are adequate, the cabinet shall enter an order declaring the district to be established and a copy of the order shall be filed with the Secretary of State and with the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ concerned. When a district department of health is created all powers and duties of the county boards of health, except as otherwise provided in KRS 212.920, under existing statutes are transferred to the district board of health. The cabinet shall, on or before July 1 in each year, allot to each such district health department such amount that the cabinet deems to constitute a just and equitable share of funds available therefor from appropriation by the General Assembly, by grants and gifts received by this Commonwealth from the government of the United States of America or from any of its agencies or instrumentalities, and from other sources.

(3) In determining the allotments referred to in subsection (2) of this section, the cabinet shall endeavor to provide for a distribution of the funds in a manner that is

reasonably calculated to equalize, so far as practicable, local health services to the people of all counties served by the district health department. The cabinet may take into consideration variations existing between districts by reasons of difference in population, resources, industrialization, tax assessments and tax rates, and other local factors and conditions; the legislative intent being hereby declared to be that districts shall provide, from local sources of revenue that are available to them, financial support of district health departments to the extent of their respective abilities.

(4) The cabinet may, in its discretion, alter or modify allotments from time to time and may cancel any allotment whenever it finds that a particular district health department is not maintained, operated and conducted in accordance with the standards prescribed by the cabinet. Nothing in this section shall be construed as requiring the cabinet to allot all funds available for local health purposes, or as prohibiting the cabinet from allotting such portion thereof, as the cabinet may determine, to a reserve account which may be sub-allotted by the cabinet in such manner that it considers proper in the event of emergencies, disaster or unforeseen events without regard to the provisions of subsection (3) of this section.

➔Section 193. KRS 213.116 is amended to read as follows:

(1) The cabinet shall perform the collection, indexing, tabulation, and registration of data relating to marriages, divorces, and annulments. The secretary shall adopt administrative regulations to carry out the provisions of this section.

(2) Each ***regional public records and licensing administrator*** ~~[county clerk]~~ shall on or before the tenth day of each month furnish to the state registrar, from the marriage licenses issued and the marriage certificates returned to the ***regional public records and licensing administrator*** ~~[clerk]~~ during the previous month, the information required by the Cabinet for Health and Family Services upon forms prescribed and furnished by the cabinet.~~[The county clerk shall collect from the applicants for a~~

~~marriage license at the time the license is issued one dollar ($1), which shall constitute the clerk's fee for forwarding the required information to the state registrar.]~~

(3) A marriage record not filed within the time prescribed by this section may be registered in accordance with administrative regulations adopted by the cabinet.

(4) In all actions for dissolution of marriage, the petitioner, or the petitioner's attorney or legal representative, shall file, concurrently with the petition, the information requested on forms prescribed and furnished by the Cabinet for Health and Family Services. By January 1, 2013, these forms shall be available on the cabinet's Web site as a downloadable document that can be completed electronically and printed. The provisions of the information shall be prerequisite to the issuance of a final decree in the matter by the court.

(5) Each Circuit Court clerk shall, within forty-five (45) days after entry of a final judgment of divorce, absolute or limited, or annulment of marriage, complete the form prescribed and furnished by the Cabinet for Health and Family Services and forward it to the state registrar.

➔Section 194. KRS 216.320 is amended to read as follows:

Upon the completion of all procedures necessary for the creation of a taxing district as provided in KRS 65.182, the fiscal court shall notify the secretary and the secretary shall establish the district within the medical service area in which that county is located, and shall certify his act to the county judge/executive and ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~, which is a part of the district, the state local finance officer and to the Secretary of State. The district shall then be a taxing district within the meaning of Section 157 of the Kentucky Constitution for the carrying out of the purposes for which the district was created, and for executing the powers with which it is vested. The county submitting the resolution to the secretary shall be a participating county in the district. The remaining counties in the

medical service area may become participating counties upon compliance with the requirements prescribed in KRS 216.317.

➔Section 195. KRS 216.335 is amended to read as follows:

The government of the hospital district shall be vested in the board which shall have general control of the property and affairs of the district and shall have all the powers necessary to carry out the purposes of KRS 216.310 to 216.360 including, but not confined to, the following:

(1) To construct, acquire, add to, maintain, operate, develop and regulate, sell and convey all lands, property rights, equipment, hospital facilities and systems for the maintenance of hospitals, buildings, structures and any other facilities;

(2) To exercise the right of eminent domain for the purposes of the district except that no hospital district shall have the right of eminent domain against any hospital, clinic or sanatorium operated by a nonprofit charitable, religious or public organization, or against any private hospital, clinic or sanatorium;

(3) To receive, acquire, hold, manage, expend, sell and convey donations and bequests of real and personal property for hospital purposes within the district;

(4) To establish and maintain a public hospital or hospitals in the district and where necessary make provision for education of needed personnel to operate such hospitals;

(5) To lease existing hospital or hospitals and equipment and other property used in connection with the operation of a hospital, and to pay such rental therefor as the board shall deem proper;

(6) To enter into contracts and agreements with any person or corporation, public or private, affecting the affairs of the district, including contracts with cities, counties, other municipalities, the Commonwealth or the United States of America and any of its agents or instrumentalities;

(7) To enter into contracts with a nonprofit corporation acting as a governmental

agency for the construction and equipping of a hospital or hospitals, and the leasing of the same to the district;

(8) To sue and be sued;

(9) To make contracts, employ an administrator, attorneys and other technical or professional assistance and all other employees as the needs of the district may require, and to prescribe their duties and compensation;

(10) To have perpetual existence;

(11) To borrow money on the credit of the board in anticipation of the revenue to be derived from anticipated revenue from user fees or from taxes levied by the district for the fiscal year in which the money is borrowed, and to pledge the taxes levied for the district for the payment of the principal and interest of the loan;

(12) To establish bylaws it deems necessary or expedient to define the duties of officers, assistants or employees, to fix the conditions of admission to the hospitals of the district, and the support and discharge of patients, and to conduct in a proper manner the professional and business affairs of the district;

(13) To establish and enforce a suitable system of rules and regulations for the internal government, discipline and management of the hospitals of the district;

(14) To determine annually the amount of tax, not to exceed ten cents ($0.10) per one hundred dollars ($100) of property assessed for taxation, to be levied upon the taxable property of the district, for the purposes of the district, and to certify to the fiscal court of each county in the district and to each ***regional public records and licensing administrator within the district***~~[county clerk]~~ for inclusion on the tax bills of property owners in the district.

➔Section 196. KRS 216.347 is amended to read as follows:

Within sixty (60) days after the close of each fiscal year the board shall make a written report to the secretary. A copy of this report shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development***

district~~[county]~~ within the district. The report shall contain:

(1) An itemized statement of the various sums of money received for the district;

(2) An itemized statement of expenditures from the fund;

(3) A statement of the property acquired by devise, bequests, purchase, gift, or otherwise during the fiscal year;

(4) A statement of the character of hospital services furnished to the district during the fiscal year; and

(5) Any other statistics or information requested by the Cabinet for Health and Family Services.

➔Section 197. KRS 216.357 is amended to read as follows:

A hospital district may be dissolved in the following manner:

(1) Upon determining that the district should be dissolved, the board shall unanimously adopt a resolution calling for the dissolution of the district. This resolution shall be sent to the fiscal court of each participating county for their action.

(2) Upon receipt of the resolution for dissolution each fiscal court shall take action. If the fiscal court of each participating county determines that the district shall be dissolved, they shall adopt a resolution of intent to dissolve the district within six (6) months of the receipt of such a resolution from the board.

(3) A certified copy of the order of the fiscal court along with a plan for the settlement of all outstanding obligations and debts of the district shall be filed with the secretary and with the ***regional public records and licensing administrator***~~[county clerk]~~.

(4) Upon receipt of the resolution of intent to dissolve the district and the settlement plan from the fiscal court of each county in the district, the secretary may issue a certificate of dissolution. This certificate shall be filed with the Secretary of State, the state local finance officer and the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in the

district.

(5) The ***regional public records and licensing administrator or regional public records and licensing administrators***~~[county clerk or clerks]~~ in the district, shall, upon receipt of the certificate of dissolution from the secretary, remove the tax levy from the tax bills from the property owners of the district and the district shall be dissolved.

(6) A resolution of dissolution shall not be entered within a one (1) year period from the date of the entry of the order declaring the district organized, or one (1) year from the date of final determination of any action to set aside such an order, whichever is later.

➔Section 198. KRS 220.110 is amended to read as follows:

(1) If no suit is filed against the commissioner under KRS 220.100, or if suit is filed and final judgment in the Circuit Court or an appeal is in favor of the commissioner, the commissioner shall forthwith declare the district organized into a sanitation district and give it a corporate name, as provided in KRS 220.050, by which in all proceedings it shall thereafter be known. The commissioner shall certify his act to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which any part of the district is located, and to the Secretary of State, each of whom shall record the certificate as articles of incorporation. The commissioner shall also certify his act to the county judge/executive of each county in which any part of the district is located. The district shall then be a political subdivision, except as otherwise specifically provided in KRS 220.530, with power to sue and be sued, contract and be contracted with, incur liabilities and obligations, exercise the right of eminent domain, assess, tax, and contract for rentals as herein provided, issue bonds, and do and perform all acts herein expressly authorized and all acts necessary and proper for the carrying out of the purpose for which the district was created, and for

executing the powers with which it is invested.

(2) The board of directors of the district may amend the corporate name of the district, but the amendment shall not be effective until certified by the board to the commissioner, the ***regional public records and licensing administrator*** ~~[county clerk]~~ and county judge/executive of each county ***and area development district*** in which any part of the district is located, and to the Secretary of State.

➔Section 199. KRS 220.115 is amended to read as follows:

(1) Following a public hearing as provided in subsection (2) of this section, the fiscal court may alter the boundaries of a sanitation district by reducing its area or may dissolve a sanitation district if that sanitation district has for a period of two (2) consecutive years failed to provide the services for which it was established, or if all or a portion of its services can be or have been provided by some other entity. If the sanitation district is located in more than one (1) county, the fiscal court of each county containing a portion of the sanitation district shall vote to dissolve the sanitation district before the dissolution may take effect.

(2) The fiscal court shall schedule a public hearing on the issue of alteration or dissolution and advertise the hearing as provided in KRS 424.130.

(3) At the hearing, the fiscal court shall consider testimony offered at the hearing and any other relevant information including, but not limited to, the following:

(a) Present and projected need for the service by the sanitation district;

(b) Population density of the sanitation district;

(c) Existence of alternate providers of services;

(d) Revenue base of the sanitation district, including but not limited to, assessed valuation, bonding capacity, and user fees; and

(e) Consequences of alteration of the sanitation district's boundaries on the effectiveness and efficiency of the sanitation district.

(4) (a) If the fiscal court determines to dissolve a sanitation district, it shall determine

a method to satisfy any legal obligations of the sanitation district that might be affected. Upon satisfaction of its legal obligations, the sanitation district shall be legally dissolved. Any special ad valorem tax imposed by the sanitation district shall be removed from the tax rolls by the ***regional public records and licensing administrator***~~[county clerk]~~, and any assets of the sanitation district shall be assumed by the county or otherwise transferred by contract to another entity for the purpose of providing service within the area of the sanitation district before dissolution.

(b) If the fiscal court determines to alter the boundaries of the sanitation district, it shall draw the new boundaries of the sanitation district and determine the proportional amount of existing legal obligations of the area that is to be excluded from the sanitation district. Upon satisfaction of the obligations, the new boundaries of the sanitation district shall be legally effective and the affected taxpayers shall be removed from the tax rolls of the sanitation district.

(5) The dissolution procedure described in this section shall provide a means of dissolution of a sanitation district in addition to the dissolution procedure contained in KRS 65.166.

➔Section 200. KRS 220.140 is amended to read as follows:

Within twenty (20) days after the commissioner certifies to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which the district is located that the district is incorporated, there shall be appointed a board of directors for the district, consisting of three (3) members, which shall control and manage the affairs of the district. If the district lies wholly within a single county, the county judge/executive of that county shall appoint all of the directors. If the district lies within two (2) counties, the county judge/executive of the county in which the greater portion of the population of the district resides may appoint two (2) directors and the

county judge/executive of the other county shall appoint the third. If the district lies within more than two (2) counties, the county judges/executive of all the counties shall jointly select the directors, but each one so appointed must reside in a different county. Not less than two (2) of the directors shall be freeholders, and not more than two (2) of them shall belong to or be affiliated with the same political party. If the district is coextensive with the boundaries of two (2) or more counties, four (4) directors shall be appointed by the county judge/executive of the most populous county and two (2) shall be appointed by the county judge/executive of each remaining county. All appointments by county judges/executive shall be subject to the approval of the respective fiscal courts. In a district which is coextensive with the boundaries of two (2) or more counties, not less than two-thirds (2/3) of the directors shall be freeholders. No director shall be in any way associated or connected with the ownership, operation or control of any privately owned public utility operating within the district. The terms of office of the first board of directors shall be two (2), three (3), and four (4) years, respectively, from the date of their appointment, the length of the term of office of each member to be determined by lot at their first meeting, but the individual holding such office shall do so at the pleasure of the county judge/executive by whom he is appointed, and he may be removed without cause, with the approval of the respective fiscal court, by the county judge/executive by whom he was appointed and his unexpired term filled by another appointee of such county judge/executive. After the expiration of the respective terms of office of the first board, each director shall be appointed for a term of four (4) years, subject to the will of the county judge/executive making the appointment. Vacancies resulting from any cause other than expiration of term shall be filled only for the unexpired term. The county judge/executive of the county whose director has completed his term of office or whose office has otherwise been vacated shall fill the vacant office, except that when the district lies within more than three (3) counties, if each county is not represented, vacancies resulting from expiration of term shall be filled in rotation by the county judges/executive

of those counties not represented by a director at the time a vacancy occurs. The directors shall at all times be residents of the district, and the office of any director who moves his residence outside the district shall automatically be vacated.

➔Section 201. KRS 220.150 is amended to read as follows:

(1) Each director, before entering upon his official duties, shall take and subscribe to an oath that he will honestly, faithfully and impartially perform the duties of his office, and that he will not be interested in any contract let for the purpose of carrying out any of the provisions of KRS 220.010 to 220.520. The oath shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~.

(2) Each director shall give a good and sufficient bond, to be approved by the county judge/executive appointing him, for the faithful and honest performance of his duties and as security for all moneys coming into his hands or under his control. The cost of the bond shall be paid by the district.

➔Section 202. KRS 220.180 is amended to read as follows:

The secretary shall be the custodian of the seal, minutes and records of the district, and shall assist the board of directors in such particulars as the board directs in the performance of its duties. The secretary shall attest, under the seal of the district, such records as are required of him by the provisions of KRS 220.010 to 220.520, or by any person ordering the same, and shall receive for such transcription the same compensation allowed ***regional public records and licensing administrators***~~[county clerks]~~ for copying records. Any portion of the record so certified and attested shall prima facie import verity.

➔Section 203. KRS 220.360 is amended to read as follows:

The board of directors, as soon as duly appointed and qualified, may levy one (1), two (2), or three (3) annual taxes, which taxes need not be in successive years, or not more than fifteen cents ($0.15) upon each one hundred dollars ($100) of assessed valuation of property within the district, to be used for the purpose of paying the expenses of organization, surveys and plans, and for other incidental expenses that may be necessary

up to the time money is received from the sale of bonds. This tax shall be certified to the auditors of the various counties and by them to the respective treasurers of their counties. The tax shall be based upon the last preceding assessment for state and county purposes, its collection shall conform to the collection of taxes for counties, and the same provisions concerning the nonpayment of taxes shall apply. The tax shall be added by the ***regional public records and licensing administrator***~~[county clerk]~~ to the next state and county tax bill following the levy of the tax by the board of directors, and shall be collected concurrently with the state and county taxes. Neither the property valuation administrator nor the ***regional public records and licensing administrator***~~[county clerk]~~ shall be entitled to any additional compensation for the services rendered in connection with the listing of the property for taxation nor shall the sheriff receive any additional compensation for the collection of the tax.

➔Section 204. KRS 220.591 is amended to read as follows:

(1) The holders in aggregate principal amount of twenty percent (20%) of any class of construction subdistrict bonds authorized by KRS 220.577 may ex parte move a judge of the Circuit Court of the county containing the construction subdistrict to appoint a trustee to represent all of the holders of the same class of bonds when the facts described in paragraph (b) of subsection (2) have occurred.

(2) The judge shall appoint a trustee (which may be corporate) upon a showing that:

(a) Movants in fact are holders of twenty percent (20%) or more of the aggregate principal amount of the affected class of the bonds;

(b) Movants claim that there has been a default exceeding thirty (30) days in the payment of interest or principal on the bonds, that the district has failed to comply with the provisions of KRS 220.553 to 220.613 relating to construction subdistrict bonds, or that the district has breached a contract with the holders of the bonds;

(c) Movants have filed in the office of the ***regional public records and licensing***

administrator~~[county clerk]~~ of the ***area development district***~~[county]~~ containing the district an instrument in the nature of a notice of action against the district which instrument states that movants have applied to have a trustee appointed pursuant to this section and which names the affected construction subdistrict.

(3) The trustee may, or upon written request of any twenty percent (20%) in aggregate principal amount of his bondholder beneficiaries shall, file an action in his name against the district; the action shall seek all remedies, including but not limited to mandamus, prohibition, judgment against a special fund or funds injunction, and declaratory judgment, needed to preserve and enforce the rights of the bondholders. The action shall be filed in the Circuit Court of the county containing the district.

(4) The rights of bondholders include, but are not limited to, the right to:

(a) Require the district to collect from the construction subdistrict rates, rentals, and charges adequate to pay principal and interest on the bonds;

(b) Require the district to perform all lawful agreements with the bondholders;

(c) Require the district to account to the bondholders as if it were trustee of an express trust for their benefit;

(d) Have the district enjoined from doing any acts or things which may be unlawful or in violation of the rights of the bondholders;

(e) Have all bonds of the affected class declared due and payable.

(5) Any trustee, whether or not all bonds have been declared due and payable, shall be entitled as of right, upon application to the Circuit Court, to the appointment of a receiver, who may enter upon and take possession of the construction subdistrict facilities, or any part thereof, and operate and maintain the same, and collect and receive all rentals, rates, other charges and revenues of the construction subdistrict payable after commencement of the receivership. The receiver shall deposit such moneys in a separate account and apply them as the court directs. In any suit, action,

or proceeding, by the trustee, the fees, counsel fees, and expenses of the trustee and of the receiver, if any, shall constitute disbursements taxable as cost. All costs and disbursements allowed by the court shall be a first charge on any revenue derived from the construction subdistrict facilities. Such trustee shall, in addition to the foregoing, have and possess all the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the bondholders in the enforcement and protection of their rights.

➔Section 205. KRS 224.1-400 is amended to read as follows:

(1) As used in this section:

(a) "Hazardous substance" means any substance or combination of substances including wastes of a solid, liquid, gaseous, or semi-solid form which, because of its quantity, concentration, or physical, chemical, or infectious characteristics may cause or significantly contribute to an increase in mortality or an increase in serious irreversible or incapacitating reversible illness, or pose a substantial present or potential hazard to human health or the environment. The substances may include but are not limited to those which are, according to criteria established by the cabinet, toxic, corrosive, ignitable, irritants, strong sensitizers, or explosive, except that the term "hazardous substance" shall not include petroleum, including crude oil or any fraction thereof which is not otherwise specifically listed or designated as a hazardous substance under this section, and shall not include natural gas, natural gas liquids, liquified natural gas, or synthetic gas usable for fuel, or mixtures of natural gas and synthetic gas;

(b) "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing hazardous substances, pollutants, or contaminants into the environment, including the abandonment or discarding of barrels, containers, and other closed receptacles

containing any hazardous substance, pollutant, or contaminant, but excludes emissions from the engine exhaust of a motor vehicle, rolling stock, aircraft, vessel, or pipeline pumping station engine; the release of source, by-product, or special nuclear material from a nuclear incident, as those terms are defined in the Atomic Energy Act of 1954, if the release is subject to requirements with respect to financial protection established by the Nuclear Regulatory Commission under Section 170 of the Act, or any release of source by-product, or special nuclear material from any processing site designated under Sections 102(a)(1) or 302(a) of the Uranium Mill Tailing Radiation Control Act of 1978; and the normal application of fertilizer;

(c) "Site" means any building, structure, installation, equipment, pipe, or pipeline, including any pipe into a sewer or publicly-owned treatment works, well, pit, pond, lagoon, impoundment, ditch, landfill, storage containers, motor vehicles, rolling stock, or aircraft, or any other place or area where a release or threatened release has occurred. The term shall not include any consumer product in consumer use;

(d) "Environmental emergency" means any release or threatened release of materials into the environment in such quantities or concentrations as cause or threaten to cause an imminent and substantial danger to human health or the environment; the term includes, but is not limited to, discharges of oil and hazardous substances prohibited by Section 311(b)(3) of the Federal Clean Water Act - (Public Law 92-500), as amended;

(e) "Threatened release" means a circumstance which presents a substantial threat of a release;

(f) "Pollutant or contaminant" shall include, but not be limited to, any element, substance, compound, or mixture, including disease-causing agents, which after release into the environment and upon exposure, ingestion, inhalation, or

assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions (including malfunctions in reproduction) or physical deformations, in such organisms or their offspring; except that the term "pollutant or contaminant" shall not include petroleum, including crude oil or any fraction thereof which is not otherwise specifically listed or designated as a hazardous substance under this section and shall not include natural gas, liquified natural gas, or synthetic gas of pipeline quality (or mixtures of natural gas and such synthetic gas);

(g) "Environment" means the waters of the Commonwealth, land surface, surface, and subsurface soils and strata, or ambient air within the Commonwealth or under the jurisdiction of the Commonwealth;

(h) "Financial institution" means, for purposes of subsections (26) and (27) of this section, the following:

1. A bank or trust company defined by Subtitle 3 of KRS Chapter 286;
2. A savings and loan association defined by Subtitle 5 of KRS Chapter 286;
3. A credit union defined by Subtitle 6 of KRS Chapter 286;
4. A mortgage loan company or loan broker defined by Subtitle 8 of KRS Chapter 286;
5. An insurer defined by KRS Chapter 304; and
6. Any other financial institution engaged in the business of lending money, the lending operations of which are subject to state or federal regulation; and

(i) "Fiduciary" means, for purposes of subsections (26) and (27) of this section, a fiduciary as defined by KRS Chapter 386.

(2) The cabinet may promulgate administrative regulations in accordance with the provisions of KRS Chapter 13A designating individual hazardous substances, pollutants, or contaminants; establishing their respective reportable quantities; and establishing their respective release notification requirements, which differ from those designated or established in subsections (3) to (9) of this section, if necessary to:

(a) Protect human health and the environment;

(b) Maintain consistency with valid scientific development; or

(c) Maintain consistency with newly adopted federal regulations.

(3) The hazardous substances for which release notification is required shall be those hazardous substances designated in 40 C.F.R. Part 302 under the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended; those extremely hazardous substances designated in 40 C.F.R. Part 355 under Title III of the Superfund Amendments and Reauthorization Act of 1986; nerve and blister agents designated under KRS 224.50-130(2); and any hazardous substances designated by the cabinet in administrative regulations promulgated pursuant to subsection (2) of this section.

(4) The reportable quantity for a release of a hazardous substance designated in 40 C.F.R. Part 302 under the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, shall be the quantity designated in 40 C.F.R. Part 302. The reportable quantity for a release of an extremely hazardous substance designated in 40 C.F.R. Part 355 under Title III of the Superfund Amendments and Reauthorization Act of 1986 shall be the quantity designated in 40 C.F.R. Part 355. The reportable quantity for a release of a nerve or blister agent designated under KRS 224.50-130(2) shall be any quantity. The cabinet may establish reportable quantities for hazardous substances in administrative regulations promulgated pursuant to subsection (2) of this section

which differ from those established in this subsection. The reportable quantity for any hazardous substance designated by the cabinet in administrative regulations promulgated pursuant to subsection (2) of this section shall be the reportable quantity established by the cabinet.

(5) The release notification requirements for a release of a hazardous substance designated in 40 C.F.R. Part 302 under the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, shall be the notification requirements established in 40 C.F.R. Part 302. The release notification requirements for a release of an extremely hazardous substance designated in 40 C.F.R. Part 355 under Title III of the Superfund Amendments and Reauthorization Act of 1986 shall be the notification requirements established in 40 C.F.R. Part 355. Whenever notification of a release or threatened release of a hazardous substance is required pursuant to this section, any person possessing or controlling the hazardous substance shall immediately notify the cabinet's twenty-four (24) hour environmental response line. The cabinet may establish release notification requirements by administrative regulation promulgated pursuant to subsection (2) of this section which differ from those established in this subsection. The release notification requirements for any hazardous substance designated by the cabinet in administrative regulations promulgated pursuant to subsection (2) of this section shall be the release notification requirements established in the cabinet's administrative regulations.

(6) Any person possessing or controlling a pollutant or contaminant for which a reportable quantity has been established by administrative regulation promulgated pursuant to subsection (2) of this section shall immediately notify the cabinet's twenty-four (24) hour environmental response line, as soon as that person has knowledge of any release or threatened release, other than a permitted release or application of a pesticide in accordance with the manufacturer's instructions, of a

pollutant or contaminant to the environment in a quantity equal to or exceeding the reportable quantity. In the notice to be made to the cabinet, the person shall state, at a minimum, the location of the release or threatened release, the material released or threatened to be released, and the approximate quantity and concentration of the release or threatened release.

(7) Any person possessing or controlling a pollutant or contaminant shall, as soon as that person has knowledge of any release or threatened release of a pollutant or contaminant from a site to the environment in a quantity which may present an imminent or substantial danger to the public health or welfare, immediately notify the cabinet's twenty-four (24) hour environmental response line. In the notice to be made to the cabinet, the person shall state, at a minimum, the location of the release or threatened release, the material released or threatened to be released, and the approximate quantity and concentration of the release or threatened release. If a person possessing or controlling a pollutant or contaminant for which a reportable quantity has not been established in administrative regulations promulgated pursuant to subsection (2) of the section fails to report a release or threatened release because of a good-faith belief that the release did not present an imminent or substantial danger to the public health or welfare, that person shall not be liable for a violation of the release notification requirements of this section. In determining whether a person has acted in good faith, the cabinet shall consider the circumstances surrounding the release, including whether the release was a permitted release or the application of a pesticide in accordance with the manufacturer's instructions.

(8) The cabinet may require the person subject to the release notification requirements of subsections (5) to (9) of this section to provide a written report on the release or threatened release. This report shall be submitted to the environmental response section of the cabinet within seven (7) days of the cabinet's demand for the report.

The report shall identify the following:

(a) The precise location of the release or threatened release;

(b) The name, address, and phone number of the person possessing or controlling the material at the time of the release or threatened release;

(c) The name, address, and phone number of persons having actual knowledge of the facts surrounding the release or threatened release;

(d) The specific pollutant or contaminant or hazardous substance released or threatened to be released;

(e) The concentration and quantity of the pollutant or contaminant or hazardous substance in the release or threatened release;

(f) The circumstances and cause of the release or threatened release;

(g) Efforts taken by the person to control or mitigate the release or threatened release;

(h) To the extent known, the harmful effects of the release or threatened release;

(i) The transportation characteristics of the medium or matrix into which the material was released or threatened to be released;

(j) Any present or proposed remedial action by the person at the site of the release or threatened release;

(k) The name, address, and phone number of the person who can be contacted for additional information concerning the release or threatened release; and

(l) Any other information that may facilitate remediation of the site.

(9) A person possessing or controlling a hazardous substance, pollutant, or contaminant shall immediately notify the cabinet pursuant to subsection (5) of this section when release notification, including notification of a continuous release reported under the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, is provided to the United States Environmental Protection Agency. Within seven (7) days of providing any written notification to the United

States Environmental Protection Agency, the person shall submit to the cabinet a copy of the release notification submitted to the United States Environmental Protection Agency. The cabinet shall not require additional information pursuant to subsection (5) of this section if the release notification is in compliance with this subsection, unless a written report is required under subsection (8) of this section or the release or threatened release constitutes an environmental emergency.

(10) Any person in charge of a vessel or site from which oil is discharged in a harmful quantity as defined by 40 C.F.R. Part 110 in contravention of Section 311 of the Federal Clean Water Act shall immediately notify the cabinet's twenty-four (24) hour environmental response line. In the notice to be made to the cabinet, the person shall state, at a minimum, the location of the discharge, the material discharged, and the approximate quantity and concentration of the discharge.

(11) Any person possessing or controlling petroleum or a petroleum product as defined by KRS 224.60-115(15) shall, as soon as that person has knowledge of any release or threatened release, other than a permitted release or application of a pesticide in accordance with the manufacturer's instructions, in an amount of twenty-five (25) gallons or more in a twenty-four (24) hour period, except for diesel fuel for which the reportable quantity is seventy-five (75) gallons or more in a twenty-four (24) hour period, or in contravention of Section 311 of the Federal Clean Water Act, immediately notify the cabinet's twenty-four (24) hour environmental response line. In the notice to be made to the cabinet, the person shall state, at a minimum, the location of the release or threatened release, the material released or threatened to be released, and the approximate quantity and concentration of the release or threatened release.

(12) The cabinet may require the person subject to subsections (10) and (11) of this section to provide a written report on the discharge or release. This report shall be submitted to the environmental response section of the cabinet within seven (7)

days of the cabinet's demand for the report. The report shall identify the following:

(a) The precise location of the discharge or release;

(b) The name, address, and phone number of the person possessing or controlling the material at the time of the discharge or release;

(c) The name, address, and phone number of persons having actual knowledge of the facts surrounding the discharge or release;

(d) The concentration and quantity of the discharge or release;

(e) The circumstances and cause of the discharge or release;

(f) Efforts taken by the person to control or mitigate the discharge or release;

(g) To the extent known, the harmful effects of the discharge or release;

(h) The transportation characteristics of the medium or matrix into which the material was discharged or released;

(i) Any present or proposed remedial action by the person at the site of the discharge or release;

(j) The name, address, and phone number of the person who can be contacted for additional information concerning the discharge or release; and

(k) Any other information that may facilitate an emergency spill response, or remediation of the site.

(13) Timely notification received under the release notification requirements of this section or information obtained in a notification received under the release notification requirements of this section may not be used against the person making the notification in any criminal proceeding, except in a prosecution for submitting a false or untimely notification to the cabinet. Notification received by the cabinet of a threatened release or discharge shall not be deemed a separate incident.

(14) The cabinet shall be the lead agency for hazardous substance, pollutant, or contaminant emergency spill response and, after consultation with other affected federal, state, and local agencies and private organizations, shall establish a

contingency plan for undertaking emergency actions in response to the release of a hazardous substance, pollutant, or contaminant. The contingency plan shall:

(a) Provide for efficient, coordinated, and effective action to minimize damage to the air, land, and waters of the Commonwealth caused by the release or threatened release of hazardous substances, pollutants, or contaminants;

(b) Include containment, cleanup, and disposal procedures;

(c) Provide for remediation or restoration of the lands or waters affected consistent with this section;

(d) Assign duties and responsibilities among state cabinets and agencies in coordination with federal and local agencies;

(e) Provide for the identification, procurement, maintenance, and storage of necessary equipment and supplies;

(f) Provide for designation of persons trained, prepared, and available to provide the necessary services to carry out the plan; and

(g) Establish procedures and techniques for identifying, containing, removing, and disposing of hazardous substances released or being released.

(15) The cabinet shall have the authority, power, and duty to:

(a) Recover from persons liable therefor for the benefit of the hazardous waste management fund, the cabinet's actual and necessary costs expended in response to a threatened release, an environmental emergency, or a release of a hazardous substance that is reportable under this section. Except as provided in paragraph (b) of this subsection, this section is intended solely to recognize the existence of a cause of action on behalf of the cabinet and is not intended to expand or contract the bases of liability, the elements of proof, or the amount of liability of any person;

(b) Notwithstanding paragraph (a) of this subsection, recover its costs incurred in the removal of oil or hazardous substances discharged in violation of Section

311(b)(3) of the Federal Clean Water Act from any person liable therefor under Section 311 of the Federal Clean Water Act subject to limitations of liability and defenses provided in the section. The limitations of liability shall apply to the total of state and federal expenses; and

(c) In every case where action required under this section is not being adequately taken or the identity of the person responsible for the release or threatened release is unknown, the cabinet or its agent may contain, remove, or dispose of the hazardous substance, pollutant, or contaminant or take any other action consistent with this section, including, but not limited to, issuance of an emergency order as provided in KRS 224.10-410 to the person possessing, controlling, or responsible for the release or threatened release as necessary for the protection of the environment and public health, safety, or welfare.

(16) Any duly authorized officer, employee, or agent of the cabinet may upon notice to the owner or occupant enter any property, premises, or place at any time for the purposes of this section, if the entry is necessary to prevent damage to the air, land, or waters of the Commonwealth. Notice to the owner or occupant shall not be required if the delay attendant upon providing it will result in imminent risk to public health or safety.

(17) The cabinet shall prepare and annually update an inventory of all sites in the Commonwealth at which there is or has been an environmental emergency or a release of a hazardous substance, pollutant, or contaminant. In preparing the inventory, the cabinet shall determine, based on information available to the cabinet, the impact of each site on public health and the environment and identify the relative priority for restoration or remedial action. Upon determining that no further restoration or remedial action is necessary, the cabinet shall so designate the site on the inventory. A separate designation of sites where a remedial action involving on-site containment or treatment has been performed and other sites

where restoration of the environment has not been achieved shall be maintained. A review of environmental conditions at sites remediated by on-site containment or treatment and other sites where restoration or remediation of the environment is not achieved shall be conducted by the cabinet every five (5) years to determine whether additional action is necessary to protect human health or the environment.

(18) Any person possessing or controlling a hazardous substance, pollutant, or contaminant which is released to the environment, or any person who caused a release to the environment of a hazardous substance, pollutant, or contaminant, shall characterize the extent of the release as necessary to determine the effect of the release on the environment, and shall take actions necessary to correct the effect of the release on the environment. Any person required to take action under this subsection shall have the following options:

(a) Demonstrating that no action is necessary to protect human health, safety, and the environment;

(b) Managing the release in a manner that controls and minimizes the harmful effects of the release and protects human health, safety, and the environment, provided that the management may include any existing or proposed engineering or institutional controls and the maintenance of those controls;

(c) Restoring the environment through the removal of the hazardous substance, pollutant, or contaminant; or

(d) Any combination of paragraphs (a) to (c) of this subsection.

(19) Unless otherwise required by the cabinet, a person required to characterize the extent of a release and correct the effect of the release on the environment under subsection (18) of this section may take those actions without making the demonstrations to the cabinet required by subsections (18) to (21) of this section, if:

(a) The release is less than the reportable quantity of a hazardous substance, pollutant, or contaminant;

(b) The release is of a pollutant or contaminant for which a reportable quantity has not been established by administrative regulation promulgated pursuant to subsection (2) of this section, if the release does not present an imminent or substantial danger to the public health or welfare; or

(c) The release is authorized by a state or federal permit.

(20) If a person required to take action under subsection (18) of this section demonstrates to the cabinet that, pursuant to subsection (18)(a) of this section, no action is necessary to protect human health, safety, and the environment or, pursuant to subsection (18)(b) of this section, the release will be managed in a manner that controls and minimizes the harmful effects of the release and protects human health, safety, and the environment, the cabinet shall not require restoration of the environment through the removal of the hazardous substance, pollutant, or contaminant pursuant to subsection (18)(c) of this section.

(21) A person required to take action under subsection (18) of this section who does not restore the environment through removal of the hazardous substance, pollutant, or contaminant in accordance with subsection (18)(c) of this section shall demonstrate to the cabinet that the remedy is protective of human health, safety, and the environment, by considering the following factors:

(a) The characteristics of the substance, pollutant, or contaminant, including its toxicity, persistence, environmental fate and transport dynamics, bioaccumulation, biomagnification, and potential for synergistic interaction and with specific reference to the environment into which the substance, pollutant, or contaminant has been released;

(b) The hydrogeologic characteristics of the facility and the surrounding area;

(c) The proximity, quality, and current and future uses of surface water and groundwater;

(d) The potential effects of residual contamination of potentially impacted surface

water and groundwater;

(e) The chronic and acute health effects and environmental consequences to terrestrial and aquatic life of exposure to the hazardous substance, pollutant, or contaminant through direct and indirect pathways;

(f) An exposure assessment; and

(g) All other available information.

(22) A person who submits a proposal to the cabinet pursuant to subsection (18) of this section may request in writing a final determination on the proposal no sooner than thirty (30) days after its submission. When a final determination on the proposal is requested, the cabinet shall make its final determination within sixty (60) working days from the date the request is received by the cabinet. After a final determination has been made, the person requesting the final determination may request a hearing pursuant to the provisions of KRS 224.10-420. Nothing in this subsection shall relieve any person of any obligations imposed by law during an environmental emergency, nor shall it require the cabinet to approve a proposal which would violate this chapter or the administrative regulations promulgated pursuant thereto.

(23) (a) The cabinet shall have a lien against the real and personal property of a person liable for the actual and necessary costs expended in response to a release or threatened release or an environmental emergency. The lien shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the property of the person is located.

(b) If a financial institution exempted from liability by subsection (26) of this section conveys the site it has acquired, then the cabinet shall have a lien against the site for the actual and necessary costs expended in response to a release or threatened release or an environmental emergency. The lien shall be filed with the ***regional public records and licensing administrator***~~[county~~

~~clerk]~~ of the ***area development district***~~[county]~~ in which the site is located.

(24) Nothing in this section shall replace the financial and technical assistance available to the Commonwealth pursuant to Section 311 of the Federal Clean Water Act (Public Law 92-500) as amended, but shall be used to provide the Commonwealth with a mechanism for additional response to releases and threatened releases of hazardous substances, pollutants, or contaminants.

(25) Defenses to liability, limitations to liability, and rights to contribution shall be determined in accordance with Sections 101(35), 101(40), 107(a) to (d), 107(q) and (r), and 113(f) of the Comprehensive Environmental Response Compensation and Liability Act, as amended, and the Federal Clean Water Act, as amended.

(26) In addition to the defenses and limitations provided in subsection (25) of this section, a financial institution that acquired a site by foreclosure, by receiving an assignment, by deed in lieu of foreclosure, or by otherwise becoming the owner as a result of the enforcement of a mortgage, lien, or other security interest held by the financial institution, shall not be liable under this section with respect to the site, if:

(a) The financial institution served only in an administrative, custodial, financial, or similar capacity with respect to the site before its acquisition;

(b) The financial institution did not control or direct the handling of the material causing the environmental emergency, or control or direct the handling of the hazardous substance, pollutant, or contaminants, at the site before its acquisition;

(c) The financial institution did not participate in the day-to-day management of the site before its acquisition;

(d) The financial institution, at the time it acquired the site, did not know and had no reason to know that a hazardous substance, pollutant, or contaminant was disposed at the site. For purposes of this paragraph, the financial institution shall have undertaken, at the time of acquisition, all appropriate inquiries into

the previous ownership and uses of the property consistent with good commercial or customary practice in an effort to minimize liability. What actions constitute all appropriate inquiries shall be determined by taking into account any specialized knowledge or experience on the part of the financial institution, the relationship of the market value of the site to the value of the site if uncontaminated, commonly known or reasonably ascertainable information about the site, the obviousness of the presence or likely presence of contamination at the site, the ability to detect the contamination by appropriate inspection, and any other relevant factor;

(e) The financial institution, when it undertakes actions to protect or preserve the value of the site, undertakes those actions in accordance with this chapter and the administrative regulations adopted pursuant thereto;

(f) The financial institution, its employees, agents, and contractors did not cause or contribute to an environmental emergency, or to a release or threatened release of a hazardous substance, pollutant, or contaminant; and

(g) The financial institution complies with the release notification requirements of subsection (9) of this section.

(27) In addition to the defenses and limitations provided in subsection (25) of this section, a financial institution serving as a fiduciary with respect to an estate or trust, the assets of which contain a site, shall not be liable under this section with respect to the site if:

(a) The financial institution served only in an administrative, custodial, financial, or similar capacity with respect to the site before it became a fiduciary;

(b) The financial institution did not control or direct the handling of the material causing the environmental emergency, or control or direct the handling of the hazardous substance, pollutant, or contaminants, at the site before it became a fiduciary;

(c) The financial institution did not participate in the day-to-day management of the site before it became a fiduciary;

(d) The financial institution, at the time it became a fiduciary, did not know and had no reason to know that a hazardous substance, pollutant, or contaminant was disposed at the site. For purposes of this paragraph, the financial institution shall have undertaken, at the time it became a fiduciary, all appropriate inquiries into the previous ownership and uses of the property consistent with good commercial or customary practice in an effort to minimize liability. What actions constitute all appropriate inquiries shall be determined by taking into account any specialized knowledge or experience on the part of the financial institution, the relationship of the market value of the site to the value of the site if uncontaminated, commonly known or reasonably ascertainable information about the site, the obviousness of the presence or likely presence of contamination at the site, the ability to detect the contamination by appropriate inspection, and any other relevant factor;

(e) The financial institution, when it undertakes actions to protect or preserve the value of the site, undertakes those actions in accordance with this chapter and the administrative regulations adopted pursuant thereto;

(f) The financial institution, its employees, agents, and contractors did not cause or contribute to an environmental emergency, or to a release or threatened release of a hazardous substance, pollutant, or contaminant; and

(g) The financial institution complies with the release notification requirements of subsection (9) of this section.

➔Section 206. KRS 224.1-465 is amended to read as follows:

(1) The cabinet's issuance of a No Further Remediation Letter signifies a release from further responsibilities for a remediation plan approved under KRS 224.1-460 and any further responsibilities under KRS 224.1-400 to undertake any other remedial

action on the site. The issuance of a No Further Remediation Letter shall be considered prima facie evidence that the site does not constitute a threat to human health and the environment and does not require additional remediation under KRS 224.1-400, if the site is utilized in accordance with the terms of the No Further Remediation Letter.

(2) A No Further Remediation Letter issued pursuant to KRS 224.1-460(4) shall be limited to and include all of the following:

(a) An acknowledgment that the requirements of the remediation plan were satisfied or are being satisfied;

(b) A description of the location of the property by reference to a legal description or a plat showing the property's boundaries;

(c) The remediation objectives, specifying, as appropriate, any monitoring requirements or any land use limitation imposed as a result of the remediation efforts;

(d) A statement that the cabinet's issuance of the No Further Remediation Letter signifies that the performance of the approved remediation plan has secured release from further responsibilities under KRS 224.1-400 and is considered prima facie evidence that the site does not constitute a threat to human health and the environment and does not require further remediation under KRS 224.1-400, if the site is utilized in accordance with the terms of the No Further Remediation Letter;

(e) A prohibition against the use by the public entity of the property in a manner inconsistent with any land use limitation imposed as a result of the remediation efforts without additional appropriate remedial activities and a requirement that if the public entity conveys the property to a third party the deed contains binding land use limitations in accordance with the remediation plan; and

(f) A description of any preventive, engineering, and institutional controls required in the remediation plan and notification that failure to manage and maintain the controls in full compliance with the terms of the remediation plan may result in voidance of the No Further Remediation Letter.

(3) The No Further Remediation Letter shall apply to the property in favor of the following persons:

(a) The public entity to which the No Further Remediation Letter was issued;

(b) Any mortgagee or trustee, or their assignee, transferee, or any successor in interest, of a deed of trust of the public entity property;

(c) Any successor in interest of the public entity;

(d) Any transferee of the public entity whether the transfer was by sale, bankruptcy proceeding, partition, settlement, or adjudication of any civil action, charitable gift, or bequest; and

(e) Any financial institution, or their successor in interest, that after the date the No Further Remediation Letter was issued acquire the ownership, operation, management, or control of the property through foreclosure, or under the terms of a security interest held by the financial institution, or under the terms of an extension of credit made by the financial institution.

(4) The No Further Remediation Letter shall be voidable if the site is not managed in full compliance with KRS 224.1-460 and this section or the approved remediation plan upon which the issuance of the No Further Remediation Letter was based, or if the cabinet determines that any facts upon which the remediation plan was based, were unknown at the time the No Further Remediation Letter was issued, or were known but not disclosed or false.

(5) The public entity shall record the No Further Remediation Letter with the ***regional public records and licensing administrator***~~[county]~~ clerk of the ***area development district***~~[county]~~ in which the property is located.

➔Section 207. KRS 224.1-526 is amended to read as follows:

(1) Upon full performance of an approved corrective action plan, the applicant shall submit for the cabinet's review, by the deadline agreed upon by the parties, a corrective action completion report, and shall certify therein that the applicant has successfully completed remediation in compliance with the approved corrective action plan.

(2) The cabinet shall review the corrective action completion report in the same manner as it reviewed the corrective action plan.

(3) The cabinet may conduct its own investigation including but not limited to its own characterization to verify that remediation has been completed in compliance with the approved corrective action plan. The reasonable actual and necessary costs of this verification shall be considered oversight costs reimbursable under KRS 224.1-518(2)(c). Any confirmatory sampling by the cabinet shall be completed within the deadline agreed to by the parties.

(4) If the cabinet determines that no further remediation is required under the approved corrective action plan, and upon the applicant's payment of the cabinet's costs for review and oversight of the remediation, the cabinet shall issue the applicant a covenant not to sue.

(5) With respect to the releases identified in the corrective action plan, the covenant not to sue shall preclude any suit or claim by the Commonwealth for the prosecution of civil or administrative enforcement action against the applicant for failure to perform remediation under KRS 224.1-400, 224.1-405, any administrative regulations promulgated under these statutes, or the Federal Comprehensive Environmental Response Compensation and Liability Act as amended, 42 U.S.C. sec. 9601 et seq., for injunctive relief, lien assertion, reimbursement of costs, or civil penalties imposed under KRS 224.99-010 for failure to perform remediation under KRS 224.1-400 or 224.1-405 and any administrative regulations promulgated

under these statutes.

(6) The covenant not to sue shall be in recordable form, and shall be recorded by the applicant, along with all deed restrictions and institutional controls approved by the cabinet, among the real estate records in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ where the property is located, within thirty (30) days of issuance by the cabinet. The cabinet shall have the authority and duty to enforce any restrictive covenants or institutional controls with respect to the applicant and all subsequent landowners. The covenant shall not be effective until it is recorded and a certified copy of the record instrument is delivered to the cabinet. The covenant shall not be effective with respect to any assignees, transferees, or successors until the requirements of the agreed order and the corrective action plan are incorporated as restrictions in the deed or other transfer instrument that is recorded and a certified copy of the record instrument is delivered to the cabinet.

(7) The covenant not to sue shall not apply to:

(a) Releases other than those expressly identified in the corrective action plan;

(b) Claims based on the failure of the applicant, or the failure of any successive landowner as applicable, to comply with a requirement of KRS 224.1-510 to 224.1-532, the agreed order, the approved corrective action plan, or the approved corrective action completion report, including any required land use restrictions and engineering or institutional controls;

(c) Liability resulting from the applicant's exacerbation of the releases identified in the corrective action plan;

(d) Criminal liability;

(e) Petroleum storage tanks;

(f) Claims or liability based on or resulting from misrepresentations or intentional omissions by the applicant;

(g) Liability for any conditions at the site that were not known to the cabinet when

the cabinet approved the corrective action plan or the corrective action completion report, provided those conditions prevent the remediation from being protective of human health, safety, and the environment;

(h) Claims based on changes in the development of scientific knowledge, as reflected in published peer-reviewed health or environmental standards, that indicate that the remediation is no longer protective of human health, safety, and the environment;

(i) An environmental emergency as defined in KRS 224.1-400;

(j) Any cabinet action for damages for injury to, destruction of, or loss of natural resources, including the reasonable costs of assessing such injury, destruction, or loss resulting from such a release pursuant to the Federal Comprehensive Environmental Response Compensation and Liability Act as amended, 42 U.S.C. sec. 9601 et seq.; and

(k) Any administrative or civil action by the cabinet not expressly identified in subsection (5) of this section.

(8) Subject to subsection (7) of this section, the issuance of a covenant not to sue for a brownfield site, as defined in 42 U.S.C. sec. 9601(39), shall preclude any suit or claim under state law to compel the performance of remediation in excess of that required in the approved corrective action plan.

(9) Subsection (8) of this section shall not be construed to limit:

(a) Appeals of final cabinet orders and determinations as provided for in this chapter;

(b) Actions against the cabinet to compel compliance with the terms of the corrective action plan; or

(c) The availability of remedies to persons, other than the cabinet, for injury to property or person.

➔Section 208. KRS 224.46-580 is amended to read as follows:

(1) The General Assembly declares that it is the purpose of this section to promote the development of statewide programs, under the responsibility of a single agency, which are intended to protect the health of the citizens and the environment of the Commonwealth from present and future threats associated with the management of hazardous wastes and the release of toxic chemicals regulated under Title III, Section 313 of the Superfund Amendments and Reauthorization Act of 1986, including disposal, treatment, recycling, storage, and transportation. The intent of the General Assembly is to add to and coordinate, and not replace, existing efforts and responsibilities in the areas of hazardous waste management, toxic chemical manufacture, processing, or other use, and to leave the primary burden and responsibility for hazardous waste and toxic chemical reduction on private industry; and further to finance assistance and coordination by imposing assessments on the generation of hazardous waste. The assessments are intended to produce a reduction in waste generated; to promote the use of new techniques in recycling, treatment, and alternatives other than land disposal; and to place the burden of financing additional hazardous waste management activities necessarily undertaken by state agencies on the users of those products associated with the generation of hazardous waste. The General Assembly further finds that Kentucky's industries need assistance in developing and implementing pollution prevention goals and that a fund should be established to provide technical and financial assistance to those industries.

(2) The Energy and Environment Cabinet is given the authority to administer the provisions and programs of this section and the responsibility to achieve the purposes of this section.

(3) In addition to all specific responsibilities contained elsewhere in this chapter, the cabinet shall:

(a) Respond effectively and in a timely manner to emergencies created by the

release of hazardous substances, as defined in KRS 224.1-400, into the environment. The cabinet shall provide for adequate containment and removal of the hazardous substances in order that the threat of a release or actual release of the substance may be abated and resultant harm to the environment minimized. The provisions of KRS 45A.695 to 45A.725 may be suspended by the cabinet if necessary to respond to an environmental emergency.

(b) Provide for post-closure monitoring and maintenance of hazardous waste disposal sites upon termination of post-closure monitoring and maintenance responsibilities by persons permitted to operate the facility pursuant to this chapter.

(c) Identify, investigate, classify, contain, or clean up any release, threatened release, or disposal of a hazardous substance where responsible parties are economically or otherwise unavailable to properly address the problem and the problem represents an imminent danger to the health of the citizens and the environment of the Commonwealth.

(4) The cabinet shall have the authority to finance the nonfederal share of the cost for clean up of sites under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Pub. L. 96-510).

(5) The cabinet shall recover, when possible, actual and necessary expenditures incurred in carrying out the duties under this section. Any expenditures recovered shall be placed in the hazardous waste management fund.

(6) It is the expressed purpose of this section to accomplish effective hazardous waste and toxic chemical management that results in a reduction of the generation of hazardous wastes and the release of toxic chemicals within the Commonwealth; further, it is a purpose of this chapter to allocate a portion of the cost of administering necessary governmental programs related to hazardous waste and toxic chemical management to those industries whose products are reasonably

related to the generation of hazardous waste.

(7) There is hereby imposed upon every person engaged within this state in the generation of hazardous waste an annual hazardous waste assessment to be determined pursuant to this section according to the quantity by weight of hazardous waste generated, except that no assessment shall be levied against generators for any quantity of "special wastes," waste oil, or spent material from air pollution control devices controlling emissions from coke manufacturing facilities. The assessment shall not be imposed upon any person for any quantities of hazardous waste generated by others for which that person is a secondary handler that stores, processes, or reclaims the waste. The assessment shall be reported and paid to the Energy and Environment Cabinet for the generation of hazardous waste on an annual basis on January 1 of each year. The payment shall be accompanied by a report or return in a form that the cabinet may prescribe. If a federal law is enacted which accomplishes or purports to accomplish the purposes set forth in this section and which levies an assessment or tax upon any business assessed pursuant to this section, the amount of the assessment to be levied upon the business under this section shall be reduced by the amount of the federal assessment or tax upon the business. The reduction shall only be authorized when funds raised by the federal assessment or tax are made available to the state for any of the activities to be funded under this section. If federal moneys are available to carry out the duties imposed by subsection (3) of this section, the assessment shall cease to be levied and collected until such time as federal moneys are no longer available to the Commonwealth for these purposes. The assessment shall be charged against generators of hazardous waste until June 30, 2024. After this date, no further hazardous waste management assessment shall be charged against generators. The hazardous waste assessment shall be waived for any generator owing less than fifty dollars ($50) for the year. However, a return must be filed by generators to whom a

payment waiver applies.

(8) The assessment on generators shall be one and two-tenths cents ($0.012) per pound if the waste is liquid, or two-tenths of a cent ($0.002) per pound if the waste is solid.

(a) Hazardous waste that is injected into a permitted underground injection well shall be assessed on a dry weight basis;

(b) Hazardous waste treated, detoxified, solidified, neutralized, recycled, incinerated, or disposed of on-site shall be assessed at one-half (1/2) of the appropriate rate, except for recycled waste used in the steel manufacturing process which shall be exempt;

(c) Waste that is subject to regulation under Section 402 or 307B of the Federal Clean Water Act shall be exempt;

(d) Emission control dust and sludge from the primary production of steel that is recycled by high temperature metals recovery or managed by stabilization of metals shall be exempt; and

(e) Waste that is delivered from the generator to an on-site or off-site industrial boiler or furnace and burned for energy recovery in accordance with state and federal laws and regulations shall be assessed at one-half (1/2) of the appropriate rate.

(9) Except for waste brought into the state by a company to an affiliated manufacturing facility of the company receiving the waste, any person who transports hazardous waste into the state for land disposal or treatment which is generated outside of the state shall pay an assessment to the hazardous waste facility which first receives the waste for storage, treatment, or land disposal. The assessment rate shall be identical to the rate described in subsection (8) of this section. The facility shall remit the assessment to the cabinet on an annual basis on January 1 of each year. The payment shall be accompanied by a return the cabinet shall prescribe.

(10) If any generator or hazardous waste facility subject to the provisions of subsection (8) or (9) of this section fails or refuses to file a return or furnish any information requested in writing by the cabinet, the cabinet may, from any information in its possession, make an estimate and issue an assessment against the generator or hazardous waste facility and add a penalty of ten percent (10%) of the amount of the assessment so determined. This penalty shall be in addition to all other applicable penalties in this chapter.

(11) If any generator or hazardous waste facility subject to the provisions of subsection (8) or (9) of this section fails to make and file a return required by this chapter on or before the due date of the return or the due date as extended by the cabinet, unless it is shown to the satisfaction of the cabinet, that the failure is due to reasonable cause, five percent (5%) of the assessment found to be due by the cabinet shall be added to the assessment for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it is filed, but the total penalty shall not exceed twenty-five percent (25%) of the assessment.

(12) If the assessment imposed by this chapter, whether assessed by the cabinet, or the generator, or any installment or portion of the assessment is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the assessment, interest upon the unpaid amount at the rate of eight percent (8%) per annum from the date prescribed for its payment until payment is actually made to the cabinet.

(13) (a) There is hereby created within the State Treasury a trust and agency fund which shall not lapse to be known as the hazardous waste management fund. The fund shall be deposited in an interest-bearing account. The cabinet shall be responsible for collecting and receiving funds as provided in this section, and all such assessments collected or received by the State Treasury shall be deposited in the hazardous waste management fund. All interest earned on the

money deposited in the fund shall be deposited to the fund. When the State Treasurer certifies to the cabinet that the uncommitted balance of the hazardous waste management fund exceeds six million dollars ($6,000,000), assessments shall not be collected until the State Treasurer certifies to the cabinet that the balance in the hazardous waste management fund is less than three million dollars ($3,000,000). The implementation of the cap on the fund shall be suspended from July 13, 1990, until July 1, 1991. In addition, for assessments paid after July 1, 1991, the cabinet shall refund or grant a credit against the next assessment to come due, on a pro-rated basis, any money collected in one (1) year in excess of the cap.

(b) In any fiscal year in which the fees assessed under this section total less than one million eight hundred thousand dollars ($1,800,000) in fiscal year 2007-2008 dollars, adjusted annually to reflect any increase in the cost-of-living index, the difference between the fee receipts and the adjusted minimum balance shall be transferred from funds collected pursuant to KRS 224.60-130.

(c) The cabinet shall file with the Legislative Research Commission a biennial report, beginning two (2) years after July 15, 2008, on the revenues and expenditures of the fund.

(14) There is hereby created within the State Treasury a trust and agency account which shall not lapse to be known as the pollution prevention fund. The fund shall be placed in an interest-bearing account. The fund shall be administered by the Center for Pollution Prevention. The cabinet shall remit to the fund each fiscal year twenty percent (20%) of the funds received by the hazardous waste management fund subject to the enacted budget bill.

(15) Upon request of the secretary, moneys accumulated in the hazardous waste management fund shall be released in amounts necessary to accomplish the performance of the duties imposed by subsection (3) of this section. However,

moneys from the fund shall not be used when federal moneys are available to carry out these duties, except when immediate action is required to protect public health or the environment, in which case the cabinet shall actively pursue reimbursement of the fund by any available federal moneys.

(16) If any person responsible for a release or threatened release of a hazardous substance fails to take response actions or to make reasonable progress in completing response actions ordered by the cabinet, the cabinet may bring an action to compel performance or may take appropriate response actions and order the responsible person to reimburse the cabinet for the actual costs incurred by the cabinet.

(17) If disposal activities have occurred at a hazardous waste site, the cabinet shall record in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ in the ***area development district***~~[county]~~ in which a waste site is situated a notice containing a legal description of the property that discloses to any potential transferee that the land was used to dispose hazardous waste and that further information on the hazardous waste site may be obtained from the cabinet.

(18) No person shall affect the integrity of the final cover, liners, or any other components of any containment system after closure of a hazardous waste site on or in which hazardous waste remains without prior written approval of the cabinet.

➔Section 209. KRS 224.80-100 is amended to read as follows:

As used in this subchapter:

(1) "Activity and use limitations" means restrictions or obligations created under KRS 224.80-100 to 224.80-210.

(2) "Applicant" means a person applying to the cabinet for approval of an environmental covenant.

(3) "Cabinet" means the Energy and Environment Cabinet.

(4) "Common interest community" means a condominium, cooperative, or other real property owned by a person as part of a parcel of real property for which there is an obligation to pay property taxes, insurance premiums, or maintenance, or to make improvements to the real property as described and established in a recorded environmental covenant.

(5) "Environmental covenant" means a servitude arising under an environmental response project that imposes activity and use limitations.

(6) "Environmental response project" means a plan or work performed for the environmental remediation of real property conducted:

(a) Under a federal or state program governing environmental remediation of real property including programs established pursuant to KRS 224.1-400, 224.1-405, 224.46-530, and 224.1-450 to 224.1-465;

(b) Incident to closure of a solid or hazardous waste management unit, if the closure is conducted with approval of the cabinet; or

(c) Under a Commonwealth voluntary cleanup program authorized under KRS 224.1-510 to 224.1-532.

(7) "Holder" means the grantee of an environmental covenant.

(8) "Indexing" means the practice or method kept by a ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office to record legal property transactions.

(9) "Interest" means all or part of a legal equitable claim to a right in real property which shall include both possessory and nonpossessory interests.

(10) "Owner" means a person that owns a fee simple interest or any other interest in real property that is subject to an environmental covenant.

(11) "Person" shall have the meaning specified in KRS 224.1-010(17).

(12) "Public notice" means the publication of required information in a daily or weekly newspaper of major circulation located in the county or counties where the property

subject to the proposed environmental covenant is located. If there is no daily or weekly newspaper of major circulation in the county or counties where the property is located, public notice shall mean publication of required information in a daily or weekly newspaper of major circulation in a county adjacent to the county or counties where the property is located.

(13) "Subordination agreement" means an agreement affecting priority of interests in a real property that is subject to an environmental covenant.

(14) "Servitude" means a right, burden, or restriction on the use of real property that passes from the current owner or tenant to any owners or tenants in succession.

➔Section 210. KRS 224.80-170 is amended to read as follows:

(1) An environmental covenant and any amendment to or termination of that environmental covenant shall be recorded in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office in each ***area development district*** ~~[county]~~ that contains any portion of the real property subject to the environmental covenant. For the purposes of indexing, a holder shall be treated as a grantee.

(2) Except as otherwise provided in KRS 224.80-180(3), an environmental covenant shall be subject to the laws of the Commonwealth governing the recording and priority of interests in real property.

➔Section 211. KRS 227.555 is amended to read as follows:

(1) Every manufactured or mobile home as defined in KRS 227.550 shall have:

(a) At least one (1) working smoke detector located inside the home near the bedroom areas on each floor level; and

(b) At least two (2) operable means of egress, if the home was originally equipped with at least two (2) means.

(2) The Department of Housing, Buildings and Construction, through the promulgation of administrative regulations in accordance with KRS Chapter 13A, shall design

and cause to be placed:

(a) At each vehicle entrance to a manufactured home park or community as defined in KRS 219.320, a notice stating the requirements set out in subsection (1) of this section, the penalty for noncompliance set out in subsection (5) of this section, and any other information it deems necessary to effect the purposes of this section; and

(b) In each ***regional public records and licensing administrator's***~~[county clerk's]~~ office, a notice stating the requirements set out in subsection (1) of this section, the penalty for noncompliance set out in subsection (5) of this section, and any other information it deems necessary to effect the purposes of this section.

(3) No public servant with the authority to issue a citation shall enter a manufactured or mobile home solely for the purpose of determining whether or not the manufactured or mobile home is in compliance with this section.

(4) No ordinance contrary to subsections (1) and (3) of this section may be enacted by any unit of local government, and the provisions of subsections (1) and (3) shall supersede any local ordinance to the contrary. The provisions of this subsection shall not apply to any city which has adopted or may in the future adopt the Uniform Residential Landlord and Tenant Act under KRS Chapter 383.

(5) The owners of manufactured homes and mobile homes located within a manufactured home park or community which do not comply with subsection (1) of this section shall be responsible for the correction of any violation.

(6) Any person who violates subsection (1) of this section shall be guilty of a violation.

➔Section 212. KRS 231.040 is amended to read as follows:

Any person who desires a permit to operate a place of entertainment outside the corporate limits of a city shall file an application with the ***regional public records and licensing administrator***~~[county clerk]~~. The application shall set forth the true name of the owner of the place of entertainment, the exact location of the proposed place of entertainment and

the occupation of the owner or manager of the proposed place of entertainment for five (5) years immediately preceding the date on which the application is filed.

➔Section 213. KRS 231.050 is amended to read as follows:

At the time the application is filed, the applicant shall deposit ***fifteen dollars ($15)***~~[twenty dollars ($20)]~~ with the ***regional public records and licensing administrator***~~[county clerk]~~ which shall be used by the ***regional public records and licensing administrator***~~[clerk]~~ to defray the cost of the notices required by KRS 231.060 to be published in a newspaper~~[, to pay the clerk's cost for the docketing of the application on the order book of the county judge/executive and for recording such orders of the county judge/executive as may be entered therein. Fifteen dollars ($15) of the deposit shall be used for advertising and five dollars ($5) shall be paid to the clerk as his fee]~~.

➔Section 214. KRS 231.060 is amended to read as follows:

When the application is filed with the ***regional public records and licensing administrator***~~[county clerk]~~ he ***or she*** shall have a notice that the application has been filed, published pursuant to KRS Chapter 424 in the county.

➔Section 215. KRS 231.070 is amended to read as follows:

The county attorney, after an application has been filed, shall investigate the applicant and file with the county judge/executive a written report setting forth the facts revealed by his investigation, recommending the granting or the denial of the permit. The report shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ within thirty (30) days after the application is filed.

➔Section 216. KRS 231.110 is amended to read as follows:

No person who has been granted a permit shall allow:

(1) Drunken, disorderly, or boisterous persons, or persons of lewd or lascivious reputation to congregate in or about the premises;

(2) People to congregate there for immoral or unlawful purposes or to permit any man

or woman who are not married to each other to occupy any cabin, cottage, or secreted room or place from which the view of the public is excluded;

(3) The premises to be used as a place of assemblage or entertainment at later hours than those which are stated in the permit or recorded on the order book of the county judge/executive;

(4) Engaging in fortune-telling at any location except that specifically stated in his permit;

(5) Engaging in fortune-telling without first posting in a conspicuous place, both inside and outside the premises at which he is authorized to engage in fortune-telling, and without first filing with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the premises are located, a schedule showing in detail the fees charged for readings, predictions, and services of any nature.

➔Section 217. KRS 231.120 is amended to read as follows:

Upon the conviction of the owner or manager of a place of entertainment for a violation of any of the provisions of this chapter:

(1) The judgment of the court shall provide for the forfeiture of the permit;

(2) A copy of the judgment shall be certified by the court in which the conviction occurs to the ***regional public records and licensing administrator***~~[county clerk]~~ and shall be recorded by him in the order book of the county judge/executive; and

(3) The permit shall then be canceled and become void.

➔Section 218. KRS 232.021 is amended to read as follows:

No person shall own or operate a nudist society unless he first secures a license from the county judge/executive in the county in which the nudist society will be located. Any person who desires a license shall file an application with the ***regional public records and licensing administrator***~~[county clerk]~~ setting forth the name and address of the owner of the premises upon which the nudist society will be located and the name of the

operator, the occupation of the owner or operator, the reason for forming the society and its purpose, the location of the area of the proposed nudist society, and a description of the physical facilities and precautions to be taken which will assure privacy of members and concealment and reasonable isolation of the nudists from the public. If the county judge/executive finds that the character of the applicant is good, the nudist society is proposed to be conducted for religious or health purposes, the facilities appear adequate and the nudist society will be so located or screened or housed, and so operated, as to give reasonable assurance that its activities will be effectively concealed and its members reasonably isolated from the ordinary view and presence of the general public, the county judge/executive shall issue the license upon payment of a fee of one hundred dollars ($100). Each license to operate a nudist society shall expire one (1) year from issuance but may be renewed annually upon payment of a renewal fee of fifty dollars ($50).

➔Section 219. KRS 238.535 is amended to read as follows:

(1) Any charitable organization conducting charitable gaming in the Commonwealth of Kentucky shall be licensed by the department. A charitable organization qualifying under subsection (12) of this section but not exceeding the limitations provided in this subsection shall be exempt from the licensure requirements when conducting the following charitable gaming activities:

(a) Bingo in which the gross receipts do not exceed a total of twenty-five thousand dollars ($25,000) per year;

(b) A raffle or raffles for which the gross receipts do not exceed twenty-five thousand dollars ($25,000) per year; and

(c) A charity fundraising event or events that do not involve special limited charitable games and the gross gaming receipts for which do not exceed twenty-five thousand dollars ($25,000) per year.

However, at no time shall a charitable organization's total limitations under this subsection exceed twenty-five thousand dollars ($25,000).

(2) (a) Any charitable organization exempt from the process of applying for a license under subsection (1) of this section, shall notify the department in writing, on a simple form issued by the department, of its intent to engage in exempt charitable gaming and the address at which the gaming is to occur. Any charitable organization exempt from the process of applying for a license under subsection (1) of this section, shall comply with all other provisions of this chapter relating to the conduct of charitable gaming, except:

1. Payment of the fee imposed under the provisions of KRS 238.570; and
2. The quarterly reporting requirements imposed under the provisions of KRS 238.550(7), unless the exempt charitable organization obtains a retroactive license pursuant to subsection (9) of this section.

(b) Before January 31 of the year immediately following the year of exemption, a charitable organization exempt from licensure under the provisions of subsection (1) of this section shall file a financial report with the department, on a form issued by the department, that contains the following information:

1. The type of gaming activity in which it engaged during that year;
2. The total gross receipts derived from gaming;
3. The amount of charitable gaming expenses paid;
4. The amount of net receipts derived; and
5. The disposition of those net receipts.

(3) An exemption that has been granted to a charitable organization for the preceding calendar year shall be automatically renewed on January 1 of the following year.

(4) If upon receipt of the financial report the department determines that the information appearing on the financial report renders the charitable organization ineligible to possess an exemption, the department shall notify the charitable organization that its exemption is rescinded. The organization may request an appeal of this rescission pursuant to KRS 238.565.

(5) If the annual financial report is not received by January 31, the exemption is automatically rescinded unless an extension of no more than thirty (30) days is granted by the department. The organization may request an appeal of this rescission pursuant to KRS 238.565.

(6) If an exemption is revoked because an organization has exceeded the limit imposed in subsection (1) of this section, the organization shall apply for a retroactive license in accordance with subsection (7) of this section.

(7) If an organization exceeds the limit imposed by any subsection of this section it shall:

(a) Report the amount to the department; and

(b) Apply for a retroactive charitable gaming license.

(8) Upon receipt of a report and application for a retroactive charitable gaming license, the department shall investigate to determine if the organization is otherwise qualified to hold the license.

(9) If the department determines that the applicant is qualified, it shall issue a charitable gaming license retroactive to the date on which the exemption limit was exceeded. The retroactive charitable gaming license shall be issued in the same manner as regular charitable gaming licenses.

(10) If the department determines that the applicant is not qualified it shall deny the license and take enforcement action, if appropriate.

(11) Once a retroactive or regular gaming license is issued to an organization, that organization shall not be eligible for exempt status in the future and shall maintain a charitable gaming license if it intends to continue charitable gaming activities, unless the charitable organization has not exceeded the exemption limitations of subsection (1) of this section for a period of two (2) years prior to its exemption request.

(12) (a) In order to qualify for licensure, a charitable organization shall:

1. a. Possess a tax exempt status under 26 U.S.C. secs. 501(c)(3), 501(c)(4), 501(c)(8), 501(c)(10), or 501(c)(19), or be covered under a group ruling issued by the Internal Revenue Service under authority of those sections; or

   b. Be organized within the Commonwealth of Kentucky as a common school as defined in KRS 158.030, as an institution of higher education as defined in KRS 164A.305, or as a state college or university as provided for in KRS 164.290;

2. Have been established and continuously operating within the Commonwealth of Kentucky for charitable purposes, other than the conduct of charitable gaming, for a period of three (3) years prior to application for licensure. For purposes of this paragraph, an applicant shall demonstrate establishment and continuous operation in Kentucky by its conduct of charitable activities from an office physically located within Kentucky both during the three (3) years immediately preceding its application for licensure and at all times during which it possesses a charitable gaming license. However, a charitable organization that operates for charitable purposes in more than ten (10) states and whose principal place of business is physically located in a state other than Kentucky may satisfy the requirements of this paragraph if it can document that it has:

   a. Been actively engaged in charitable activities and has made reasonable progress, as defined in subparagraph 3. of this paragraph, in the conduct of charitable activities or the expenditure of funds within Kentucky for a period of three (3) years prior to application for licensure; and

   b. Operated for charitable purposes from an office or place of

business in the Kentucky county where it proposes to conduct charitable gaming for at least one (1) year prior to application for licensure, in accordance with subparagraph 4. of this paragraph and paragraph (c) of this subsection;

3. Have been actively engaged in charitable activities during the three (3) years immediately prior to application for licensure and be able to demonstrate, to the satisfaction of the department, reasonable progress in accomplishing its charitable purposes during this period. As used in this paragraph, "reasonable progress in accomplishing its charitable purposes" means the regular and uninterrupted conduct of activities within the Commonwealth or the expenditure of funds within the Commonwealth to accomplish relief of poverty, advancement of education, protection of health, relief from disease, relief from suffering or distress, protection of the environment, conservation of wildlife, advancement of civic, governmental, or municipal purposes, or advancement of those purposes delineated in KRS 238.505(3). In order to demonstrate reasonable progress in accomplishing its charitable purposes when applying to renew an existing license, a licensed charitable organization shall additionally provide to the department a detailed accounting regarding its expenditure of charitable gaming net receipts for the purposes described in this paragraph; and

4. Have maintained an office or place of business, other than for the conduct of charitable gaming, for at least one (1) year in the county in which charitable gaming is to be conducted. The office or place of business shall be a separate and distinct address and location from that of any other licensee of the Department of Charitable Gaming; except that up to three (3) licensed charitable organizations may have the same

address if they legitimately share office space.

(b) 1. A charitable organization that has established and maintained an office or place of business in the county for a period of at least one (1) year may hold a raffle drawing or a charity fundraising event, including special limited charity fundraising events, in a Kentucky county other than that in which the organization's office or place of business is located.

2. For raffles, the organization shall notify the Department of Charitable Gaming in writing of the organization's intent to change the drawing's location at least thirty (30) days before the drawing takes place. This written notification:

a. May be transmitted in any commercially reasonable means, authorized by the department, including facsimile and electronic mail; and

b. Shall set out the place and the county in which the drawing will take place.

Approval by the department shall be received prior to the conduct of the raffle drawing at the new location.

(c) Any charitable organization that was registered with the ***regional public records and licensing administrator***~~[county clerk]~~ to conduct charitable gaming in a county on or before March 31, 1992, shall satisfy the requirement contained in paragraph (a)4. of this subsection if it maintained a place of business or operation, other than for the conduct of charitable gaming, for one (1) year prior to application in a Kentucky county adjoining the county in which they were registered.

(13) In applying for a license, the information to be submitted shall include but not be limited to the following:

(a) The name and address of the charitable organization;

(b) The date of the charitable organization's establishment in the Commonwealth of Kentucky and the date of establishment in the county or counties in which charitable gaming is to be conducted;

(c) A statement of the charitable purpose or purposes for which the organization was organized. If the charitable organization is incorporated, a copy of the articles of incorporation shall satisfy this requirement;

(d) A statement explaining the organizational structure and management of the organization. For incorporated entities, a copy of the organizations' bylaws shall satisfy this requirement;

(e) A detailed accounting of the charitable activities in which the charitable organization has been engaged for the three (3) years preceding application for licensure;

(f) The names, addresses, dates of birth, and Social Security numbers of all officers of the organization;

(g) The names, addresses, dates of birth, and Social Security numbers of all employees and members of the charitable organization who will be involved in the management and supervision of charitable gaming. No fewer than two (2) employees or members of the charitable organization who are involved in the management and supervision of charitable gaming, along with the chief executive officer or the director of the applicant organization, shall be designated as chairpersons;

(h) The address of the location at which charitable gaming will be conducted and the name and address of the owner of the property, if it is owned by a person other than the charitable organization;

(i) A copy of the letter or other legal document issued by the Internal Revenue Service to grant tax-exempt status;

(j) A statement signed by the presiding or other responsible officer of the charitable organization attesting that the information submitted in the application is true and correct and that the organization agrees to comply with all applicable laws and administrative regulations regarding charitable gaming;

(k) An agreement that the charitable organization's records may be released by the Federal Internal Revenue Service to the department; and

(l) Any other information the department deems appropriate.

(14) An organization or a group of individuals that does not meet the licensing requirements of subsection (12) of this section may hold a raffle if the gross receipts do not exceed one hundred fifty dollars ($150) and all proceeds from the raffle are distributed to a charitable organization. The organization or group of individuals may hold up to three (3) raffles each year, and shall be exempt from complying with the notification, application, and reporting requirements of subsections (2) and (13) of this section.

(15) The department may issue a license for a specified period of time, based on the type of charitable gaming involved and the desired duration of the activity.

(16) The department shall charge a fee for each license issued and renewed, not to exceed three hundred dollars ($300). Specific fees to be charged shall be prescribed in a graduated scale promulgated by administrative regulations and based on type of license, type of charitable gaming, actual or projected gross receipts, or other applicable factors, or combination of factors.

(17) (a) A licensed charitable organization may place its charitable gaming license in escrow if:

1. The licensee notifies the department in writing that it desires to place its license in escrow; and

2. The license is in good standing and the department has not initiated

disciplinary action against the licensee.

(b) During the escrow period, the licensee shall not engage in charitable gaming, and the escrow period shall not be included in calculating the licensee's retention rate under KRS 238.536.

(c) A charitable organization may apply for reinstatement of its active license and the license shall be reinstated provided:

1. The charitable organization continues to qualify for licensure;
2. The charitable organization has not engaged in charitable gaming during the escrow period; and
3. The charitable organization pays a reinstatement fee established by the department.

➔Section 220. KRS 243.600 is amended to read as follows:

(1) The ***regional public records and licensing administrator***~~[clerk]~~ of a county whose fiscal court has imposed license fees under KRS 243.060 shall immediately notify the board of the amount of the fees fixed. The county licenses shall be issued and the fees collected by the ***regional public records and licensing administrator***~~[county clerk, who may charge a fee of fifty cents ($0.50) for his services for each license issued]~~. The ***regional public records and licensing administrator***~~[county clerk]~~ shall report and pay to the county treasurer at the end of each month such fees as he ***or she*** has collected. No license shall be issued without the approval of the county administrator, if there is one in the county. The licenses shall be issued in such form as may be prescribed by the county administrator, if there is one in the county, or by the board, if there is no county administrator.

(2) If any part of this section is held invalid, all of this section and of KRS 243.060 shall also be considered invalid.

➔Section 221. KRS 247.260 is amended to read as follows:

(1) The articles of incorporation of a farm bureau shall be recorded by the ***regional public records and licensing administrator***~~[county clerk]~~ without a fee of any kind.

(2) No salary shall be paid to the president, vice president or any director.

➔Section 222. KRS 247.270 is amended to read as follows:

(1) The treasurer of the farm bureau shall give bond, with security, the amount of which shall be fixed by the board of directors at double the amount of money likely to come into his hands. The bond shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ and be recorded without fee. In no case shall the bond of the treasurer be less than one thousand dollars ($1,000).

(2) The treasurer shall receive all funds belonging to the farm bureau and all appropriations made by the fiscal court. He shall pay out the funds of the farm bureau only on bills allowed by the board of directors or by the executive committee of the board of directors. The allowance shall be certified to by the president or secretary.

(3) No treasurer shall in any manner convert the funds or property of a farm bureau to his own use or pay out or dispose of the same in any manner different than as directed by KRS 247.240 to 247.320.

➔Section 223. KRS 247.280 is amended to read as follows:

The outgoing president and treasurer of a farm bureau shall by the date of the annual meeting file with the ***regional public records and licensing administrator***~~[county clerk]~~ full and detailed sworn reports of all receipts and expenditures of the corporation, showing from whom the sums were received and to whom they were paid, and for what purposes they were received or paid. A duplicate of the reports shall be laid before the members at the annual meeting.

➔Section 224. KRS 247.340 is amended to read as follows:

(1) The ~~[said]~~federation of farm bureaus organized pursuant to KRS 247.330 shall be a body corporate upon the filing with the ***regional public records and licensing***

administrator~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the principal office of ***the***~~[said]~~ federation is located, articles of incorporation signed by the requisite number of authorized representatives of said county farm bureaus, and upon the filing of a copy of said articles of incorporation certified to by ***the***~~[said]~~ ***regional public records and licensing administrator***~~[county clerk]~~, in the office of the Secretary of State of the Commonwealth of Kentucky.

(2) ***The***~~[Said]~~ articles of incorporation shall state:

(a) The names of the county farm bureaus organizing said state federation;

(b) The corporate name of said state federation;

(c) The location of the principal office;

(d) The nature of its business and its general powers, and may set out any other provision, which the incorporators may deem desirable and which are not in conflict with the law.

(3) The incorporators signing the articles of incorporation shall constitute the first board of directors until the first annual election date to be fixed by the bylaws of the corporation.

(4) Any state federation of county farm bureaus heretofore organized pursuant to the provisions of KRS 247.330, or, Chapter 76 of the Acts of 1920 of the General Assembly of the Commonwealth of Kentucky, and having heretofore filed its articles of incorporation as provided in this section, shall not be required to reincorporate, but may continue its corporate existence as if done pursuant hereto, and said corporation or any corporation organized pursuant to this section and KRS 247.330, may amend its articles of incorporation by a majority vote of its voting delegates assembled in annual state convention.

➔Section 225. KRS 253.050 is amended to read as follows:

The board shall publish at such times as it deems necessary a report of the brands that have been registered. Every five (5) years thereafter all brands shall be reregistered. The

Commissioner shall notify each brand owner and provide the necessary forms. A reregistration fee of five dollars ($5) for each brand shall be charged for the ensuing five (5) year period or fraction thereof. The ***regional public records and licensing administrator***~~[county clerk]~~ and the sheriff of each county, or authority approved by the board shall receive all brand reports without cost and the books shall remain as a part of the permanent records of their respective offices.

➔Section 226. KRS 256.020 is amended to read as follows:

(1) Persons owning adjoining lands may agree to erect division fences between them and keep them in repair.

(2) If the agreement is reduced to writing, signed by the parties to it and acknowledged or proven, as deeds are required to be, it may be entered of record in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the land is situated, and shall have the same effect as a deed.

➔Section 227. KRS 257.105 is amended to read as follows:

(1) In addition to KRS 257.100 or any other provision authorized by law, any unclaimed animal held by a licensed veterinarian for more than ten (10) days of veterinary care and treatment requested by the owner or lawful possessor of the animal may be summarily sold by the veterinarian for the reasonable value of the animal upon compliance with the procedures set forth in this section.

(2) The veterinarian under subsection (1) of this section shall give written notice of the required payment for services performed and notice of the proposed sale of the animal to the owner or lawful possessor of the animal and to any lienholders of record by certified mail. If the whereabouts of the owner or lawful possessor of the animal cannot be ascertained with reasonable diligence, a notice of the proposed sale shall be published in a newspaper, qualified under KRS 424.120, circulated in the county where the animal is located at least ten (10) days preceding the sale. The

notice shall state the amount due and the date, place and time of sale.

(3) The proceeds of a sale under this section shall first be used to reimburse the veterinarian for an amount equal to the reasonable value of the veterinary care and treatment, plus any other care and board given the animal; the excess amount, if any, from a sale shall be paid to the owner or lawful possessor of the animal or to other persons legally entitled thereto. If the proceeds from the sale fail to cover the amount owed the veterinarian, the owner or lawful possessor of the animal shall remain liable for the unpaid portion.

(4) A sale under this section shall not relieve the owner or lawful possessor of the animal from any other obligation to the veterinarian.

(5) Any veterinarian making a sale provided for in this section shall make a sworn statement setting forth the following:

(a) The kind and number of animals sold;

(b) The amount realized from any such sale;

(c) The amount claimed due by the veterinarian;

(d) The name of the former owner or lawful possessor requesting the care and treatment performed by the veterinarian on the animal or animals sold;

(e) The dates when the treatment was commenced and was completed;

(f) The date or dates when notice of the proposed sale was given the owner or lawful possessor of the animal or animals sold;

(g) The description or the identification number of the animal or animals sold, and if branded, the brand thereon;

(h) The name and address of the veterinarian making the sale; and

(i) The name and address of the purchaser of the animal or animals sold.

The record shall be filed within five (5) days of the sale in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the sale is made.

➔Section 228. KRS 259.120 is amended to read as follows:

Stray equines and stray cattle shall be taken up and posted in the following manner:

(1) (a) Documentation of stray equines shall be taken before a county judge/executive of the district, who shall administer to the taker-up an oath, in substance, that the equine was taken up by him as a stray and that he has not defaced or altered the marks, brands, or other identifiers, including but not limited to microchips or freeze brands, of the equine.

(b) Documentation of stray cattle shall be taken before a county judge/executive of the district, who shall administer to the taker-up an oath, in substance that the cattle were taken by him as strays on his premises within the preceding ten (10) days and that he has not defaced or altered the marks or brands of the cattle.

(c) Duties of the county judge/executive pertaining to stray equines shall be to:

1. Contract with a licensed veterinarian, who shall document the stray equine's breed, color, sex, marks, brands, scars, and other distinguishing features, perform a microchip scan, and identify the existence of lip tattoos, freeze brands, or microchips;

2. Record the veterinarian's findings, the name and residence of the taker-up, and the location of the stray equine in a book to be kept by him for that purpose;

3. Maintain documentation in electronic and paper format; and

4. Send a copy of the documentation of the stray equine to the Office of the State Veterinarian, who shall post notification on the Office of the State Veterinarian's Web site. The Office of the State Veterinarian shall post one (1) photograph of the stray equine's front view, including its head and feet, and one (1) photograph of the stray equine's side view from muzzle to tail;

(2) The county judge/executive shall give to the taker-up a copy of the documentation for the record and immediately deliver to the ***regional public records and licensing administrator*** ~~[county clerk]~~ a certified copy of the same record;

(3) The ***regional public records and licensing administrator*** ~~[clerk]~~ shall immediately record the stray certificate of the county judge/executive as provided by the taker-up in a book to be kept by him for that purpose;

(4) The taker-up shall immediately post a copy of the county judge/executive's certificate in the sheriff's office with jurisdiction over the area where the stray cattle or stray equine was taken up after he has posted the stray. Hold time for stray equines shall begin after all documentation has been properly filed and posted by the county judge/executive and taker-up; and

(5) (a) If ownership is found from identifiers of the stray equine such as lip tattoos, freeze brands, or microchips, efforts shall be made by the county/judge executive or his designee to ascertain the owner by investigatory due diligence in locating the owner and providing notice before holding time expires. The owner/claimants of the stray equine shall reimburse the county judge/executive for the cost of the veterinarian's assessment per the contracted agreement.

(b) The taker-up shall be paid by the owner of the stray, if and when he claims the stray or its value, the actual itemized costs incurred by the taker-up for keeping the stray equine or cattle. In the event that a dispute arises relating to ownership, adverse claimants, third-party claims or liens, value of the equine, or actual itemized expenses incurred, the parties may file an action in a court of competent jurisdiction of the county in which the stray equine was taken up. The filing of an action under this paragraph shall toll holding time as to vesting of ownership interests.

(c) The taker-up may have the stray equine sterilized only after the fifteen (15)

day holding period has expired and ownership vested pursuant to KRS 259.130, and any pending court cases pertaining to the stray equine have been resolved.

➔Section 229. KRS 259.140 is amended to read as follows:

(1) If cattle taken up under KRS 259.120 are sold for a profit before absolute ownership of the stray cattle has vested in the taker-up as provided by KRS 259.130, then the taker-up shall pay to the owner upon demand and proof of ownership the amount received for the stray cattle less the amount owed by the owner to the taker-up under KRS 259.120. The owner shall not be entitled to any payment from the taker-up under this section if demand for payment is made more than fifteen (15) days after the posting of the stray equine and vesting of ownership pursuant to KRS 259.130 or more than twelve (12) months after the posting of the stray cattle under KRS 259.120.

(2) County judges/executive or participating state agency, ***regional public records and licensing administrators*** ~~[county clerks]~~, and all other local government employees acting in good faith in the discharge of the duties imposed by KRS 259.105, 259.110, 259.120, 259.130, and this section shall be immune from criminal and civil liability for any act related to the taking up and posting of stray equines or stray cattle.

➔Section 230. KRS 262.735 is amended to read as follows:

The votes shall be counted by the election officers at the close of the polls and report of the results, along with the votes which have been cast, delivered to the polling superintendent, who shall certify the results to the board of supervisors. If a majority of the votes cast favor creation of the district, the board of supervisors shall certify such results to the county clerk ***and the regional public records and licensing administrator*** in the county or counties involved. Upon proper recording of ***this*** ~~[such]~~ action ***by the regional public records and licensing administrator the*** ~~[such]~~ watershed conservancy

district shall be duly created. After recording, the certification shall be filed with the State Soil Conservation Commission.

➔Section 231. KRS 262.760 is amended to read as follows:

Within the first quarter of each calendar year, the board of directors shall prepare an itemized budget of the funds needed for administration, construction, operation and maintenance of works of improvement. After approval of such budget by the board of supervisors, the board of directors shall, by order or resolution, levy a tax sufficient to meet such budget, either by millage rate or per acre rate. A copy of such budget and order or resolution shall be certified to the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district or area development districts***~~[county or counties]~~ involved, and shall be submitted to the Department for Local Government as provided in KRS 65A.020.

➔Section 232. KRS 262.765 is amended to read as follows:

(1) The board of directors of a watershed conservancy district shall prepare and furnish to the property valuation administrator by January 1 each year a list of the landowners in each county involved showing the real property subject to assessment, and the property valuation administrator of the county or counties involved shall indicate, for the use of the ***regional public records and licensing administrator***~~[clerk]~~, such information on the tax rolls. The list furnished the property valuation administrator by the board of directors shall: list the landowners in alphabetical order by taxing districts as shown on the previous year's tax roll, list the total acreage and the acreage in the watershed conservancy district owned by each landowner, and show that part of the previous year's assessment attributable to real property within the watershed conservancy district on those parcels which are not entirely within the district.

(2) When the property tax rolls are delivered to the ***regional public records and licensing administrator***~~[county clerk]~~ by the property valuation administrator, as

required by law, the ***regional public records and licensing administrator*** ~~[county clerk]~~ shall compute the tax due the district from each landowner in accordance with the rate fixed by the board of directors and the value or acreage of the real property indicated on the tax roll. The computation shall be made on the regular tax bills in such manner as may be directed by regulation of the Department of Revenue.

➔Section 233. KRS 262.780 is amended to read as follows:

(1) Any one (1) or more owners of land may petition the board of supervisors to have their lands added to a watershed conservancy district. Such petition shall define the boundaries of the land desired to be annexed, the number of acres of land involved, and other information pertinent to such proposal. When the boundary described embraces lands of others than the petitioners, the petition shall so state and shall be signed by twenty-five (25) or more of the landowners in the territory described, if fifty (50) or more such owners are involved, or by a majority if less than fifty (50) landowners are involved.

(2) Within thirty (30) days after such petition is filed, the board shall cause due notice to be given, as provided in KRS 262.010(4), of a hearing on such petition. All interested parties shall have a right to attend such hearing and be heard. The board shall determine whether the lands described in the petition or any portion thereof shall be included in the district. If all the landowners in the territory involved are not petitioners, a referendum shall be held within such territory as provided in KRS 262.725, 262.730 and 262.735, before making a final determination. If it is determined that such land should be added, this fact shall be certified by the board of supervisors to the ***regional public records and licensing administrator*** ~~[county clerk]~~ in the county or counties involved. After recording, the certification shall be filed with the State Soil Conservation Commission.

➔Section 234. KRS 262.785 is amended to read as follows:

The owner or owners of lands which have not been, are not, and cannot be benefited by their inclusion in the watershed conservancy district may petition the board of supervisors to have such lands detached. The petition shall describe such lands and state the reasons why they should be detached. A hearing shall be held within thirty (30) days after the petition is received. Due notice of such hearing as provided in KRS 262.010(4) shall be given at least ten (10) days before the hearing. If it is determined by the board of supervisors that such lands shall be detached, such determination shall be certified to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which any portion of such lands lie. After recording, the certification shall be filed with the State Soil Conservation Commission.

➔Section 235. KRS 262.850 is amended to read as follows:

(1) This section shall be known as "the Agricultural District and Conservation Act."

(2) It is the policy of the state to conserve, protect and to encourage development and improvement of its agricultural lands for the production of food and other agricultural products. It is also the policy of this state to conserve and protect the agricultural land base as a valuable natural resource which is both fragile and finite. The pressure imposed by urban expansion, transportation systems, water impoundments, surface mining of mineral resources, utility rights-of-way and industrial development has continually reduced the land resource base necessary to sufficiently produce food and fiber for our future needs. It is the purpose of this section to provide a means by which agricultural land may be protected and enhanced as a viable segment of the state's economy and as an important resource.

(3) The local governing administrative body for an agricultural district shall be the conservation district board of supervisors. The Soil and Water Conservation Commission shall be responsible for statewide administration of the agricultural district program and shall have sole authority to certify or deny agricultural district petitions. The commission may apply for assistance and funds from the Federal

Farmland Protection Act of 1981 (Pub. L. 97-377) which may be available for the development of the agricultural district program and may accept easements as provided in KRS 65.410 to 65.480.

(4) Any owner or owners of land may submit a petition to the local conservation district board of supervisors requesting the creation of an agricultural district within the county. The petition shall include a description of the proposed area, description of each land parcel, location of the proposed boundaries, petitioners' names and addresses, adjacent landowners' names and addresses, and other pertinent information as required in the petition application. The boundary of an agricultural district shall be contiguous. No land shall be included in an agricultural district without the consent of the owner.

(5) Upon receipt of a petition, the local conservation district board of supervisors shall notify the fiscal court and any local or regional planning or zoning body, if any, by sending a copy of the petition and accompanying materials to that body.

(6) The following factors shall be considered by the local conservation district board of supervisors and the Soil and Water Conservation Commission when considering the formation of any agricultural district:

(a) The capability of the land to support agricultural production, as indicated by: soil, climate, topography or other natural factors;

(b) The viability of active farmlands, as indicated by: markets for farm products, extent and nature of farm improvements, present status of farming, anticipated trends in agricultural economic conditions and technology;

(c) That the proposed agricultural district meets the minimum size limit of two hundred fifty (250) contiguous acres, unless the local conservation district board and the Soil and Water Conservation Commission allow fewer than two hundred fifty (250) contiguous acres if the proposed area meets a minimum annual production performance established by the district board and approved

by the commission;

(d) County development patterns and needs and the location of the district in relation to any urban development boundaries within the county;

(e) Any matter which may be relevant to evaluate the petition; and

(f) Whether an application is from more than one (1) farm owner, in which case a preference shall be given to the application.

(7) The local soil and water conservation district board of supervisors shall review the petition application and submit a recommendation to the Soil and Water Conservation Commission within sixty (60) days of receipt. The local conservation district recommendation shall be submitted to the commission in the form of approval, approval with modifications, or denial of the petition accompanied by justification for such a denial.

(8) The Soil and Water Conservation Commission shall review the recommendation of the district board of supervisors and certify or deny the agricultural district's petition within sixty (60) days of receipt.

(9) Upon the approval of a petition by the Soil and Water Conservation Commission, the commission shall notify the area development district in which the agricultural district will lie, the ***regional public records and licensing administrator of that area development district***~~[local county clerk]~~, and the secretary of the Governor's Cabinet.

(10) Land within the boundary of an agricultural district shall not be annexed.

(11) The owners of land within the boundary of an agricultural district shall be exempt under KRS 74.177 from any assessment authorized for the extension of water service lines until the land is removed from the district and developed for nonagricultural use. Any member, or any successor heir of the member, of an agricultural district may withdraw from the district upon notifying the local conservation district board of supervisors in writing.

(12) It shall be the policy of all state agencies to support the formation of agricultural districts as a means of preserving Kentucky's farmlands and to mitigate the impact of their present and future plans and programs upon the continued agricultural use of land within an agricultural district.

(13) Agricultural districts shall be comprised only of agricultural land as defined in KRS 132.010.

(14) An agricultural district shall be established for five (5) years with a review to be made by the local soil and water conservation district board of supervisors at the end of the five-year period and every five (5) years thereafter. Each owner of land shall agree to remain in the district for a five (5) year period, which is renewable at the end of the five (5) years. However, the board shall make a review any time upon the written request of a local government which demonstrates that the review is necessary in order to consider development needs of the local government. The board shall consider whether the continued existence of the district is justified, any adjustments which may be necessary due to urban or county development, and other factors the board finds relevant. The board shall revise the district as necessary based on the review and subject to approval of the State Soil and Water Conservation Commission. Before the state commission takes final action, all interested parties shall be given the opportunity to request the state commission to amend or overturn the local board's decision.

(15) The withdrawal of a member from a district reducing the remaining acreage of agricultural district land to less than two hundred fifty (250) acres or resulting in the remaining land being noncontiguous shall not cause the decertification of the district.

(16) Any member of an agricultural district who has received a summons of condemnation proceedings being instituted concerning the member's land located in the district may request the local soil and water conservation district board of

supervisors to hold a public hearing on the proposed taking of land. However a hearing under this section shall not be held if the petitioner in the condemnation proceeding is a utility as defined in KRS 278.010(3) and obtained a certificate of convenience and necessity as required by KRS 278.020(1).

(17) (a) The board shall notify the local property valuation administrator of the farms which belong to an agricultural district and whenever a farm is withdrawn from a district. The board shall also inform all members of a district of the right to have their land assessed by the local property valuation administrator at the land's agricultural use value and shall offer advice and assistance on obtaining such an assessment.

(b) The board shall also notify the local property valuation administrator whenever a farm is released or withdrawn from an agricultural district.

(18) The board may allow an amendment to an existing certified agricultural district if approved by the commission.

➔Section 236. KRS 267.110 is amended to read as follows:

Within fifteen (15) days after the election of the directors they shall meet at the county seat and elect a president and treasurer from their number, and a secretary who need not be from their number. If no secretary is elected, the ***regional public records and licensing administrator*** ~~[county clerk]~~ shall be the ex officio secretary of the board. ***The regional public records and licensing administrator may nominate a designee to fill this position, in the case the board of directors fails to elect a secretary.*** The president and directors shall receive no compensation for their services as such. The treasurer may receive a salary determined by the board, and shall execute bond as the board directs.

➔Section 237. KRS 267.130 is amended to read as follows:

(1) When the court refers to it any proceeding to establish or construct any improvement, the board shall employ a competent drainage engineer, who shall be the chief engineer for the work. The board may prescribe the number of assistant

engineers to be selected by the chief engineer. The chief engineer shall have control of the work until completed, or until his removal by the board, and may assign portions to each assistant. He may, with the consent of the board, consult any eminent engineer and obtain his opinion or advice concerning the drainage of the district. He may employ such assistants as are necessary to make a complete topographical survey of the district, and shall enter upon the ground and make a survey of the main drains and all the laterals.

(2) The line of each ditch, drain or levee shall be plainly and substantially marked on the ground. The course and distance of each ditch, and width of right-of-way, shall be carefully noted and sufficient notes made so that it may be accurately plotted and mapped. A line of levels shall be run for the entire work and sufficient data secured from which accurate profiles and plans may be made. Frequent bench marks shall be established along the line, on permanent objects, and their elevation recorded in the field books. Other levels may be run to determine the fall from one part of the district to another. If an old watercourse, ditch or channel is being altered it shall be accurately cross sectioned, so as to compute the amount of cubic yards saved by the use of the old channel. If a private ditch is utilized, the saving by reason of its use shall be carefully computed and reported, with the name of the owner. A drainage map of the district shall then be completed, showing the location of every improvement and the boundary, as closely as may be reasonably determined, of the lands owned by each individual landowner within the district. The location of any railroad or public highway and the boundary of any incorporated town or village within the district shall be shown on the map. There shall be prepared to accompany the map a profile showing the surface of the ground, and the bottom or grade of the proposed improvement.

(3) The engineer shall make an estimate of the cost of the work, and plans and specifications therefor, and file the same, together with all maps and profiles, with

the ***regional public records and licensing administrator***~~[county clerk]~~, to be made a part of the record of the proceedings. All such maps, profiles, plans and specifications, together with the report of the engineer and all exhibits filed therewith, shall be made in duplicate, one to be marked original and the other duplicate. If lands in ***area development districts***~~[counties]~~ other than the one in which the proceeding is pending are affected, an additional copy of the maps and profiles shall be made and filed with the ***regional public records and licensing administrator***~~[county clerk]~~ of the other ***area development districts***~~[counties]~~. The original shall not be withdrawn from the custody of the clerk, but the duplicate may be withdrawn for use by the viewers, the board, or for use on the work by the engineer or contractor. This material shall be receipted for by the person withdrawing it, and returned promptly.

➔Section 238. KRS 267.150 is amended to read as follows:

When the engineer's report is filed, the board shall meet and receive and adopt it, with any modifications that may be determined upon, and shall notify the county judge/executive of its action. Within ten (10) days thereafter, the county judge/executive shall enter an order referring the proceedings to the original viewers for the purpose of assessing damages, and making classification of the land for assessment. The ***regional public records and licensing administrator***~~[county clerk]~~ shall notify the viewers of the county judge/executive's action, and set a day for them to meet at the county clerk's office of the county in which the proceeding is pending. ***The county clerk shall make available office space for this meeting.*** Unless the time is extended the viewers shall file their report within sixty (60) days from the time the proceedings are referred to them.

➔Section 239. KRS 267.190 is amended to read as follows:

The viewers shall assess the benefits that will accrue to the property of any railroad company by affording better drainage or a better outlet for drainage, but no benefits shall be assessed because of the increase in business that may come to any railroad company

because of the improvement. The benefits shall be assessed at a fixed sum, determined solely by the physical benefit that its property will receive by the improvement. The viewers shall report it as a special assessment due personally from the railroad company. It may be collected like an ordinary debt. The ***regional public records and licensing administrator***~~[county clerk]~~ shall issue process against the railroad company, and it shall have the same right to file exceptions and to appeal as individual landowners, but an appeal shall not delay or defeat the construction of the improvement.

➔Section 240. KRS 267.210 is amended to read as follows:

When the final report of the viewers is completed and filed, it shall be examined by the county judge/executive, and if it is found to be legal and in due form it shall be accepted, and if not it may be referred back to the viewers with instructions to secure further information, to be reported at a subsequent date fixed by the county judge/executive. The chief engineer shall examine the report, and may recommend any changes in the plan of drainage for final adoption by the board. Such changes, when adopted, shall become a part of the plan. When the report is completed and accepted by the county judge/executive, with any changes in the plan adopted by the board, a date not less than twenty (20) days thereafter shall be fixed by the county judge/executive for the final hearing upon the report, and notice shall be given by publication pursuant to KRS Chapter 424, and by posting a notice on the door of the courthouse in each county in which land affected is assessed, and at five (5) conspicuous places throughout the district. During this time a copy of the report shall be on file in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ in which the proceeding is pending, and shall be open to the inspection of any landowner or person interested within the district.

➔Section 241. KRS 267.230 is amended to read as follows:

The ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ shall provide a suitable record book to be known as the

"drainage record," in which he ***or she*** shall enter or copy every order, report, judgment or finding concerning the district. When land in any other ***area development district*** ~~[county]~~ is affected, copies of all such records shall be made by the clerk, and they, together with a copy of all maps and profiles, shall be certified by him ***or her*** to the ***regional public records and licensing administrator*** ~~[county clerk]~~ of the other ***area development district*** ~~[county]~~, where they shall be recorded in like manner.

➔Section 242. KRS 267.290 is amended to read as follows:

After the classification of the land and the ratio of assessment of the different classes has been confirmed by the county judge/executive, the board shall prepare an assessment roll or drainage tax duplicate, giving a description of all the land in the district, the name of the owner, so far as can be ascertained from the public records, and the amount of assessment against each tract of land. In preparing this assessment roll the board shall ascertain the total cost of the improvement, including the damages awarded to the owners of land and private ditches, the costs of the proceeding and all wages paid or to be paid, including the wages of the treasurer and employees of the board, and shall deduct any special assessment made against any railroad or highway. The remainder shall be the amount to be paid by the land benefited. This amount shall be assessed against the land according to the benefit received, as shown by the classification and ratio of assessment made by the viewers and confirmed by the court. Attached to this drainage assessment roll or filed with it shall be a statement of the cost of the work to be done, including the damages awarded to the owners of land and private ditches, the costs of the proceeding, all wages, salaries and fees, including fees to attorneys, engineers and other agents, and all other expenses, with five percent (5%) in addition to meet any unforeseen contingencies. This drainage tax roll and statement of cost shall be made in duplicate and signed by the president and secretary of the board. One (1) copy shall be filed with the secretary of the board and the other with the ***regional public records and licensing administrator*** ~~[county clerk]~~ in the ***area development district*** ~~[county]~~ in which the

proceeding is pending.

➔Section 243. KRS 267.300 is amended to read as follows:

(1) When the copies of the assessment roll and statement of costs are filed with the ***regional public records and licensing administrator***~~[county clerk]~~, the ***regional public records and licensing administrator***~~[clerk]~~ shall give notice, by publication pursuant to KRS Chapter 424 in the county, of the filing of the assessment roll and statement, and that they will be heard on a date specified, which shall be not less than fifteen (15) nor more than thirty (30) days after the date of filing. The ***regional public records and licensing administrator***~~[clerk]~~ shall also cause notices to be posted on the front door of the courthouse and in five (5) public places in the district more than ten (10) days prior to the hearing.

(2) The county judge/executive shall hear in a summary way any objections to the cost of the improvement and to the assessment of land, and shall enter an order confirming the assessment roll or directing the board to change it in accordance with the finding of the court. No question or objection that could have been raised to the final report of the viewers or at any time before the filing of the assessment roll or statement of cost can be raised by exceptions to the assessment roll or statement of costs. The order of the county judge/executive shall be final and may be appealed from in the same manner as from orders confirming a report of the viewers.

(3) The order shall direct the ***regional public records and licensing administrator***~~[county clerk]~~ to certify to the county treasurer a copy of the assessment roll as filed by the board or as changed by the court. One (1) copy of the assessment roll shall be retained by the ***regional public records and licensing administrator***~~[clerk]~~ and recorded as part of the drainage record. If land in any other ***area development district***~~[county]~~ is assessed, another copy of the assessment roll so far as it relates to land in that county shall be filed with the ***regional public***

records and licensing administrator[~~county clerk~~] of that ***area development district***[~~county~~].

➔Section 244. KRS 267.320 is amended to read as follows:

(1) If the total assessment exceeds the average of twenty-five cents ($0.25) per acre on all the land assessed, the board may give notice by publication pursuant to KRS Chapter 424, and by posting a notice at the door of the courthouse in each ***area development district***[~~county~~] in which land assessed is located, and at five (5) conspicuous places in the district, that it proposes to issue bonds for the construction of the improvement, giving the amount of bonds to be issued, the rate of interest they are to bear and the time when payable. Any landowner having land assessed in the district and not wanting to pay interest on the bonds may, within thirty (30) days after the publication of the notice, pay the county treasurer the full amount of his assessment and have his land released. If the landowner produces a treasurer's receipt showing such payment, the ***regional public records and licensing administrator***[~~county clerk~~] or the secretary of the board shall indorse the release upon the assessment roll, and report to the board all releases made by him. This report shall be recorded on the record or minutes of the board. When the board is satisfied that any assessment has been paid it may order a release made.

(2) Each person owning land assessed in the district who fails to pay the full amount of his assessment within thirty (30) days after publication of the notice shall be deemed to consent to the issuing of bonds, and in consideration of the right to pay his assessment in installments he thereby waives his right to any defense against the collection of the assessment because of any irregularity, illegality or defect in the proceeding prior to that time, except in the case of an appeal, which is not affected by this waiver.

➔Section 245. KRS 267.330 is amended to read as follows:

(1) At the expiration of thirty (30) days after publication of the notice required by KRS

267.320, the board may divide the unpaid assessments into annual installments, not less than two (2) nor more than thirty (30), which shall draw interest at the rate or rates or method of determining rates, payable at least annually, from thirty (30) days after the date of publication, and may issue bonds to anticipate their collection, which bonds shall mature in series to correspond with the installments into which the unpaid assessments are divided. The bonds shall draw interest at the rate or rates or method of determining rates, payable at least annually, as the board determines and be payable at some place designated by the board. The bonds shall be for the exclusive use and benefit of the district, and shall designate on their face the name of the district and the purpose for which they were issued. The board, in dividing the unpaid assessments into installments, shall fix the time for payment in each year so that each installment will be due at least one hundred and twenty days (120) before the bonds issued to anticipate the collection of that installment become due. Each landowner whose land is in lien for the payment of the bonds shall pay to the treasurer each installment due against his land, with all interest due at that time on that installment and deferred installments, on or before the time fixed by the board for the maturity of the installment.

(2) On the first Monday after any installment is due, the board shall meet and ascertain the persons whose installments are in default, and shall, on that date, issue warrants to the sheriff directing him to collect those installments. The sheriff shall collect each installment with interest due on that and deferred installments, together with a penalty of six percent (6%), as state and county taxes are collected, and settle with the board within sixty (60) days from the date the installments were certified to him, and pay to the board the money collected.

(3) All land upon which the money due on any installment has not been collected at the end of the said sixty (60) days shall be advertised and sold by the sheriff in the same manner as is provided in the case of state and county taxes. The sale shall be subject

to the future installments of the assessments. At the expiration of ninety (90) days from the date of the original certification of the installment to the sheriff, he shall make final settlement with the board and pay to it all money in his hands. If he fails to do this the board may compel him to make settlement by rule against him issued by the court in which the proceeding is pending, after giving him five (5) days' notice in writing. If any land is not purchased at the sale, the sheriff shall purchase it for the district, and in his final settlement with the board shall take a credit. The sheriff shall certify each sale to the ***regional public records and licensing administrator***~~[county clerk]~~, as required in the sale of land for state and county taxes, and the ***regional public records and licensing administrator***~~[clerk]~~ shall record the sale in the land sale book kept by him. For collecting the assessments certified to him the sheriff shall be paid by the board the same fees allowed him for collecting state and county taxes and in the same manner. For recording the certificate of sale the ***regional public records and licensing administrator***~~[clerk]~~ shall ***collect and remit to the State Treasury***~~[be paid]~~ the same fees allowed him ***or her*** by law for similar work in reference to state and county taxes. The owner of the land, or his representatives, heirs or assigns, may redeem the land from the sale in the manner and within the time provided for the redemption of land sold for state and county taxes. Any sheriff who fails to settle and pay off any installment with interest within the proper time shall be liable to the board for the full amount certified to him, with interest. This may be collected from the sheriff by rule issued against him by the court in which the proceeding is pending on five (5) days' written notice. The sheriff shall be liable upon his bonds for his acts done and for the faithful performance of his duties under this section.

(4) This section does not deprive the holder of any bond from having all rights by mandamus or otherwise against the board, the sheriff or any other officer or agent of the district having duties to perform under this section.

➔Section 246. KRS 267.350 is amended to read as follows:

(1) When the county judge/executive has confirmed an assessment for any improvement and it has been modified by a court of superior jurisdiction, or for some unforeseen cause it cannot be collected, the board may change the original assessment to conform to the judgment of the court and to cover any deficit caused by the order of the county judge/executive, or unforeseen occurrence.

(2) In any other case where, for any cause, it is ascertained that the amount assessed against the property in the district is not sufficient to complete the improvement provided for, and a petition is filed by the board, or any three (3) or more of the original petitioners, or by the board and three (3) or more of the petitioners, stating the amount of the deficit, the causes thereof and the amount necessary to be raised in order to complete the work, and asking an additional assessment and levy, the county judge/executive shall cause the ***regional public records and licensing administrator***~~[county clerk]~~ to give notice of the filing and purpose of the petition, and shall fix a time between ten (10) and twenty (20) days from the giving of the notice when the petition will be acted upon, and exceptions, answers or objections received. The notice shall be published pursuant to KRS Chapter 424, and posted in at least three (3) public places in the district. Such publication shall be sufficient notice of the proceeding to all parties affected. Upon hearing, if the county judge/executive finds that the additional assessment and levy asked for in the petition are necessary and ought to be made in order to complete the work, he shall direct such assessment and relevy to be made by the board.

(3) Any additional assessment and relevy made under this section shall be made in the same ratio on the land benefited as the original assessment, and shall be collected in the same way.

➔Section 247. KRS 267.440 is amended to read as follows:

The treasurer of the county in which the district is established shall be treasurer of the

district, and the treasurers of the counties other than that in which the proceeding is pending shall pay over to him any funds collected and paid over to them for the benefit of the district, and shall take his receipt therefor in duplicate, the original of which the treasurer paying the money shall keep for his own protection. The duplicate shall be filed in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ of which the person receiving the money is treasurer. The treasurer of any district shall pay the money in his hands upon warrants signed by the president and attested by the secretary of the board, when presented for payment. In all cases where a county treasurer becomes treasurer of a district, he shall be liable upon his general bond as county treasurer to the extent of any funds of such district entrusted to him, but he shall give a supplementary bond in such additional sum as the board may require. As compensation for his services the treasurer shall receive an amount fixed by the board, but not to exceed one thousand dollars ($1,000) in any fiscal year.

➔Section 248. KRS 267.510 is amended to read as follows:

(1) As soon as practicable after the judgment establishing a separate drainage district becomes final, the county judge/executive shall, with the advice and assistance of the engineer, enter an order dividing the district into three (3) precincts, as near equal in area of lands reported as benefited as is practicable, and calling a meeting of the landowners affected, to be had at some public place in the county in which the proceeding is pending, at a day and hour fixed in the order. The date for the meeting shall be not less than twenty (20) days from the entry of the order calling it. The ***regional public records and licensing administrator***~~[county clerk]~~ shall give notice of the meeting by publication pursuant to KRS Chapter 424, and by posting not less than five (5) posters in different public places in the district at least fifteen (15) days before the date set. The landowners, when assembled, shall organize by the election of a chairman and secretary of the meeting, who shall conduct the election. At this election each acre of land, as near as may be arrived at by estimate

or from the evidence heard before the county judge/executive on the cross-petition, shall represent one (1) share, and each owner shall be entitled to one (1) vote for each share estimated to be owned by him in the district. The name of at least one (1) person shall be put in nomination for the office of district commissioner from each of the three (3) precincts. The one (1) person from each of the three (3) precincts receiving the highest number of votes shall be declared elected as district commissioner. The district commissioner shall immediately by lot determine the terms of their office, which shall be, respectively, one (1), two (2) and three (3) years, and shall serve until their successors are elected and qualified.

(2) Each year after the election of the first district board, at such time and place in the district as the district board designates, and after notice, as above provided, the landowners in the district shall meet and elect one (1) district commissioner, who shall be an owner of land in the same precinct as that in which the district commissioner whose term is about to expire owns land, and who shall hold office for three (3) years and until his successor is elected and qualified. In case of a vacancy in any office of district commissioner, the remaining district commissioners may fill the vacancy, with some person having the precinct qualification, until the next annual election, when a successor shall be elected for the unexpired term. A district commissioner whose term is expiring shall be eligible for reelection.

➔Section 249. KRS 268.340 is amended to read as follows:

(1) Within thirty (30) days after the contract for the improvement is let for all the work provided for under the plan for reclamation, or, if the improvements are made directly by the board, as soon as the cost can be ascertained, the board shall ascertain the cost of doing all of the work, and add all expenses incurred in establishing and organizing the district, including all fees to attorneys, engineers, employees, court costs and the damages assessed against the district. To the total of

these sums the board shall add ten percent (10%) of the total, to defray the future expenses of the district, including the salaries and fees for services to be thereafter rendered by the members of the board, their agents and employees, including engineers and attorneys, and any other necessary expenses which cannot be foreseen. This aggregate sum shall be called the minimum district assessment. If bonds are to be issued and sold for the district, the board shall then determine the length of time the bonds are to run, and calculate the total amount of interest that will accumulate upon the entire bond issue, the par value of which shall not exceed ninety percent (90%) of the total minimum district assessment. The total of the interest that will accumulate during the period the bonds are to run up till maturity shall be called the district interest assessment. The board shall then add together the two (2) sums, the minimum district assessment and the district interest assessment. The total shall be called amount of which two (2) sums shall constitute the maximum district assessment.

(2) The board shall then ascertain what percent the minimum district assessment is of the total assessed benefits to all property in the district, as shown by the corrected appraisers' report. The board shall also ascertain what percent the total interest assessment is of the total assessed benefits to all such property.

(3) The board shall then apportion the minimum district assessment to each separate piece of property, so that each shall bear its ratable part of the minimum district assessment. It shall then in like manner apportion the district interest assessment to each piece of property. The board shall then levy a drainage assessment upon the district for the amount of the minimum district assessment, also for the amount of the district interest assessment, and then prepare a drainage assessment record for the district, and as many copies as there are counties in which any part of the district is situated, plus two (2) additional copies, one (1) of which shall be for the board, and the other to remain permanently in the office of the ***regional public records and***

licensing administrator~~[county clerk]~~ in the ***area development district***~~[county]~~ in which the district is organized.

➔Section 250. KRS 268.360 is amended to read as follows:

(1) As soon as the drainage assessment record is completed, the board shall deliver the copies to and file them with the ***regional public records and licensing administrator***~~[county clerk]~~ in which ***area development district***~~[county]~~ the district is organized. The ***regional public records and licensing administrator***~~[clerk]~~ shall receive them, and, beginning within five (5) days, publish notice of such filing pursuant to KRS Chapter 424. The notice shall be in substantially the following form:

"State of Kentucky.

"County of .....

"In the matter of the .... (drainage), (levee), (reclamation) District. Notice is hereby given to all persons interested that the board of drainage commissioners of .... County did on the .... day of ...., 19.., file in my office .... copies of the drainage assessment record for the above district in which they show the aggregate costs of the improvements to be made according to the plan for reclamation, also the aggregate of all benefits to property and the minimum district assessment and the apportionment thereof to each piece of property, together with the total of such assessments which are to be paid for each separate piece of property.

"All persons interested are hereby notified that they may inspect this record at any time, and are given until .... to file written objections to these final assessments.

"Unless you file objections thereto by that date, it will be taken for granted that the assessments are correct, and correctly apportioned to each separate piece of property, and they will be confirmed, and become the fixed assessments upon each piece of property.

"Given under my hand as ***regional public records and licensing administrator***~~[county clerk]~~ on this the .... day of ...., 19...

. ..... ***Regional Public Records and Licensing Administrator*** ~~[Clerk]~~."

(2) If objections are filed, they shall be determined by the county judge/executive in a summary way. If errors are found, they shall be by proper orders corrected. The order of the county judge/executive shall direct the clerk to show such corrections on all the copies of the assessment record in red ink. When all errors in the assessment are ordered corrected by the county judge/executive, he shall approve the assessment record.

(3) The final order of approval and confirmation by the county judge/executive shall be final and conclusive upon all property within the district. The assessment record, when corrected by the clerk under orders of the county judge/executive, shall be endorsed by the county judge/executive as the assessment record of the district, and thereafter no question may be raised concerning the correctness of any assessment shown in the record.

(4) One (1) of the several copies of the assessment record, properly corrected and endorsed by the county judge/executive, shall remain in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~. The remaining copies shall be certified and delivered by the ***regional public records and licensing administrator*** ~~[clerk]~~ to the secretary of the board of the ***area development district*** ~~[county]~~ in which the district was organized.

➔Section 251. KRS 268.370 is amended to read as follows:

(1) The board of drainage commissioners may, if in their judgment it seems best, issue bonds on behalf of any district under their control, not to exceed ninety percent (90%) of the total amount of the minimum district assessments levied upon the property of the district approved by the county judge/executive. The bonds shall be in denominations of not less than one hundred dollars ($100), bearing interest payable at least annually from the date of issue, to mature at annual or more

frequent intervals within thirty (30) years, commencing after a period of years not later than five (5) years, to be determined by the board. Both principal and interest shall be payable at some convenient bank or trust company's office, to be named in the bonds. The bonds shall be signed by the president of the board, attested with the seal of the board, and the signature of the secretary and countersigned by the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the district is organized. All bonds shall be executed and delivered to the treasurer of the district, who shall sell them in quantities and at dates as the board considers necessary. The funds derived from the sale of bonds shall be used only to pay the cost of improvements and the expenses, fees, and salaries authorized by law. The secretary of the board shall certify to the ***regional public records and licensing administrator***~~[county clerk]~~ in which the district was organized a copy of the resolution authorizing and directing the issuance of the bonds, which shall contain a list of the bonds, their dates of maturity, and amounts. The ***regional public records and licensing administrator***~~[clerk]~~ shall record this resolution in the lis pendens record in his office. The bonds shall show on their face the purpose for which they are issued.

(2) The bonds shall be payable out of money derived from the assessments upon property, and a sufficient amount of the drainage assessment shall be appropriated by the board to pay the principal and interest. This sum shall be preserved in a separate fund for that purpose. All bonds and coupons not paid at maturity shall bear interest from maturity until paid, or until sufficient funds for their payment have been deposited at the place of payment, and this interest shall be appropriated by the board out of the penalties and interest collected on assessments or any other available funds of the district. The board, in making the annual levy of assessments, shall take into account the maturing bonds and interest on all bonds and make ample provisions in advance for their payment. If the proceeds of the original levy

of assessments are not sufficient to pay the principal and interest of all bonds issued, the board shall make any additional levy upon benefits assessed necessary for this purpose. However, no levy of assessments shall be made in excess of the benefits to the property as shown by the report of the appraisers, as corrected, that will in any manner impair the security of bonds or the fund available for the payment of the principal or interest.

(3) When he receives the bonds the treasurer shall execute and deliver to the president of the board a bond with good and sufficient sureties, to be approved by the board, conditioned that he shall account for and pay over as required by law and as ordered to do by the board all money received by him on the sale of any bonds, and that he will only sell and deliver the bonds to the purchaser of the bonds according to the terms of this section, and that he will return, duly canceled, any bonds not sold to the board when ordered by it to do so. This bond shall remain in the custody of the president of the board, who shall produce it for inspection or as evidence whenever legally required to do so. The bond of the treasurer may, if the board directs, be signed by a surety or bonding company, which may be approved by the board. The successor in office of any treasurer shall comply with all provisions applicable to his predecessor before receiving bonds or their proceeds. The treasurer shall promptly report all sales of bonds to the board.

(4) The board shall, at reasonable times, prepare and issue warrants for the payment of the maturing bonds sold and the interest payments coming due on all bonds sold. Each warrant shall specify what bonds and accruing interest it is to pay, and the treasurer shall place sufficient funds at the place of payment to pay the maturing bonds and coupons when due, as well as a reasonable compensation to the bank or trust company for paying them, not to exceed two dollars and fifty cents ($2.50) for each one thousand dollars ($1,000) par value of bonds or coupons paid.

➔Section 252. KRS 268.400 is amended to read as follows:

(1) As soon as the board has adopted the resolution relative to the issue of bonds, the secretary shall prepare a district assessment register in a well-bound book and as many copies thereof as there are counties in which any part of the district is located. This register shall contain the name of the owner of each piece of property found in the report of the appraisers in the assessment of benefits, a description of the property assessed, as modified, the minimum district assessment, the interest district assessment and the annual installment to be paid each year for the time the bonds are to run, except when the minimum district assessment has been previously paid.

(2) The district assessment register shall be in substantially the following form:

"The district assessment register of _____ district, in the County (Counties) of _____, Kentucky. Whereas the _____ district, located in the County (Counties) of _____ in the State of Kentucky, was duly established by the orders of the _____ County, and thereafter the plan for reclamation of the district and the report of the appraisers, containing the assessment of benefits and damages, were approved, and the proceedings referred to the board of _____ County, to cause such improvements to be made, and to levy an assessment upon the property in that district to pay for them, to issue bonds and cause the assessment to be collected, and whereas said board after ascertaining the cost of the improvements, did levy a district minimum assessment and a district interest assessment, and apportion them to the property in the district according to the ratio of benefits, which was also corrected and approved, the board now certifies that the following is a true and correct table of assessments so levied upon, and to be paid on each piece of property, together with the annual installments thereof, which shall become due and payable at the same time and place, and collectible by the same person and in the same manner that state and county taxes are payable and collected. This district assessment register is the authority of the tax collector of each county in which any part of the _____ district is located for demanding and collecting the assessments.

Name of owner_____

Post office address_____

Description of property assessed_____

Description_____

In what county located_____

No. of acres_____

Amount of assessed benefits..... $_____

Total amount of minimum district assessment..... $_____

Total amount of district interest assessment..... $_____

Total maximum assessment..... $_____

Amount to be collected for the year 19___

19_____, ... $_____

Paid by_____Collector.

Amount to be collected for the year 19_____.....

19____.....$_____

Paid by_____Collector.

Amount to be collected for the year 19_____

19_____, ...$_____,

Paid by_____Collector.

The collector of taxes in the County of _____ is hereby ordered to collect the above assessment and pay same to the treasurer at the time required by law each year. Done by order of the board of drainage commissioners of _____ County, Kentucky, on this the _____ day of _____, 19____.

Attest: _____Secretary

_____President

(Seal)"

(3) Each assessment shall be on a separate sheet, and there shall be as many spaces

prepared for the sheriff to sign as there are annual payments to be made. Each sheet shall be signed by the president and attested by the secretary, and the official seal of the board shall be attached at the bottom of each page. When the sheriff collects any annual installment of the assessment he shall give the payer a receipt and indorse it paid on the blank space on the assessment sheet.

(4) When the district assessment register has been completed the secretary shall deliver a copy to the ***regional public records and licensing administrator***~~[county clerk]~~ in each ***area development district***~~[county]~~ where any part of the district is located and take his receipt therefor. The ***regional public records and licensing administrator***~~[clerk]~~ shall file and keep it in his ***or her*** office as a permanent record.

➔Section 253. KRS 268.410 is amended to read as follows:

(1) In December of each year the board shall certify to the sheriff of each county in which any part of the district is located the annual installment of the assessments to become due and be collected during the succeeding year. This installment shall be collected at the same time as state and county taxes.

(2) The certificate of the installment of assessment shall be in substantially the following form:

"Commonwealth of Kentucky.

County of _____

To the sheriff of _____ County:

"This is to certify that the board of drainage commissioners of _____ County, Kentucky, on behalf of drainage district No. ____ of _____ County (Counties), Kentucky, has levied the sum of $_____ as the annual installment of assessments for the year 19___, of the total assessment levied and certified to the ***regional public records and licensing administrator***~~[county clerk]~~ of your ***area development district***~~[county]~~. The board, on behalf of the drainage district, also levies $_____ as a maintenance

assessment for that year, both of which are set out in the following table, in which are: First, the names of the owners of property as they appear on the district assessment register; second, the amount of the installment of the assessment levied on that property due and collectible for the year 19___; third, the amount of maintenance assessment levied against it. The assessment shall be payable at the same time as state and county taxes and you are ordered to demand and collect the assessments at the same time you demand and collect the state and county taxes due on the same property. This certificate shall be your warrant and authority for making such demand and collection."

(3) A table or schedule shall follow, showing in properly ruled columns: First, the names of the owners as they appeared in the district assessment register; second, a brief description of the property opposite the names of the owners; third, the amount of the annual installment of assessment on each piece of property; fourth, the amount of maintenance assessment; fifth, a blank column in which the collector shall record the amounts collected by him; sixth, a blank column in which the collector shall record the date of payment of each sum; seventh, a blank column in which the collector shall record the name of the person paying each sum. The columns in which the annual installment and the maintenance assessment appear shall be totaled. The total amount shall correspond to the amount set out in the certificate.

(4) The certificate and table shall be prepared in the form of a well-bound book, indorsed and named "Collector's drainage assessment book, drainage district No. ____ of _____ County (Counties), Kentucky, for the year 19____" This indorsement shall also be printed on the top of each page. At the end of the table of assessments shall be these words:

"Done by order of the board of drainage commissioners of _____ County on this _____ day of _____, 19____ .

Attest: _____ Secretary

_____ President

(Seal)"

➔Section 254. KRS 268.420 is amended to read as follows:

(1) The sheriff of each county of the district shall receive the collector's drainage assessment book each year. He shall promptly and faithfully demand and collect the assessments at the same time that he demands and collects the state and county taxes due on the same property. If any property has been divided or transferred, the sheriff shall receive payment of assessments on any part charged with the assessments and give his receipt accordingly, and show therein upon what part of the property the assessment has been paid. The collector's drainage assessment book shall be the warrant and authority of the sheriff for making demand and collection of drainage assessments. The fee of the sheriff for collecting drainage assessments shall be four percent (4%), which shall be added to the regular assessment. The sheriff shall return all collector's drainage assessment books each year to the secretary of the board, and shall pay over and account to the treasurer of the district for all money collected thereon each year at the same time he pays over state and county taxes.

(2) If the assessment has not been paid to the sheriff or collector on any parcel of land or property described in the assessment register certified to him during the year for which said assessment was levied or on or before the last day of February of the year immediately following the year for which said assessment was levied and became due, a penalty of six percent (6%) shall automatically attach thereto on and after said date, which shall be added to the assessment against such parcel or parcels of land on which the assessment has not been paid, to be collected in the same manner that the assessment is collected; and unless so paid the sheriff or collector shall advertise and offer for sale the assessment lien claim of said district in the same manner as state and county tax claims are required to be sold, which sale shall

be for the assessments, penalties, costs and expenses of making sale in the same manner and with the same force and effect as sales of tax claims for state and county taxes, and subject to redemption by the owner within the time, on the terms, upon the penalties and upon the same conditions that are now and may hereafter be provided by general law for the redemption of land or other property sold by the sheriff for state or county taxes.

(3) When an assessment lien claim is sold for the assessment herein provided for, if no one will bid for and purchase and pay for such claim so offered for sale, the amount of the assessment, penalty, interest and costs, including the costs for advertising such sale, it shall be the duty of the sheriff making such sale to purchase same for the board of drainage commissioners to which such assessment is due and owing, and he shall make report of such fact to the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which such land or property is located, as required by law under sales to the state and county for state and county taxes. He shall also certify such facts in like manner to the secretary of the board of drainage commissioners, which report shall be received and kept by the secretary of such board and recorded by him in the general drainage record book kept by him.

(4) The purchaser of any such lands pursuant to a proceeding in enforcement of said assessment lien claim shall take said property subject to the future assessments to be levied against said property for making the improvement, including all such assessments becoming delinquent after the sale of the assessment lien claim thus enforced. The purchaser of such assessment lien claims shall have the same estate, right, title, and interest in the delinquent property that purchasers of certificates of delinquency acquire at sales of tax claims for state and county taxes, subject alone to the provisions of this section.

➔Section 255. KRS 268.440 is amended to read as follows:

(1) At any time prior to the issuance of the bonds, any person may pay in one lump sum the full amount of the assessment levied against his property, less the amount added thereto to meet interest. The secretary of the board shall then enter upon the district assessment record opposite each tract for which payment is made the words "paid in full" and such assessment shall be deemed satisfied. The secretary shall also make the same entry opposite each tract for which payment is made in the table included in the certificate filed in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~. However, this payment shall not prevent the levying of additional or maintenance assessments against the property.

(2) At any time after the issuance of the bonds, the board may receive from any owner payment in full of the unpaid portion of the minimum district assessment against his property, if arrangements can be made with the bondowners for the surrender and retirement of an amount of bonds, with coupons attached, equal in principal to the amount of the lump payment, and if the transaction will cause no present or future shortage of funds for payment of coupons and the retiring of maturing bonds.

➔Section 256. KRS 268.490 is amended to read as follows:

All drainage assessments provided for in this chapter together with all penalties for default in payment and all costs of collection shall, from the date of filing the district assessment register in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ until paid, constitute a lien superior to all other liens except the lien for state, county, city, school and road taxes.

➔Section 257. KRS 268.610 is amended to read as follows:

Any owner who will be affected by the proposed changes, amendments and corrections enumerated in the petition provided for in KRS 268.600, may file objections to the granting of the prayer of the petition by the date named in the notice. The fiscal court will hear such petition and all objections filed against it in a summary manner and enter its order. The clerk of the court shall within fifteen (15) days after the entering of the order,

transmit a certified copy of the order and a copy of the petition to the secretary of the board, who shall transmit a copy to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which any property in the district is located. The ***regional public records and licensing administrator***~~[clerk]~~ shall file and preserve these copies in his ***or her*** office~~[, for which he shall receive a fee of one dollar ($1)]~~. If the order of the court provides that the plan for reclamation be changed or the boundary lines of the district extended, the board shall direct the appraisers to appraise the property to be taken, assess benefits and damages and estimate the cost of the improvements as in KRS 268.260 and 268.270. The appraisers' report shall be treated in the same manner as is now provided for in the original formation of districts. If the petition is dismissed the party filing it shall pay the costs, but if it is sustained in whole or in part the objectors shall pay the costs.

➔Section 258. KRS 269.080 is amended to read as follows:

If the probable cost of the improvement is more than the income and revenues of the county for the year in which it is to be constructed, the county judge/executive shall order an election to be held in the county to ascertain the will of the qualified voters. The election shall be held in conjunction with a regular election, and the proposition shall be filed with the county clerk not later than the second Tuesday in August preceding the regular election. The proposition to be submitted to the voters shall state the amount, and object for which it is to be expended. The amount shall not exceed two percent (2%) of the value of the taxable property for state purposes, ascertained by the assessment next before the last assessment for state purposes. The proposed debt shall be made payable so as not to require a tax rate of more than fifty cents ($0.50) on each one hundred dollars ($100) in value of property subject to taxation for state purposes. If two-thirds (2/3) of those voting on the proposition vote for it, that fact shall be noted of record in the order book of the county judge/executive. The county judge/executive shall then have semiannual coupon bonds of the county prepared, to be made payable not later than forty

(40) years after date, but payable at the option of the county at any time after two (2) years after date. The bonds shall be signed by the county judge/executive and countersigned by the ***regional public records and licensing administrator***~~[county clerk]~~. The coupons may be signed by the county clerk only. The bonds, when signed, shall be turned over to the fiscal court of the county.

➔Section 259. KRS 269.140 is amended to read as follows:

(1) The board of commissioners shall, as of July 1 succeeding its appointment, assess and apportion upon the land within the boundary of the district of the corporation a tax of not more than twenty-five cents ($0.25) and not less than ten cents ($0.10) per acre per year for a period of ten (10) years in proportion to the benefits conferred. It shall file a written report of the assessment and apportionment with the ***regional public records and licensing administrator***~~[county clerk]~~, who shall not copy it in his ***or her*** records but file a certified copy in the Circuit Court of the county, or in the chancery branch thereof if there be one.

(2) The commissioners shall enter in the assessment the names of all persons who, at the time of the assessment, are the owners or holders of land liable to be assessed. Opposite the name of the owner or holder they shall enter the tract owned or held, the number of acres as nearly as practicable, the name of the nearest resident, the rate of taxation per acre and the aggregate tax upon each tract for each of the ten (10) years.

(3) No error or informality in the assessment, description or location of the property, or in the name of the party assessed, shall invalidate the assessment if the property can with reasonable certainty be located from the description given, nor shall any irregularity or informality in the execution of the duties of the commissioners or any failure of duty on their part render any assessment invalid.

(4) After ten (10) years another assessment for ten (10) years may be in a like manner initiated and established, on the petition of the owners of more than one-half (1/2)

of all the land within the boundary of the district of the corporation at that time.

➔Section 260. KRS 269.170 is amended to read as follows:

The taxes shall be assessed as of July 1, and payable to the corporation on or after October 1 of the year for which assessed, and shall become due on December 1 of that year. On all taxes paid during October before maturity, there shall be a discount of three percent (3%). On all taxes paid during November there shall be a discount of two percent (2%). After January 1 following maturity, all unpaid taxes shall bear interest at the rate of one-half percent (0.5%) a month or fraction thereof until paid. The corporation shall keep an office where taxes are payable and the address of the office shall be lodged with the ***regional public records and licensing administrator***~~[county clerk]~~ and enrolled in a book kept in his ***or her*** office. Any subsequent changes in the address of the office of the company shall be enrolled in the same book.

➔Section 261. KRS 269.180 is amended to read as follows:

The corporation shall have a lien for all taxes upon the land assessed and upon all personal property of the owners found upon the premises not exempt from execution, attachment, or distraint. This lien shall not be defeated by any means. It is a general lien such as arises for state and county taxes, and is superior to all other claims and liens except state and county taxes. For questions of limitation or apportionment as between vendor and vendee, it dates as of July 1 of each year. Unless suit is commenced or proceedings had within ten (10) years from July 1 of any particular year, the lien for that year's taxes shall be lost. After the action of the Circuit Court of the county upon the assessment and apportionment, the clerk shall certify a copy of it to the ***regional public records and licensing administrator***~~[county clerk]~~, who shall record it in his ***or her*** office, together with a map showing the boundary of the corporation, and index the liens in real estate indexes in the name of the owner as grantor and the corporation as grantee. This record shall be notice to all persons of the taxes and any interest and costs thereon, and of the lien retained upon the land. When any tax has been paid, the president or

treasurer of the corporation shall enter the word "paid" upon the record in the proper column, and enter the amount so paid and subscribe thereto the name of the corporation by him. The taxes shall be used by the corporation to maintain its system of ditches, and adding any necessary ditches and extensions, and for the general drainage purposes of the corporation.

➔Section 262. KRS 269.220 is amended to read as follows:

Upon the petition of the corporation desiring an extension or addition to the boundaries of its drainage district, the petition to be accompanied by a map showing the desired extension or addition, the county judge/executive shall cause summons to be issued against the owners of lands within the proposed extension or added territory calling upon them to show cause why the extension or addition should not be made. If a numerical majority of the persons owning land within the proposed extension or addition consent of record to it, the county judge/executive shall enter an order establishing the extension or additional boundary. Appeal shall lie for sixty (60) days to the Circuit Court, and if the order is affirmed or reversed, then to the Court of Appeals. The county judge/executive and Circuit Court shall certify to the ***regional public records and licensing administrator***~~[county clerk]~~ their orders and judgments, which shall be recorded in the book showing the assessment and taxes. The extension or added territory shall be subject to the same provisions as the original district, and an assessment may be initiated by the corporation and by the owners of more than half the land within the extension or addition. The assessment shall be for the remaining years of the ten (10) year term as provided for other property in the district, and steps to perfect the assessment with respect to added or extended territory shall be had in accordance with the provisions for the original district.

➔Section 263. KRS 269.230 is amended to read as follows:

(1) The clerk of the Circuit Court shall receive from the corporation not more than ten cents ($0.10) for each parcel of land assessed, and shall deposit such sums in the manner provided for in KRS 30A.120. The county clerk shall receive a fee pursuant

to KRS 64.012 for recording the assessment in his office.

(2) The board of directors of the corporation shall annually, in January, file with the ***regional public records and licensing administrator***~~[county clerk]~~ a detailed statement of all money received by it, from whom received and how spent.

➔Section 264. KRS 272.141 is amended to read as follows:

(1) Amendments to the articles of incorporation shall be made in the following manner: The board shall by an affirmative vote of not less than two-thirds (2/3) of its members, present and voting at any regular or special meeting, adopt a resolution approving the proposed amendment and directing that the proposed amendment be submitted to a vote of the association members at any annual or special meeting duly called. Written or printed notice setting forth the proposed amendment, or a summary of the changes to be effected thereby, shall be given to each member of the association entitled to vote at any such meeting, within the time and in the manner provided in KRS 272.161. The proposed amendment, or amendments, shall be adopted by the affirmative vote of not less than a majority of the votes entitled to be cast by the members present in person, or by proxy (if permitted by the bylaws), and voting at any such meeting.

(2) Notwithstanding the provisions of subsection (1) of this section, an amendment whose only effect is to extend an association's period of duration may be adopted by the affirmative vote of not less than two-thirds (2/3) of the directors present and voting at any duly called board meeting, and shall become effective when signed and acknowledged by the chairman, or other presiding officer, of the board and filed and recorded pursuant to KRS 272.131.

(3) The articles of amendment shall set forth:

(a) The name of the association;

(b) The amendment adopted;

(c) A statement setting forth the date of the meeting of the board at which the

amendment or amendments were approved; that the meeting was duly called and that a quorum was present; and that a resolution approving the proposed amendment, or amendments, received an affirmative vote of not less than two-thirds (2/3) of the members of the board present and voting at such meeting;

(d) A statement setting forth the date of the meeting of the members of the association at which the amendment was adopted; that the meeting was duly called and that a quorum was present; and that such amendment received an affirmative vote of not less than a majority of the votes entitled to be cast by members present in person, or by proxy (if permitted by the bylaws), and voting at such meeting.

(4) For the recording of articles of incorporation or amendments thereto by the Secretary of State and ***regional public records and licensing administrator*** ~~[county clerk]~~, and for the issuance of a certificate of incorporation or certificate of amendment by the Secretary of State, an association shall pay the same fees as are provided for such services in the statutes relating to corporations generally ***Any fees collected by the regional public records and licensing administrator shall be remitted to the State Treasury***.

(5) A copy of the articles of amendment indorsed by the Secretary of State with the fact and time of recording in his office, shall be filed with the dean of the College of Agriculture of the University of Kentucky, and with the Commissioner of the Department of Agriculture.

➔Section 265. KRS 272.410 is amended to read as follows:

The articles of incorporation shall be signed, acknowledged, filed and recorded in accordance with the provisions of the general corporation law of this state, and, in addition, a quadruplicate of the articles, indorsed by the Secretary of State with the fact and time of recording of the articles in his office, shall be filed with the Department of Agriculture within ten (10) days after the articles have been recorded in the office of the

Secretary of State. After the articles have been duly filed and recorded, and a certificate of incorporation has been issued, the corporation may proceed to do business. For recording the articles and issuing a certificate of incorporation the Secretary of State shall be entitled to a fee of two dollars and fifty cents ($2.50). For recording the articles the ***regional public records and licensing administrator***~~[county clerk]~~ shall ***collect and remit to the State Treasury***~~[be entitled to]~~ a fee specified in KRS 64.012, which fees shall be in lieu of all other fees charged by either of such officers.

➔Section 266. KRS 273.401 is amended to read as follows:

(1) If a fire department created under the provisions of this chapter is authorized by law to collect membership charges or subscriber fees for combating fires or serving in other emergencies, the legislative body of the city or county where the fire department is located may require those annual membership charges or subscriber fees to be added to property tax bills. The ***regional public records and licensing administrator***~~[county clerk]~~ shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners.

(2) The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy. The legislative body of the city or county where the fire department is located shall, in consultation with the sheriff and the fire department, set a collection fee for the sheriff to retain an amount not to exceed four and one-fourth percent (4.25%) of the membership charges or subscriber fees collected.

➔Section 267. KRS 277.070 is amended to read as follows:

(1) Every railroad company proceeding to construct its road in or through any county shall file and have recorded at its expense, in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of that ***area development***

district~~[county]~~, a map of the route showing the center and the width of the proposed road. If, after the map is filed and recorded, the location or the proposed route is changed, a map showing the change, and the center and width thereof, shall be filed and recorded at the expense of the company in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the change is made.

(2) If the proposed route indicated by the map crosses the line of any other railroad, the company filing the map shall, before commencing the construction of the road near the point of crossing, notify the Kentucky Transportation Cabinet. The cabinet shall notify the company whose road it is proposed to cross, and the company proposing to cross it, that if any objection is made to the crossing the cabinet will meet, at a stated time and place, to consider the question of approving the crossing. The cabinet may determine the manner in which the crossing shall be made in order to protect against accidents.

➔Section 268. KRS 277.110 is amended to read as follows:

Every person operating a railroad in this state under a contract or lease shall, within thirty (30) days after the contract or lease is executed, have it recorded in the office of the Secretary of State and in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which the road or any part thereof lies.

➔Section 269. KRS 277.280 is amended to read as follows:

(1) Each railroad policeman shall, before he enters upon the discharge of the duties of his office, execute bond, with good security, conditioned for the faithful performance of his duty as such policeman, and take and subscribe an oath of office. The bond shall be executed in the county in which the policeman resides, or in which the railroad has its registered process agent, if any, within the state, or in which the policeman performs any duties as a railroad policeman, and the bond

shall be approved, and the oath administered, by the county judge/executive. The bond and oath shall be entered of record by the ***regional public records and licensing administrator*** ~~[county clerk]~~, and the execution of the bond and the taking of the oath shall be indorsed upon the commission of the person so qualifying. Each policeman so appointed and commissioned shall, throughout the counties through which the railroad operates, have and exercise the powers of sheriffs and constables in making arrests for public offenses committed upon or about railroad property, and in serving process in criminal and penal prosecutions for such offenses, and shall be subject to all the liabilities of sheriffs or constables.

(2) The compensation of railroad policemen shall be fixed and paid by the railroad company for which they are appointed.

➔Section 270. KRS 277.400 is amended to read as follows:

(1) Any organization recognized as exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, agency of state government, or political subdivision or city of this state holding or acquiring a railroad corridor may preserve the corridor for future railroad use while utilizing the right-of-way in the interim for nonmotorized public recreational use by filing with the Secretary of State a "Declaration of State Railbanking," concurrently serving a copy of the declaration on the Transportation Cabinet. The declaration shall contain the name and address of the filing entity, a textual description and map of the railroad corridor being railbanked, a statement that the entity accepts full responsibility for managing the corridor, for any legal liability arising out of the use of the corridor or, if the entity is immune from suit, that the entity agrees to indemnify the railroad for any liability arising out of the use of the corridor, and for the payment of all taxes which may validly be assessed against the corridor, and a declaration that the property is being railbanked in accordance with the provisions of Kentucky law in that the corridor is held open for future restoration of rail service and that this

section only grants authority for the corridor to be utilized for nonmotorized public recreational use during the interim.

(2) Any property that is the subject of a declaration of state railbanking, including property held by easement, shall, during the period a declaration of state railbanking remains in force, be deemed to be held for a railroad use and shall not revert to any other form of ownership. Until rail service is restored over the corridor, the declaration of state railbanking shall only authorize the use of the corridor for public, nonmotorized recreational use, with associated infrastructure. However, a declaration of state railbanking shall not preclude any public utility usage of the corridor if that usage is otherwise permitted under other applicable law. For the specific purpose of allowing railbanking under this section, an easement for railroad use shall not be deemed abandoned until the person holding the easement conveys the easement to another person for a nonrailroad use, title to the easement and the underlying estate comes into the hands of the same owner by conveyance, the easement owner files a disclaimer in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ where the property is situated disclaiming all interest in the corridor, or the easement is declared abandoned by judicial decree.

(3) After property is railbanked under this section, the property shall be held available for purchase by any bona fide purchaser for the restoration of rail service over the property. The following requirements shall apply to any transfer of property in contemplation of the restoration of railroad service:

(a) The entity that acquired the right to use the railroad corridor for a railtrail under this section or to whom that right had been subsequently transferred shall be compensated for the fair market value of the corridor together with any improvements erected thereon. Funds received by the entity under this paragraph shall be held in trust for the benefit of the public;

(b) All required federal and state permits and authority to reactivate and operate a railroad over the corridor shall be obtained prior to the transfer of the property for the contemplated railroad service restoration;

(c) Adequate bond with good surety shall be posted ensuring that the railroad will be constructed, with the bond being used to cover the cost of restoring the corridor to its physical condition prior to transfer of the railbanked corridor for the contemplated railroad service restoration; and

(d) The physical infrastructure necessary to operate the railroad, including tracks, ties, frogs, signaling equipment, grade crossings, and the like, shall be in place one (1) year from the date of the transfer. Train service shall be in place and operating two (2) years from the date of the transfer. If these timelines are not met, the corridor and all associate physical improvements thereon shall automatically forfeit to the ownership of the entity responsible for railbanking the corridor under this section.

(4) Any person aggrieved by the act of railbanking a railroad corridor under the provisions of this section shall bring their claims within one (1) year after the declaration of state railbanking has been filed with the Kentucky Secretary of State. Any entity against whom a claim is asserted may utilize as an offset or setoff to the amount of any recovery those amounts in state or local taxes, together with interest and penalties, that have not been paid on the value of the property through which the claimant asserts title.

(5) Any entity which caused a declaration of state railbanking to be filed shall cause the declaration to be vacated on the files of the Secretary of State upon the cessation of use of the corridor as a nonmotorized public use trail or the reactivation of railroad service over the corridor.

➔Section 271. KRS 279.040 is amended to read as follows:

(1) The incorporators shall execute triplicate originals of the articles of incorporation

that satisfy the requirements of KRS 14A.2-010 to 14A.2-150, and each incorporator shall acknowledge each triplicate original before an officer authorized to take acknowledgments of deeds. They shall then file the triplicate originals, together with the certificate of acknowledgment, in the office of the Secretary of State. If the Secretary of State finds the articles to be legal and valid, he shall immediately indorse his approval on each of the triplicate originals, retain, record and file one (1) triplicate original in his office, and deliver the other two (2) triplicate originals, with his approval indorsed thereon, to the incorporators. The incorporators shall then file one (1) approved triplicate original in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ of the ***area development district*** ~~[county]~~ in which the principal office of the corporation is to be located.

(2) As soon as the Secretary of State has filed the articles of incorporation, the proposed corporation shall be a body politic and corporate and may transact business in its corporate name.

➔Section 272. KRS 279.190 is amended to read as follows:

(1) For acting upon, filing and recording articles of incorporation, articles of consolidation, articles of dissolution, or amendments to articles of incorporation or consolidation, the corporation shall pay to the Secretary of State a sum not to exceed two dollars ($2) for which the Secretary of State shall give his receipt.

(2) For filing and recording articles of incorporation, articles of consolidation, articles of dissolution, or amendments to articles of incorporation or consolidation, the corporation shall pay to the ***regional public records and licensing administrator*** ~~[county clerk]~~ a sum not to exceed three dollars ($3), for which the ***regional public records and licensing administrator*** ~~[county clerk]~~ shall give his ***or her*** receipt. ***The regional public records and licensing administrator shall remit this fee to the State Treasury.***

(3) No fee shall be paid or received for affixing the state seal to any of the documents mentioned in this section or to any copy thereof.

(4) The recordation of the documents mentioned in this section shall be exempt from all recording taxes.

➔Section 273. KRS 279.490 is amended to read as follows:

(1) For acting upon, filing and recording articles of incorporation, articles of consolidation, articles of dissolution, or amendments to articles of incorporation or consolidation, the corporation shall pay to the Secretary of State a sum not to exceed two dollars ($2), for which the Secretary of State shall give his ***or her*** receipt.

(2) For filing and recording articles of incorporation, articles of consolidation, articles of dissolution, or amendments to articles of incorporation or consolidation, the corporation shall pay to the ***regional public records and licensing administrator***~~[county clerk]~~ a fee pursuant to KRS 64.012, for which the ***regional public records and licensing administrator***~~[county clerk]~~ shall give his ***or her*** receipt.

(3) No fee shall be paid or received for affixing the state seal to any of the documents mentioned in this section or to any copy thereof.

(4) The recordation of the documents mentioned in this section shall be exempt from all recording taxes.

➔Section 274. KRS 304.20-210 is amended to read as follows:

(1) Prior to the payment of any insurance proceeds for loss or damage to real estate caused by fire, but within twenty (20) days of the filing of any notice of claim for fire insurance proceeds by an insured, provided the amount of the proceeds for the loss payable under the policy is ten thousand dollars ($10,000) or more, the insurer required to pay such proceeds shall notify the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which such

loss or damage has been sustained and demand in writing, by registered or certified mail, that a statement indicating the amount of all liens existing and referred to by KRS 304.20-200 to 304.20-250 be delivered to such insurer at a specified address, in person or by registered or certified mail, within fifteen (15) days from the date of receipt by the ***regional public records and licensing administrator***~~[county clerk]~~ of such demand. Upon the failure of the ***regional public records and licensing administrator***~~[county clerk]~~ to notify the insurer of the existence of any such liens in said manner, the right of the state or the county, city or other taxing district to claim against any such proceeds shall terminate and the lien as to said proceeds shall no longer be effective. The insurer may rely conclusively upon the amount of the taxes due as set forth in such notice of lien in making any payments of proceeds to any person. The ***regional public records and licensing administrator***~~[county clerk]~~ performing such service shall ***collect and remit to the State Treasury***~~[receive]~~ a fee of five dollars ($5) from the insurer.

(2) Within twenty (20) days of receipt of a notice of lien received from the ***regional public records and licensing administrator***~~[county clerk]~~ pursuant to this section and a final determination of the insurer's obligation to pay fire insurance proceeds, the insurer shall pay all or a portion of the proceeds otherwise payable to the insured directly to the state or the county, city or other taxing district in satisfaction of the total amount of delinquent real estate taxes as set forth on the statement of lien and shall deduct the amount thereof from the proceeds otherwise payable to the insured. A receipt by the ***regional public records and licensing administrator***~~[county clerk]~~ or taxing authority shall be evidence of payment of such amount by the insurer on account of its liability under its policy to the insured.

➔Section 275. KRS 304.21-020 is amended to read as follows:

(1) Whenever an insurer has been granted a certificate of authority to transact surety insurance in this state, the commissioner shall on or before the first day of the next

succeeding month send to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in this state his or her certificate, over the seal of the department, stating that such insurer has complied with the laws of this state and is authorized to transact a business as surety in this state. The ***regional public records and licensing administrator***~~[county clerk]~~ shall record the certificate and it shall become a permanent part of the records of the ***regional public records and licensing administrator***~~[county clerk]~~.

(2) The commissioner shall on or before the first day of March of each year forward to each ***regional public records and licensing administrator***~~[county clerk]~~ a list containing the names of all surety insurers, foreign and domestic, which are then authorized to transact business in the state.

(3) The ***regional public records and licensing administrator***~~[county clerks]~~ shall preserve such list on the files of the court, open to public inspection.

➔Section 276. KRS 304.21-030 is amended to read as follows:

If a theretofore authorized surety insurer withdraws from this state or if its certificate of authority is terminated, the commissioner shall give notice thereof forthwith by mailing a certificate of such fact to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in this state. Upon receipt of the certificate the ***regional public records and licensing administrator***~~[county clerk]~~ shall enter a notation across the face of the record of the certificate of authority of the insurer as referred to in KRS 304.21-020, showing the withdrawal of the insurer or the termination of its certificate of authority, as the case may be, together with the date thereof.

➔Section 277. KRS 304.21-040 is amended to read as follows:

(1) The commissioner is authorized to issue to any person applying therefor, a certificate showing that any surety insurer that has complied with the laws of this state, is qualified to do a surety business in this state, and stating the general terms of the risks authorized to be so written.

(2) Any such certificate or any certified copy of any uncanceled certificate shall be received in evidence as a sufficient justification of such surety and its authority to do business in this state; provided, however, that the certificate of the ***regional public records and licensing administrator*** ~~[county clerk]~~ to any such certified copy, or any certificate furnished directly by the commissioner to an applicant therefor, must bear a date the same as, or later than the date of the bond, undertaking or obligation upon which justification is being made.

➔Section 278. KRS 304.24-430 is amended to read as follows:

(1) A solvent domestic stock or mutual insurer, which then is not the subject of a delinquency proceeding under Subtitle 33 of this chapter, may voluntarily dissolve under a plan therefor in writing authorized by its board of directors, approved or adopted by stockholders or members as hereinafter provided, and filed with and approved by the commissioner. The plan shall provide for the disposition, by bulk reinsurance or other lawful procedure, of all insurance in force in the insurer, for full discharge of all obligations of the insurer, and designate or provide for trustees to conduct and administer the settlement of the insurer's affairs.

(2) The commissioner shall approve the plan unless found by him or her to be unlawful or unfair or inequitable or prejudicial to the interests of stockholders, policyholders, or creditors.

(3) If a mutual insurer, the plan must have been approved by vote of not less than two-thirds (2/3) of the policyholders voting thereon at a special meeting of such policyholders called and held for the purpose pursuant to such reasonable notice and information as the commissioner may have approved.

(4) If a stock insurer, the plan must have been adopted by vote of not less than two-thirds (2/3) of all outstanding voting securities of the insurer at a special meeting of such security holders called and held for the purpose.

(5) Following approval of the dissolution and plan therefor by members or adoption

thereof by stockholders as above provided, and approval by the commissioner, the trustees designated or provided for in the plan shall proceed to execute the plan. When all liabilities of the corporation have been discharged or otherwise adequately provided for, and all assets of the corporation have been liquidated and distributed in accordance with the plan, the trustees shall so certify in quadruplicate under oath in writing. The trustees shall deliver the original and the three (3) copies of such certificate to the commissioner. The commissioner shall make such examination of the affairs of the corporation, and of the liquidation and distribution of its assets and discharge of or provision for its liabilities as the commissioner deems advisable. If upon such examination the commissioner finds that the facts set forth in the certificate of the trustees are true, the commissioner shall inscribe his or her approval on the certificate, file the original thereof so inscribed in the office of the Secretary of State, file copy thereof in the department, and return the remaining two (2) copies to the trustees. The trustees shall file one (1) of such copies for recording in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the corporation's principal place of business is located, and retain the fourth copy for the corporate files.

(6) Upon filing the certificate of the trustees with the Secretary of State as provided in subsection (5) of this section, the Secretary of State shall issue to the trustees his or her certificate of dissolution, and the corporate existence of the corporation shall thereupon forever terminate. The Secretary of State shall charge and collect a fee of twenty-five dollars ($25) for the filing of the trustee's certificate, and shall deposit the same with the State Treasurer for credit to the general fund.

➔Section 279. KRS 304.33-150 is amended to read as follows:

(1) Appointment of rehabilitator. An order to rehabilitate the business of a domestic insurer, or an alien insurer domiciled in this state, shall appoint the commissioner and his or her successors in office rehabilitator and shall direct the rehabilitator

forthwith to take possession of the assets of the insurer and to administer them under the orders of the court. The filing or recording of the order with any ***regional public records and licensing administrator*** ~~[county clerk]~~ in the state shall impart the same notice as a deed, bill of sale, or other evidence of title duly filed or recorded with that ***regional public records and licensing administrator*** ~~[county clerk]~~.

(2) Any order issued under this section shall require accountings to the court by the rehabilitator. Accountings shall be at such intervals as the court specifies in its order, but no less frequently than semiannually. Each accounting shall include a report concerning the rehabilitator's opinion as to the likelihood that a plan under KRS 304.33-160(5) will be prepared by the rehabilitator and the timetable for doing so.

(3) Anticipatory breach. Entry of an order of rehabilitation shall not constitute an anticipatory breach of any contracts of the insurer, and it shall not be grounds for revocation or cancellation of any contracts of the insurer.

➔Section 280. KRS 304.33-200 is amended to read as follows:

(1) Order to liquidate. An order to liquidate the business of a domestic insurer shall appoint the commissioner and his or her successors in office liquidator and shall direct the liquidator forthwith to take possession of the assets of the insurer and to administer them under the orders of the court. The liquidator shall be vested by operation of law with the title to all of the property, contracts, and rights of action and all of the books and records of the insurer ordered liquidated, wherever located, as of the date of the filing of the petition for liquidation. He or she may recover and reduce the same to possession except that ancillary receivers in reciprocal states shall have, as to assets located in their respective states, the rights and powers which are prescribed in subsection (3) of KRS 304.33-540 for ancillary receivers appointed in this state as to assets located in this state. The filing or recording of the

order with any ***regional public records and licensing administrator***~~[county clerk]~~ in this state shall impart the same notice as a deed, bill of sale, or other evidence of title duly filed or recorded with that ***regional public records and licensing administrator***~~[county clerk]~~.

(2) Fixing of rights.

(a) Upon issuance of the order, the rights and liabilities of any such insurer and of its creditors, policyholders, shareholders, members, and all other persons interested in its estate are fixed as of the date of filing of the petition for liquidation, except as provided in KRS 304.33-210 and 304.33-380.

(b) Entry of an order of liquidation shall not constitute an anticipatory breach of any contracts of the insurer, and it shall not be grounds for rescission, revocation, or cancellation of any contracts of the insurer in force as of the date of liquidation, except as provided in KRS 304.33-210.

(3) Alien insurer. An order to liquidate the business of an alien insurer domiciled in this state shall be in the same terms and have the same legal effect as an order to liquidate a domestic insurer, except that the assets and the business in the United States shall be the only assets and business included under the order.

(4) Declaration of insolvency. At the time of petitioning for an order of liquidation, or at any time thereafter, the commissioner may petition the court to declare the insurer insolvent, and after such notice and hearing as it deems proper, the court may make the declaration.

➔Section 281. KRS 304.33-240 is amended to read as follows:

The liquidator shall report to the court monthly, or at other intervals specified by the court, on the progress of the liquidation in whatever detail the court orders. The liquidator may:

(1) Appoint a special deputy to act for him or her under this subtitle, and, subject to the court's approval, determine his or her compensation. The special deputy shall have

all powers of the liquidator granted by this section. The special deputy shall serve at the pleasure of the liquidator;

(2) Appoint or engage employees and agents, legal counsel, actuaries, accountants, appraisers, consultants, and other personnel he or she deems necessary to assist in the liquidation;

(3) Fix the compensation of persons under subsection (2) of this section, subject to the control of the court;

(4) Defray all expenses of taking possession of, conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and property of the insurer. If the property of the insurer does not contain sufficient cash or liquid assets to defray the costs incurred, the liquidator may advance the costs so incurred out of any available appropriation. Any amounts so paid shall be deemed expense of administration and shall be repaid for the credit of the Department of Insurance out of the first available moneys of the insurer;

(5) Hold hearings, subpoena witnesses and compel their attendance, administer oaths, examine any person under oath, and compel any person to subscribe to his or her testimony after it has been correctly reduced to writing, and in connection therewith require the production of any books, papers, record, or other documents which he or she deems relevant to the inquiry;

(6) Collect all debts and moneys due and claims belonging to the insurer, wherever located, and for this purpose institute timely action in other jurisdictions to marshal the assets of the insurer; forestall garnishment and attachment proceedings against such debts; do such other acts as are necessary or expedient to collect, conserve or protect its assets or property, including sell, compound, compromise, or assign for purposes of collection, subject to court approval and upon such terms and conditions as the liquidator deems best, any disputed claims; and pursue any creditor's remedies available to enforce his or her claims. In lieu of collecting funds

representing unearned premium of a policyholder which are in the possession of the insurer's agent with respect to the kinds of direct insurance protected under KRS 304.36-030, the liquidator may authorize the use of such funds to replace the insurance coverage terminated pursuant to KRS 304.33-210, upon receipt from the agent of appropriate notice of such replacement of the insurance coverage with an insurer within sixty (60) days after the date of the liquidation order;

(7) Audit the books and records of all agents of the insurer insofar as these records relate to the business activities of the insurer;

(8) Conduct public and private sales of the property of the insurer in a manner prescribed by the court;

(9) Use assets of the estate to transfer policy obligations to a solvent assuming insurer, if the transfer can be arranged without prejudice to applicable priorities under KRS 304.33-430;

(10) Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of or deal with any property of the insurer at its market value or upon such terms and conditions as are fair and reasonable, except that no transaction involving property the market value of which exceeds ten thousand dollars ($10,000) shall be concluded without express permission of the court. The liquidator also may execute, acknowledge, and deliver any deeds, assignments, releases, and other instruments necessary or proper to effectuate any sale of property or other transaction in connection with the liquidation. In cases where real property sold by the liquidator is located other than in the county where the liquidation is pending, the liquidator shall cause to be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ for the ***area development district***~~[county]~~ in which the property is located a certified copy of the order appointing him or her;

(11) Borrow money, subject to court approval, on the security of the insurer's assets or without security and execute and deliver all documents necessary to that transaction

for the purpose of facilitating the liquidation;

(12) Enter into such contracts as are necessary to carry out the order to liquidate, and affirm or disavow any contracts to which the insurer is a party;

(13) Continue to prosecute and institute in the name of the insurer or in his or her own name any suits and other legal proceedings, in this state or elsewhere, and abandon the prosecution of claims he or she deems unprofitable to pursue further. If the insurer is dissolved under KRS 304.33-220, he or she may apply to any court in this state or elsewhere for leave to substitute himself or herself for the insurer as plaintiff;

(14) Prosecute any action which may exist in behalf of the creditors, members, policyholders, or shareholders of the insurer against any officer of the insurer, or any other person;

(15) Remove any records and property of the insurer to the offices of the commissioner or to such other place as is convenient for the purposes of efficient and orderly execution of the liquidation;

(16) Deposit in one (1) or more banks in this state such sums as are required for meeting current administration expenses and dividend distributions;

(17) File any necessary documents for record in the office of any ***regional public records and licensing administrator*** ~~[county clerk]~~ or record office in this state or elsewhere where property of the insurer is located;

(18) Assert all defenses available to the insurer as against third persons, including statutes of limitations, statutes of frauds, and the defense of usury. A waiver of any defense by the insurer after a petition for liquidation has been filed shall not bind the liquidator;

(19) Exercise and enforce all the rights, remedies and powers of any creditor, shareholder, policyholder, or member, including any power to avoid any transfer or lien that may be given by law and that is not included within KRS 304.33-290 to

304.33-310, inclusive;

(20) Intervene in any proceeding wherever instituted that might lead to the appointment of a receiver or trustee, and act as the receiver or trustee whenever the appointment is offered;

(21) Enter into agreements with any receiver or commissioner of any other state relating to the rehabilitation, liquidation, conservation, or dissolution of an insurer doing business in both states;

(22) Exercise all powers now held or hereafter conferred upon receivers by the laws of this state not inconsistent with this subtitle; and

(23) The enumeration in this section of the powers and authority of the liquidator is not a limitation upon him or her, nor does it exclude his or her right to do such other acts not herein specifically enumerated or otherwise provided for as are necessary or expedient for the accomplishment of or in aid of the purpose of liquidation.

➔Section 282. KRS 304.33-300 is amended to read as follows:

(1) Effect of petition: real property. After a petition for rehabilitation or liquidation, a transfer of any of the real property of the insurer made to a person acting in good faith shall be valid against the receiver if made for a present fair equivalent value or, if not made for a present fair equivalent value, then to the extent of the present consideration actually paid therefor, for which amount the transferee shall have a lien on the property so transferred. The recording of a copy of the petition for or order of rehabilitation or liquidation with the ***regional public records and licensing administrator***~~[county clerk]~~ in the county where any real property in question is located shall be constructive notice of the commencement of a proceeding in rehabilitation or liquidation. The exercise by a court of the United States or any state of jurisdiction to authorize or effect a judicial sale of real property of the insurer within any county in any state shall not be impaired by the pendency of such a proceeding unless the copy is recorded in the county prior to the consummation of

the judicial sale.

(2) Effect of petition: personal property. After a petition for rehabilitation or liquidation and before either the receiver takes possession of the property of the insurer or an order of rehabilitation or liquidation is granted:

(a) A transfer of any of the property of the insurer, other than real property, made to a person acting in good faith shall be valid against the receiver if made for a present fair equivalent value or, if not made for a present fair equivalent value, then to the extent of the present consideration actually paid therefor, for which amount the transferee shall have a lien on the property so transferred;

(b) A person indebted to the insurer or holding property of the insurer may, if acting in good faith, pay the indebtedness or deliver the property or any part thereof to the insurer or upon his or her order, with the same effect as if the petition were not pending;

(c) A person having actual knowledge of the pending rehabilitation or liquidation shall be deemed not to act in good faith unless he or she has reasonable cause to believe that the petition is not well founded; and

(d) A person asserting the validity of a transfer under this section shall have the burden of proof. Except as elsewhere provided in this section, no transfer by or in behalf of the insurer after the date of the petition for liquidation by any person other than the liquidator shall be valid against the liquidator.

(3) Every person receiving any property from the insurer or any benefit thereof which is a fraudulent transfer under this section shall be personally liable therefor and shall be bound to account to the liquidator.

(4) Negotiability. Nothing in this subtitle shall impair the negotiability of currency or negotiable instruments.

➔Section 283. KRS 304.33-510 is amended to read as follows:

(1) Grounds for petition. If a domiciliary liquidator has not been appointed, the

commissioner may apply to the Franklin Circuit Court by petition for an order directing him or her to conserve the property of an alien insurer not domiciled in this state or a foreign insurer on any one (1) or more of the following grounds:

(a) Any of the grounds in KRS 304.33-140;

(b) Any of the grounds in KRS 304.33-190;

(c) That any of its property has been sequestered by official action in its domiciliary state, or in any other state;

(d) That enough of its property has been sequestered in a foreign country to give reasonable cause to fear that the insurer is or may become insolvent;

(e) That:

1. Its certificate of authority to do business in this state has been revoked or that none was ever issued; and

2. There are residents of this state with outstanding claims or outstanding policies.

(2) Terms of order. The court may issue the order in whatever terms it deems appropriate. The filing or recording of the order with any ***regional public records and licensing administrator*** ~~[county clerk]~~ in this state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that ***regional public records and licensing administrator*** ~~[county clerk]~~.

(3) Transformation to liquidation or ancillary receivership. The conservator may at any time petition for and the court may grant an order under KRS 304.33-520 to liquidate the assets of a foreign or alien insurer under conservation or, if appropriate, for an order under KRS 304.33-540 to be appointed ancillary receiver.

(4) Order to return to insurer. The conservator may at any time petition the court for an order terminating conservation of an insurer. If the court finds that the conservation is no longer necessary, it shall order that the insurer be restored to possession of its property and the control of its business. The court may also make such finding and

issue such order at any time upon its own motion.

➔Section 284. KRS 304.33-520 is amended to read as follows:

(1) Ground for petition. If no domiciliary receiver has been appointed, the commissioner may apply to the Franklin Circuit Court by petition for an order directing the commissioner to liquidate the assets found in this state of a foreign insurer or an alien insurer not domiciled in this state, on any of the following grounds:

(a) Any of the grounds in KRS 304.33-140;

(b) Any of the grounds in KRS 304.33-190; and

(c) Any of the grounds in KRS 304.33-510.

(2) Terms of order. If it appears to the court that the best interests of creditors, policyholders and the public so require, the court may issue an order to liquidate in whatever terms it deems appropriate. The filing or recording of the order with any ***regional public records and licensing administrator***~~[county clerk]~~ in this state imparts the same notice as a deed, bill of sale, or other evidence of title duly filed or recorded with that ***regional public records and licensing administrator***~~[county clerk]~~.

(3) Conversion to ancillary proceeding. If a domiciliary liquidator is appointed in a reciprocal state while a liquidation is proceeding under this section, the liquidator under this section shall thereafter act as ancillary receiver under KRS 304.33-540. If a domiciliary liquidator is appointed in a nonreciprocal state while a liquidation is proceeding under this section, the liquidator under this section may petition the court for permission to act as ancillary receiver under KRS 304.33-540.

(4) Federal receivership. On the same grounds as are specified in subsection (1) of this section, the commissioner may petition any appropriate federal District Court to be appointed receiver to liquidate that portion of the insurer's assets and business over which the court will exercise jurisdiction; or any lesser part thereof that the

commissioner deems desirable for the protection of the policyholders and creditors in this state. The commissioner may accept appointment as federal receiver if another person files a petition.

➔Section 285. KRS 304.33-540 is amended to read as follows:

(1) Appointment of ancillary receiver in this state. If a domiciliary liquidator has been appointed for an insurer not domiciled in this state, the commissioner shall file a petition with the Franklin Circuit Court requesting appointment as ancillary receiver in this state:

(a) If the commissioner finds that there are sufficient assets of the insurer located in this state to justify the appointment of an ancillary receiver;

(b) If ten (10) or more persons resident in this state having claims against the insurer file a petition with the commissioner requesting appointment of an ancillary receiver; or

(c) If the protection of creditors or policyholders in this state so requires.

(2) Terms of order. The court may issue an order appointing an ancillary receiver in whatever terms it deems appropriate. The filing or recording of the order with any ***regional public records and licensing administrator***~~[county clerk]~~ in this state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that ***regional public records and licensing administrator***~~[county clerk]~~.

(3) Property rights and title: ancillary receivers in this state. When a domiciliary liquidator has been appointed in a reciprocal state the ancillary receiver appointed in this state under subsection (1) of this section shall have the sole right to recover all the assets of the insurer in this state not already recovered by the domiciliary liquidator, except that the domiciliary liquidator shall be entitled to and have the sole right to recover balances due from agents and the books, accounts and other records of the insurer. The ancillary receiver shall have the right to recover balances

due from agents and books, accounts and other records of the insurer, if such action is necessary to protect the assets because of inaction by the domiciliary liquidator. The ancillary receiver shall, as soon as practicable, liquidate from their respective securities those special deposit claims and secured claims which are proved and allowed in the ancillary proceedings in this state, and shall pay the necessary expenses of the proceedings. The ancillary receiver shall promptly transfer all remaining assets to the domiciliary liquidator. Subject to this section, the ancillary receiver and his or her deputies shall have the same powers and be subject to the same duties with respect to the administration of assets as a liquidator of an insurer domiciled in this state.

(4) Property rights and title: foreign ancillary receivers. When a domiciliary liquidator has been appointed in this state, ancillary receivers appointed in reciprocal states shall have, as to assets and books, accounts and other records located in their respective states, corresponding rights and powers to those prescribed in subsection (3) of this section for ancillary receivers appointed in this state.

➔Section 286. KRS 304.8-050 is amended to read as follows:

(1) The insurer's policyholders and creditors in the United States, and this state and other states in which the insurer is authorized to transact insurance, shall have a first lien upon other real property, of which the evidence of the insurer's title is deposited by the insurer. The commissioner shall file proper notice of such lien with the ***regional public records and licensing administrator***~~[county clerk]~~ of the county in which any such property is located.

(2) ***This***~~[Such]~~ real property shall not be withdrawn, sold, or further encumbered unless other eligible assets of equal or greater value are deposited by the insurer in lieu thereof. Upon any such withdrawal, sale, or encumbrance the commissioner shall execute a proper release of such property, which release shall be recorded in the office of ***the***~~[such]~~ ***regional public records and licensing administrator***~~[county~~

~~clerk]~~.

(3) For the purpose of determining the amount of deposit, such real property shall be valued at sixty percent (60%) of its fair value as determined by the commissioner.

➔Section 287. KRS 311.310 is amended to read as follows:

No school, college or professor may receive any body under KRS 311.300 until a bond has been given by the college. The bond shall be in the penal sum of one thousand dollars ($1,000), with good personal security, and approved by the ***regional public records and licensing administrator***~~[clerk]~~ of the ***area development district***~~[county]~~ in which the college or school is situated, conditioned upon the lawful disposition of all dead bodies that come into the possession of the college, or any professor thereof. The bond shall be filed in the ***regional public records and licensing administrator's***~~[clerk's]~~ office, and renewed every twelve (12) months. For taking and approving the bond the ***regional public records and licensing administrator***~~[clerk]~~ shall ***collect and remit to the State Treasury***~~[be entitled to]~~ a fee pursuant to KRS 64.012.

➔Section 288. KRS 311.440 is amended to read as follows:

Every person licensed to practice podiatry shall, within thirty (30) days after issuance, file his license with the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which he ***or she*** desires to engage in the practice of podiatry.

➔Section 289. KRS 311.500 is amended to read as follows:

The revocation or suspension of any license shall be noted upon the records of the board, and a revoked license shall be marked as canceled upon the date of its revocation. The board shall, upon entry of an order of suspension or revocation, transmit to the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the license affected by the order is recorded, a certified copy of the order, which shall be recorded in the same manner and the same book in which the record of the license is kept.

➔Section 290. KRS 311.590 is amended to read as follows:

(1) No person shall make any statement or submit any document, paper, or thing to the board, or to its executive director, or to any ***regional public records and licensing administrator***~~[county clerk]~~, relating in any manner to issuance, registration, suspension, or revocation of any license or permit, knowing same to be false, forged, or fraudulent.

(2) No person shall engage in dishonesty, fraud, deceit, collusion, or conspiracy in connection with any examination, hearings, or disciplinary proceedings conducted by the board.

(3) No person shall make or issue any false or counterfeit certificate that purports to have been issued by the board, or by its executive director, or forge the signature of any person thereon, or alter any such certificate that has been issued by the board or by its executive director.

➔Section 291. KRS 311.990 is amended to read as follows:

(1) Any person who violates KRS 311.250 shall be guilty of a violation.

(2) Any college or professor thereof violating the provisions of KRS 311.300 to 311.350 shall be civilly liable on his bond for a sum not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) for each violation, which may be recovered by an action in the name of the Commonwealth.

(3) Any person who presents to the ***regional public records and licensing administrator***~~[county clerk]~~ for the purpose of registration any license which has been fraudulently obtained, or obtains any license under KRS 311.380 to 311.510 by false or fraudulent statement or representation, or practices podiatry under a false or assumed name or falsely impersonates another practitioner or former practitioner of a like or different name, or aids and abets any person in the practice of podiatry within the state without conforming to the requirements of KRS 311.380 to 311.510, or otherwise violates or neglects to comply with any of the provisions of

KRS 311.380 to 311.510, shall be guilty of a Class A misdemeanor. Each case of practicing podiatry in violation of the provisions of KRS 311.380 to 311.510 shall be considered a separate offense.

(4) Each violation of KRS 311.560 shall constitute a Class D felony.

(5) Each violation of KRS 311.590 shall constitute a Class D felony. Conviction under this subsection of a holder of a license or permit shall result automatically in permanent revocation of such license or permit.

(6) Conviction of willfully resisting, preventing, impeding, obstructing, threatening, or interfering with the board or any of its members, or of any officer, agent, inspector, or investigator of the board or the Cabinet for Health and Family Services, in the administration of any of the provisions of KRS 311.550 to 311.620 shall be a Class A misdemeanor.

(7) Each violation of subsection (1) of KRS 311.375 shall, for the first offense, be a Class B misdemeanor, and, for each subsequent offense shall be a Class A misdemeanor.

(8) Each violation of subsection (2) of KRS 311.375 shall, for the first offense, be a violation, and, for each subsequent offense, be a Class B misdemeanor.

(9) Each day of violation of either subsection of KRS 311.375 shall constitute a separate offense.

(10) (a) Any person who intentionally or knowingly performs an abortion contrary to the requirements of KRS 311.723(1) shall be guilty of a Class D felony; and

(b) Any person who intentionally, knowingly, or recklessly violates the requirements of KRS 311.723(2) shall be guilty of a Class A misdemeanor.

(11) (a) 1. Any physician who performs a partial-birth abortion in violation of KRS 311.765 shall be guilty of a Class D felony. However, a physician shall not be guilty of the criminal offense if the partial-birth abortion was necessary to save the life of the mother whose life was endangered by a

physical disorder, illness, or injury.

2. A physician may seek a hearing before the State Board of Medical Licensure on whether the physician's conduct was necessary to save the life of the mother whose life was endangered by a physical disorder, illness, or injury. The board's findings, decided by majority vote of a quorum, shall be admissible at the trial of the physician. The board shall promulgate administrative regulations to carry out the provisions of this subparagraph.

3. Upon a motion of the physician, the court shall delay the beginning of the trial for not more than thirty (30) days to permit the hearing, referred to in subparagraph 2. of this paragraph, to occur.

(b) Any person other than a physician who performs a partial-birth abortion shall not be prosecuted under this subsection but shall be prosecuted under provisions of law which prohibit any person other than a physician from performing any abortion.

(c) No penalty shall be assessed against the woman upon whom the partial-birth abortion is performed or attempted to be performed.

(12) Any person who intentionally performs an abortion with knowledge that, or with reckless disregard as to whether, the person upon whom the abortion is to be performed is an unemancipated minor, and who intentionally or knowingly fails to conform to any requirement of KRS 311.732 is guilty of a Class A misdemeanor.

(13) Any person who negligently releases information or documents which are confidential under KRS 311.732 is guilty of a Class B misdemeanor.

(14) Any person who performs an abortion upon a married woman either with knowledge or in reckless disregard of whether KRS 311.735 applies to her and who intentionally, knowingly, or recklessly fails to conform to the requirements of KRS 311.735 shall be guilty of a Class D felony.

(15) Any person convicted of violating KRS 311.750 shall be guilty of a Class B felony.

(16) Any person who violates KRS 311.760(2) shall be guilty of a Class D felony.

(17) Any person who violates KRS 311.770 or 311.780 shall be guilty of a Class D felony.

(18) A person convicted of violating KRS 311.780 shall be guilty of a Class C felony.

(19) Any person who violates KRS 311.810 shall be guilty of a Class A misdemeanor.

(20) Any professional medical association or society, licensed physician, or hospital or hospital medical staff who shall have violated the provisions of KRS 311.606 shall be guilty of a Class B misdemeanor.

(21) Any administrator, officer, or employee of a publicly owned hospital or publicly owned health care facility who performs or permits the performance of abortions in violation of KRS 311.800(1) shall be guilty of a Class A misdemeanor.

(22) Any person who violates KRS 311.905(3) shall be guilty of a violation.

(23) Any person who violates the provisions of KRS 311.820 shall be guilty of a Class A misdemeanor.

(24) (a) Any person who fails to test organs, skin, or other human tissue which is to be transplanted, or violates the confidentiality provisions required by KRS 311.281, shall be guilty of a Class A misdemeanor;

(b) Any person who has human immunodeficiency virus infection, who knows he is infected with human immunodeficiency virus, and who has been informed that he may communicate the infection by donating organs, skin, or other human tissue who donates organs, skin, or other human tissue shall be guilty of a Class D felony.

(25) Any person who sells or makes a charge for any transplantable organ shall be guilty of a Class D felony.

(26) Any person who offers remuneration for any transplantable organ for use in transplantation into himself shall be fined not less than five thousand dollars

($5,000) nor more than fifty thousand dollars ($50,000).

(27) Any person brokering the sale or transfer of any transplantable organ shall be guilty of a Class C felony.

(28) Any person charging a fee associated with the transplantation of a transplantable organ in excess of the direct and indirect costs of procuring, distributing, or transplanting the transplantable organ shall be fined not less than fifty thousand dollars ($50,000) nor more than five hundred thousand dollars ($500,000).

(29) Any hospital performing transplantable organ transplants which knowingly fails to report the possible sale, purchase, or brokering of a transplantable organ shall be fined not less than ten thousand dollars ($10,000) or more than fifty thousand dollars ($50,000).

➔Section 292. KRS 322.400 is amended to read as follows:

No ***regional public records and licensing administrator***~~[county clerk]~~ of any ***area development district***~~[county]~~, or any other public authority, shall accept for filing, file, or record any map, plat, survey, or other document related to the practice of land surveying, unless it evidences certification by a professional land surveyor by whom, or under whose personal supervision and direction, the map, plat, survey, or other document was prepared.

➔Section 293. KRS 329.090 is amended to read as follows:

The cabinet shall publish, at least annually, a list of the names and addresses of all examiners and trainees and of all persons whose licenses have been suspended or revoked within that one (1) year, together with such other information relative to the enforcement of the provisions of this chapter as it may deem of interest to the public in the profession. One (1) such list shall be mailed to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ of the Commonwealth and shall be held by ***the regional public records and licensing administrator*** ~~[such county clerk]~~ as a public record. ***This***~~[Such]~~ list shall also be mailed

by the cabinet to any person in the Commonwealth upon request.

➔Section 294. KRS 337.075 is amended to read as follows:

(1) A lien may be placed on all property, both real and personal, of an employer who has been assessed civil penalties by the commissioner for violations of the wages and hours provisions of this chapter, but not before all administrative and judicial appeals have been exhausted. The lien shall be in favor of the Labor Cabinet and shall be an amount totaling the unpaid wages and penalties due, together with interest at a rate of twelve percent (12%) per annum from the date the notice of the violation is final, but not before all administrative and judicial appeals have been exhausted. The lien shall be attached to all property and rights to property owned or subsequently acquired by the employer. The commissioner or the commissioner's designee shall record the lien as provided in subsection (2) of this section. The lien shall show the date on which the notice of violation was issued, the date of the violation, the name and last known address of the employer against whom the assessment was made, and the amount of unpaid wages, penalties, and interest. The lien shall be superior to the lien of any mortgage or encumbrance thereafter created and shall continue for ten (10) years from the time of the recording, unless sooner released or otherwise discharged.

(2) The lien shall be filed in any of the following offices in which the employer owns property or rights to property and any filing fees associated with filing the lien shall be pursuant to KRS 64.012:

(a) The office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the defendant employer resides.

(b) The office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the defendant employer has its principal place of business.

(c) The office of the ***regional public records and licensing administrator***~~[county clerk]~~ of any ***area development district***~~[county]~~ in which the defendant employer has property or an interest in property.

➔Section 295. KRS 338.201 is amended to read as follows:

(1) A lien may be placed on all property, both real and personal, of an employer who has violated any requirement of this chapter, if the citation issued by the commissioner has been upheld by a final order of the review commission, but not before all administrative and judicial appeals have been exhausted. The lien shall be in favor of the Labor Cabinet and shall be an amount totaling the penalties due, together with interest at a rate of twelve percent (12%) per annum from the date the order of the review commission is final, but not before all administrative and judicial appeals have been exhausted. The lien shall be attached to all property and rights to property owned or subsequently acquired by the employer. The commissioner or the commissioner's designee shall record the lien as provided in subsection (2) of this section. The lien shall show the date on which the citation was issued, the date of the violation, the name and last known address of the employer against whom the assessment was made, and the amount of penalties and interest. The lien shall be superior to the lien of any mortgage or encumbrance thereafter created and shall continue for ten (10) years from the time of the recording, unless sooner released or otherwise discharged.

(2) The lien shall be filed in any of the following offices in which the employer owns property or rights to property and any filing fees associated with filing the lien shall be pursuant to KRS 64.012:

(a) The office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the defendant employer resides.

(b) The office of the ***regional public records and licensing administrator***~~[county~~

~~clerk]~~ of the ***area development district***~~[county]~~ in which the defendant employer has its principal place of business.

(c) The office of the ***regional public records and licensing administrator***~~[county clerk]~~ of any ***area development district***~~[county]~~ in which the defendant employer has property or an interest in property.

➔Section 296. KRS 341.310 is amended to read as follows:

(1) A lien on a parity with state, county, and municipal ad valorem tax liens, and superior to the lien of any mortgage or other encumbrance heretofore or hereafter created is hereby created in favor of the cabinet upon all property of any subject employer from whom contributions, interest or penalties are or may hereafter become due. The lien shall commence from such time as any assessment becomes delinquent and it shall continue until the amount of the original assessment and any subsequent assessments of liability for contributions, interest, penalties or fees are fully paid. The lien shall attach to all interest in property, either real or personal, then owned or subsequently acquired by the person against whom the assessment is made. The cabinet may file notice of the lien with the ***regional public records and licensing administrator***~~[county clerk]~~ of any ***area development district***~~[county or counties]~~ in which the subject employer's business or residence is located, or in any county in which the subject employer has interest in property and such notice shall be recorded in the same manner as notices of lis pendens are and the file shall be designated "miscellaneous state tax liens." Such recordation shall constitute notice of both the original assessment and all subsequent assessments of liability against the same subject employer. Upon request, the cabinet shall disclose the specific amount of liability at a given date to any interested party legally entitled to such information. The notice, when so filed, shall be conclusive notice to all persons of the lien on the property having legal situs in that county, except that nothing in this chapter shall be construed to alter or change in any way the law relative to the rights

and duties of a holder in due course as provided in KRS Chapter 355, Art. 3, or affect the rights of any person taking the property or a lien thereon for value without actual or constructive notice. The clerk shall be entitled to a fee pursuant to KRS 64.012 for filing the lien and the subsequent release or partial release, and said fee shall become a part of the lien as an added cost of the delinquent subject employer to be paid by him as a part of the amount necessary to release the lien and shall not be the responsibility of the Commonwealth.

(2) In addition and as an alternative to any other remedy, the secretary may enforce the lien by petition in the name of this state to the Franklin Circuit Court, if the ministerial acts necessary to enforce the lien by the sale of the liened property or any part of it are performed by the appropriate officers of the Circuit Court of the county in which the property is situated under the direction of and reporting to the Franklin Circuit Court. The manner of enforcement shall be the same as that provided for the enforcement of other tax liens.

(3) (a) The secretary may issue a certificate of release of lien upon the furnishing of a corporate surety bond satisfactory to the secretary by such employing unit in the amount of one hundred twenty-five percent (125%) of the sum of such contributions, interest and penalty, for which lien is claimed, conditioned upon the prompt payment of such contribution, together with interest and penalty thereon, by such employing unit to the cabinet in accordance with the provisions set forth in such bond.

(b) The secretary may issue a certificate of partial release of any part of the property subject to the lien if he finds that the fair market value of that part of such property remaining subject to the lien is at least equal to the amount of all other liens upon such property plus double the amount of the liability for contributions, interest and penalties thereon remaining unsatisfied.

(c) The secretary may issue a certificate of partial release of any part of the

property or individual piece of property subject to the lien if he finds that the interest of the Commonwealth in the property to be so released has no value.

➔Section 297. KRS 342.770 is amended to read as follows:

(1) Upon the filing of a claim the commissioner shall ascertain whether the employer, or any other person against whom a claim is filed and who is not exempt by KRS 342.630 or 342.650, has secured payment of compensation by either securing insurance coverage or qualifying as a self-insurer pursuant to KRS 342.340. Upon determination that any employer under this chapter has failed to comply with the provisions of KRS 342.340, the commissioner shall record, as provided by subsection (2) of this section, a certificate prepared and furnished him or her by the general counsel showing the date on which such claim was filed, the date of the injury alleged, the name and last known address of the employer against whom it was filed, and the fact that the employer has not secured the payment of compensation as required. Upon recordation, such certificate constitutes a valid lien against the assets of the employer in favor of the uninsured employers' fund for the whole amount which may be due as compensation. Such lien shall be superior to the lien of any mortgage or other encumbrance thereafter created and shall continue for ten (10) years from the time of such recording, unless sooner released or otherwise discharged. A copy of such certificate shall be served upon the employer by the commissioner.

(2) The certificate constituting a lien in favor of the uninsured employers' fund shall be filed in the following offices:

(a) The office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the defendant employer resides.

(b) The office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the defendant

employer has its principal place of business.

(c) The office of the ***regional public records and licensing administrator***~~[county clerk]~~ in the ***area development districts***~~[counties]~~ where such employer's property is located.

➔Section 298. KRS 349.085 is amended to read as follows:

(1) The person requesting a pooling order shall provide to the department a list of all persons reasonably known to own an oil or gas interest and all coal interest holders, in any tract upon which the coalbed methane well will be located from the surface to a depth of one hundred (100) feet below the base of the deepest coal seam to be penetrated. A pooling order shall be made only after the department provides notice to all persons reasonably known to own an oil or gas interest and all coal interest holders in any tract upon which the well will be located and any tract or portion thereof proposed to be pooled in any drilling unit, from the surface to a depth of one hundred (100) feet below the base of the deepest coal seam to be penetrated, after a hearing has been held. After filing an application for a pooling order under KRS 349.080(1), where unknown or nonlocatable owners exist, or at the request of the permit applicant or person requesting a pooling order, the permit applicant shall publish, at least twenty (20) days prior to the hearing on the application for the pooling order, one (1) notice in the newspaper of the largest circulation in each county in which any tract, or portion thereof, proposed to be pooled is located. The notice shall:

(a) State that an application for a pooling order is being filed with the review board;

(b) Describe any tract, or portion thereof, proposed to be pooled;

(c) In the case of an unknown owner, identify the name of the last known owner;

(d) In the case of a nonlocatable owner, identify the owner and the owner's last known address; and

(e) State that any party claiming an interest in any tract, or portion thereof, proposed to be pooled should contact the permit applicant at the published address and provide a copy of the notification to the review board within twenty (20) days of the date of the publication.

(2) The review board shall grant or deny the request for a pooling order and issue an order consistent with the intent and purposes of KRS Chapters 350 and 352 and this chapter, taking into consideration the following factors that it considers applicable in the particular proceeding:

(a) The area which may be drained efficiently and economically by the proposed coalbed methane well or wells and the spacing requirements of KRS 349.075;

(b) The plan of development of the coal and the need for proper ventilation of any mines or degasification of any affected coal seams;

(c) The nature and character of any coal seam or seams which will be affected by the proposed coalbed methane well or wells;

(d) The surface topography and mineral boundaries of the lands underlaid by the coal seams to be included in the unit;

(e) Evidence relevant to the proper boundary of the drilling unit;

(f) The nature and extent of ownership of each coalbed methane owner or claimant and whether conflicting claims exist;

(g) Whether the applicant for the drilling unit proposes to be the operator of the coalbed methane well or wells within the drilling unit; and if so, whether the applicant has a lease or other agreement from the owners or claimants of a majority interest in the proposed drilling unit;

(h) Whether a disagreement exists among the coalbed methane owners or claimants over the designation of the operator for any coalbed methane wells within the unit, and if so, relevant evidence to determine which operator can properly and efficiently develop the coalbed methane within the unit for the

benefit of the majority of the coalbed methane owners;

(i) If more than one person is interested in operating a coalbed methane well within the unit, the estimated cost submitted by each such person for drilling, completing, operating, and marketing the coalbed methane from any proposed coalbed methane well or wells;

(j) Any other available geological or scientific data pertaining to the pool which is proposed to be developed;

(k) The correlative rights of the operators and owners of the coalbed methane, so that each operator and owner may obtain his or her just and equitable share of production from the coalbed methane; and

(l) Any other factor the review board determines should be considered consistent with KRS Chapters 350 and 352 and this chapter.

(3) Upon consideration of the matters raised at the hearing, the review board shall render a decision based upon whether to grant a pooling order, and shall enter a written order containing findings of fact and conclusions which address any relevant considerations in subsection (2) of this section and based thereon shall issue and file with the department a written order granting the pooling order with any applicable conditions or denying the pooling order.

(4) A pooling order shall authorize the drilling, deepening, or reopening, and the operation of a well for the production of coalbed methane on the tracts or portions thereof pooled; shall designate the operator to drill and operate the well; shall prescribe the time and manner in which all owners of working interests in the pooled tracts or portions thereof may elect to participate therein; shall provide that all reasonable costs and expenses of drilling, deepening, converting or reopening, and the completing, operating, plugging, and abandoning the well shall be borne, and all production from the well shall be shared, by all owners of working interests in proportion to the net mineral acres in the pooled tracts owned or under lease to

each owner; and shall make provision for the payment of the reasonable and actual cost thereof, including a reasonable charge for supervision, by all those who elect to participate therein.

(5) A pooling order shall establish a procedure for the owner who claims a working interest and who does not decide to become a participating working interest owner to elect to either:

(a) Surrender, by means of sale or lease, the interest to a participating working interest owner on a reasonable basis and for a reasonable consideration, which if not agreed upon shall be one-eighth (1/8) of the production attributable to the well; or

(b) Share in the operation of the well as a nonparticipating working interest owner on a carried basis after the proceeds allocable to his or her share equal to two hundred percent (200%) of the share of the costs allocable to his or her interest.

(6) A coalbed methane owner or claimant whose identity and location remain unknown at the conclusion of the hearing concerning the entry of a pooling order for which public notice was given and whose interest is pooled pursuant to KRS 349.080(1) shall be deemed to have elected to lease the interest to the coalbed methane operator, exclusive of one-eighth (1/8) of the production attributable to the unleased interest, and shall not be entitled to make the election established in subsection (5) of this section.

(7) Except as provided in this section, a coalbed methane owner who does not make an election under the pooling order within thirty (30) days of the entry of the order shall be deemed to have leased the coalbed methane interest to the coalbed methane well operator in the manner established in subsection (6) of this section.

(8) A person whose interest is subject to a coalbed methane lease or other agreement which grants to another the right to operate or conduct operations shall not own an

operating interest for the purposes of this section.

(9) A certified copy of any pooling order entered under this section shall be entitled to be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***regional public records and licensing administrator or regional public records and licensing administrators***~~[county or counties]~~ in which all or any portion of the pooled tract is located, and the record of the order, from the time of lodging the order for record, shall be notice of the order to all persons.

(10) Each pooling order for a coalbed methane well issued pursuant to KRS 349.080(1) shall provide for the establishment of an interest-bearing escrow account to be maintained by the department. The escrow account shall receive deposits and hold payment for costs and proceeds attributable to the conflicting interests as follows:

(a) Each participating working interest owner, except for the unit operator, shall deposit in the escrow account the owner's proportionate share of the costs allocable to the ownership interest claimed by each participating working interest owner as set forth in the pooling order; and

(b) The unit operator shall collect all proceeds from the sale or use of coalbed methane and deposit in the escrow account all proceeds attributable to the conflicting interests of lessors, lessees, or royalty owners and all proceeds in excess of the recovery of all capital costs and expenses and all ongoing operational expenses including reasonable overhead costs and operating fees attributable to conflicting working interests.

(11) The department shall order payment of principal and accrued interest from the escrow account to all legally entitled entities within thirty (30) days of receipt by the department of notification of the final legal determination of entitlement or upon agreement of all entities claiming an ownership interest in the coalbed methane. Upon the department's final determination:

(a) Each legally entitled participating working interest owner shall receive a proportionate share of the proceeds attributable to the conflicting ownership interest;

(b) Each legally entitled nonparticipating working interest owner shall receive a proportionate share of the proceeds attributable to the conflicting ownership interest, less the cost of being carried as a nonparticipating working interest owner as determined by the election of the person under the applicable pooling order;

(c) Each person leasing or deemed to have leased its coalbed methane ownership interest to the unit operator shall receive a share of the royalty proceeds as set out in the applicable pooling order attributable to the conflicting interests of the lessees;

(d) The unit operator shall receive the costs contributed to the escrow account by each legally entitled participating working interest owner, but only to the extent that the costs and expenses described in subsection (10)(b) of this section have not been recouped from production proceeds;

(e) Each participating working interest owner who is determined not to hold an ownership interest shall receive a refund of all amounts placed in escrow pursuant to subsection (10)(a) of this section plus interest earned thereon; and

(f) All amounts remaining in escrow, after distribution of amounts described in paragraphs (a), (b), (c), (d), and (e) of this subsection, shall be distributed to the legally entitled participating working interest owners in proportion to their interests.

➔Section 299. KRS 351.173 is amended to read as follows:

(1) Any person may file a notice in the alphabetical cross-index in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office in the ***area development district***~~[county]~~ where underground coal mining has occurred stating

that the mineral has been extracted and that the surface overlying or adjacent to the underground workings may be subject to subsidence. The notice shall be indexed under the name of the current surface owner or lessee of record whose land overlies the underground workings, as well as that of the mineral owner and lessee, and shall be noted on the deed of conveyance in each future conveyance of both the surface and mineral estate. The language in the deed of conveyance shall state the following:

"THE COAL UNDERLYING THIS PROPERTY HAS BEEN EXTRACTED AND THE SURFACE OVERLYING OR ADJACENT TO THE UNDERGROUND WORKINGS MAY BE SUBJECT TO SUBSIDENCE. ANY STRUCTURES ERECTED HEREAFTER SHOULD BE DESIGNED AND CONSTRUCTED SO AS TO PREVENT OR MINIMIZE ANY SUBSIDENCE DAMAGE."

(2) The failure to include the required language in the deed shall not affect the validity of the deed as between the parties or constructive notice upon the recording of the deed.

➔Section 300. KRS 353.466 is amended to read as follows:

(1) The person seeking to impress a trust upon a severed mineral interest for the purpose of leasing and developing same shall join as defendants to the action all those persons having record title thereto who are unknown or missing and the unknown heirs, successors and assigns of all such persons. The persons named as defendants and who are the unknown or missing owners as defined herein, shall stand for and represent the full title and the whole interest of the unknown or missing owners in the severed mineral interest or estate or interest therein. All parties not in being who might have some contingent or future interest therein, and all persons whether in being or not in being, having any interest, present, future or contingent, in the severed mineral interests sought to be leased, shall be fully bound

by the proceedings hereunder.

(2) There shall be filed a verified petition specifically setting forth the efforts to locate and identify the unknown or missing owners of the interests to be leased and such other information known to the petitioner which might be helpful in identifying or locating the present owners thereof. There shall be attached to the petition as an exhibit thereto a certified copy of the instrument creating the original severance and such additional instruments as are necessary to show the vesting of title to the minerals in the last record owner thereof. The petitioner shall establish to the satisfaction of the court that a diligent effort has been made to identify and locate the present owners of said interests.

(3) Service of process shall be as provided by the Kentucky Rules of Civil Procedure and there shall be filed a lis pendens notice in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office of the ***area development district***~~[county]~~ wherein the mineral estate or the larger portion thereof lies. Immediately upon the filing of the petition, the petitioner shall advertise as provided in KRS Chapter 424. Both the advertisement and the lis pendens notice shall contain the names of all of the parties and their last known addresses, the date and recording data of the original deed or other conveyance which created the mineral severance, an adequate description of the land as contained therein, the source of title of the last known owners of the severed mineral interests and a statement that the action is brought for the purpose of impressing a trust authorizing the execution and delivery of a valid and present mineral lease for development of the particular minerals described in the petition. The court, in its discretion, may order advertisement elsewhere or by additional means if there is reason to believe that additional advertisement might result in identifying and locating the unknown or missing owners.

(4) The court shall appoint a trustee ad litem, who shall be a licensed, practicing

attorney, to represent the unknown or missing owners and their unknown heirs, successors and assigns. The trustee ad litem shall review the petition and file an answer and such other pleadings as are necessary and proper to represent fairly the interest of the unknown or missing owners. It shall be the duty of the trustee ad litem to make an independent inquiry and search for the purpose of identifying and locating the unknown or missing owners and he shall report to the court the results of the investigation. The court shall allow the trustee ad litem a reasonable fee for his services to be taxed as costs.

➔Section 301. KRS 353.640 is amended to read as follows:

(1) The operator shall provide a list to the department of all persons reasonably known to own an oil or gas interest in any tract, or portion thereof, proposed to be pooled in an application to the department for a pooling order. A pooling order shall be made only after the department provides notice to all persons reasonably known to own an oil or gas interest in any tract, or a portion thereof, proposed to be pooled after a hearing has been held. In the event of the filing of an application for a pooling order under KRS 353.630(2) where unknown owners or nonlocatable owners exist, the operator shall cause to be published, at least twenty (20) days prior to the hearing on the application for the pooling order, one (1) notice in the newspaper of the largest circulation in each county in which any tract, or portion thereof, proposed to be pooled is located. The notice shall:

(a) State that an application for a pooling order is being filed with the Division of Oil and Gas in the Department for Natural Resources;

(b) Describe any tract, or portion thereof, proposed to be pooled;

(c) In the case of an unknown owner, identify the name of the last known owner;

(d) In the case of a nonlocatable owner, identify the owner and the owner's last known address; and

(e) State that any party claiming an interest in any tract, or portion thereof,

proposed to be pooled should contact the operator at the published address and provide a copy of the notification to the director of the Division of Oil and Gas in the Department for Natural Resources within twenty (20) days of the date of publication.

(2) A pooling order shall authorize the drilling, deepening, or reopening, and the operation of a well for the production of oil or gas on the tracts or portions thereof pooled; shall designate the operator to drill and operate the well; shall prescribe the time and manner in which all owners of operating interests in the pooled tracts or portions thereof may elect to participate therein; shall provide that all reasonable costs and expenses of drilling, deepening, or reopening, and the completing, operating, plugging, and abandoning the well shall be borne, and all production from the well shall be shared by all owners of operating interests in proportion to the net mineral acres in the pooled tracts owned or under lease to each owner; and shall make provision for the payment of the reasonable actual cost thereof, including a reasonable charge for supervision, by all those who elect to participate therein.

(3) A pooling order shall establish a procedure for the owner of an operating interest who does not decide to become a participating operator to elect to either:

(a) Surrender, by means of sale or lease, the interest to a participating operator on a reasonable basis and for a reasonable consideration, which if not agreed upon shall be determined by the director of the Division of Oil and Gas; or

(b) Share in the operation of the well as a nonparticipating operator on a carried basis after the proceeds allocable to his or her share equal two hundred percent (200%) of the share of the costs allocable to his or her interest.

(4) An oil or gas owner whose identity and location remain unknown at the conclusion of a hearing concerning the entry of a pooling order for which public notice was given and whose interest is pooled pursuant to KRS 353.630(3) shall be deemed to

have elected to lease the interest to the oil or gas operator, exclusive of one-eighth (1/8) of the production attributable to the unleased interest, and shall not be entitled to make the election established in subsection (3) of this section.

(5) Except as provided in this subsection, an oil or gas owner who does not make an election under the pooling order within thirty (30) days of the entry of the order shall be deemed to have leased the oil or gas interest to the oil or gas well operator in the manner established in subsection (4) of this section. If the holder of an operating interest has obtained the interest by lease or other agreement granting the right to conduct operations to anyone other than the holder of the oil and gas estate, and if the owner of the operating interest does not make an election under the pooling order, the holder of the operating interest shall be deemed to have elected to share in the operation of the well as a nonparticipating operator on a carried basis after the proceeds allocable to his or her share equal two hundred percent (200%) of the share of the costs allocable to his or her interest.

(6) A person whose interest is subject to an oil or gas lease or other agreement which grants to another the right to operate or conduct operations shall not own an operating interest for the purposes of subsection (3) of this section.

(7) A certified copy of any pooling order entered under KRS 353.500 to 353.720 shall be entitled to be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district or area development districts***~~[county or counties]~~ in which all or any portion of the pooled tract is located, and the record of the order, from the time of lodging the order for record, shall be notice of the order to all persons.

➔Section 302. KRS 353.808 is amended to read as follows:

(1) The storage operator shall provide a list to the division of all persons reasonably known to own an interest in pore space proposed to be pooled in an application to the division for a pooling order. A pooling order shall be made only after the

division provides notice to all pore space owners proposed to be pooled and after a hearing has been held.

(2) The division shall set and collect a fee adequate to pay expenses associated with the conduct of administrative hearings for pooling of pore space.

(3) If the proposed pooling order concerns pore space with unknown or nonlocatable owners, the storage operator shall publish one (1) notice in the newspaper of the largest circulation in each county in which the pore space is located. The notice shall appear at least twenty (20) days prior to the hearing on the application for the pooling order. The notice shall:

(a) State that an application for a pooling order has been filed with the Division of Oil and Gas in the Department for Natural Resources;

(b) Describe the pore space proposed to be pooled;

(c) In the case of an unknown pore space owner, indicate the name of the last known owner;

(d) In the case of a nonlocatable pore space owner, identify the owner and the owner's last known address;

(e) State that any person claiming an interest in the pore space proposed to be pooled should notify the director of the division and the storage operator at the published address within twenty (20) days of the publication date; and

(f) Give the date, time, and location of the hearing.

(4) A pooling order shall authorize the long-term storage of carbon dioxide beneath the tract or portion. The order shall also authorize, where necessary, the location of carbon injection wells, outbuildings, roads, monitoring equipment, and access to them. The pooling order shall identify the compensation to be paid to unknown, nonlocatable, and nonconsenting pore space owners and the basis for valuation of the pooled interest.

(5) A certified copy of any pooling order shall be entitled to be recorded in the office of

the ***regional public records and licensing administrator*** ~~[county clerk]~~ of the ***area development district or area development districts*** ~~[county or counties]~~ in which all or any portion of the pooled tract is located. Recordation of the order shall be notice of the order to all persons.

➔Section 303. KRS 355.9-706 is amended to read as follows:

(1) The filing of an initial financing statement in the office specified in KRS 355.9-501, continues the effectiveness of a financing statement filed before July 1, 2001, if:

(a) The filing of an initial financing statement in that office would be effective to perfect a security interest under the revision of Article 9 in 2000 Ky. Acts ch. 408;

(b) The pre-effective-date financing statement was filed in an office in another state or another office in this Commonwealth; and

(c) The initial financing statement satisfies subsection (3) of this section.

(2) The filing of an initial financing statement under subsection (1) of this section continues the effectiveness of the pre-effective-date financing statement:

(a) If the initial financing statement is filed before July 1, 2001, for the period provided in the former KRS 355.9-403 with respect to a financing statement; and

(b) If the initial financing statement is filed on or after July 1, 2001, for the period provided in KRS 355.9-515 with respect to an initial financing statement.

(3) To be effective for purposes of subsection (1) of this section, an initial financing statement must:

(a) Satisfy the requirements of Part 5 of this article for an initial financing statement;

(b) Identify the pre-effective-date financing statement by indicating the office in which the financing statement was filed and providing the dates of filing and file numbers, if any, of the financing statement and of the most recent

continuation statement filed with respect to the financing statement; and

(c) Indicate that the pre-effective-date financing statement remains effective.

(4) When a secured party files an initial financing statement with the Secretary of State under subsection (1) of this section or under KRS 355.9-707, the secured party may send a copy of the initial financing statement to the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the pre-effective-date financing statement was filed, and, additionally, may send to the ***regional public records and licensing administrator***~~[county clerk]~~ copies of any continuation statement subsequently filed with the Secretary of State that relates to an initial financing statement filed under subsection (1) of this section or under KRS 355.9-707. The secured party's election not to send a copy of an initial financing statement or a continuation statement to the ***regional public records and licensing administrator***~~[county clerk]~~ does not affect in any way the perfection of the secured party's security interest. The ***regional public records and licensing administrator***~~[county clerk]~~ shall append to the pre-effective-date financing statement the copy of any initial financing statement or continuation statement received from a secured party and shall retain the entire file as required by KRS 355.9-710.

(5) KRS 355.9-506 shall apply to determine whether a financing statement filed under subsection (1) of this section satisfies the requirements of subsection (3)(a) of this section. A financing statement filed under subsection (1) of this section substantially satisfying the requirements of subsection (3)(b) and (c) of this section is effective even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading.

➔Section 304. KRS 355.9-710 is amended to read as follows:

(1) A ***regional public records and licensing administrator***~~[county clerk]~~ who receives a statement tendered by a secured party under Part 4 of the former Article 9, prior to

July 1, 2001, that has not been filed or indexed on July 1, 2001, shall file and index the statement as soon as practicable.

(2) Every ***regional public records and licensing administrator***~~[county clerk]~~ shall append to the pre-effective-date financing statement the copies of any initial financing statement or continuation statement received from a secured party under KRS 355.9-706(4).

(3) The ***regional public records and licensing administrator***~~[county clerk]~~ shall maintain all records filed under Part 4 of the former Article 9 and subsection (2) of this section until the later of:

(a) One (1) year after the lapse of the initial financing statement;

(b) July 1, 2008; or

(c) Such other record-retention requirement as may be applicable under other Kentucky law or administrative regulations.

(4) The ***regional public records and licensing administrator***~~[county clerk]~~ shall respond to requests for information with respect to records maintained under this article in accordance with KRS 355.9-523(3) and (4) and may charge the fee for issuing certificates authorized in KRS 355.9-525.

(5) When Internet access is available through the AVIS system or its successor, every ***regional public records and licensing administrator***~~[county clerk]~~ shall provide a means within his or her office by which the Secretary of State's filing system for this article can be searched and through which electronic filings under this article can be made with the Secretary of State. This subsection shall not be construed to require a secured party to file through the means provided by a ***regional public records and licensing administrator***~~[county clerk]~~. The ***regional public records and licensing administrator***~~[county clerk]~~ shall neither be required to conduct a search of the Secretary of State's filing system nor to issue a certificate as to the contents of the system.

➔Section 305. KRS 362.1-105 is amended to read as follows:

(1) A statement may be filed in the office of Secretary of State. A statement shall satisfy the requirements of KRS 14A.2-010 to 14A.2-150. A filed statement has the effect provided in this subchapter with respect to partnership property located in or transactions that occur in this Commonwealth.

(2) A certified copy of a statement that has been filed in the office of the Secretary of State may be filed with and recorded by any ***regional public records and licensing administrator***~~[county clerk]~~ to which the statement is presented for filing and recording.

(3) A statement filed by a partnership shall be executed by at least two (2) partners. Other statements shall be executed by a partner or other person authorized by this subchapter.

(4) A person authorized by this subchapter to file a statement may amend or cancel the statement by filing an amendment or cancellation that names the partnership, identifies the statement, and states the substance of the amendment or cancellation. No amendment or cancellation shall be made with respect to a statement of merger or statement of dissolution after filing with the Secretary of State.

(5) A person authorized by this subchapter to file a statement may correct a filed statement if the statement contains information that was incorrect as of the time of the original filing or if the statement was defectively executed, attested, sealed, verified, or acknowledged. A statement is corrected by filing with the Secretary of State a statement of correction that describes the original filing, specifies the information that was incorrect as of the original filing or the manner in which the execution was defective, corrects the incorrect information or the defective execution, and is accompanied by a copy of the original defective statement, accompanied by the proper filing fee. A statement of correction shall be effective as of the effective date of the statement it corrects except as to persons relying on the

uncorrected document adversely affected by the correction. As to those persons, the statement of correction shall be effective in the same manner as they were on notice of the original statement.

(6) A person who files a statement pursuant to this section shall promptly send a copy of the statement to every nonfiling partner and to any other person named as a partner in the statement. Failure to send a copy of a statement to a partner or other person does not limit the effectiveness of the statement as to a person not a partner.

(7) A person who executes a statement shall be deemed to have declared under penalty of perjury that to that person's knowledge the contents of the statement are accurate.

(8) The Secretary of State may collect a fee for filing or providing a certified copy of a statement. The ***regional public records and licensing administrator*** ~~[county clerk]~~ ***shall*** ~~[may]~~ collect a fee of ten dollars ($10) ***and shall remit this fee to the State Treasury*** for recording a statement.

(9) The Secretary of State may prescribe and furnish on request forms for:

(a) A statement of change of registered office or registered agent;

(b) An application to reserve a name;

(c) An application to cancel the reservation of a name;

(d) A resignation of a registered agent or registered office or both;

(e) An annual report; and

(f) An amendment to the annual report.

(10) The Secretary of State may mandate the use of the forms listed in subsection (9) of this section.

(11) The Secretary of State may prescribe and furnish on request forms for any other records required or permitted to be filed pursuant to this subchapter, but their use shall not be mandatory.

➔Section 306. KRS 364.020 is amended to read as follows:

(1) Whenever any boat, raft or platform, or any timber prepared for market, whether

branded or unbranded, is taken up by a person not the owner thereof, the person who takes it up and secures it and delivers it to the owner shall have a claim against the owner for the following fees:

Each freight boat or other heavy boat .....$. 1.00

Each jack boat, skiff or canoe ..... .25

Each fleet of timber 10.00

Each raft of not less than forty (40) logs 4.00

Each platform of not less than ten (10) logs 1.00

Each sawlog or other log or tree prepared for sale 25

Each cross or railroad tie 03

Boards or planks caught in rafts or large body, per 1,000 feet board measure:

For 20,000 board feet or less 50

For over 20,000 board feet 25

Boards or planks, loose and scattered, per 1,000 board feet measure 2.50

Staves and heading, for each 1,000 merchantable pieces 3.00

(2) The taker-up shall have a lien upon the property taken up by him for the fees and charges provided for by this chapter. If the owner of any such property taken up fails to pay the sum charged thereon within sixty (60) days from the day it was taken up, the property shall, at the instance of the person to whom the charges are due, be sold by a constable, sheriff or other officer of the county in which the property was taken up. The sale shall be made by public auction, at the courthouse door to the highest bidder, upon thirty (30) days' written or printed notice, posted at the front door of the courthouse of the county in which the sale is to be made and at two (2) other public places in the county, giving the time and place of sale and a description of the property and any marks or brands thereon.

(3) The constable or other officer making the sale shall pay to the taker-up his legal fees and charges, after deducting his own commission, which shall be the same as

though he had sold the property under execution; and if the proceeds of the sale exceed the charges, fees and commission, he shall deposit the excess with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the sale is made, and take his receipt therefor. If the owner, within one (1) year from the date of the sale, appears before the county judge/executive of the county where the money is deposited with the clerk, and establishes to the satisfaction of the court his right to the money, the ***regional public records and licensing administrator***~~[clerk]~~ shall, upon the order of the county judge/executive, pay the money over to the owner; otherwise it shall be paid into the State Treasury.

➔Section 307. KRS 364.070 is amended to read as follows:

(1) Any timber dealer may adopt a brand.

(2) Every timber dealer desiring to adopt a brand may do so by executing a writing in substantially the following form:

"Notice is hereby given that I (or we) have adopted the following brand in my (or our) business as timber dealer (or dealers), to-wit: [here insert the words, letters, and figures constituting the brand, or the facsimile of any device other than words, letters or figures].

"Dated this .... day of ...., 19..."

(3) The writing shall be acknowledged or proved for record in the same manner as deeds, and shall be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the principal office or place of business of the timber dealer is located. A copy shall be posted at the principal place of business, one (1) at the courthouse door in the county where the business is carried on, and one (1) at each of three (3) other public places in the county.

➔Section 308. KRS 365.015 is amended to read as follows:

(1) (a) The real name of an individual shall include his or her surname at birth, or his or her name as changed by a court of competent jurisdiction, or the surname of a married woman.

(b) The real name of a domestic:

1. General partnership that is not a limited liability partnership and that has not filed a statement of partnership authority is that name which includes the real name of each of the partners;
2. General partnership that is not a limited liability partnership and that has filed a statement of partnership authority is the name set forth on the statement of partnership authority;
3. General partnership that is a limited liability partnership is the name stated on the statement of qualification filed pursuant to KRS 362.1-931 or predecessor law;
4. Limited partnership is that name stated in its certificate of limited partnership filed pursuant to KRS 362.2-201 or predecessor law;
5. Business trust or statutory trust is the name set forth in the declaration of trust;
6. Corporation is the name set forth in its articles of incorporation;
7. Limited liability company is the name set forth in its articles of organization;
8. Limited cooperative association is the name set forth in its articles of association; and
9. Unincorporated nonprofit association that has filed a certificate of association is the name set forth in the certificate of association and, if no certificate of association has been filed, the name under which the unincorporated nonprofit association generally acts.

(c) The real name of a foreign:

1. General partnership is the name recognized by the laws of the jurisdiction under which it is formed as being the real name;
2. Limited liability partnership is the name stated in its statement of foreign qualification filed pursuant to KRS 362.1-952 or predecessor law;
3. Limited partnership is the name set forth in its certificate of limited partnership or the fictitious name adopted for use in this Commonwealth under KRS 14A.3-010 to 14A.3-050 or predecessor law;
4. Business trust or statutory trust is the name recognized by the laws of the jurisdiction under which it is formed as being the real name of the business trust or statutory trust or the fictitious name adopted for use in this Commonwealth under Subchapter 3 of KRS Chapter 14A;
5. Corporation, including a cooperative or association that is incorporated, is the name set forth in its articles of incorporation or the fictitious name adopted for use in this Commonwealth under KRS 14A.3-010 to 14A.3-050 or predecessor law;
6. Limited liability company is the name set forth in its articles of organization or the fictitious name adopted for use in this Commonwealth under KRS 14A.3-010 to 14A.3-050 or predecessor law;
7. Limited cooperative association is the name set forth in its articles of association or the fictitious name adopted for use in this Commonwealth under KRS 14A.3-010 to 14A.3-050 or predecessor law; and
8. Unincorporated nonprofit association is the name recognized by the laws of the jurisdiction under which it is organized as being the real name.

(2) (a) No individual, general partnership, limited partnership, business or statutory trust, corporation, limited liability company, limited cooperative association, or unincorporated nonprofit association that has filed a certificate of

association shall conduct or transact business in this Commonwealth under an assumed name or any style other than his, her, or its real name, as defined in subsection (1) of this section, unless such individual, general partnership, limited partnership, business or statutory trust, corporation, limited liability company, limited cooperative association, or unincorporated nonprofit association that has filed a certificate of association has filed a certificate of assumed name;

(b) The certificate shall state the assumed name under which the business will be conducted or transacted, the real name of the individual, general partnership, limited partnership, business or statutory trust, corporation, limited liability company, limited cooperative association, or unincorporated nonprofit association that has filed a certificate of association and his, her, or its address, including street and number, if any;

(c) A separate certificate shall be filed for each assumed name;

(d) No certificate to be filed with the Secretary of State shall set forth an assumed name which is not distinguishable upon the records of the Secretary of State from any other name previously filed and on record with the Secretary of State;

(e) The certificate shall be executed for an individual, by the individual, and otherwise as provided by KRS 14A.2-020.

(3) Each certificate of assumed name for an individual shall be filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~ where the person maintains his or her principal place of business. Each certificate of assumed name for a general partnership, limited partnership, business or statutory trust, corporation, limited liability company, or limited cooperative association shall be delivered to the Secretary of State for filing, accompanied by one (1) exact or conformed copy. One (1) of the exact or conformed copies stamped as "filed" by the

Secretary of State shall be filed with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ where the entity maintains its registered agent for service of process or, if no registered agent for service of process is required, then with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ where the entity maintains its principal office. If the entity does not maintain a registered agent for service of process and does not maintain a principal office in this Commonwealth, then the certificate of assumed name shall be filed only with the Secretary of State.

(4) An assumed name shall be effective for a term of five (5) years from the date of filing and may be renewed for successive terms upon filing a renewal certificate within six (6) months prior to the expiration of the term, in the same manner of filing the original certificate as set out in subsection (3) of this section. Any certificate in effect on July 15, 1998, shall continue in effect for five (5) years and may be renewed by filing a renewal certificate with the Secretary of State.

(5) Upon discontinuing the use of an assumed name, the certificate shall be withdrawn by filing a certificate in the office wherein the original certificate of assumed name was filed. The certificate of withdrawal shall state the assumed name, the real name and address of the party formerly transacting business under the assumed name and the date upon which the original certificate was filed. The certificate of withdrawal shall be signed for an individual by the individual or his or her agent and otherwise as provided in KRS 14A.2-020.

(6) A general partnership, except a limited liability partnership, shall amend an assumed name certificate to reflect a change in the identity of partners. The amendment shall set forth:

(a) The assumed name and date of original filing;

(b) A statement setting out the changes in identity of the partners; and

(c) Shall be signed by at least one (1) partner authorized to do so by the partners.

(7) The filing of a certificate of assumed name shall not automatically prevent the use of that name or protect that name from use by other persons.

(8) In the event of the merger or conversion of a partnership, limited partnership, business or statutory trust, corporation, limited liability company, or limited cooperative association, any certificate of assumed name filed by a party to a merger or conversion shall remain in full force and effect, as provided in subsection (4) of this section, as if originally filed by the business organization which survives the merger or conversion.

(9) A certificate of assumed name may be amended to revise the real name or the address of the person or business organization holding the certificate of assumed name.

(10) A certificate of assumed name, or its amendment or cancellation, shall be effective on the date it is filed, as evidenced by the Secretary of State's date and time endorsement on the original document, or at a time specified in the document as its effective time on the date it is filed. The document may specify a delayed effective time and date and, if it does so, the document shall become effective at the time and date specified. If a delayed effective date but no time is specified, the document shall be effective at the close of business on that date. A delayed effective date for a document shall not be later than the ninetieth day after the date it is filed.

(11) The ***regional public records and licensing administrator***~~[county clerk]~~ shall ***collect and remit to the State Treasury***~~[receive]~~ a fee pursuant to KRS 64.012 for filing each certificate, and the Secretary of State shall receive a fee of twenty dollars ($20) for filing each certificate, amendment, and renewal certificate.

(12) A series entity, as defined in KRS 14A.1-070, may, on behalf of any series thereof, file a certificate of assumed name. The certificate shall provide that the assumed name is adopted on behalf of a series of the series entity and not on behalf of the

series entity itself, but the certificate of assumed name shall be recorded on the records of the Secretary of State as being that of the series entity.

➔Section 309. KRS 365.415 is amended to read as follows:

No person shall advertise, represent or hold out to the public that any sale of goods is an insurance, bankruptcy, mortgage foreclosure, insolvent's, assignee's, executor's, administrator's, receiver's, trustee's, removal sale, going out of business sale or fire sale unless he first obtains a license to conduct the sale from the ***regional public records and licensing administrator*** ~~[county clerk]~~ of the ***area development district*** ~~[county]~~ in which he proposes to conduct the sale.

➔Section 310. KRS 365.420 is amended to read as follows:

Any person proposing to conduct any sale governed by KRS 365.410 to 365.480 and 365.992 shall file an application in writing and under oath with the ***regional public records and licensing administrator*** ~~[county clerk]~~ setting out the following facts and information regarding the proposed sale:

(1) The name and address of the applicant for the license, who shall be the owner of the goods to be sold. If the applicant is a partnership, corporation, firm, or association, the name, position, and address of all partners or officers, the address of the principal office within the state, the date and place of incorporation or organization, and whether controlling interest in the firm or business was transferred within the twelve (12) months prior to the date of the filing of the application.

(2) The name and style in which the sale is to be conducted, and the address of the premises where the sale is to be conducted.

(3) The dates and period of time during which the sale is to be conducted.

(4) The name and address of the person who will be in charge and responsible for the conduct of the sale.

(5) The nature of the occupancy where the sale is to be held, whether by lease or otherwise, and the effective date of termination of the occupancy.

(6) A full explanation with regard to the condition or necessity which is the occasion for the sale, including a statement of the descriptive name of the sale and the reasons why the name is truthfully descriptive of the sale. If the application is for a license to conduct a removal sale, it shall also contain a statement setting forth the location of the premises to which the business is to be moved. If the application is for a license to conduct a fire sale, it shall contain a statement as to the time, location and cause of the damage.

(7) A full, detailed and complete inventory of the goods that are to be sold, which inventory shall:

(a) Itemize the goods to be sold and contain sufficient information concerning each item or class of items, to clearly identify them. That information shall include, but not be limited to, the quantity, make, brand name, model, and manufacturer's number, if applicable. The itemization shall be set out in forms prescribed by the Attorney General pursuant to administrative regulation. The Attorney General may design a particularized form to be used for businesses that because of their nature or the type of merchandise offered or sold are better suited to the use of a specialized form.

(b) List separately any goods which were purchased during a ninety (90) day period immediately prior to the date of making application for the license.

(c) Show the cost of each item or class of items of goods and the total retail value of the inventory, together with the name and address of the seller or supplier of the items to the applicant, the date of the purchase, and the date of the delivery of each item to the applicant. The cost listed shall conform with the costs listed on the inventory used for the applicant's most recent federal income tax return adjusted for sales and purchases; and

(8) Provide a good and sufficient bond, payable to the Commonwealth of Kentucky in the penal sum of one thousand dollars ($1,000), with sureties approved by the court

judge, conditioned on compliance with KRS 365.410 to 365.480 and 365.992 and, attached to the bond, a verified statement by the owner or his duly authorized agent:

(a) That the sale is for the purpose designated in the advertising of the sale;

(b) That the inventory contains no goods on consignment or not purchased in the usual course of business for resale, on bona fide orders without cancellation or return privileges;

(c) That no goods will be added to the inventory after the application is made or during the sale;

(d) That the applicant or any person with whom the applicant is or has been associated in the business has not conducted a going out of business sale at the same location within two (2) years prior to the date of filing of the application;

(e) That no means have been established by the applicant for continuation of the business at the same location upon termination of the sale in the case of a going out of business sale; and the business described in such going out of business sale is to be discontinued upon termination of the sale and is not to be continued by the same person, directly or indirectly, by partnership, corporation, or otherwise, under the same name or under a different name at the same location for which the inventory for the sale was filed;

(f) That no goods listed in the inventory have been the subject of a licensed sale conducted within one (1) year prior to the date of the application, unless they were damaged by fire, smoke, or water while in the possession of the applicant.

➔Section 311. KRS 365.425 is amended to read as follows:

No application for a going-out-of-business sale shall be accepted by the ***regional public records and licensing administrator***~~[county clerk]~~ if the sale involves foods or drugs damaged by fire or other casualty unless the approval of the Cabinet for Health and Family Services has first been obtained.

➔Section 312. KRS 365.435 is amended to read as follows:

Every ***regional public records and licensing administrator***~~[clerk]~~ to whom application is made, shall indorse upon the application the date of its filing, shall preserve the same as a record of his ***or her*** office, and shall make an abstract of the facts set forth in the application in a book kept for that purpose, properly indexed, containing the name of the person asking such license, the nature of the proposed sale, the place where the sale is to be conducted, its duration, the inventory of the goods to be sold and a general statement as to where the same came from and shall make in the book a notation as to the issuance or refusal of the license applied for together with the date of the same. The ***regional public records and licensing administrator***~~[clerk]~~ shall indorse on the application the date the license is granted or refused, and the application and abstract shall be prima facie evidence of all statements therein contained. If the ***regional public records and licensing administrator***~~[county clerk]~~ refuses to issue the license, the applicant may apply to the county judge/executive for a hearing. The ***regional public records and licensing administrator***~~[clerk]~~ shall notify the county attorney who shall appear in opposition to the issuance of the license.

➔Section 313. KRS 365.440 is amended to read as follows:

Every bond given in connection with any sale under KRS 365.410 to 365.480 and 365.992 shall be kept by the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the sale is conducted until the expiration of three (3) years from the final date of the sale as filed, and shall then be surrendered to the principal if he has so requested, otherwise to one (1) of the sureties. If at the expiration of three (3) years the ***regional public records and licensing administrator***~~[clerk]~~ has reason to believe a pending court action relates to the bond, he shall retain the bond until final disposition of the action.

➔Section 314. KRS 365.665 is amended to read as follows:

Any transient merchant desiring to transact business in any county in this state shall make

application for and obtain a permit in each ***area development district***~~[county]~~ in which the merchant desires to transact business at least ten (10) days prior to transacting business in the county. The application for permit shall be designed and distributed by the Department of Revenue, shall be filed by the transient merchant with the ***regional public records and licensing administrator***~~[county clerk]~~, or the officer of an urban-county government having the responsibility for the issuance of business permits and licenses generally and shall include but not be limited to the following information:

(1) The name and permanent address of the transient merchant making the application, and if the applicant is a firm or corporation, the name and address of the members of the firm or the officers of the corporation;

(2) If the applicant is a corporation, there shall be stated on the application form the date of incorporation, the state of incorporation, and if the applicant is a corporation formed in a state other than Kentucky, the date on which such corporation qualified to transact business as a foreign corporation in this state;

(3) A statement showing the kind of business proposed to be conducted, the length of time for which the applicant desires to transact such business and the location of the proposed place of business;

(4) An estimate of the aggregate market value of any goods, wares or merchandise to be offered for sale during the permit period;

(5) A statement that the applicant has acquired all other required city, county and state permits and licenses;

(6) The applicant's sales and use tax permit number or temporary vendor's registration number, and the Social Security numbers, of all salesmen employed by the applicant, or representing the applicant, in the transaction of business in the Commonwealth of Kentucky;

(7) The name and permanent address of the transient merchant's registered agent or office; and

(8) Evidence of security as outlined in KRS 365.680. The absence of any of the above information shall result in the denial of the permit by the ***regional public records and licensing administrator***~~[county clerk]~~.

➔Section 315. KRS 365.670 is amended to read as follows:

The ***regional public records and licensing administrator***~~[county clerk]~~ shall forward a copy of each approved application to the Department of Revenue and to the office of the Attorney General within ten (10) days of approval.

➔Section 316. KRS 365.680 is amended to read as follows:

(1) Each application for a transient merchant permit shall be accompanied by a permit fee pursuant to KRS 64.012~~[,]~~ ***and shall be collected and remitted to the State Treasury***~~[to be retained]~~ by the office of the ***regional public records and licensing administrator***~~[county clerk]~~ or the officer of an urban-county government having the responsibility for the issuance of business permits and licenses generally. In addition, any applicant who will be selling goods, wares or merchandise during the permit period which have an aggregate market value of one thousand five hundred dollars ($1,500) or more, shall secure and submit evidence of security, a cash bond or a surety bond in the amount of one thousand dollars ($1,000) or five percent (5%) of the retail value of any goods, wares or merchandise to be offered for sale, whichever sum is greater. Such evidence of security shall be held by the Attorney General and he shall issue a certificate of security to be used by the applicant as evidence of security.

(2) The surety bond required by this section shall be in favor of the Commonwealth of Kentucky and shall assure the payment by the applicant of all taxes that may be due from the applicant to the state or any political subdivision of the state, the payment of any fines that may be assessed against the applicant or its agents or employees for violation of the provisions of KRS 365.650 to 365.695, and for the satisfaction of all judgments that may be rendered against the transient merchant or its agents or

employees in any cause of action commenced by any purchaser of goods, wares or merchandise within one (1) year from the date of the sale by such transient merchant.

(3) The bond shall be maintained so long as the transient merchant conducts business in the Commonwealth of Kentucky and for a period of one (1) year after the termination of such business and shall be released only when the transient merchant furnishes satisfactory proof to the Attorney General that it has satisfied all claims of purchasers of goods, wares or merchandise from such merchant, and that all state and local sales taxes and other taxes have been paid.

➔Section 317. KRS 367.4913 is amended to read as follows:

(1) Each protection notification center shall:

(a) Operate the protection notification center during all working days;

(b) Provide a locate request identification number to the excavator for each excavation or demolition location request;

(c) Promptly after receiving an excavation or demolition work notification from an excavator, provide to each of its affected operator members the excavator information required by KRS 367.4911(3);

(d) Maintain a list of all its operator member's identities, business address and business and emergency telephone numbers and record this information in accordance with KRS 64.012 with the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ where the operator member has underground facilities. The ***regional public records and licensing administrator***~~[county clerk]~~ shall provide this information upon request for the actual cost of providing a copy, to be paid by the requesting party to the ***regional public records and licensing administrator***~~[county clerk]~~. The ***regional public records and licensing administrator***~~[county clerk]~~ shall assume no liability associated with the receipt of this information

from the protection notification center or for subsequent provision of this same information to the requesting party;

(e) Make the operator members information list available to any person for inspection at its place of business without charge or provide a copy of the list to any person for any county upon request for a fee not to exceed the actual cost of providing a copy;

(f) Define and adopt policies and procedures for processing design information requests; and

(g) Provide the person making a design information request a list of identified operators that will receive notification and notify those operators.

(2) The Kentucky Contact Center shall be governed by a board of directors composed of representatives of member operators who are elected by the membership. Board seats may be filled by representatives of the following:

(a) A natural gas provider;

(b) An electric provider;

(c) A telecommunications provider;

(d) A water/sewer provider;

(e) An interstate pipeline operator;

(f) A municipal utility operator; and

(g) An advisory, nonvoting representative of one (1) of the following:

1. Home Builders Association of Kentucky;
2. National Electrical Contractors Association;
3. Associated General Contractors of Kentucky; or
4. Kentucky Association of Plumbing, Heating-Cooling Contractors.

(3) The Kentucky Contact Center's board of directors shall establish the method to calculate the cost of service provided by the center.

(4) The Kentucky Contact Center shall serve all Kentucky counties.

➔Section 318. KRS 367.513 is amended to read as follows:

Beginning July 1, 1974, every solicitor shall register annually with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which such solicitations are to occur and shall furnish to the ***regional public records and licensing administrator***~~[county clerk]~~ the following information:

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

(2) His name and Social Security number;

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

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

➔Section 319. KRS 367.515 is amended to read as follows:

(1) Upon registration, every solicitor shall pay the ***regional public records and licensing administrator***~~[county clerk]~~ a fee pursuant to KRS 64.012, ***which shall be remitted to the State Treasury*** and the ***regional public records and licensing administrator***~~[county clerk]~~ shall issue the solicitor a numbered receipt to be effective for a period of one (1) year from the date of registration.

(2) Prior to actual solicitation, the solicitor shall display to the potential purchaser the registration receipt issued by the ***regional public records and licensing administrator***~~[county clerk]~~ if soliciting in person or cite to the potential purchaser the number of the registration receipt if soliciting by telephone.

(3) The provisions of KRS 367.513 to 367.530 shall not apply to minors soliciting orders for articles mentioned in KRS 367.510 when such sales are made for the sole purpose of obtaining funds for a school band, club or other organization and such sales are approved in writing by the superintendent of the school system at which

the minors are students. The written approval of the superintendent shall identify the product or products being sold, the solicitors to be involved and the duration of sales and shall be filed with the ***regional public records and licensing administrator*** ~~[county clerk]~~.

➔Section 320. KRS 367.530 is amended to read as follows:

All ***regional public records and licensing administrators*** ~~[county clerks]~~ in the Commonwealth shall maintain a book or other similar record on a permanent basis containing the registrations and other information required to be filed under KRS 367.513. ***This*** ~~[Said]~~ book shall be a public record.

➔Section 321. KRS 376.010 is amended to read as follows:

(1) Any person who performs labor or furnishes materials, for the erection, altering, or repairing of a house or other structure or for any fixture or machinery therein, for the excavation of cellars, cisterns, vaults, wells, or for the improvement in any manner of real property including the furnishing of agricultural lime, fertilizer, concrete pipe or drainage tile, crushed rock, gravel for roads or driveways, and materials used in the construction or maintenance of fences, by contract with, or by the written consent of, the owner, contractor, subcontractor, architect, or authorized agent, shall have a lien thereon, and upon the land upon which the improvements were made or on any interest the owner has therein, to secure the amount thereof with interest as provided in KRS 360.040 and costs. The lien on the land or improvements shall be superior to any mortgage or encumbrance created subsequent to the beginning of the labor or the furnishing of the materials, and the lien, if asserted as hereinafter provided, shall relate back and take effect from the time of the commencement of the labor or the furnishing of the materials. The lien shall not be for a greater amount in the aggregate than the contract price of the original contractor, and should the aggregate amount of the liens exceed the price agreed upon between the original contractor and the owner there shall be a pro rata

distribution of the original contract price among the lienholders.

(2) The lien shall not take precedence over a mortgage or other contract lien or bona fide conveyance for value without notice, duly recorded or lodged for record according to law, unless the person claiming the prior lien shall, before the recording of the mortgage or other contract lien or conveyance, file in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ wherein he has furnished or expects to furnish labor or materials, a statement showing that he has furnished or expects to furnish labor or materials, and the amount in full thereof. The lien shall not, as against the holder of a mortgage or other contract lien or conveyance, exceed the amount of the lien claimed or expected to be claimed as set forth in the statement. The statement shall, in other respects, be in the form prescribed by KRS 376.080.

(3) No person who has not contracted directly with the owner or his agent shall acquire a lien under this section unless he notifies in writing the owner of the property to be held liable or his authorized agent, within seventy-five (75) days on claims amounting to less than $1,000 and one hundred twenty (120) days on claims in excess of $1,000 after the last item of material or labor is furnished, of his intention to hold the property liable and the amount for which he will claim a lien. It shall be sufficient to prove that the notice was mailed to the last known address of the owner of the property upon which the lien is claimed, or to his duly authorized agent within the county in which the property to be held liable is located.

(4) No person who has not contracted directly with the owner or his authorized agent shall acquire a lien under this section on an owner-occupied single or double family dwelling, the appurtenances or additions thereto, or upon other improvements for agricultural or personal use to the real property or real property contiguous thereto and held by the same owner, upon which the owner-occupant's dwelling is located, unless he notifies in writing the owner of the property to be held liable or his

authorized agent not more than seventy-five (75) days after the last item of material or labor is furnished, of the delivery of the material or performance of labor and of his intention to hold the property liable and the amount for which he will claim a lien. It shall be sufficient to prove that the notice was mailed to the last known address of the owner of the property upon which the lien is claimed, or to his duly authorized agent. This notice is in lieu of the notice provided for in subsection (3). Notwithstanding the foregoing provisions of this subsection, the lien provided for under this section shall not be applicable to the extent that an owner-occupant of a single or double family dwelling or owner of other property as described in this subsection has, prior to receipt of the notice provided for in this subsection, paid the contractor, subcontractor, architect, or authorized agent for work performed or materials furnished prior to such payment. The contractor or subcontractor cannot be the authorized agent under this subsection. This subsection shall apply to the construction of single or double family homes constructed pursuant to a construction contract with a property owner and intended for use as the property owner's dwelling.

(5) For purposes of this section, "labor" includes but is not limited to all supplies and work done by teams, trucks, machinery, and mechanical equipment, whether the owner furnishes a driver or operator or not.

(6) (a) "Supplies" includes small tools and equipment reasonably necessary in performing the work required to be done, including picks, shovels, sledge hammers, axes, pulleys, wire cables, ropes, and other similar items costing not more than fifty dollars ($50) per item, and tires and tubes furnished for use on vehicles engaged in the performance of the work.

(b) "Supplies" also includes the cost of labor, materials, and repair parts supplied or furnished for keeping all machinery and equipment used in the performance of the work in good operating condition; and shall include the agreed or

reasonable rental price of equipment and machinery used in performing the work to be done:

1. The lien for rental equipment or machinery shall not be more than the aggregate sum of six (6) months' rental, and the aggregate amount of such rental shall not exceed sixty percent (60%) of the agreed value of the machinery or equipment; and
2. The liens for supplies as defined in this subsection are subordinate to the liens for labor, material, and supplies as defined in this section.

➔Section 322. KRS 376.075 is amended to read as follows:

(1) Any professional engineer, licensed architect, licensed landscape architect, real estate broker, or professional land surveyor who performs professional services or services as defined in KRS 322.010(4) for professional engineers, KRS 323.010(3) for architects, KRS 323A.010(3) for landscape architects, KRS 324.010(1) for real estate brokers, and KRS 322.010(10) for professional land surveyors shall have a lien on the building, structure, land, or project relative to which the services were performed, to secure the amount of the charges for services with interest as provided in KRS 360.040 and costs.

(2) The provisions of KRS 376.010(1) and (2) shall determine when a lien created under this section shall take precedence over a mortgage or other contract lien or bona fide conveyance for value without notice.

(3) No person who has not contracted directly with the owner or his agent shall acquire a lien under this section.

(4) Any lien provided for under this section shall be dissolved unless the claimant, within six (6) months after he ceases to provide services, files in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the property is situated a statement of the amount due the claimant, with all just credits and setoffs known to him, together

with a description of the property intended to be covered by the lien sufficiently accurate to identify it, the name of the owner, if known, and whether the services were furnished by contract with the owner or with a contractor or architect. This statement shall be subscribed and sworn to by the person claiming the lien or by someone in his behalf.

(5) Any lien created under this section shall be dissolved unless an action is brought to enforce the lien within twelve (12) months from the day of filing the statement in the clerk's office as required by subsection (4) of this section. If the lienholder complies with all filing requirements under this section, and does so within the time fixed, his lien shall be valid and effective against any creditor of, or bona fide or other purchaser from, the owner of the property.

(6) The provisions of this section shall in no way abridge or conflict with the provisions of KRS 376.210 which provide for liens on public improvements, and any potential lien or valid lien of a professional engineer, architect, landscape architect, real estate broker, or professional land surveyor on a public improvement shall be governed by KRS 376.210.

(7) No real estate broker shall acquire a lien under this section relative to newly constructed residential real estate unless the purchaser has agreed in writing to directly compensate such broker for performing brokerage services related to the transaction.

(8) No real estate broker shall acquire a lien under this section unless:

(a) The owner or the owner's authorized agent:

1. Lists the subject property with the broker under the terms of a written agreement to sell, lease, or otherwise convey any interest in the subject property; or

2. Agrees in a written agreement to pay the broker a fee for his or her services as a buyer's representative; and

(b) The broker or the broker's affiliated sales associate provides licensed services that result, during the term of a written agreement described in paragraph (a) of this subsection, in the procuring of a person or entity ready, willing, and able to purchase, lease, or otherwise accept a conveyance of the property or any interest in the property:

1. Upon terms contained in a written agreement described in paragraph (a) of this subsection; or

2. Upon terms that are otherwise acceptable to the owner or the owner's authorized agent as evidenced by a written agreement to convey any interest in the property signed by the owner or the owner's authorized agent.

➔Section 323. KRS 376.080 is amended to read as follows:

(1) Any lien provided for in KRS 376.010 shall be dissolved unless the claimant, within six (6) months after he ceases to labor or furnish materials, files in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the building or improvement is situated a statement of the amount due him, with all just credits and set-offs known to him, together with a description of the property intended to be covered by the lien sufficiently accurate to identify it, the name of the owner, if known, and whether the materials were furnished or the labor performed by contract with the owner or with a contractor or subcontractor. Lien statement forms shall require the name and address of the claimant. If the claimant is a corporation, the statement shall require the name and address of the corporation's process agent, or some other address at which service of process under the Rules of Civil Procedure may be accomplished. If no name and address is included in the statement, service of process in an action involving the real property may be accomplished by serving the person who signs the lien statement. This statement shall be subscribed and sworn to by the person

claiming the lien or by someone in his behalf. The claimant shall send by regular mail a copy of the statement to the property owner at his last known address within seven (7) days of filing the statement with the ***regional public records and licensing administrator***~~[county clerk]~~. Any lien provided for in KRS 376.010 shall be dissolved if a copy of the statement is not sent to the property owner as provided in this subsection.

(2) The ***regional public records and licensing administrator***~~[county clerk]~~ shall endorse upon each statement the date of its filing, and shall make an abstract of the statement in a book to be kept by him for that purpose, properly endorsed and indexed, containing the date of filing, the name of the person seeking to enforce the lien, the amount claimed, the name of the person against whose property the lien is filed, and a description of the property charged with the lien. The ***regional public records and licensing administrator***~~[clerk]~~ shall receive a fee pursuant to KRS 64.012 from the person filing the statement as full compensation, which shall be taxed and collected as other costs.

➔Section 324. KRS 376.100 is amended to read as follows:

The owner or claimant of property against which a lien has been asserted, or any contractor or other person contracting with the owner or claimant of such property for the furnishing of any improvements or services for which a lien is created by this chapter or any subcontractor or other person in privity with the contractor, may, at any time before a judgment is rendered enforcing the lien, execute before the ***regional public records and licensing administrator***~~[county clerk]~~ in which the lien was filed a bond for double the amount of the lien claimed with good sureties to be approved by the ***regional public records and licensing administrator***~~[clerk]~~, conditioned upon the obligors satisfying any judgment that may be rendered in favor of the person asserting the lien. The bond shall be preserved by the ***regional public records and licensing administrator***~~[clerk]~~, and upon its execution the lien upon the property shall be discharged. The person asserting the lien

may make the obligors in the bond parties to any action to enforce his claim, and any judgment recovered may be against all or any of the obligors on the bond.

➔Section 325. KRS 376.210 is amended to read as follows:

(1) Any person, firm, or corporation who performs labor or furnishes materials or supplies for the construction, maintenance, or improvement of any canal, railroad, bridge, public highway, or other public improvement in this state by contract, express or implied, with the owner thereof or by subcontract thereunder shall have a lien thereon, and upon all the property and the franchises of the owner, except property owned by the state, a subdivision or agency thereof, or by any city, county, urban-county, or charter county government. If the property improved is owned by the state or by any subdivision or agency thereof, or by any city, county, urban-county, or charter county government, the person furnishing the labor, materials, or supplies shall have a lien on the funds due the contractor from the owner of the property improved. Except as provided in KRS 376.195, the lien shall be for the full contract price of the labor, materials, and supplies furnished, and shall be superior to all other liens thereafter created.

(2) Any person undertaking or expecting to furnish labor, materials, or supplies as provided in this section may acquire the lien herein provided by filing in the ***regional public records and licensing administrator's***~~[clerk's]~~ office of each ***area development district***~~[county]~~ in which he has undertaken to furnish labor, materials, or supplies, except as provided in subsection (3), a statement in writing that he has undertaken and expects to furnish labor, materials, or supplies and the price at which they are to be furnished, and the lien for labor, material, or supplies furnished thereafter shall relate back and take effect from the date of the filing of the statement. In all cases of original construction the liens shall be prior to all liens theretofore or thereafter created on the part so constructed and on no other part.

(3) In all cases where the labor, materials, or supplies are furnished for the

improvement of any public highway or other public property owned by the state or by any city, county, urban-county, or charter county government, the statement shall be filed in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office of the ***area development district***~~[county]~~ in which is located the seat of government of the owner of the property improved, and the lien shall attach only to any unpaid balance due the contractor for the improvement from the time a copy of the statement, attested by the ***regional public records and licensing administrator***~~[county clerk]~~, is delivered to the owner or the owner's authorized agent with whom the contract for improving the public highway or other public property was made.

➔Section 326. KRS 376.212 is amended to read as follows:

(1) Any contractor or other person contracting with the public authority for the furnishing of any improvements or services for which a lien is created by KRS 376.210 or any person in privity with the contractor or other person may, at any time before a judgment is rendered enforcing the lien, execute before the ***regional public records and licensing administrator***~~[county clerk]~~ in the ***area development district***~~[county]~~ in which the lien was filed a bond for double the amount of the lien claimed.

(2) The bond executed under subsection (1) of this section shall be subject to the following conditions:

(a) The bond shall be approved by the ***regional public records and licensing administrator***~~[clerk]~~ only if the bond is secured by:

1. Cash;
2. A letter of credit from a bank; or
3. Surety insurance as defined by KRS 304.5-060 that is issued by a licensed insurer; and

(b) The bond shall require that the obligor satisfy any judgment that may be

rendered in favor of the person asserting the lien.

(3) The bond shall be preserved by the ***regional public records and licensing administrator***~~[clerk]~~, and upon its execution, the lien provided by KRS 376.210 shall be discharged.

(4) The person asserting the lien may make the obligors on the bond parties to any action to enforce his claim, and any judgment received may be against any of the obligors on the bond.

➔Section 327. KRS 376.230 is amended to read as follows:

(1) The lien provided for in KRS 376.210 shall be dissolved unless the person who furnishes the labor, materials, or supplies shall, whichever is later, within sixty (60) days after the last day of the month in which any labor, materials, or supplies were furnished, or by the date of substantial completion, file in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office of each ***area development district***~~[county]~~ in which labor, materials, or supplies were furnished, except as hereinafter provided, a statement in writing verified by affidavit of the claimant or his or her authorized agent or attorney, setting forth the amount due for which the lien is claimed, the date on which labor, materials, or supplies were last furnished and the name of the canal, railroad, bridge, public highway, or other public improvement upon which it is claimed.

(2) In all cases where a lien is claimed for labor, materials, or supplies furnished for the improvement of any bridge, public highway, or other public property owned by the state or by any county, charter county, urban-county, consolidated local government, or city, the statement of lien shall be filed only in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office of the ***area development district***~~[county]~~ in which the seat of government of the owner of the property is located.

(3) The ***regional public records and licensing administrator***~~[county clerk]~~, upon the

filing of the statement, shall make an abstract and entry thereof as now provided by law in case of mechanics' liens in the same book used for that purpose, and shall make proper index thereof. The ***regional public records and licensing administrator*** ~~[clerk]~~ shall be paid by the party filing the claim, and for attesting any copy of the lien statement. If he or she is required to make the copy, he or she may make an additional charge as provided by law. The ***regional public records and licensing administrator's*** ~~[clerk's]~~ fees shall be determined pursuant to KRS 64.012. All of these charges may be recovered by the lien claimant as costs from the party and out of the fund against which the claim is filed.

➔Section 328. KRS 376.240 is amended to read as follows:

Upon the filing of the statement of lien provided for in subsection (2) of KRS 376.230 in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office and the delivery of an attested copy thereof to the public authority making the contract for the improvement of any bridge, public highway or other public property owned by the state or any county or city, and the filing with the public authority of a signed copy of a letter addressed to the contractor or subcontractor at his address given in the contract, with a post office receipt showing that an attested copy of the lien statement has been sent by the lien claimant to the contractor or subcontractor by certified mail, return receipt requested or by registered mail, the claimant shall have a lien superior to any lien subsequently perfected on any unpaid balance due the contractor under the contract of improvement.

➔Section 329. KRS 376.250 is amended to read as follows:

(1) When an attested copy of the lien statement and proof of the delivery of an attested copy as provided in KRS 376.240 is delivered to any public authority which has contracted for the construction or improvement of any bridge, public highway, or other public property owned by the state, a subdivision or agency thereof, or by any city, county, urban-county, or charter county government, the public authority shall endorse on the attested copy the date of its receipt, file the copy and deduct and

withhold the amount thereof, plus pursuant to KRS 64.012 to cover the fee of the ***regional public records and licensing administrator***~~[county clerk]~~ for filing the statement and attesting a copy, from any amount then due the contractor, and if a sufficient amount is not then due the contractor from the next payments which become due.

(2) Unless the contractor, within thirty (30) days from the date of the delivery of the attested copy, files with the public authority a written protest putting in issue the correctness of the amount due the lien claimant or the liability of the fund for payment thereof, the amount withheld shall be paid by the public authority to the lien claimant and charged to the account of the contractor, which payment shall operate as a pro tanto release of the public authority from any claim of the contractor under the contract for the amount so paid. The filing in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office of the statement of lien provided for in KRS 376.230(2) shall be constructive notice to the contractor of the filing of the claim.

(3) If the contractor files a written protest as provided in subsection (2) of this section, the public authority with whom the protest is filed shall endorse thereon the date of its receipt. The public authority shall promptly send written notice of the protest to the lien claimant by certified mail, return receipt requested and shall not pay over to the lien claimant any of the money withheld from the contractor until authorized to do so by the contractor or until directed to do so by an order or judgment of court.

(4) If suit is not instituted by the lien claimant for the enforcement of the lien and summons in the suit is not served on the public authority or its chairman within thirty (30) days after the written notice of the protest is mailed to the claimant, then the lien shall automatically be released and the funds withheld pursuant to the filing of the lien statement shall be released and promptly paid to the contractor. If suit is filed and summons served within the time provided, the payment of the funds shall

be withheld until ordered to be released or paid over by an order or judgment of the court, and then paid as directed by the order or judgment.

(5) All suits for the enforcement of these liens on public funds shall be instituted in the Circuit Court of the county in which is located the property on which the improvement is made, except where the property is owned by a public university. Where the property is owned by a public university, the suit shall be instituted in the Circuit Court of the county in which is located the main campus of the public university. This court shall have exclusive jurisdiction for the enforcement of liens asserted against the public funds due the contractors, subject to the same rights of appeal as in other civil cases.

➔Section 330. KRS 376.260 is amended to read as follows:

(1) Any lien acquired under KRS 376.210 shall be enforced by proper proceedings in equity, to which other lien-holders shall be made parties. If a court action is filed to enforce a lien acquired under KRS 376.210 and the owner of the property is the state, a subdivision or agency thereof, or any city, county, urban-county, or charter county government, that owner shall be given notice of the court action to enforce the lien, but that owner shall not be required to respond to or participate in the court action. The proceedings shall be begun within six (6) months from the filing of the claim in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office, except as provided in subsection (4) of KRS 376.250.

(2) If, in any suit brought for the enforcement of a lien, it is shown by evidence that the items embraced in the account were sold and delivered for use on a particular project or public work, that evidence shall make out a prima facie case that those items were used in the performance of the contract.

➔Section 331. KRS 376.265 is amended to read as follows:

(1) As used in this section, unless the context requires otherwise:

(a) "Charges" means all rates, charges, and other amounts payable for services

rendered by a municipal utility, including and without limitation penalties, interest, reasonable attorney's fees, and other costs of enforcing the lien;

(b) "Municipal utility" means any public agency that owns or operates a system or facilities for the provision of gas, electric, sewer, water, or telecommunications service to retail customers;

(c) "Public agency" has the same meaning as specified in KRS 65.230;

(d) "Retail business ratepayer" means any nonresidential ratepayer of a municipal utility that is in arrears on the utility bill in an amount in excess of ten thousand dollars ($10,000); and

(e) "Service" means gas, electric, sewer, or water service provided by the municipal utility.

(2) Any municipal utility shall have a lien on the real property of a retail business ratepayer served by the municipal utility. The lien shall be for the collection of rates and charges for retail utility service provided to the retail business ratepayer. In no instance shall this lien attach to the real property of an owner who has leased the property to a retail business ratepayer unless the property owner is responsible for paying the utility charges under the lease agreement.

(3) The lien shall arise and attach as services are provided to the retail business ratepayer and shall remain in place until the rates and charges for the services are paid in full. The lien is deemed a statutory lien within the meaning of 11 U.S.C. sec. 101(53).

(4) The rights to a lien under this section:

(a) Are in addition to any other rights or remedies a municipal utility may have under the law or pursuant to a contract; and

(b) Are not intended to impair or alter any of the municipal utility's other rights or remedies, including the ability to require an additional deposit or to shut off and discontinue service.

(5) The lien may take priority over a mortgage, a contract lien, or a bona fide conveyance for value if:

(a) The municipal utility files notice which is duly recorded or lodged for record according to law;

(b) The utility claiming the prior lien files a statement of lien in the office of the county clerk of the county where the service has been furnished before the recording of the mortgage, the contract lien, or the conveyance; and

(c) The statement of lien is in the form prescribed in subsections (6) and (7) of this section.

(6) The statement of lien shall be subscribed and sworn to by an authorized representative of the municipal utility and shall identify the following:

(a) The municipal utility claiming the lien, including an address and a contact person;

(b) The property, by legal description, against which the lien is claimed;

(c) The nature of the service provided;

(d) The contract, if any, pursuant to which the services were provided; and

(e) The amounts, if any, due for services provided.

(7) (a) The statement of lien shall be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ where the service is furnished or the property or some portion of the property serviced by the municipal utility is situated. The utility shall send a copy of the statement of lien by regular mail, postage prepaid, to the owner of the property at the owner's last known address or to the address associated with the tax bill for the property. The copy of the statement of lien shall be sent within ten (10) business days of its filing in the office of the county clerk.

(b) At any time, a municipal utility may supplement the statement of lien by

recording the supplement in the same manner as the original statement of lien. Any supplement to the statement of lien shall relate back to the date of the original recording of the statement of lien.

(8) The ***regional public records and licensing administrator***~~[county clerk]~~ shall endorse each statement of lien on the date of its filing and the ***regional public records and licensing administrator***~~[clerk]~~ shall make an abstract of the statement, endorse the abstract, and place it in a book to be kept by the ***regional public records and licensing administrator***~~[clerk]~~ for that purpose. The book shall contain the following:

(a) The endorsed and indexed abstracts;

(b) The date of filing the statement;

(c) The name of the municipal utility;

(d) The name of the person against whose property the lien is filed; and

(e) A description of the property charged with the lien.

(9) The ***regional public records and licensing administrator***~~[clerk]~~ shall ***collect and remit to the State Treasury***~~[receive]~~ a fee pursuant to KRS 64.012 from the person filing the statement as full compensation, which shall be taxed and collected as other costs.

(10) An action to enforce the lien under this section shall be by equitable proceedings and conducted as other proceedings in equity in similar cases. The petition shall allege the facts necessary to secure a lien, describe the property charged, and the plaintiff's interest in enforcing the lien. Lienholders may unite in the action to enforce the lien as plaintiffs, and those who are not plaintiffs shall be made defendants. The debtor or the debtor's personal representative, heirs, devisees, and all other persons having liens on or interests in the property sought to be subjected shall be made defendants.

(11) The clerk of the court in which the petition is filed shall issue the proper process

against the defendants. After the expiration of ten (10) days from the filing of the petition, the clerk of the court in which the petition was filed shall:

(a) Draw up an order referring the action to the master commissioner of the court and file it with the petition;

(b) Deliver the pleadings and papers of the action to the commissioner; and

(c) Make a memorandum of the action in the minute book.

(12) If, for any cause, it should be improper to refer the case to the master commissioner, the master commissioner is directed to select some suitable person to act as a new commissioner for the case and refer the case to him or her. However, before proceeding to act on the case, the new commissioner shall take an oath before the clerk and execute bond with sufficient surety. The bond shall be preserved by the clerk and reported to the court.

(13) The owner or claimant of property against which a lien has been asserted may file a bond for double the amount of the lien claimed with the county clerk in the county where the lien was filed. Bond may be asserted at any time before a judgment is rendered enforcing the lien, and the bond shall have good sureties approved by the clerk and be conditioned upon the obligors satisfying any judgment that may be rendered in favor of the person asserting the lien. The bond shall be preserved by the clerk, and upon its execution, the lien upon the property shall be discharged. The person asserting the lien may make the obligors in the bond parties to any action to enforce its claim. Any judgment recovered may be against all or any of the obligors on the bond.

➔Section 332. KRS 376.270 is amended to read as follows:

Any person engaged in the business of selling, repairing or furnishing accessories or supplies for motor vehicles shall have a lien on the motor vehicle for the reasonable or agreed charges for repairs, work done or accessories or supplies furnished for the vehicle, and for storing or keeping the vehicle, and may detain any motor vehicle in his possession

on which work has been done by him until the reasonable or agreed charge therefor has been paid. The lien shall not be lost by the removal of the motor vehicle from the garage or premises of the person performing labor, repairing or furnishing accessories or supplies therefor, if the lien shall be asserted within six (6) months by filing in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ a statement showing the amount and cost of materials furnished or labor performed on the vehicle. The statement shall be filed in the same manner as provided in the case of a mechanic's and materialman's lien, after the removal of the vehicle, unless the owner of the vehicle consents to an additional extension of time, in which event the lien shall extend for the length of time the parties agree upon. The agreement shall be reduced to writing and signed by the parties thereto.

➔Section 333. KRS 376.400 is amended to read as follows:

(1) Any owner or keeper of a livery stable or other business providing for the care of animals, and a person feeding, grazing, or caring for any animal for compensation, shall, except as provided in subsection (2) of this section, have a lien for one (1) year upon the animal placed in the stable, kennel, or similar facility, or put out to be fed or grazed by the owner, for his or her reasonable charges for keeping, caring for, feeding, and grazing the animal. The lien shall attach whether the animal is merely temporarily lodged, fed, grazed, and cared for, or is placed at the stable or other place or pasture for regular board. The lien shall take priority over a lien created pursuant to KRS 376.420(1).

(2) Any person who has agreed to provide feed or care for an animal for compensation may, in lieu of the lien provided for in subsection (1) of this section, cause the animal to be sold if:

(a) The owner of the animal is at least forty-five (45) days in arrears on his or her payment for the care and feeding of the animal, and the animal is in the possession of the person or business providing for the care of the animal;

(b) The proposed sale is published in one (1) or more newspapers and qualified pursuant to KRS Chapter 424, with a publication area in the locale where the person providing care for the animal is located and the locale where the owner of the animal was last known to reside; and

(c) Written notice of the sale is sent by certified mail, return receipt requested, or registered mail, to the owner of the animal, addressed to such person at his or her last known address, and to all lien holders of record with the Kentucky Secretary of State and the local ***regional public records and licensing administrator's***~~[county clerk's]~~ office, at least ten (10) days before the sale is conducted. The written notice shall include:

1. The amount due the person or business providing care for the animal;
2. The date, time, and location of the sale; and
3. A statement that the sale proceeds shall be disbursed as provided in subsection (3) of this section.

(3) If a sale is conducted as provided in subsection (2) of this section, the proceeds of the sale shall be disbursed in the following order:

(a) Payment for costs associated with the sale;

(b) Payment of amounts due to the person or business providing for the care and feeding of the animal;

(c) Payment to lien holders and creditors pursuant to a court order; and

(d) The remainder, if any, held for the owner for a period of twelve (12) months and, if not claimed at that time, then paid into the district school fund.

➔Section 334. KRS 376.440 is amended to read as follows:

(1) Any person engaged in the business of selling, repairing, or furnishing accessories, or supplies for any kind of equipment or machinery, including motors, shall have a lien on the equipment, machine, machinery, or motor, for the reasonable or agreed charges for repairs, work done, accessories, parts, and supplies furnished for the

equipment, machine, machinery, or motor until the reasonable or agreed charge therefor has been paid. The lien shall not be lost by the removal of the equipment, machine, machinery or motor from the premises of the person performing labor, repairing, or furnishing accessories, parts or supplies therefor, if the lien shall be asserted within three (3) months by filing in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ a statement showing the amount and cost of materials furnished or labor performed on the equipment, machine, machinery, or motor. This statement shall be filed in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the owner of the equipment, machine, machinery, or motor resides, unless such owner be a nonresident, in which event the lien statement shall be filed in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which such equipment, machine, machinery, or motor is at the time being kept or used.

(2) The lien provided for in this section shall attach regardless of whether or not the equipment, machine, machinery, motor, or motors, are ever upon the premises of or in the possession of the person making the repairs, furnishing the parts, or the supplies for such repairs.

➔Section 335. KRS 376.445 is amended to read as follows:

(1) The lien statement referred to in KRS 376.440 shall be construed to mean a statement in writing in which is stated the amount due the claimant, with all just credits and setoffs known to him, together with a description of the property intended to be covered by the lien sufficiently accurate to identify it and the name of the owner. This statement shall be subscribed and sworn to by the person claiming the lien or by someone in his behalf.

(2) The ***regional public records and licensing administrator***~~[county clerk]~~ shall endorse upon each statement the date of its filing, and shall make an abstract of the

statement in a book to be kept by him for that purpose, properly endorsed and indexed, containing the date of filing, the name of the person seeking to enforce the lien, the amount claimed, the name of the person against whose property the lien is filed, and a description of the property charged with the lien. The ***regional public records and licensing administrator***~~[clerk]~~ shall ***collect and remit to the State Treasury***~~[receive]~~ a fee as provided for in KRS 64.012 from the person filing the statement as full compensation, which shall be taxed and collected as other costs.

➔Section 336. KRS 376.450 is amended to read as follows:

The lien shall not take precedence over a mortgage or bona fide sale and delivery for value without notice, unless the person claiming the prior lien shall, before the recording of the mortgage, or before sale and delivery, file in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ a statement showing that he has furnished or expects to furnish labor, or materials, or parts, or supplies, and the amount in full thereof. The lien shall not, as against the holder of a mortgage, or a purchaser for value, exceed the amount of the lien claimed, as set forth in the statement. The statement shall in all other respects be in the form provided in KRS 376.445.

➔Section 337. KRS 376.475 is amended to read as follows:

(1) Any lien provided for in KRS 376.470 shall be dissolved unless the claimant, within six (6) months after he ceases to provide services for the animal, files in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the animal is located, a statement of the amount due him, together with a description of the animal intended to be covered by the lien sufficiently accurate to identify it, the name of the owner, and whether the services were furnished by contract or written consent of the owner or agent. This statement shall be subscribed and sworn to by the person claiming the lien or by someone in his behalf. The claimant shall send by regular mail a copy of the statement to the owner at his last known address within seven (7) days of filing the

statement with the ***regional public records and licensing administrator***~~[county clerk]~~. Any lien provided for in KRS 376.470 shall be dissolved if a copy of the statement is not sent to the property owner as provided in this subsection.

(2) The ***regional public records and licensing administrator***~~[county clerk]~~ shall endorse upon each statement the date of its filing, and shall make an abstract of the statement in a book to be kept by him for that purpose, properly endorsed and indexed, containing the date of filing, the name of the person seeking to enforce the lien, the amount claimed, the name of the person against whose animal the lien is filed, and a description of the animal charged with the lien. The ***regional public records and licensing administrator***~~[clerk]~~ shall ***collect and remit to the State Treasury***~~[receive]~~ a fee pursuant to KRS 64.012 from the person filing the statement as full compensation, which shall be taxed and collected as other costs.

(3) Any lien created under this section shall be dissolved unless an action is brought to enforce the lien within twelve (12) months from the day of filing the statement in the ***regional public records and licensing administrator's***~~[clerk's]~~ office as required by subsection (1) of this section. If the lienholder complies with all filing requirements under this section, and does so within the time herein fixed, his lien shall be valid and effective against any creditor of, or bona fide or other purchaser from, the owner of the animal, except as provided in KRS 257.105(2).

(4) The procedure to enforce a lien under KRS 376.470 shall be as provided in KRS 376.110, 376.120, and 376.130.

➔Section 338. KRS 379.020 is amended to read as follows:

(1) The deed of assignment shall be acknowledged by the assignor in the same manner as other deeds and shall be recorded in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office of the ***area development district***~~[county]~~ where the assignor resides, where the business in respect to which the deed is made is carried on, and in each ***area development district***~~[county]~~ where a tract of land or

the greater part thereof conveyed by the deed is situated.

(2) The deed shall vest in the assignee title to all the property, real and personal, with all deeds, books and papers relating thereto belonging to the assignor at the time of making the assignment, except property exempt by law which shall not pass unless embraced in the deed. The intent of the assignor in making the assignment, whether appearing upon the face of the deed or otherwise, shall not invalidate the deed, unless he is solvent and it appears that the assignment was made to hinder or delay creditors.

(3) The assignor shall, within five (5) days from the day upon which the deed is lodged for record, file for record in the county where the assignee qualifies a schedule under oath, setting forth the general nature and full value of the property assigned, together with a list of his creditors, their post office address, the amount due each and whether secured by lien or not.

➔Section 339. KRS 381.130 is amended to read as follows:

(1) KRS 381.120 shall not apply to any estate which joint tenants hold as executors or trustees, nor, except as provided in subsection (2) of this section, to an estate conveyed or devised to persons in their own right, when it manifestly appears, from the tenor of the instrument, that it was intended that the part of the one dying should belong to the others, neither shall it affect the mode of proceeding on any joint contract or judgment.

(2) (a) 1. Except as provided in paragraph (b) of this subsection, one (1) or more joint tenants of real property may partition their interest in the real property during their lifetime by deed or other instrument.

2. The deed or other instrument shall express the intent of the joint tenant to partition the joint tenant's interest in the real property and shall be recorded at the office of the ***regional public records and licensing administrator***~~[county clerk]~~ in the ***area development district***~~[county]~~

where the real property or any portion of the real property is located.

3. The partitioning shall be effective at the time the deed or other instrument is recorded.

(b) Residential real property that is owned exclusively by husband and wife as joint tenants with a right of survivorship and actually occupied by them as a principal residence shall not be partitioned as provided in paragraph (a) of this subsection.

(c) The deed or other instrument shall convert the partitioning joint tenant's interest in the real property into a tenancy in common with the remaining joint tenants. If there are two (2) or more nonpartitioning joint tenants, the interests of the nonpartitioning joint tenants in relation to each other shall be governed pursuant to the terms of the instrument creating the interest.

➔Section 340. KRS 381.135 is amended to read as follows:

(1) (a) As used in this subsection:

1. "Ownership interest in a closely held farm corporation or partnership" means any interest in a farm with one (1) or more of the shareholders or partners owning twenty percent (20%) or more of the corporation or partnership.

2. "Farm" means a tract of at least five (5) contiguous acres used for the production of agricultural or horticultural crops including, but not limited to, livestock, livestock products, poultry, poultry products, grain, hay, pastures, soybeans, tobacco, timber, orchard fruits, vegetables, flowers, or ornamental plants, including provision for dwellings for persons and their families who are engaged in the above agricultural use on the tract, but not including residential building development for sale or lease to the public.

(b) A person desiring a division of land held jointly with others, a person desiring

an allotment of dower or curtesy, or a person with an ownership interest of twenty percent (20%) or more in a closely held farm corporation or partnership may file in the Circuit Court of the county in which the land or the greater part thereof lies a petition containing a description of the land, a statement of the names of those having an interest in it, and the amount of such interest, with a prayer for the division or allotment; and, thereupon, all persons interested in the property who have not united in the petition shall be summoned to answer not more than twenty (20) days after service of the summons. The written evidences of the title to the land, or copies thereof, if there be any, must be filed with the petition.

(2) The statutory guardian of an infant or guardian or conservator of a person adjudged mentally disabled may file or unite in the petition, in the names of, and in conjunction with such infant or mentally disabled person; and, if the petition be against an infant or mentally disabled person the guardian or conservator may appear and defend for them; if they fail to do so, the court shall appoint a discreet person for that purpose.

(3) Upon such a petition by all interested in the property, or upon the expiration of twenty (20) days after the service of a summons on all who have an interest in the property and have not united in the petition, the court may order the division, or allotment of dower or curtesy, according to the rights of the parties.

(4) The court shall appoint three (3) competent persons as commissioners to determine the division or allotment of land, having a due regard for the rights of all parties interested. Before proceeding to act, the commissioners shall take an oath to discharge their duty impartially.

(5) The order of appointment shall fix a time and place for the meeting of the commissioners who shall meet accordingly; but, if prevented from meeting at the time and place so fixed, they may meet as soon thereafter as convenient, and may

adjourn to such other time and place as they may agree upon, until their duty shall be performed.

(6) The commissioners shall equitably determine the allotment to the parties of their respective interests in the land. A registered land surveyor shall perform the actual survey of the land in accordance with the determination made by the commissioners, and prepare the descriptions of the land, including all related maps, plats, and documents, and he shall affix thereto his personal seal and signature, unless such actual survey and the resultant description, maps, plats, and documents pertaining to this land are already in existence. The commissioners shall make report thereof to the court, which may either confirm, set aside, or remand the report to the commissioners for correction.

(7) If the report be confirmed, a commissioner to be appointed for the purpose shall, by deed, convey to each party the land allotted to him.

(8) If the report be confirmed by the Circuit Court, it, together with said surveyor's descriptions, survey and all related documents, and the applicable deeds shall be certified by the clerk of that court to the ***regional public records and licensing administrator*** ~~[county clerk]~~, for record.

(9) Two (2) of the commissioners may act, if one (1) refuses or fails to do so.

(10) A party summoned may, by answer, controvert the allegations of the petition or contest the rights claimed therein; and, thereupon, the case shall be tried and decided as an ordinary action, but without the intervention of a jury.

(11) The costs of the action shall be apportioned among the parties in the ratio of their interests, except that the costs arising from a contest of fact or law shall be adjudged against the unsuccessful party.

(12) No verification of the pleadings shall be required.

(13) The commissioners and the land surveyor shall be paid a reasonable compensation, to be taxed as costs.

(14) This section shall not affect the jurisdiction of courts of equity to make partition or allot dower or curtesy.

➔Section 341. KRS 381.221 is amended to read as follows:

(1) Every possibility of reverter and right of entry created prior to July 1, 1960, shall cease to be valid or enforceable at the expiration of thirty (30) years after the effective date of the instrument creating it, unless before July 1, 1965, a declaration of intention to preserve it is filed for record with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the real property is located.

(2) The declaration shall be entitled "Declaration of Intention to Preserve Restrictions on the Use of Land," and shall set forth:

(a) The name of the record owner or owners of the fee in the land against whom the possibility of reverter or right of entry is intended to be preserved;

(b) The names and addresses of the persons intending to preserve the possibility of reverter or right of entry;

(c) A description of the land;

(d) The terms of the restriction;

(e) A reference to the instrument creating the possibility of reverter or right of entry and to the place where such instrument is recorded. The declaration shall be signed by each person named therein as intending to preserve the possibility of reverter or right of entry and shall be acknowledged or proved in the manner required to entitle a conveyance of real property to be recorded. The ***regional public records and licensing administrator***~~[county clerk]~~ shall record the declaration in the record of deeds and shall index it in the general index of deeds in the same manner as if the record owner or owners of the land were the grantor or grantors and the persons intending to preserve the possibility of reverter or right of entry were the grantees in a deed of

conveyance. For indexing and recording the ***regional public records and licensing administrator***~~[clerk]~~ shall receive the same fees as are allowed for indexing and recording deeds.

➔Section 342. KRS 381.240 is amended to read as follows:

No ***regional public records and licensing administrator***~~[county clerk]~~ or other county or state officer shall officially certify to any abstract or statement of title to lands in this state, where such lands are in the actual possession of another than the person or corporation shown to be the owner of the abstract or certificate, when such person in possession is claiming such lands under title adverse to that shown in such abstract or certificate.

➔Section 343. KRS 381.250 is amended to read as follows:

If two (2) or more patents have been issued for the same land, whether by this state or by the State of Virginia, no ***regional public records and licensing administrator***~~[county clerk]~~ or other county or state officer shall officially certify that the records show, or that the fact is that the title is in any of the patentees, or in any person claiming under any of the patents.

➔Section 344. KRS 381.770 is amended to read as follows:

(1) As used in this section:

(a) "Automobile collector" means a person who collects and restores motor vehicles; and

(b) "Ordinary public view" means a sight line within normal visual range by a person on a public street or sidewalk adjacent to real property;

(c) "Parts car" means an automobile that is not intended to be operated along streets and roads, but is used to provide parts for the restoration of other automobiles; and

(d) "Imminent danger" means a condition which could cause serious or life-threatening injury or death at any time.

(2) Except as provided in subsection (3) of this section, it shall be unlawful for the owner, occupant or person having control or management of any land within a city, county, consolidated local government, urban-county, or unincorporated area to permit a public nuisance, health hazard, or source of filth to develop thereon through the accumulation of:

(a) Junked or wrecked automobiles, vehicles, machines, or other similar scrap or salvage materials, excluding inoperative farm equipment;

(b) One (1) or more mobile or manufactured homes as defined in KRS 227.550 that are junked, wrecked, or nonoperative and which are not inhabited;

(c) Rubbish; or

(d) The excessive growth of weeds or grass.

(3) The provisions of paragraph (a) of subsection (2) of this section shall not apply to:

(a) Junked, wrecked, or nonoperative automobiles, vehicles, machines, or other similar scrap or salvage materials located on the business premises of a licensed automotive recycling dealer as defined under the provisions of KRS 190.010(8);

(b) Junked, wrecked, or nonoperative motor vehicles, including parts cars, stored on private real property by automobile collectors, whether as a hobby or a profession, if these motor vehicles and parts cars are stored out of ordinary public view by means of suitable fencing, trees, shrubbery, or other means; and

(c) Any motor vehicle as defined in KRS 281.010 that is owned, controlled, operated, managed, or leased by a motor carrier.

(4) It shall be unlawful in any city, county, consolidated local government, or urban-county for the owner of a property to permit any structure upon the property to become unfit and unsafe for human habitation, occupancy, or use or to permit conditions to exist in the structure which are dangerous or injurious to the health or

safety of the occupants of the structure, the occupants of neighboring structures, or other residents of the city, county, consolidated local government, or urban-county.

(5) Any city, county, consolidated local government, or urban-county may establish by ordinance reasonable standards and procedures for the enforcement of this section. The procedures shall comply with all applicable statutes, administrative regulations, or codes. Proper notice shall be given to property owners before any action is taken pursuant to this section; and, prior to the demolition of any unfit or unsafe structure, the right to a hearing shall be afforded the property owner.

(6) Unless imminent danger exists on the subject property that necessitates immediate action, the city, county, consolidated local government, or urban-county government shall send, within fourteen (14) days of a final determination after hearing or waiver of hearing by the property owner, a copy of the determination to any lien holder of record of the subject property by first-class mail with proof of mailing. The lien holder of record may, within forty-five (45) days from receipt of that notice, correct the violations cited or elect to pay all fines, penalty charges, and costs incurred in remedying the situation as permitted by subsection (7) of this section.

(7) A city, county, consolidated local government, or urban-county shall have a lien against the property for the reasonable value of labor and materials used in remedying the situation. The affidavit of the responsible officer shall constitute prima facie evidence of the amount of the lien and the regularity of the proceedings pursuant to this statute, and shall be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~. The lien shall be notice to all persons from the time of its recording and shall bear interest thereafter until paid. The lien created shall take precedence over all other liens, except state, county, school board, and city taxes, except as provided in subsection (8) of this section. The lien may be enforced by judicial proceeding.

(8) The lien provided in subsection (7) of this section shall not take precedence or

priority over a previously recorded lien if:

(a) The city, county, consolidated local government, or urban-county government failed to provide the lien holder a copy of the determination in accordance with subsection (6) of this section; or

(b) The lien holder received a copy of the determination as required by subsection (6) of this section, and the lien holder corrected the violations or paid the fines, penalty charges, and costs incurred in remedying the violation.

(9) In addition to the remedy prescribed in subsection (5) of this section or any other remedy authorized by law, the owner of a property upon which a lien has been attached pursuant to this section shall be personally liable for the amount of the lien, including all interest, civil penalties, and other charges and the city, county, or urban-county may bring a civil action against the owner and shall have the same remedies as provided for the recovery of a debt owed. The failure of a city, county, consolidated local government, or urban-county government to comply with subsection (6) of this section, and the failure of a lien to take precedence over previously filed liens as provided in subsection (8) of this section, shall not limit or restrict any remedies that the city, county, consolidated local government, or urban-county government has against the owner of the property.

(10) The provisions of subsections (5), (7), and (9) of this section shall not apply to an owner, occupant, or person having control or management of any land located in an unincorporated area if the owner, occupant, or person is not the generator of the rubbish or is not dumping or knowingly allowing the dumping of the rubbish and has made reasonable efforts to prevent the dumping of rubbish by other persons onto the property.

➔Section 345. KRS 381.780 is amended to read as follows:

(1) The maintenance of an outdoor toilet not connected to a septic tank or sewer system, hereinafter called an open toilet, within the boundaries of an urban-county

government, a city of the first class, or a city of the home rule class is hereby declared to be a public nuisance.

(2) When an open toilet is discovered, the director of sanitation or other responsible officer designated by the city legislative body shall give written notice to the property owner to remove the open toilet and fill the toilet pit within ten (10) days after the date of the notice. The notice shall be mailed to the last known address of the property owner, as it appears on the current tax assessment roll. Upon failure of the owner of the property to comply with the terms of the notice, the director of sanitation or other responsible officer designated by the urban-county government or city legislative body is authorized to send employees upon the property to remove the open toilet and fill the toilet pit.

(3) The urban-county government or city shall have a lien against the property for the reasonable cost of labor and materials used in removing the open toilet and filling the toilet pit. The affidavit of the director of sanitation or other responsible officer designated by the urban-county government or city shall constitute prima facie evidence of the amount of the lien and the regularity of the proceedings pursuant to this section, and shall be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ in the ***area development district***~~[county]~~ where the urban-county government or city is located. The lien shall be notice to all persons from the time of its recording and shall bear interest at six percent (6%) per annum thereafter until paid.

➔Section 346. KRS 381.827 is amended to read as follows:

(1) The owner of a unit designed for office, industrial or business use may divide his unit into two (2) or more smaller units. No interest in the unit shall be conveyed until the master deed and floor plans have been modified as provided in this section.

(2) Prior to subdividing his unit, the owner shall prepare a set of floor plans which shall show the changes being made in the unit involved. The plans shall bear the verified

statement of a registered architect or professional engineer that they accurately portray the unit involved and the changes being made, and the unit owner shall attach to the plans a verified statement which shall contain:

(a) The name by which the property is known;

(b) A reference to the book and page of the recorded master deed and floor plans of the property and any amendments thereto in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ of the ***area development district*** ~~[county]~~ in which the land described in the master deed is situated;

(c) The original unit number of each unit involved in the division, a description or designation of the building in which the unit is located, and the new unit number of each unit being formed;

(d) A statement of the location, approximate area, number of rooms and the structural changes in the perimeter and interior walls, floors, ceilings, windows and doors of the unit being formed and the immediate common element or limited common element to which the unit has access, and any other data necessary for the proper identification of the units being formed by changes to the original unit;

(e) A description of the percentage of interest of the original unit in the common elements, and a description of the new percentage or percentages of interest in the common elements of the units being formed. The percentage of interest in the common elements of the units being formed shall be in proportion to the floor area of the original unit and shall, when taken cumulatively, total the same percentage of interest in the common elements as that of the original unit;

(f) Any further provisions that would serve to clarify the changes being made.

(3) The floor plans and verified statement shall be approved in writing by a majority,

unless otherwise provided by the master deed, of the council of co-owners, and by any person holding a lien on such units, and shall be filed for record with the ***regional public records and licensing administrator***~~[county clerk]~~ in the ***area development district***~~[county]~~ in which the land described in the master deed is situated as provided in KRS 381.835. The floor plans and verified statement shall be considered as an amendment to the original master deed and floor plans for the sole purpose of dividing a unit and the corresponding percentage of interest in the common elements.

➔Section 347. KRS 381.835 is amended to read as follows:

(1) The ***regional public records and licensing administrator***~~[county clerk]~~ shall immediately set up the mechanics and methods by which recordation of a master deed or lease and of the individual units may be made. Provisions shall be made for the recordation of the individual units on subsequent resales, mortgages, and other encumbrances, as is done with all other real estate recordation. The master deed or lease to which KRS 381.815 refers shall express the following particulars:

(a) The description of the land, whether leased or in fee simple, and the building, expressing their respective areas;

(b) The general description and the number of each unit, expressing its area, location, and any other data necessary for its identification;

(c) The description of the general common elements of the building; and

(d) The common elements, both general and limited, shall remain undivided and shall not be the object of an action for partition or division of the co-ownership. Any covenant to the contrary shall be void.

(2) Simultaneously with the recording of the declaration, there shall be filed in the office of the recording officer a set of the floor plans of the building or buildings, showing the layout, location, unit numbers, and dimensions of the units, stating the name of the property or that it has no name, and bearing the verified certification by

a licensed architect or professional engineer that it is an accurate copy of portions of the plans of the building or buildings as filed with and approved by the county or city and county officer having jurisdiction over the issuance of permits for the construction of buildings, or, in the alternative, certifying that the plans fully and accurately depict the layout, location, unit numbers, and dimensions of the units as built. If the plans do not include a verified statement of a licensed architect or professional engineer that the plans fully and accurately depict the layout, location, unit numbers, and dimensions of the units as built, there shall be recorded prior to the first conveyance of any unit an amendment to the declaration to which shall be attached a verified statement of a professional land surveyor certifying that the plans filed, or being filed simultaneously with the amendment, fully and accurately depict the layout, location, unit numbers, and dimensions of the units as built. The plans shall be kept by the recording officer in a separate file for each property, indexed in the same manner as a conveyance entitled to record, numbered serially in the order of receipt, each designated "condominium ownership," with the name of the property, if any, and each containing an appropriate reference to the recording of the declaration. The record of the declaration shall also contain a reference to the file number of the floor plans of the building or buildings on the property affected.

➔Section 348. KRS 381.850 is amended to read as follows:

All of the co-owners or the sole owner of a building constituted into a horizontal property regime may waive this regime and request the ***regional public records and licensing administrator***~~[county clerk]~~ to regroup or merge the records of the filial estates with the principal property, provided, that the filial estates are unencumbered, or if encumbered, that the creditors in whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the property owned by the debtors.

➔Section 349. KRS 381.9105 is amended to read as follows:

As used in KRS 381.9101 to 381.9207, or in the declaration or bylaws of any

condominium unless specifically provided or the context otherwise requires:

(1) "Affiliate of a declarant" means any person who controls, is controlled by, or is under common control with a declarant.

(a) A person controls a declarant if the person:

1. Is a general partner, officer, director, limited liability entity member or manager, or employer of the declarant and has the legal authority to direct the business and affairs of the declarant;

2. Directly, indirectly, or acting in concert with one (1) or more other persons, or through one (1) or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing more than fifty percent (50%) of the voting interest in the declarant; or

3. Controls in any manner the election of a majority of the directors of the declarant.

(b) A person is controlled by a declarant if the declarant:

1. Is a general partner, officer, director, limited liability entity member or manager, or employer of the person and has the legal authority to direct the business and affairs of the person;

2. Directly, indirectly, or acting in concert with one (1) or more other persons, or through one (1) or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing more than fifty percent (50%) of the voting interest in the person; or

3. Controls in any manner the election of a majority of the directors of the person.

Control does not exist if the powers described in paragraph (a) or (b) of this subsection are held solely as security for an obligation and are not exercised;

(2) "Allocated interests" means the undivided interest in the common elements, the common expense liability, and votes in the association allocated to each unit;

(3) "Association" or "unit owners' association" means the association organized pursuant to KRS 381.9165;

(4) "Capital expenditure" means an expenditure to replace, repair, or improve common elements, or acquire new common elements;

(5) "Common elements" means all portions of a condominium other than the units;

(6) "Common expenses" means expenditures made or financial liabilities incurred by the association, to the extent permitted by the declaration or KRS 381.9101 to 381.9207, together with any allocations to reserves;

(7) "Common expense liability" means the liability for common expenses allocated to each unit pursuant to KRS 381.9137;

(8) "Condominium" means real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions. Real estate is not a condominium unless the undivided interests in the common elements are vested in the unit owners;

(9) "Declarant" means any person or group of persons acting in concert who:

(a) As part of a common promotional plan for the condominium, formulated, sponsored, and promoted by the person or persons, offers to dispose of his, her, or their interest in a unit within the condominium not previously disposed of; or

(b) Reserves or succeeds to any special declarant right;

(10) "Declaration" means any instrument, including a master deed, however denominated, that creates a condominium, and any amendments to those instruments;

(11) "Development rights" means any right or combination of rights reserved by a declarant in the declaration to:

(a) Add real estate to a condominium;

(b) Create units, common elements, or limited common elements within a

condominium;

(c) Subdivide units or convert units into common elements;

(d) Allocate or reallocate common elements among units; or

(e) Withdraw real estate from a condominium;

(12) "Dispose" or "disposition" means a voluntary transfer to a purchaser of any legal or equitable interest in a unit, but does not include the creation, assignment, transfer, or release of a mortgage or security interest;

(13) "Executive board" means the body, regardless of name, designated in the declaration to act on behalf of the association;

(14) "Identifying number" means a symbol or address that identifies only one (1) unit in a condominium;

(15) "Leasehold condominium" means a condominium in which all or a portion of the real estate is subject to a lease the expiration or termination of which will terminate the condominium or reduce its size;

(16) "Limited common element" means a portion of the common elements allocated by the declaration or by operation of KRS 381.9127 for the exclusive use of one (1) or more but fewer than all of the units;

(17) "Master association" means an organization described in KRS 381.9161, whether or not it is also an association described in KRS 381.9165;

(18) "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, limited liability company, government, governmental subdivision or agency, or other legal or commercial entity;

(19) "Purchaser" means any person other than a declarant or a person in the business of selling real estate for his or her own account, who by means of a voluntary or involuntary transfer acquires a legal or equitable interest in a unit other than:

(a) A leasehold interest, including renewal options of less than twenty (20) years; or

(b) As security for an obligation;

(20) "Real estate" means any fee simple interest, leasehold estate, or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests which by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" includes parcels with or without upper or lower boundaries, and spaces that may be filled with air or water;

(21) "Recording data" means the book and page number of instruments recorded in the office of a ***regional public records and licensing administrator*** ~~[county clerk]~~;

(22) "Residential" means use for dwelling or personal recreation, or both;

(23) "Special declarant rights" means rights reserved for the benefit of a declarant to:

(a) Complete improvements indicated on plats and plans filed with the declaration;

(b) Exercise any development rights;

(c) Maintain sales offices, management offices, signs advertising the condominium, and models;

(d) Use easements through the common elements for the purpose of making improvements within the condominium or within real estate which may be added to the condominium;

(e) Make the condominium part of a larger condominium or a planned community;

(f) Make the condominium subject to a master association; or

(g) Appoint or remove any officer of the association, master association, or any executive board member during any period of declarant control;

(24) "Unit" means a physical portion of the condominium designated for separate ownership or occupancy, the boundaries of which are described in KRS 381.9133, including patios, balconies, and other spaces if designated in the declaration; and

(25) "Unit owner" means a declarant or other person who owns a unit, or a lessee of a unit in a leasehold condominium whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the condominium, but does not include a person having an interest in a unit solely as security for an obligation or as a sublessee of a lessee of a unit.

➔Section 350. KRS 381.9125 is amended to read as follows:

A condominium may be created pursuant to KRS 381.9101 to 381.9207 only by recording a declaration executed in the same manner as a deed. The declaration shall be recorded in every county in which any portion of the condominium is located, and shall be indexed in the name of the condominium, the association, and each person executing the declaration. The ***regional public records and licensing administrator***~~[county clerk]~~ shall determine the methods and mechanics for recording and storing any plans and plats associated with a declaration or amendment of a declaration.

➔Section 351. KRS 382.110 is amended to read as follows:

(1) All deeds, mortgages and other instruments required by law to be recorded to be effectual against purchasers without notice, or creditors, shall be recorded in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office of the ***area development district***~~[county]~~ in which the property conveyed, or the greater part thereof, is located.

(2) No ***regional public records and licensing administrator***~~[county clerk]~~ or deputy ***regional public records and licensing administrator***~~[county clerk]~~ shall admit to record any deed of conveyance of any interest in real property equal to or greater than a life estate, unless the deed plainly specifies and refers to the next immediate source from which the grantor derived title to the property or the interest conveyed therein.

(3) An authentic photocopy of any original record may be certified, as a true, complete, unaltered copy of the original record on file by the official public custodian of the

record. A certified copy of a document certified by the official public custodian of that document may be submitted for filing in any other filing officer's jurisdiction as though it were the original record. However, no ***regional public records and licensing administrator***~~[county clerk]~~ or deputy ***regional public records and licensing administrator***~~[county clerk]~~ shall accept for filing any original document or certified copy of any document unless the original document and its certified copy conforms to all statutory requirements for filing the document under KRS Chapter 382. The provisions of this subsection shall apply only to a record generated and filed in Kentucky, and only if the certified copy thereof is to be utilized in Kentucky. If the record is a foreign record or a Kentucky record to be filed or utilized in a foreign jurisdiction, then this subsection shall not apply and applicable federal, Kentucky, or foreign law shall apply.

(4) If the source of title is a deed or other recorded writing, the deed offered for record shall refer to the former deed or writing, and give the office, book and page where recorded, and the date thereof. If the property or interest therein is obtained by inheritance or in any other way than by recorded instrument of writing, the deed offered for record shall state clearly and accurately how and from whom the title thereto was obtained by the grantor.

(5) If the title to the property or interest conveyed is obtained from two (2) or more sources, the deed offered for record shall plainly specify and refer to each of the sources in the manner provided in subsections (2) and (4), and shall show which part of the property, or interest therein, was obtained from each of the sources.

(6) No grantor shall lodge for record, and no ***regional public records and licensing administrator***~~[county clerk]~~ or deputy shall receive and permit to be lodged for record, any deed that does not comply with the provisions of this section.

(7) No ***regional public records and licensing administrator***~~[clerk]~~ or deputy ***regional public records and licensing administrator***~~[clerk]~~ shall be liable to the fine

imposed by subsection (1) of KRS 382.990 because of any erroneous or false references in any such deed, nor because of the omission of a reference required by law where it does not appear on the face of such deed that the title to the property or interest conveyed was obtained from more than one (1) source.

(8) This section does not apply to deeds made by any court commissioner, sheriff or by any officer of court in pursuance of his duty as such officer, nor to any deed or instrument made and acknowledged before March 20, 1928. No deed shall be invalid because it is lodged contrary to the provisions of this section.

(9) A mortgage holder shall file a deed in lieu of foreclosure in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office of the ***area development district*** ~~[county]~~ in which the property conveyed, or the greater part thereof, is located, no later than forty-five (45) days after the date the deed in lieu of foreclosure is executed.

➔Section 352. KRS 382.120 is amended to read as follows:

(1) Before any deed to real property, the title to which has passed to the grantor under the laws of descent, is filed for record the grantor or grantee, or the agent or attorney or either, shall present to the ***regional public records and licensing administrator*** ~~[county clerk]~~ the affidavit of the grantor or any one (1) of the heirs at law or next of kin of the ancestor of the grantor, or of two (2) residents of this state, each of whom has personal knowledge of the facts, which affidavit shall set forth:

(a) The name of the ancestor;

(b) The date of the ancestor's death;

(c) Whether the ancestor was married or single, and if married, the name of the surviving spouse and his or her address;

(d) The place of residence at the time of the ancestor's death, if known to the affiant or affiants;

(e) The fact that the ancestor died intestate; and

(f) The names, ages and addresses, so far as known or ascertainable, of each of such ancestor's heir at law and next of kin, who by his death inherited such real property, and the relationship of each to the ancestor and the interest in such real property inherited by each.

(2) The affidavit shall be filed with the ***regional public records and licensing administrator***~~[clerk]~~ of the ***area development district***~~[county]~~ in which the real property is situated, at or before the time when the deed or conveyance is filed with the clerk for record, and shall be recorded in the record of deeds, and indexed in the general index of deeds in the name of such ancestor as grantor, and in the name of each of such heirs at law or next of kin as grantees, in the same manner as if such names occurred in a deed of conveyance from the ancestor to the heirs at law. For indexing and recording the affidavit, the ***regional public records and licensing administrator***~~[clerk]~~ shall receive the same fees as are allowed for recording and indexing deeds.

(3) No ***regional public records and licensing administrator***~~[county clerk]~~ or deputy ***regional public records and licensing administrator***~~[clerk]~~ shall receive or permit to be lodged for record any such deed until the affidavit has been presented to him, but nothing in this section shall prevent the recording from being legal of any such deed lodged for record prior to the filing of the affidavit.

➔Section 353. KRS 382.130 is amended to read as follows:

Deeds executed in this state may be admitted to record:

(1) On the acknowledgment, before the proper ***regional public records and licensing administrator***~~[clerk,]~~ by the party making the deed;

(2) By the proof of two (2) subscribing witnesses, or by the proof of one (1) subscribing witness, who also proves the attestation of the other;

(3) By the proof of two (2) witnesses that the subscribing witnesses are both dead; and also like proof of the signature of one (1) of them and of the grantor;

(4) By like proof that both of the subscribing witnesses are out of the state, or that one (1) is so absent and the other is dead; and also like proof of the signature of one (1) of the witnesses and of the grantor; or

(5) On the certificate of a ***regional public records and licensing administrator*** ~~[county clerk]~~ of this state, or any notary public, that the deed has been acknowledged before him by the party making the deed or proved before him in the manner required by subsection (2), (3) or (4).

➔Section 354. KRS 382.135 is amended to read as follows:

(1) In addition to any other requirement imposed by law, a deed to real property shall contain the following:

(a) The mailing addresses of the grantor and grantee;

(b) A statement of the full consideration;

(c) A statement indicating the in-care-of address to which the property tax bill for the year in which the property is transferred may be sent; and

(d) 1. In the case of a transfer other than by gift, or with nominal or no consideration a sworn, notarized certificate signed by the grantor or his agent and the grantee or his agent, or the parent or guardian of a person under eighteen (18) years old, that the consideration reflected in the deed is the full consideration paid for the property; or

2. In the case of a transfer either by gift or with nominal or no consideration, a sworn, notarized certificate signed by the grantor or his agent and the grantee or his agent, or the parent or guardian of a person under eighteen (18) years old, stating that the transfer is by gift and setting forth the estimated fair cash value of the property.

(2) The deed filing requirements listed in subsection (1)(b), (c), and (d) of this section shall not apply to:

(a) Deeds which only convey utility easements;

(b) Deeds which transfer property through a court action pursuant to a divorce proceeding;

(c) Deeds which convey rights-of-way that involve governmental agencies;

(d) Deeds which convey cemetery lots;

(e) Deeds which correct errors in previous deeds conveying the same property from the same grantor to the same grantee; or

(f) Deeds which convey real property to a local airport board.

(3) In the case of an exchange of properties, the fair cash value of the property being exchanged shall be stated in the body of the deed.

(4) In the event of a transfer of property by will or under the laws of intestate succession, the personal representative of the estate, prior to closing out the estate, shall file an affidavit with the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ in which any of the property is located, which shall contain the following:

(a) The names and addresses of the persons receiving each property passing by will or intestate succession; and

(b) The full or fair market value of each property as estimated or established for any purpose in the handling of the estate, or a statement that no such values were estimated or established.

(5) No ***regional public records and licensing administrator***~~[county clerk]~~ or deputy ***regional public records and licensing administrator***~~[clerk]~~ shall lodge for record, and no ***regional public records and licensing administrator***~~[county clerk]~~ or deputy ***regional public records and licensing administrator*** shall receive and permit to be lodged for record, any deed that does not comply with the provisions of this section.

➔Section 355. KRS 382.190 is amended to read as follows:

Each ***regional public records and licensing administrator***~~[county clerk]~~ shall, once in

each year, at the April or May term, advertise by posting at the courthouse ***in which the property is located*** ~~[of his county]~~, a list of all the deeds in his office unrecorded, and the reason why each one has not been recorded.

➔Section 356. KRS 382.200 is amended to read as follows:

(1) Except as provided in subsection (2) of this section, each ***regional public records and licensing administrator*** ~~[county clerk]~~ shall make and keep an alphabetical cross-index of all conveyances recorded in his office, and when a mortgage or deed of trust, or any other conveyance, lease, or contract is lodged in his office for record, he shall, at once and before attending to any other business, place the names of the parties to the instrument upon the cross-index in his ***or her*** office, and shall within six (6) days thereafter record the instrument.

(2) Chattel mortgages, financing statements or security agreements shall be filed and recorded in the manner set out in KRS 355.9-519.

➔Section 357. KRS 382.205 is amended to read as follows:

(1) Any ***area development district*** ~~[county]~~ where indexes to the records of deeds, mortgages, wills, marriages, or other public records have been or may hereafter be prepared by the Work Projects Administration or other appropriate agency of the United States government, or by order of the fiscal court of any county, such indexes or any of them may be adopted as the official general cross indexes of such records in the manner provided by this section in addition to each individual book index. Upon the completion of any such indexing project by an appropriate federal agency or by a person or persons acting under the authority of a fiscal court, or at any time thereafter, any citizen of the ***area development district*** ~~[county]~~ may petition the ***regional public records and licensing administrator*** ~~[county judge/executive]~~ to have said index adopted as the official index. Upon the filing of the petition, the ***regional public records and licensing administrator*** ~~[county judge/executive]~~ may forthwith by appropriate order designate a licensed attorney

practicing in the ***area development district***~~[county]~~ who ~~[with the county attorney and county clerk]~~ shall ~~[comprise a commission to]~~ examine the index proposed to be adopted and ascertain whether the index is a complete and accurate index of the records to which it pertains. The ***attorney***~~[commission]~~ shall thereupon make such examination as may be necessary to ascertain to its satisfaction whether such index is complete and accurate. Upon completion of such examination, the ***attorney***~~[commission]~~ shall make a written report to the ***regional public records and licensing administrator***~~[county judge/executive]~~ of the results thereof and of its recommendations, which report shall lie over for exceptions for sixty (60) days. Notice of the filing of said report shall be given by the ***regional public records and licensing administrator***~~[clerk]~~ by publication pursuant to KRS Chapter 424. Exceptions may be filed by any interested person, and if filed shall be heard and determined as in other cases. If no exceptions are filed thereto, or upon the exceptions (if any) the ***regional public records and licensing administrator***~~[county judge/executive]~~ shall hear such proof as may be thought proper respecting the report filed by the ***attorney***~~[clerk]~~ and the exceptions, and shall determine whether the said index is complete and accurate, and if it is determined that the index is complete and accurate, an order shall be entered adopting said index; provided, that if from such report or such proof it appears that corrections or additions should be made to such index in order to render it accurate and complete, the order may direct that such corrections or additions shall be made by the ***regional public records and licensing administrator***~~[clerk]~~, and in that event it shall be the duty of the ***regional public records and licensing administrator***~~[clerk]~~ to make such corrections or additions forthwith, and upon his report that he has done so an order shall be entered adopting the index as so corrected. If adopted, said index shall thereupon become the official general cross index of the records to which it pertains, and all persons shall be entitled to rely thereon to the same extent as if the index had been

prepared by the ***regional public records and licensing administrator***~~[county clerk]~~. Upon the adoption of any such index, it shall be the duty of the ***regional public records and licensing administrator***~~[clerk]~~ to bring same up to date from the point at which same ceased to be made by the agency which prepared it, and to continue and maintain said index thereafter in lieu of the indexing system theretofore used, except he will continue to keep the regular individual book index, and to index all instruments lodged for record in conformity therewith. The indexes ~~[theretofore]~~used ***previously*** shall not be destroyed after the adoption of the new indexes, but shall be safely kept by the ***regional public records and licensing administrator***~~[clerk]~~ as other records are kept, subject to inspection by any person interested therein.

(2) Expenses incurred by the ***regional public records and licensing administrator***~~[county clerk]~~ under the provisions of this section shall be paid by the ***State Treasury***~~[fiscal court of the county]~~.

➔Section 358. KRS 382.230 is amended to read as follows:

(1) No conveyance of real property shall be void or invalid because of a failure by the ***regional public records and licensing administrator***~~[county clerk]~~ to incorporate in his ***or her*** certificate to such conveyance an endorsement of acknowledgment made by his ***or her*** deputy thereon.

(2) When acknowledgments to conveyances of real property have been taken by a deputy ***regional public records and licensing administrator***~~[clerk]~~, and a note or memorandum thereof endorsed by him ***or her*** on the conveyance, and a certificate of such acknowledgment has been afterward written out by the principal ***regional public records and licensing administrator***~~[clerk]~~ and signed by him ***or her*** as having been done by such deputy or as if the acknowledgment had been before such principal ***regional public records and licensing administrator***~~[clerk]~~, such conveyance and certificate, and the recording thereof, shall be valid although the

note or memorandum made by the deputy was not copied into the certificate.

(3) No conveyance of real property certified, proven**,** or lodged for record prior to June 17, 1924, shall be void or invalid because it was not certified, proven, or lodged for record as required by the law in force at the time, if it was certified or proven in the manner prescribed by the Act of 1910 c 82, or by KRS 382.130, 382.140 or 382.150.

➔Section 359. KRS 382.240 is amended to read as follows:

Each instrument that is recorded shall be delivered to the party entitled thereto. The ***regional public records and licensing administrator***~~[county clerk]~~ shall require prepayment of postage for delivery of said instruments at the time they are left for record in his office. If the ***regional public records and licensing administrator***~~[county clerk]~~ is unable to locate the parties entitled thereto, he ***or she*** shall retain the instruments for at least two (2) years. The ***regional public records and licensing administrator***~~[clerk]~~ may then destroy the instruments provided that he ***or she*** shall first make the following announcement by public notice in the newspaper of the largest circulation in the county: "Legal instruments which have been filed for record in the (name of ***area development district***~~[county]~~) ***regional public records and licensing administrator's***~~[county clerk's]~~ office and which have been in the custody of the ***regional public records and licensing administrator***~~[clerk]~~ for over two (2) years must be claimed by the persons entitled thereto within thirty (30) days, or they shall be destroyed." The date of the notice and the name of the ***regional public records and licensing administrator***~~[clerk]~~ shall be appended to the notice. Thirty (30) days after the appearance of the public notice, the ***regional public records and licensing administrator***~~[county clerk]~~ may destroy the instruments.

➔Section 360. KRS 382.250 is amended to read as follows:

If the deputy of any ***regional public records and licensing administrator***~~[county clerk]~~ takes the acknowledgment of a deed or other instrument, and writes thereon the certificate

of acknowledgment, the instrument or deed, together with the certificate of the deputy, shall be recorded. If the deputy only endorses a memorandum of the acknowledgment on the deed or instrument, then the principal ***regional public records and licensing administrator***~~[clerk]~~ shall write the certificate as if the acknowledgment had been taken before him, and the deed or instrument shall be as valid as if the certificate had been written in full by the deputy.

➔Section 361. KRS 382.290 is amended to read as follows:

(1) In recording mortgages and deeds in which liens are retained (except railroad mortgages securing bonds payable to bearer), there shall be left a blank space immediately after the record of the deed or mortgage of at least two (2) full lines for each note or obligation named in the deed or mortgage, or in the alternative, at the option of the ***regional public records and licensing administrator***~~[county clerk]~~, a marginal entry record may be kept for the same purposes as the blank space. Each entry in the marginal entry record shall be linked to its respective referenced instrument in the indexing system for the referenced instruments.

(2) No ***regional public records and licensing administrator***~~[county clerk]~~ or deputy ***regional public records and licensing administrator***~~[county clerk]~~ shall admit to record any mortgage or deed in which liens are retained unless the mortgage or deed in which a lien is retained plainly specifies and refers to the next immediate source from which the mortgagor or grantor derived title to the property or the interest encumbered therein.

(3) When any note named in any deed or mortgage is assigned to any other person, the assignor may, over his own hand, attested by the ***regional public records and licensing administrator***~~[clerk]~~, note such assignment in the blank space, or in a marginal entry record, beside a listing of the book and page of the document being assigned, and when any one (1) or more of the notes named in any deed or mortgage is paid, or otherwise released or satisfied, the holder of the note, and who appears

from the record to be such holder, may release the lien, so far as such note is concerned, by release, over his own hand, attested by the ***regional public records and licensing administrator*** ~~[clerk]~~. Each entry in the marginal entry record shall be linked to its respective referenced instrument in the indexing system for the referenced instrument.

(4) No person who does not, from such record or assignment of record, appear at the time to be the legal holder of any note secured by lien in any deed or mortgage, shall be permitted to release the lien securing any such note, and any release made in contravention of this section shall be void; but this section does not change the existing law if no such entry is made.

(5) For each assignment and release so made and attested by the ***regional public records and licensing administrator*** ~~[clerk]~~, he ***or she shall collect and remit to the State Treasury*** ~~[may charge]~~ a fee pursuant to KRS 64.012 to be paid by the person executing the release or noting the assignment.

(6) If such assignment of a note is made by separate instrument or by deed assigning the note, or in a marginal entry record, the instrument of writing or deed or marginal entry record shall set forth the date of notes assigned, a brief description of notes, the name and post office address of assignee, and the deed book and page of the instrument wherein the lien or mortgage is recorded and the ***regional public records and licensing administrator*** ~~[clerk]~~ or deputy ***regional public records and licensing administrator*** ~~[clerk]~~ receiving such instrument of writing or deed of assignment for record shall at the option of the ***regional public records and licensing administrator*** ~~[county clerk]~~ immediately either link the assignment and its filing location to its respective referenced instrument in the indexing system for the referenced instrument, or endorse at the foot of the record in the space provided in subsection (1) of this section, "The notes mentioned herein (giving a brief description of notes assigned) have been transferred and assigned to (insert name

and address of assignee) by deed of assignment (or describe instrument) dated and recorded in deed book .... page ....," and attest such certificate. For making such notation on the record the ***regional public records and licensing administrator*** ~~[clerk]~~ shall ***collect and remit to the State Treasury*** ~~[be allowed]~~ a fee pursuant to KRS 64.012 for each notation so made, to be paid by the party filing the instrument of writing or deed of assignment.

(7) No holder of a note secured by lien retained in either deed or mortgage shall lodge for record, and no ***regional public records and licensing administrator*** ~~[clerk]~~ or deputy ***regional public records and licensing administrator*** ~~[clerk]~~ shall receive and permit to be lodged for record, any deed or instrument of writing that does not comply with the provisions of this section.

➔Section 362. KRS 382.295 is amended to read as follows:

(1) An instrument containing forms of covenants, conditions, obligations, powers, and other clauses of a mortgage may be recorded in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office of any ***area development district*** ~~[county]~~, and the ***regional public records and licensing administrator*** ~~[county clerk]~~ of ***the*** ~~[such]~~ ***area development district*** ~~[county]~~, upon the request of any person, on tender of the lawful fees therefor, shall record the same. Every such instrument shall be entitled on the face thereof as a "Master form recorded by .... (name of person causing the instrument to be recorded)." The instrument need not be acknowledged to be entitled to record.

(2) When any such instrument is recorded, the ***regional public records and licensing administrator*** ~~[county clerk]~~ shall index the instrument under the name of the person causing it to be recorded in the manner provided for miscellaneous instruments relating to real estate.

(3) After the form mentioned in subsection (1) of this section is recorded, any of the provisions of such master form instrument may be incorporated by reference in any

mortgage of real estate situated within this state, if the reference in the mortgage states that the master form instrument was recorded in the county in which the mortgage is offered for record and states the date when and the book and page or pages where the master form instrument was recorded. The recording of any mortgage which has so incorporated by reference therein any of the provisions of a master form instrument recorded as provided in this section shall have like effect as if the provisions of the master form so incorporated by reference had been set forth fully in the mortgage.

➔Section 363. KRS 382.300 is amended to read as follows:

(1) Every ***regional public records and licensing administrator***~~[county clerk]~~ shall record all deeds, mortgages and powers of attorney that are lodged for record, properly certified, or that are acknowledged or proved before him as required by law. He shall also record the certificates endorsed on such instrument, and shall certify the time when the instrument was lodged in his office for record. If acknowledged or proved before him, he shall also certify the time of acknowledgment or proof, and by whom proved, and that the instrument and the certificate thereon have been duly recorded in his office.

(2) Whenever, either heretofore or hereafter, any recordable instrument of writing bearing the certificate of the clerk showing its recording shall have been copied of record by any photographic, photocopying, or other mechanical process for reproducing on the record the instrument and certificate, the ***regional public records and licensing administrator's***~~[clerk's]~~ signature, by either the ***regional public records and licensing administrator***~~[clerk]~~ or his ***or her*** deputy, so reproduced with such certificate shall have the same effect as if subscribed by the ***regional public records and licensing administrator***~~[clerk]~~ on the record.

➔Section 364. KRS 382.310 is amended to read as follows:

If the office of any ***regional public records and licensing administrator***~~[county clerk]~~

has been vacated, leaving therein any instrument unrecorded, which from an official endorsement thereon appears to have been acknowledged or proved in part, his successor may receive the complete acknowledgment and record the same, stating the facts in his certificate. If any such instrument appears to have been acknowledged or proved ready for record, or to have been acknowledged or proved before another officer, and certified according to law, and lodged in his office for record, or is produced to his successor for record, the successor of such ***regional public records and licensing administrator*** ~~[clerk]~~ shall record the instrument, making his certificate conform to the facts.

➔Section 365. KRS 382.320 is amended to read as follows:

(1) If the office of any ***regional public records and licensing administrator*** ~~[county clerk]~~ has been vacated, leaving any instrument recorded in his office, the original of which has never been taken therefrom, and in the record of which, or the authentication thereof, there is a deviation from the original, the successor shall correct such record by making it an exact copy of the original instrument and authentication.

(2) Whenever the ***regional public records and licensing administrator*** ~~[clerk]~~ who has vacated his office has failed to put his name to the certificate on any instrument which he has recorded, or to the record thereof, and the original has not been removed from his office, the successor shall sign the name of his predecessor to the certificate, and shall make a note on the record at the foot of the certificate, of any act so done.

➔Section 366. KRS 382.330 is amended to read as follows:

No ***regional public records and licensing administrator*** ~~[county clerk]~~ shall record a deed or deed of trust or mortgage covering real property by which the payment of any indebtedness is secured unless the deed or deed of trust or mortgage states the date and the maturity of the obligations thereby secured which have been already issued or which are to be issued forthwith. In the case of obligations due on demand, the requirement of

stating the maturity thereof shall be satisfied by stating that such obligations are "due on demand."

➔Section 367. KRS 382.335 is amended to read as follows:

(1) No ***regional public records and licensing administrator***~~[county clerk]~~ shall receive or permit the recording of any instrument by which the title to real estate or personal property, or any interest therein or lien thereon, is conveyed, granted, encumbered, assigned, or otherwise disposed of; nor receive any instrument or permit any instrument, provided by law, to be recorded as evidence of title to real estate, unless the instrument has endorsed on it, a printed, typewritten, or stamped statement showing the name and address of the individual who prepared the instrument, and the statement is signed by the individual. The person who prepared the instrument may execute his or her signature by affixing a facsimile of his or her signature on the instrument. This subsection shall not apply to any instrument executed or acknowledged prior to July 1, 1962.

(2) No ***regional public records and licensing administrator***~~[county clerk]~~ shall receive or permit the recording of any instrument by which the title to real estate or any interest therein is conveyed, granted, assigned, or otherwise disposed of unless the instrument contains the mailing address of the grantee or assignee. This subsection shall not apply to any instrument executed or acknowledged prior to July 1, 1970.

(3) This section shall not apply to wills or to statutory liens in favor of the Commonwealth.

(4) No ***regional public records and licensing administrator***~~[county clerk]~~ shall receive, or permit the recording of, any instrument by which real estate, or any interest therein, is conveyed, granted, assigned, transferred, or otherwise disposed of unless the instrument complies with the official indexing system of the ***regional public records and licensing administrator or the subsequent uniform system of indexing adopted by all regional public records and licensing administrators,***

adopted pursuant to Section 8 of this Act~~[county]~~. The indexing system shall have been in place for at least twenty-four (24) months prior to July 15, 1994**,** or shall be implemented for the purpose of allowing computerized searching for the instruments of record of the ***regional public records and licensing administrator***~~[county clerk]~~ ***or may be a system adopted in accordance Section 410 of this Act***. If a ***regional public records and licensing administrator***~~[county clerk]~~ requires a parcel identification number on an instrument before recording, the ***regional public records and licensing administrator***~~[clerk]~~ shall provide a computer terminal, at no charge to the public, for use in finding the parcel identification number. The ***regional public records and licensing administrator***~~[county clerk]~~ may make reasonable rules about the use of the computer terminal, requests for a parcel identification number, or both.

(5) The receipt for record and recording of any instrument by the ***regional public records and licensing administrator***~~[county clerk]~~ without compliance with the provisions of this section shall not prevent the record of filing of the instrument from becoming notice as otherwise provided by law, nor impair the admissibility of the record as evidence.

➔Section 368. KRS 382.337 is amended to read as follows:

Any party to a deed or the attorney who prepared the deed or other persons with personal knowledge may execute and file with the ***regional public records and licensing administrator***~~[county clerk]~~ his or her affidavit to correct or supplement information regarding the marital status of any party to a deed, or to supplement or correct information contained in or absent from the acknowledgment or notary portion of a deed, and for no other purpose. Nothing in this section is intended to replace any existing statutory requirement regarding the execution and filing of deeds. The affidavit shall contain the name, address, and signature of the person who prepared the instrument as required by KRS 382.335.

➔Section 369. KRS 382.360 is amended to read as follows:

(1) Liens by deed or mortgage may be discharged by an entry acknowledging their satisfaction on the margin of the record thereof, or in the alternative, at the option of the county clerk, in a marginal entry record, signed by the person entitled thereto, or his or her personal representative or agent, and attested by the ***regional public records and licensing administrator*** ~~[clerk]~~, or may be discharged by a separate deed of release, which shall recite the date of the instrument and deed book and the page wherein it is recorded. Such release in the case of a mortgage or deed of trust shall have the effect to reinstate the title in the mortgagor or grantor or person entitled thereto. Each entry in the marginal entry record shall be linked to its respective referenced instrument in the indexing system for the referenced instruments.

(2) If a lien or mortgage is released by a deed of release, the ***regional public records and licensing administrator*** ~~[clerk]~~ shall immediately, at the option of the clerk, either link the release and its filing location to its respective referenced instrument in the indexing system for the referenced instrument, or endorse on the margin of the record wherein the lien is retained "Released by deed of release (stating whether in whole or in part) lodged for record (giving date, deed book and page wherein such deed of release may be found)" and the ***regional public records and licensing administrator*** ~~[clerk]~~ shall also attest such certificate. The clerk shall cause the original deed of release to be delivered to the mortgagor or grantor or person entitled thereto.

(3) When a mortgage is assigned to another person, the assignee shall file the assignment for recording with the county clerk within thirty (30) days of the assignment and the ***regional public records and licensing administrator*** ~~[county clerk]~~ shall attest the assignment and shall note the assignment in the blank space, or in a marginal entry record, beside a listing of the book and page of the document

being assigned. Provided, however, that an assignee that reassigns the note prior to the thirtieth day after first acquiring the assignment may request that the subsequent assignee file the unfiled assignment with the new reassignment.

(4) Delivering an assignment to the assignee or a lien release to the mortgagor shall not substitute for filing the assignment or release with the ***regional public records and licensing administrator*** ~~[county clerk]~~, as required by this section.

(5) Notwithstanding the provisions of this section, nothing in this chapter shall require the legal holder of any note secured by lien in any deed or mortgage to file a release of any mortgage when the mortgage securing such paid note also secures a note or other obligation which remains unpaid.

(6) Failure of an assignee to record a mortgage assignment shall not affect the validity or perfection, or invalidity or lack of perfection, of a mortgage lien under applicable law.

➔Section 370. KRS 382.365 is amended to read as follows:

(1) A holder of a lien on real property, including a lien provided for in KRS 376.010, shall release the lien in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office where the lien is recorded within thirty (30) days from the date of satisfaction.

(2) An assignee of a lien on real property shall record the assignment in the ***regional public records and licensing administrator's*** ~~[county clerk's]~~ office as required by KRS 382.360. Failure of an assignee to record a mortgage assignment shall not affect the validity or perfection, or invalidity or lack of perfection, of a mortgage lien under applicable law.

(3) A proceeding may be filed by any owner of real property or any party acquiring an interest in the real property in District Court or Circuit Court against a lienholder that violates subsection (1) or (2) of this section. A proceeding filed under this section shall be given precedence over other matters pending before the court.

(4) Upon proof to the court of the lien being satisfied by payment in full to the final lienholder or final assignee, the court shall enter a judgment noting the identity of the final lienholder or final assignee and authorizing and directing the master commissioner of the court to execute and file with the ***regional public records and licensing administrator*** ~~[county clerk]~~ the requisite release or assignments or both, as appropriate. The judgment shall be with costs including a reasonable attorney's fee. If the court finds that the lienholder received written notice of its failure to release and lacked good cause for not releasing the lien, the lienholder shall be liable to the owner of the real property or to a party with an interest in the real property in the amount of one hundred dollars ($100) per day for each day, beginning on the fifteenth day after receipt of the written notice, of the violation for which good cause did not exist. This written notice shall be properly addressed and sent by certified mail or delivered in person to the final lienholder or final assignee as follows:

(a) For a corporation, to an officer at the lienholder's principal address or to an agent for process located in Kentucky; however, if the corporation is a foreign corporation and has not appointed an agent for process in Kentucky, then to the agent for process in the state of domicile of the corporation;

(b) For an individual, to the individual at the address shown on the mortgage, at the lienholder's residence or place of business, or at an address to which the lienholder has directed that correspondence or payoff be sent;

(c) For a trust or an estate, to a fiduciary at the address shown on the mortgage or at an address to which the lienholder has directed that correspondence or payoff be sent; and

(d) For any other entity, including but not limited to limited liability companies, partnerships, limited partnerships, limited liability partnerships, and associations, to an officer, partner, or member at the entity's principal place of

business or to an agent for process.

(5) A lienholder that continues to fail to release a satisfied real estate lien, without good cause, within forty-five (45) days from the date of written notice shall be liable to the owner of the real property or to a party with an interest in the real property for an additional four hundred dollars ($400) per day for each day for which good cause did not exist after the forty-fifth day from the date of written notice, for a total of five hundred dollars ($500) per day for each day for which good cause did not exist after the forty-fifth day from the date of written notice. The lienholder shall also be liable for any actual expense including a reasonable attorney's fee incurred by the owner or a party with an interest in the real property in securing the release of real property by such violation and in securing an award of damages. Damages under this subsection for failure to record an assignment pursuant to KRS 382.360(3) shall not exceed three (3) times the actual damages, plus attorney's fees and court costs, but in no event less than five hundred dollars ($500).

(6) The former holder of a lien on real property shall send by regular mail a copy of the lien release to the property owner at his or her last known address within seven (7) days of the release. A former lienholder that violates this subsection shall be liable to the owner of the real property for fifty dollars ($50) and any actual expense incurred by the owner in obtaining documentation of the lien release.

(7) For the purposes of this section, "date of satisfaction" means that date of receipt by a holder of a lien on real property of a sum of money in the form of a certified check, cashier's check, wired transferred funds, or other form of payment satisfactory to the lienholder that is sufficient to pay the principal, interest, and other costs owing on the obligation that is secured by the lien on the property.

(8) The provisions of this section shall not apply when a lienholder is deceased and the estate of the lienholder has not been settled.

(9) The state licensing agency, if applicable, or any holder of a lien on real property

shall be notified of the disposition of any actions brought under this section against the lienholder.

(10) The provisions of this section shall be held and construed as ancillary and supplemental to any other remedy provided by law.

(11) If more than one (1) owner or party with an interest in the real property brings an action to recover damages under this section, any statutory damages shall be allocated equally among recovering parties in the absence of agreement otherwise among said parties. The entry of a judgment awarding damages shall bar a subsequent action by any other person or entity to recover damages for the same violation.

➔Section 371. KRS 382.380 is amended to read as follows:

If a deed of trust or mortgage is made to a trustee or to a mortgagee to secure the payment of bonds or other obligations to be issued thereafter, the grantor in the deed of trust or the mortgagor in the mortgage, when or before such additional bonds or other obligations are issued, shall cause to be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which such deed of trust or mortgage was first recorded, a statement by the grantor or the mortgagor acknowledged as deeds are required to be acknowledged, setting forth the amount, the date, the maturity and the description of such additional obligations, and until such statement is so lodged for record no such bonds or other obligations shall be issued by the grantor or the mortgagor or certified by the trustee.

➔Section 372. KRS 382.385 is amended to read as follows:

(1) As used in this section:

(a) "Line of credit" means a note, commitment, instrument, or agreement in writing between a lender and a debtor pursuant to which:

1. The lender may extend loans, advances, or other extensions of credit to, or for the benefit of, the debtor; and

2. The total amount of loans, advances, or extensions of credit outstanding may increase or decrease from time to time.

(b) "Revolving credit plan" means an arrangement between a lender and a debtor pursuant to which:

1. The lender may extend credit to the debtor by permitting the debtor to make purchases of goods, services, and anything else of value or obtain loans, from time to time, directly from the lender or indirectly by use of a credit card, check, or other device, as the plan may provide;

2. The unpaid balances of purchases made, the principal of loans obtained, and finance and other appropriate charges are debited to the debtor's account;

3. A finance charge, if made, is not precomputed, but is computed on the outstanding unpaid balances of the debtor's account from time to time; and

4. The lender renders bills or statements to the debtor at regular intervals, which need not be a calendar month (the "billing cycle"), the amount of which bills or statements is payable by and due from the debtor on a specified date stated in the bill or statement or, at the debtor's option, may be paid in installments.

(2) (a) Any mortgage of real property may secure payment of any or all sums due and payable by the debtor under a line of credit or under a revolving credit plan if the mortgage:

1. States, in substance or effect, that the parties intend that the mortgage secures the line of credit or revolving credit plan;

2. Specifies the maximum principal amount of credit which may be extended under the line of credit or the maximum credit limit of the revolving credit plan which, in each case, may be outstanding at any

time or times under the line of credit or plan, and which is to be secured by the mortgage.

(b) The mortgage shall remain in full force and effect until released of record as provided in subsection (5) of this section and the validity, continued effectiveness, and priority of the mortgage shall not be affected or impaired by the fact that no loan, advance, or extension of credit is made at the time of the execution or recordation of the mortgage, or that the outstanding balance due under the line of credit or revolving credit plan secured by the mortgage is zero at any time or times.

(3) Except as provided in paragraphs (a), (b), (c), and (d) of this subsection or in any written subordination or other written agreement entered into by the lender relating to the priority of the mortgage referred to in subsection (2) of this section, the lien of the mortgage referred to in subsection (2) of this section shall be superior to any liens or encumbrances of any kind created or arising after recordation of the mortgage, even to the extent of sums advanced by the lender with actual or constructive notice of a subsequently created lien, but the lien of the mortgage shall be inferior to:

(a) Real estate tax liens and liens for public improvement assessments explicitly stated by statute to be superior to other nontax liens;

(b) Any construction funds advanced under, or any additional indebtedness incurred within the meaning of KRS 382.520 and secured by, the lien of any mortgage recorded prior to the mortgage referred to in subsection (2) of this section;

(c) Any sums specifically authorized to be advanced under any mortgage recorded prior to the mortgage referred to in subsection (2) of this section for, or paid on account of, taxes, charges, fines, and assessments against covering the property described in the mortgage or to effect insurance thereon; or

(d) Valid mechanics' or materialmen's liens, with respect to which all filing and other requirements of KRS Chapter 376 have been satisfied, for the performance of labor or furnishing of materials for those purposes set forth in KRS 376.010(1) with respect to an owner-occupied, single or double-family dwelling, but only to the extent of sums advanced by the lender after the filing of the statement required under the applicable section of KRS Chapter 376.

(4) (a) The debtor or his agent may, at any time or times, request the lender to amend the mortgage to reduce the maximum amount of credit specified in the mortgage referred to in subsection (2) of this section which may be extended under the line of credit or revolving credit plan by sending by certified mail, return receipt requested, or physically delivering to the lender at the address and to the person or department, if any, specified in the agreement establishing the line of credit or revolving credit plan, a written request signed and acknowledged by all debtors obligated under the line of credit or revolving credit plan. The request shall:

1. Specifically, and not by implication, describe the line of credit or revolving credit plan by account or other identifying number and request that the line of credit or plan be amended by reducing the maximum amount of credit which may be extended under the line of credit or the amount of the credit limit of the revolving credit plan which, in either case, may be outstanding from time to time under the line of credit or revolving credit plan, to an amount specified in the notice. The amount may not, however, be less than the balance owing under the line of credit or revolving credit plan at the time the request referred to in this paragraph is received;

2. Identify the real property covered by the mortgage referred to in subsection (2) of this section to which the request relates and give the

date, volume, and first page of the records of the ***regional public records and licensing administrator*** ~~[county clerk]~~ where the mortgage is recorded, which information shall be provided to the debtor within sixty (60) days of recording by the lender; and

3. Be accompanied by funds sufficient to pay the filing fee for recording the amendment referred to in paragraph (b) of this subsection.

(b) Within ten (10) business days after actual receipt of the request referred to in paragraph (a) of this subsection and of the funds sufficient to pay the filing fee, the lender shall record in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ in which the mortgage referred to in subsection (2) of this section is recorded an amendment to the mortgage reflecting the reduction in the maximum amount of credit at any time or times outstanding which may be extended under the line of credit or revolving credit plan secured by the mortgage.

(c) If within the ten (10) day period the lender fails to record the amendment to the mortgage referred to in paragraph (b) of this subsection, the debtor may record a copy of the written request referred to in paragraph (a) of this subsection upon payment of the same filing fee as provided for in an amendment to a mortgage. If the request complies with all the requirements of this section, the recording of the request shall constitute and be deemed to be an amendment to the line of credit or revolving credit plan and the mortgage to the extent described in the request.

(5) The lender shall be obligated to release the lien of the mortgage referred to in subsection (2) of this section:

(a) If the line of credit or revolving credit plan is closed or terminated in accordance with its terms and all amounts owed by the debtor thereunder are paid in full; or

(b) Upon the written request to release the mortgage signed by all debtors or their agents obligated under the line of credit or revolving credit plan, which notice shall be sent by certified mail, return receipt requested, or physically delivered to the lender. The lender shall file a properly executed satisfaction of the mortgage upon payment of the balance owing under the line of credit or revolving credit plan at the time the request is received. From and after the request, the debtor shall have no right to request or demand that the lender extend credit under the line of credit or revolving credit plan, and the lender shall be released from all obligations and commitments to extend credit thereunder.

(6) The provisions of KRS 382.330, 382.365, 382.430, and 382.520 shall not be applicable to the mortgage referred to in subsection (2) of this section.

(7) This section is not exclusive and shall not prohibit the use of other types of mortgages or other instruments given for the purpose of creating a lien on real property permitted by law.

➔Section 373. KRS 382.430 is amended to read as follows:

(1) No mortgage, conveyance, or other instrument or writing constituting a lien or other security for any note or other evidence of indebtedness shall be received for record by any ***regional public records and licensing administrator***~~[county clerk]~~ unless such mortgage, conveyance, or other writing gives a mailing address of the lienholder.

(2) Should there be an assignment of such mortgage, conveyance, or other instrument or writing constituting a lien or other security for any note or other evidence of indebtedness, of record in the ***regional public records and licensing administrator's***~~[clerk's]~~ office, the assignment shall state the address of the assignee.

(3) For the purposes of this chapter, a mortgage that has been recorded with any

regional public records and licensing administrator[~~county clerk~~] shall not be deemed invalid or ineffective as constructive notice for failure to include the county of residence or the principal place of business of the mortgagee or holder of the note or other evidence of indebtedness.

➔Section 374. KRS 382.440 is amended to read as follows:

(1) No action, cross-action, counterclaim, or any other proceeding, except actions for forcible detainer or forcible entry or detainer, commenced or filed in any court of this state, in which the title to, or the possession or use of, or any lien, tax, assessment or charge on real property, or any interest therein, is in any manner affected or involved, nor any order nor judgment therein, nor any sale or other proceeding, nor any proceeding in, nor judgment or decree rendered, in a district court of the United States, shall in any manner affect the right, title or interest of any subsequent purchaser, lessee, or encumbrancer of such real property, or interest for value and without notice thereof, except from the time there is filed, in the office of the ***regional public records and licensing administrator***[~~county clerk~~] of the ***area development district***[~~county~~] in which such real property or the greater part thereof lies, a memorandum stating:

(a) The number of the action, if it is numbered, and the style of such action or proceeding and the court in which it is commenced, or is pending;

(b) The name of the person whose right, title, interest in, or claim to, real property is involved or affected; and

(c) A description of the real property in the county thereby affected.

(2) Such notice may be filed by any party in interest. No notice shall extend to the interest of any person not designated therein, nor to any real property or interest except that described therein, and when any amendment is made in the action or proceeding changing the description of the real property, or interest involved or affected, or extending the claim against the property, the party filing such notice

shall file a new notice.

(3) Where the real property so affected consists of tracts lying in different ***area development districts***~~[counties]~~, a separate notice shall be filed in each ***area development district***~~[county]~~ as to the tract lying in that ***area development district***~~[county]~~.

➔Section 375. KRS 382.470 is amended to read as follows:

Any notice mentioned in KRS 382.440 and 382.450 may be discharged and annulled by an entry to that effect on the margin of the record thereof, or at the option of the ***regional public records and licensing administrator***~~[county clerk]~~, in a marginal entry record kept for the same purpose, signed by the person filing the notice or by his or their attorney of record in the action, or by a writing executed, acknowledged, and recorded in the manner provided for conveyance of land. The ***regional public records and licensing administrator***~~[clerk]~~ shall, at the option of the ***regional public records and licensing administrator***~~[clerk]~~, either link the discharge and its filing location to its respective referenced instrument in the indexing system for the referenced instrument, or enter a memorandum of such discharge on the margin of such record for which he ***or she*** shall ***collect and remit to the State Treasury***~~[charge]~~ a fee pursuant to KRS 64.012, to be paid in advance. Each entry in the marginal entry record shall be linked to its respective referenced instrument in the indexing system for the referenced instrument.

➔Section 376. KRS 382.480 is amended to read as follows:

(1) Notices of tax liens payable to the United States and certificates discharging such liens shall be filed by the collector of internal revenue, in duplicate, in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ within which the property subject to the lien is located.

(2) When a notice of a federal tax lien is filed, the ***regional public records and licensing administrator***~~[county clerk]~~ shall forthwith enter the same in an

alphabetical federal tax lien index, showing on one (1) line the name and residence of the taxpayer named in the notice, the collector's serial number of such notice, the date and hour of filing, and the amount of tax and penalties. He shall endorse on both the original and duplicate copies of the notice the date and hour of filing and shall mail the duplicate to the collector of internal revenue from whom received. The ***regional public records and licensing administrator***~~[county clerk]~~ shall file and keep all original notices so filed, in numerical order, in a file designated "Federal Tax Lien Notices," or in the encumbrance book.

(3) Notices of all other liens payable to the United States, including, but not limited to environmental protection liens, and certificates discharging such liens shall be filed, in duplicate, in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~ within which the property subject to the lien is located.

(4) When a notice of a federal lien as provided by subsection (3) of this section is filed, the ***regional public records and licensing administrator***~~[county clerk]~~ shall forthwith enter the same in an alphabetical federal lien index, showing on one (1) line the name and residence of the property owner named in the notice, identifying the specific lien holder, the date and hour of filing, and the amount of the lien. He shall indorse on both the original and duplicate copies of the notice the date and hour of filing and shall mail the duplicate to the lien holder from whom received. The ***regional public records and licensing administrator***~~[county clerk]~~ shall file and keep all original notices so filed, in numerical order, in a file designated "Federal Lien Notices," or in the encumbrance book.

➔Section 377. KRS 382.490 is amended to read as follows:

(1) When a certificate of discharge of any tax lien issued by the collector of internal revenue is filed in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ where the original notice of the lien is filed, the

regional public records and licensing administrator~~[county clerk]~~ shall enter the certificate, with the date of filing, in the federal tax lien index, on the same line where the notice of the lien so discharged is entered, and shall permanently attach the original certificate of discharge to the original notice of lien. He shall mail the duplicate to the collector of internal revenue from whom received.

(2) When a certificate of discharge of any lien as provided by KRS 382.480(3) is filed, the ***regional public records and licensing administrator***~~[county clerk]~~ shall enter the certificate, with the date of filing, in a federal lien index, on the same line where the notice of the lien so discharged is entered, and shall permanently attach the original certificate of discharge to the original notice of lien. He shall mail the duplicate to the lien holder from whom received.

➔Section 378. KRS 382.500 is amended to read as follows:

The ***regional public records and licensing administrator***~~[county clerk]~~ shall ***collect and remit to the State Treasury***~~[be entitled to receive]~~ from the Internal Revenue Service a fee pursuant to KRS 64.012 for each notice of tax lien so filed, and a like fee for each lien discharged.

➔Section 379. KRS 382.510 is amended to read as follows:

Any ***regional public records and licensing administrator***~~[county clerk]~~ shall receive for record and record any certified copy of any matter in reference to bankruptcy which any Act of Congress of the United States may provide for as being necessary to be filed in the ***area development district***~~[county]~~ wherein lands of a bankrupt are situated in order to be notice of said bankruptcy. Such certified copy shall be recorded in the record of deeds and indexed in the general index of deeds in the name of the bankrupt, as grantor, and in the name of the trustee in bankruptcy or receiver (if any), as grantee. The ***regional public records and licensing administrator***~~[county clerk]~~ shall ***collect and remit to the State Treasury***~~[be entitled to]~~ a fee pursuant to KRS 64.012 for recording each such certified copy, to be paid by the person who offers the copy for recording.

➔Section 380. KRS 382.520 is amended to read as follows:

(1) In all cases where a loan is secured by a real estate mortgage, the mortgage originally executed and delivered by the borrower to the lender shall secure payment of all renewals, extensions, or interest rate modifications of the loan and the note evidencing it, whether so provided in the mortgage or not.

(2) The mortgage referred to in subsection (1) of this section may secure any additional indebtedness, whether direct, indirect, existing, future, contingent, or otherwise, to the extent expressly authorized by the mortgage, if the mortgage by its terms stipulates the maximum additional indebtedness which may be secured thereby. Except as provided in subsection (3) of this section, the mortgage lien authorized by this subsection shall be superior to any liens or encumbrances of any kind created after recordation of such mortgage, even to the extent of sums advanced by a lender with actual or constructive notice of a subsequently created lien, provided, however, any mortgagee upon receipt of a written request of a mortgagor must release of record the lien to secure additional indebtedness as exceeds the balance of such additional indebtedness at the time of the request.

(3) (a) The written request referred to in subsection (2) of this section shall be signed by the mortgagor or his agent or attorney, and shall set forth a description of the real property to which the request relates, the date, parties to, the volume and initial page of the record of the mortgage referred to in subsection (1) of this section, and a description of the nature, amount, and holder of the lien or encumbrance which the mortgagor intends to place upon such real property. The request shall be deemed to have been received by the holder of the mortgage referred to in subsection (1) of this section only when delivered to the holder by certified mail, return receipt requested, at the address of the holder appearing of record on the mortgage or an assignment thereof;

(b) If within ten (10) business days after receipt of the written request referred to

in this subsection, the holder of the mortgage referred to in subsection (1) of this section fails to release that amount of the lien to secure additional indebtedness to the extent described in the request, the mortgagor may record in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ in which the mortgage referred to in subsection (1) of this section is recorded a copy of the written request upon payment of the same filing fee as provided for a release of a mortgage;

(c) If, after a copy of the written request is recorded, an advance is made by the holder of the mortgage referred to in subsection (1) of this section, then the lien of the mortgage for the unpaid balance of the advance so made shall be subordinate to the lien or encumbrance described in the request.

➔Section 381. KRS 382.990 is amended to read as follows:

(1) Any grantor of a deed or any holder of a note who lodges for record a deed, instrument, or deed assigning a note or a deed of release or an instrument wherein there is a release, and any ***regional public records and licensing administrator***~~[county clerk]~~ or deputy ***regional public records and licensing administrator***~~[county clerk]~~ who receives and permits to be lodged for record any such instrument or deed contrary to the provisions of KRS 382.110, 382.120, 382.290, or 382.360, shall be guilty of a violation; the ***regional public records and licensing administrator***~~[clerk]~~ or deputy ***regional public records and licensing administrator*** who actually receives and files the instrument for record shall incur the penalty, but no ***regional public records and licensing administrator***~~[clerk]~~ or deputy ***regional public records and licensing administrator*** shall be fined because of any false or erroneous statement in the instrument filed.

(2) Any person who willfully and fraudulently makes affidavit to any statement mentioned in KRS 382.120, which is false, knowing the statement to be false, shall be guilty of a Class A misdemeanor, and in addition shall be liable to any person

who may be injured by the making, filing, recording, or use of the affidavit.

(3) Any person who causes to be recorded in a ***regional public records and licensing administrator's***~~[county clerk's]~~ office a deed, deed of trust, or mortgage in violation of KRS 382.330, or fails to file the statement required by KRS 382.380, shall be guilty of a Class A misdemeanor.

(4) Any ***regional public records and licensing administrator***~~[county clerk]~~ who records a deed or mortgage in violation of KRS 382.330 shall be guilty of a violation.

(5) Any ***regional public records and licensing administrator***~~[county clerk]~~ who, by himself or deputy, fails to perform any duty enjoined upon him by any of the provisions of KRS 382.110, 382.160, 382.180 to 382.200, 382.210, 382.250, 382.300 to 382.320, 382.360, or 382.370 shall be guilty of a violation.

(6) Any person who knowingly and intentionally gives a false name or address in any instrument or assignment mentioned in KRS 382.430, shall be guilty of a Class A misdemeanor.

(7) Any ***regional public records and licensing administrator***~~[county clerk]~~ who fails to perform his duties under KRS 382.430, shall be guilty of a violation.

(8) Any person who willfully and fraudulently gives a false statement as to the full actual consideration of property or the full estimated value under KRS 382.135, shall be guilty of a Class D felony.

(9) Any mortgage holder that fails to file a deed in lieu of foreclosure pursuant to KRS 382.110(9) shall be guilty of a violation.

➔Section 382. KRS 387.590 is amended to read as follows:

(1) If the respondent is found partially disabled in managing his personal affairs, but not partially disabled or disabled in managing his financial resources, a limited guardian shall be appointed.

(2) If the respondent is found partially disabled in managing his financial resources, but

not partially disabled or disabled in managing his personal affairs, a limited conservator shall be appointed.

(3) If the respondent is found partially disabled in managing both his personal affairs and financial resources, a limited guardian shall be appointed, unless the court considers it in the best interest of the ward to appoint both a limited guardian and a limited conservator.

(4) If the respondent is found disabled in managing his financial resources, but not partially disabled or disabled in managing his personal affairs, a conservator shall be appointed.

(5) If the respondent is found disabled in managing both his personal affairs and financial resources, a guardian shall be appointed, unless the court considers it in the best interest of the ward to appoint both a limited guardian and a conservator.

(6) The order of appointment of a limited guardian, guardian, limited conservator, or conservator shall specify:

(a) The type of guardianship or conservatorship to which the ward is subject;

(b) The name and address of the limited guardian, guardian, limited conservator, or conservator;

(c) The name and address of the standby guardian or conservator, if a standby guardian or conservator is designated;

(d) The specific legal disabilities to which the respondent is subject, if the respondent has been determined to be partially disabled;

(e) The corresponding powers and duties of the limited guardian or limited conservator, if the respondent has been determined to be partially disabled; and

(f) The duration of the term of guardianship or conservatorship.

(7) A limited guardian or limited conservator shall not be appointed for a term greater than five (5) years and may be appointed for a lesser period. A guardian or

conservator may be appointed for a period of unlimited duration.

(8) The judgment of partial disability or disability and the order of appointment shall be filed in the District Court. The judgment shall be indexed by the ***regional public records and licensing administrator*** ~~[county clerk]~~ in the book in which notices of actions and encumbrances are indexed. Unless such judgment is filed and indexed, it shall not constitute notice to any subsequent bona fide purchaser for value, mortgagee, or encumbrancer.

(9) If the respondent is determined to be disabled or partially disabled but no limited guardian, guardian, limited conservator, or conservator is appointed at the hearing, the determination shall have no legal effect.

(10) The rights of which a ward is legally deprived upon a determination of disability in managing his personal affairs and financial resources include but are not limited to the right to dispose of property, execute instruments, enter into contractual relationships, determine his living arrangements, consent to medical procedures, and obtain a motor vehicle operator's license. A ward shall only be deprived of the right to vote if the court separately and specifically makes a finding on the record as established in KRS 387.580(3)(c).

(11) A partially disabled or disabled person for whom a limited guardian, limited conservator, or conservator has been appointed retains all legal and civil rights except those which have by court order been designated as legal disabilities or which have been specifically granted to the limited guardian, limited conservator, or conservator. A person who is partially disabled may be subject to some but not all of the disabilities specified in subsection (10) of this section.

➔Section 383. KRS 391.035 is amended to read as follows:

(1) If real or personal property passes by the laws of intestate succession, or under a will to a beneficiary not named in the will, proceedings may be had in the District Court to determine the persons entitled to the property.

(2) (a) If an estate is in process of administration, the executor, administrator, or any person claiming an interest in the property may file a motion in the District Court where administration is in process. If there is no pending administration or administration has been dispensed with, any person claiming an interest in the property may file a motion in the District Court of the county in which the decedent last resided or, if the decedent was not a Kentucky resident, in the District Court of the county in which the property, or the greater part thereof, is located;

(b) The motion shall set forth all of the facts known to the movant relating to the matter, including the names, ages, and addresses of all persons who are or may be entitled to share in the property and their relationship to the decedent or to the class of beneficiaries entitled to share. The motion shall also describe the property under consideration and an estimate of its value;

(c) The motion shall be served in a manner authorized by the Rules of Civil Procedure for the initiation of a civil action and shall set forth the place and time, which shall not be less than twenty (20) days from the date of service, when the motion will come on for hearing.

(3) Upon the hearing on the motion, any person claiming an interest in the property may introduce proof in support of his claim and the court may entertain the admission of any other relevant evidence to aid the court in determining the persons entitled to share in the property.

(4) After hearing all the evidence, the court shall enter judgment in which the names, ages, and addresses of the persons entitled to share in the property are set forth and the proportionate interest of each. The judgment shall be conclusive evidence of the facts determined therein as against all parties, whether known or unknown, to the proceeding.

(5) In a case where some or all of the property is real property located in this state, a

certified copy of the judgment shall be recorded in the office of the appropriate ***regional public records and licensing administrator***~~[county clerk]~~ in lieu of the affidavit required by KRS 382.120. The judgment shall be conclusive evidence of the facts determined therein as against all parties, whether known or unknown, to the proceeding.

(6) Any party may at any time prior to judgment institute an adversary proceeding in Circuit Court pursuant to KRS 24A.120(2).

(7) Any aggrieved party may, no later than thirty (30) days from the date of the judgment, institute an adversary proceeding in Circuit Court pursuant to KRS 24A.120(2).

(8) Any unknown defendants before the court by constructive service alone shall be entitled to the protection afforded by Civil Rule 4.11.

(9) No proceedings under this section shall be conducted by or before a commissioner of the District Court.

➔Section 384. KRS 392.080 is amended to read as follows:

(1) (a) When a husband or wife dies testate, the surviving spouse may, though under full age, release what is given to him or her by will, if any, and receive his or her share under KRS 392.020 as if no will had been made, except that in such case the share in any real estate of which the decedent or anyone for the use of the decedent was seized of an estate in fee simple at the time of death shall be only one-third (1/3) of such real estate. Such relinquishment shall be acknowledged before an officer authorized to administer oaths under the laws of this state and evidenced by the officer's certificate. The relinquishment and certificate shall be in substantially the following form:

I,_____, am the surviving spouse of _____. Except as provided in KRS 392.080(2), I hereby release what is given to me by the will of my said deceased spouse. I understand I will now receive the share to which I am

entitled pursuant to KRS 392.080.

_____

Surviving Spouse

THE STATE OF _____

COUNTY OF _____

Subscribed to and acknowledged before me by _____, the surviving spouse of _____, this _____day of _____.

_____

(Officer's signature and capacity)

(b) To be effective, such relinquishment and certificate shall be filed both with the clerk of the court which admitted the will of the deceased spouse to probate and the ***regional public records and licensing administrator*** ~~[county clerk]~~ of the ***area development district*** ~~[county]~~ where the will of the deceased spouse was admitted to probate, within six (6) months after the admission of the will to probate. If, within those six (6) months, an action contesting the will is brought, the surviving spouse need not make such relinquishment until within six (6) months succeeding the time when the action is disposed of. Provided, however, the period for renunciation may be extended not exceeding six (6) additional months by order entered by the district court upon application of the surviving spouse for such extension within six (6) months after the date of probate.

(2) Subsection (1) does not preclude the surviving spouse from receiving his or her share under KRS 392.020, in addition to any bequest or devise to him or her by will, if such is the intention of the testator, plainly expressed in the will or necessarily inferable from the will.

➔Section 385. KRS 392.120 is amended to read as follows:

(1) A conveyance or devise of real or personal estate, by way of jointure, may bar the

surviving spouse's interest in the property and estate of the deceased spouse. If, however, the jointure is made before marriage without the surviving spouse's consent, or during the surviving spouse's infancy the surviving spouse may, within twelve (12) months after decedent's death, waive the jointure by written relinquishment, acknowledged or proved before, and left with, the ***regional public records and licensing administrator***~~[county clerk]~~, and have dower, curtesy, or share of the estate as provided by KRS 392.020. A copy of such relinquishment shall be filed with the clerk of the court in which probate was made. When the surviving spouse so demands and receives dower, curtesy or such share of decedent's estate, the estate conveyed or devised in lieu of dower or curtesy shall determine and revert to the heirs or representatives of the grantor or devisor.

(2) Where the surviving spouse is lawfully deprived of jointure, or any part of jointure, and not through any act of the surviving spouse's own, the surviving spouse shall have indemnity for jointure out of decedent's estate.

➔Section 386. KRS 394.035 is amended to read as follows:

(1) A person, or the representative of an incapacitated person or protected person, who is a grantee, donee, surviving joint tenant, person succeeding to a disclaimed interest, beneficiary under a nontestamentary instrument or contract, or appointee under a power of appointment exercised by a nontestamentary instrument, may disclaim in whole or in part the right of transfer to him of any property, or interest therein by delivering or filing a written disclaimer under this section. A surviving joint tenant may disclaim as a separate interest any property or interest therein devolving to him by right of survivorship. A surviving joint tenant may disclaim the entire interest in any property, or interest therein, that is the subject of a joint tenancy devolving to him, if the joint tenancy was created by act of a deceased joint tenant, if the survivor did not join in creating the joint tenancy and he has not accepted a benefit thereunder. The right to disclaim shall survive the death of the

person having it and may be exercised by the personal representative of such person's estate. The disclaimer shall describe the property or interest therein disclaimed, declare the disclaimer and extent thereof, and be signed by the disclaimant.

(2) (a) An instrument disclaiming a present interest shall be delivered or filed no later than nine (9) months after the effective date of the nontestamentary instrument or contract; and a future interest shall be delivered or filed not later than nine (9) months after the event determining that the taker of the property or interest is finally ascertained and his interest is indefeasibly vested. If the person entitled to disclaim does not have actual knowledge of the existence of the interest the instrument shall be delivered or filed not later than nine (9) months after he has actual knowledge of the existence of the interest. The effective date of a revocable instrument or contract is the date on which the maker no longer has power to revoke it or to transfer to himself or another the entire legal and equitable ownership of the interest.

(b) The disclaimer or a copy thereof shall be delivered in person or mailed by registered or certified mail to the transferor or his representative or to the trustee or other person having legal title to, or possession of, the property or interest disclaimed. If real property or an interest therein is disclaimed, a copy of the instrument may be filed for record in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the real estate is situated.

(3) Unless the nontestamentary instrument or contract provides for another disposition, the property or interest therein disclaimed shall devolve as if the disclaimant had died before the effective date of the instrument or contract. A disclaimer relates back for all purposes to that date. A future interest that takes effect in possession or enjoyment at or after the termination of the disclaimed interest takes effect as if the

disclaimant had died before the effective date of the instrument or contract that transferred the disclaimed interest.

(4) (a) The right to disclaim property or an interest therein is barred by an assignment, conveyance, encumbrance, pledge, or transfer of the property or interest, or a contract therefor, a written waiver of the right to disclaim, an acceptance of the property or interest or benefit thereunder, or a sale of the property or interest under judicial sale made before the disclaimer is effected.

(b) The right to disclaim exists notwithstanding any limitation on the interest of the disclaimant in the nature of a spendthrift provision or similar restriction.

(c) The instrument of disclaimer or the written waiver of the right to disclaim is binding upon the disclaimant or person waiving and all persons claiming through or under him.

(5) This section does not abridge the right of a person to waive, release, disclaim, or renounce property or an interest therein under any other statute.

(6) An interest in property existing on July 15, 1980, as to which, if a present interest, the time for filing a disclaimer under this section has not expired, or if a future interest, the interest has not become indefeasibly vested or the taker finally ascertained, may be disclaimed within nine (9) months after July 15, 1980.

(7) This section shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this section among states enacting it.

(8) This section may be cited as the uniform disclaimer of transfers under nontestamentary instruments section.

➔Section 387. KRS 394.110 is amended to read as follows:

A will may be deposited by the person making it, or anyone for him, with the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ of his residence for safekeeping, upon payment of a fee as provided for in KRS 64.012 to the clerk. The clerk shall receive, keep, and deliver the will according to

the directions on a sealed envelope. If there are no such directions, or the party entitled does not apply, the will shall be handed to and opened by the District Court, after the death of the testator, and there retained for probate.

➔Section 388. KRS 394.240 is amended to read as follows:

(1) Any person aggrieved by the action of the District Court in admitting a will to record or rejecting it may bring an original action in the Circuit Court of the same county to contest the action of the District Court. Such action shall be brought within two (2) years after the decision of the District Court. The parties may, in the same action, or in a separate action if the validity of the will is not in issue, seek construction, interpretation or reformation of a will.

(2) Upon filing an adversary proceeding in Circuit Court in matters involving probate whether in a testate or intestate proceeding or an action pursuant to subsection (1) of this section, the plaintiff shall forthwith lodge a notice of the action in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the will was admitted to probate or rejected, or if in an intestate estate in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the estate was probated. Such notice shall state the name of the testator, the style of the action, the court in which the action has been filed, the file number assigned to the action by the clerk of the court in which it has been filed, the nature of the action, and the date on which the action was commenced. Said notice shall be signed by plaintiff or his attorney and no jurat shall be necessary. The ***regional public records and licensing administrator***~~[county clerk]~~ shall record and index said notice as if it were a will.

➔Section 389. KRS 394.300 is amended to read as follows:

(1) Every will or authenticated copy admitted to record by any court shall be recorded by the ***regional public records and licensing administrator***~~[county clerk]~~, and

remain in his ***or her*** office, except during such time as it may be carried to another court under subpoena duces tecum.

(2) (a) A will probated in the court of one Kentucky county and recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ for that ***area development district***~~[county]~~ may be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ for other ***area development districts***~~[counties]~~ without the process of probate in the other county.

(b) Production of an attested copy of the will together with an attested copy of the order of probate shall be required by the ***regional public records and licensing administrator***~~[county clerk]~~ of the other ***area development district***~~[county]~~ before recordation.

(c) The ***regional public records and licensing administrator***~~[clerk]~~ shall make the same charge for recordation as is otherwise provided for recording a will.

➔Section 390. KRS 394.620 is amended to read as follows:

(1) An instrument disclaiming a present interest shall be filed not later than nine (9) months after the death of the decedent or the donee of the power.

(2) An instrument disclaiming a future interest shall be filed not later than nine (9) months after the event that determines that the taker of the property or interest is finally ascertained and his interest indefeasibly vested.

(3) The disclaimer shall be filed in the District Court of the county in which proceedings have been commenced for the administration of the estate of the deceased owner or deceased donee of the power or, if they have not been commenced, in which they could be commenced. A copy of the disclaimer shall be delivered in person or mailed by registered or certified mail to any personal representative, or other fiduciary of the decedent or donee of the power. If real property or an interest therein is disclaimed, a copy of the disclaimer may be

recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the real estate is situated.

➔Section 391. KRS 401.040 is amended to read as follows:

(1) If the District Court, Family Court, or Circuit Court, as authorized by KRS 401.020, orders any person's name to be changed under this chapter, a copy of the order shall be certified by the clerk of that court to the ***regional public records and licensing administrator***~~[county clerk]~~, for record.

(2) The ***regional public records and licensing administrator***~~[county clerk]~~ shall keep an alphabetical index for each book of records, referring to the page on which each person's name change appears, and giving the name from and to which it is changed.

➔Section 392. KRS 402.080 is amended to read as follows:

No marriage shall be solemnized without a license therefor. The license shall be issued by the ***regional public records and licensing administrator***~~[clerk]~~of the ***area development district***~~[county]~~ in which the female resides at the time, unless the female is eighteen (18) years of age or over or a widow, and the license is issued on her application in person or by writing signed by her, in which case it may be issued by any ***regional public records and licensing administrator***~~[county clerk]~~.

➔Section 393. KRS 402.100 is amended to read as follows:

Each ***regional public records and licensing administrator***~~[county clerk]~~ shall use the form prescribed by the Department for Libraries and Archives when issuing a marriage license. This form shall provide for the entering of all of the information required in this section, and may also provide for the entering of additional information prescribed by the Department for Libraries and Archives. The form shall consist of:

(1) A marriage license which provides for the entering of:

(a) An authorization statement of the ***regional public records and licensing***

administrator~~[county clerk]~~ issuing the license for any person or religious society authorized to perform marriage ceremonies to unite in marriage the persons named;

(b) Vital information for each party, including the full name, date of birth, place of birth, race, condition (single, widowed, or divorced), number of previous marriages, occupation, current residence, relationship to the other party, and full names of parents; and

(c) The date and place the license is issued, and the signature of the ***regional public records and licensing administrator***~~[county clerk]~~ or deputy ***regional public records and licensing administrator***~~[clerk]~~ issuing the license.

(2) A marriage certificate which provides for the entering of:

(a) A statement by the person performing the marriage ceremony or the clerk of the religious society authorized to solemnize the marriage ceremony that the ceremony was performed. The statement shall include the name and title of the person performing the ceremony or the name of the religious society solemnizing the marriage, the names of persons married, the date and place of the marriage, and the names of two (2) witnesses;

(b) A statement by the person performing the marriage ceremony of his legal qualification under this chapter to perform the ceremony, such statement to include the name of the county or city where his license to perform marriage ceremonies was issued or, in the case of religious societies authorized by KRS 402.050(c) to solemnize marriages, the name of the city or county where the religious society is incorporated. The provisions of this paragraph shall not be construed to require the clerk of a religious society to be present at the marriage so long as the witnesses of the society are present;

(c) A dated signature of the person performing the ceremony; and

(d) A signed statement by the ***regional public records and licensing***

administrator~~[county clerk]~~ or a deputy ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the marriage license was issued that the marriage certificate was recorded. The statement shall indicate the name of the county and the date the marriage certificate was recorded.

(3) A certificate to be delivered by the person performing the marriage ceremony or the clerk of the religious society performing the marriage ceremony to the parties married. This certificate shall provide for the entering of:

(a) A statement by the person performing the marriage ceremony or the clerk of the religious society performing the marriage ceremony that the ceremony was performed. The statement shall include the name and title of the person performing the ceremony, or the name of the religious society performing the ceremony, the names of persons married, the date and place of the marriage, the names of two (2) witnesses, and the following information as recorded on the license authorizing the marriage: the date the license was issued, the name of the ***regional public records and licensing administrator***~~[county clerk]~~ under whose authority the license was issued, and the ***area development district***~~[county]~~ in which the license was issued; and

(b) A dated signature of the person performing the ceremony or the clerk of the religious society performing the ceremony.

(4) A Social Security number shall be requested as a means of identification of each party but shall not be recorded on the marriage license or certificate. Other means of identification may also be requested if a party does not have a Social Security number. The Social Security number shall be forwarded to the appropriate agency within the Cabinet for Health and Family Services that is responsible for enforcing child support, and the number shall be stored by that agency with a nonidentifying numeric. The Social Security number shall not be available for public release.

➔Section 394. KRS 402.220 is amended to read as follows:

The person solemnizing the marriage or the clerk of the religious society before which it was solemnized shall within one (1) month return the license to the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which it was issued, with a certificate of the marriage over his signature, giving the date and place of celebration and the names of at least two (2) of the persons present.

➔Section 395. KRS 402.230 is amended to read as follows:

The certificate shall be filed in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office. The ***regional public records and licensing administrator***~~[county clerk]~~ shall keep in a record book a fair register of the parties' names, the person by whom, or the religious society by which, the marriage was solemnized, the date when the marriage was solemnized, and shall keep an index to the book in which the register is made.

➔Section 396. KRS 402.240 is amended to read as follows:

In the absence of the ***regional public records and licensing administrator***~~[county clerk]~~, or during a vacancy in the office, the ***a deputy regional public records and licensing administrator or a designee named pursuant to Section 2 of this Act***~~[county judge/executive]~~ may issue the license and, in so doing, he ***or she*** shall perform the duties and incur all the responsibilities of the ***regional public records and licensing administrator***~~[clerk]~~. The ***deputy regional public records and licensing administrator or a designee named pursuant to Section 2 of this Act***~~[county judge/executive]~~ shall return a memorandum thereof to the ***regional public records and licensing administrator***~~[clerk]~~, and the memorandum shall be recorded as if the license had been issued by the ***regional public records and licensing administrator***~~[clerk]~~.

➔Section 397. KRS 402.270 is amended to read as follows:

(1) The Human Resources Coordinating Commission of Kentucky shall prepare a

marriage manual for distribution to all applicants for a marriage license. The manual shall include, but not be limited to, material on family planning, proper health and sanitation practices, nutrition, consumer economics, and the legal responsibilities of spouses to each other and as parents to their children.

(2) When the manual is approved it shall be printed by the Human Resources Coordinating Commission. Copies of the manual shall be sent to the ***regional public records and licensing administrator***~~[county clerk]~~ of each ***area development district***~~[county]~~. Each ***regional public records and licensing administrator***~~[county clerk]~~ shall give a copy to each applicant for a marriage license.

➔Section 398. KRS 402.990 is amended to read as follows:

(1) Any party to a marriage prohibited by KRS 402.010 shall be guilty of a Class B misdemeanor. If the parties continue after conviction to cohabit as man and wife, either or both of them shall be guilty of a Class A misdemeanor.

(2) Any person who aids or abets the marriage of any person who has been adjudged mentally disabled, or attempts to marry, or aids or abets any attempted marriage with any such person shall be guilty of a Class B misdemeanor.

(3) Any authorized person who knowingly solemnizes a marriage prohibited by this chapter shall be guilty of a Class A misdemeanor.

(4) Any unauthorized person who solemnizes a marriage under pretense of having authority, and any person who falsely personates the father, mother, or guardian of an applicant in obtaining a license shall be guilty of a Class D felony.

(5) Any person who falsely and fraudulently represents or personates another, and in such assumed character marries that person, shall be guilty of a Class D felony. Indictment under this subsection shall be found only upon complaint of the injured party and within two (2) years after the commission of the offense.

(6) Any ***regional public records and licensing administrator***~~[clerk]~~ who knowingly

issues a marriage license to any persons prohibited by this chapter from marrying shall be guilty of a Class A misdemeanor and removed from office by the judgment of the court in which he ***or she*** is convicted.

(7) Any ***regional public records and licensing administrator***~~[clerk]~~ who knowingly issues a marriage license in violation of his ***or her*** duty under this chapter shall be guilty of a Class A misdemeanor.

(8) If any deputy ***regional public records and licensing administrator***~~[clerk]~~ or any person other than a ***regional public records and licensing administrator***~~[county clerk]~~ knowingly issues a marriage license in violation of this chapter, but not for a prohibited marriage, he ***or she*** shall be guilty of a Class A misdemeanor, and if he ***or she*** knowingly issues a license for a marriage prohibited by this chapter, he ***or she*** shall be guilty of a Class A misdemeanor.

(9) Any person who violates any of the provisions of KRS 402.090 shall be guilty of a violation.

(10) Any ***regional public records and licensing administrator***~~[county clerk]~~ who violates any of the provisions of KRS 402.110 or 402.230 shall be guilty of a violation.

(11) Any person failing to make the return required of him by KRS 402.220 shall be guilty of a violation.

➔Section 399. KRS 416.130 is amended to read as follows:

(1) Every corporation organized for the purpose of constructing, or empowered to construct, a dam in any stream in this state for the purpose of improving navigation or developing, distributing and selling water power or electricity, and every corporation authorized under the laws of this state to conduct the business of producing and supplying electricity for the purpose of light, heat or power, may cause examinations and surveys to be made for its proposed dams, reservoirs, ponds, locks, bridges, power stations, roads, conduits and transmission lines, as well

as the land that may be overflowed by the erection of any dam or other structure, and for such purposes may, by its officers, agents or servants, enter from time to time upon any lands or waters for the purpose of making such surveys or examinations, subject to liability for actual damage done. Before entering upon any land for such purposes, the corporation shall deposit with the ***regional public records and licensing administrator*** ~~[clerk]~~ of the ***area development district*** ~~[county]~~ in which the property is located, a bond to the Commonwealth in a penal sum fixed by the county judge/executive at not more than double the last assessed valuation of the property to be surveyed or examined, conditioned to indemnify all persons for actual damages sustained on account of making any examination or survey. When the location of the dam or other structure, and the land that may be overflowed by the erection of the dam, is determined, the corporation shall cause a survey and map to be made of the land to be taken and entered upon, which map shall be signed by the president and secretary and filed in the office of the ***regional public records and licensing administrator*** ~~[county clerk]~~ of the ***area development district*** ~~[county]~~ in which the land shown on the map is situated.

(2) When any such corporation cannot, by agreement with the owner, acquire the property rights, privileges or easements needed for any of the uses or purposes referred to in subsection (1) of this section, the corporation may condemn such property, property rights, privileges or easements in the manner provided in the Eminent Domain Act of Kentucky. Any corporation constructing or maintaining such dam shall be liable for any damages resulting from overflowing any property, public or private.

➔Section 400. KRS 416.210 is amended to read as follows:

Any burial association or corporation may, with the approval of the appropriate city, county, urban-county, consolidated local government, or charter county legislative body,

condemn land by first recording, in the ***regional public records and licensing administrator's***~~[county clerk's]~~ office of the ***area development district***~~[county]~~ where the land lies, a resolution that it needs the land to furnish a burial site for the public. It may condemn a sufficient roadway to have access to the land, not wider than one hundred (100) feet. It may also condemn enough land, not exceeding five (5) acres, adjacent to any land used for a cemetery for a chapel site. If the building of any state highway requires a change in the entrance to any cemetery, the burial association or corporation may condemn any adjacent land, not wider than one hundred (100) feet for the new entrance. The condemnation procedure shall be in the Circuit Court of the county pursuant to the Eminent Domain Act of Kentucky. This section shall not permit condemnation of more than forty (40) acres at any one time.

➔Section 401. KRS 422.090 is amended to read as follows:

(1) All discharge papers, including Form DD-214, given, executed or delivered to any person in the military or naval service of the United States, which evidence his discharge from the service of the United States and show the unit or part of the department to which he was attached and from which he was discharged may be recorded in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the person discharged is a resident. Upon the presentation of such discharge papers the ***regional public records and licensing administrator***~~[county clerk]~~ shall record them, without charge therefor, in a suitable book which he shall provide for that purpose.

(2) A certified or attested copy of such recorded discharge is admissible evidence in all proceedings in which such discharge may come in question or in which it might be used as legal evidence of any fact.

(3) It shall be the duty of each ***regional public records and licensing administrator***~~[county clerk]~~ to index alphabetically the name of each person whose

discharge papers are recorded as provided in this section and to keep such index as a permanent record in such office. This index shall be a public record which shall be disclosed to any member of the public. The index shall not be bound with the book in which the discharge papers are recorded, but shall be a separate bound index.

(4) Except as provided in subsections (5) and (6) of this section, discharge papers recorded with the ***regional public records and licensing administrator***~~[county clerk]~~ shall not be public records subject to public disclosure.

(5) Upon presentation of proper identification, the following individuals may be provided with a copy, a certified copy, or an attested copy of discharge papers recorded with the ***regional public records and licensing administrator***~~[county clerk]~~:

(a) The veteran named in the discharge papers;

(b) His or her spouse, widow or widower, child eighteen (18) years of age or older, parent, grandparent, or sibling eighteen (18) years of age or older;

(c) Any person authorized by the veteran;

(d) A guardian, limited guardian, conservator, or limited conservator of a disabled or partially disabled veteran named in the discharge papers;

(e) An individual with power of attorney for the veteran;

(f) A funeral director handling funeral arrangements for the veteran; and

(g) The personal representative of the veteran's estate.

(6) (a) Discharge papers shall be subject to discovery under the federal and Kentucky rules of criminal and civil procedure.

(b) The ***regional public records and licensing administrator***~~[county clerk]~~ shall comply with any proper court order pertaining to discharge papers.

(7) Upon presentation of proper identification, a veteran may ask the ***regional public records and licensing administrator***~~[county clerk]~~ to destroy that veteran's discharge papers. Within fifteen (15) days of receiving the request, the ***regional***

public records and licensing administrator~~[county clerk]~~ shall destroy all copies of the discharge papers in whatever form they are being held.

(8) With regard to military discharge papers, including Form DD-214, filed before July 13, 2004, if a ***regional public records and licensing administrator***~~[county clerk]~~ has commingled such discharge papers with documents unrelated to military discharge, that ***regional public records and licensing administrator***~~[county clerk]~~, in handling such discharge papers, may comply with the provisions in subsections (4), (5), and (6) of this section as well as the provision in subsection (3) of this section that the index shall not be bound with the book in which the discharge papers are recorded but shall be a separate bound index.

(9) The Kentucky Department of Veterans' Affairs shall send a reminder of the provisions of this section to all Kentucky ***regional public records and licensing administrators***~~[county clerks]~~ in January of each year to ensure the confidentiality of veterans' discharge papers.

➔Section 402. KRS 423.010 is amended to read as follows:

(1) The Secretary of State may appoint as many notaries public as he or she deems necessary, who shall hold office for four (4) years. Any resident of the Commonwealth of Kentucky desiring to be appointed a notary public shall make written application to the Secretary of State. The application shall be approved by the Circuit Judge, circuit clerk, county judge/executive, county clerk, justice of the peace, ***regional public records and licensing administrator*** or a member of the General Assembly of the county of the residence of the applicant or in the county in which the applicant's principal place of employment is located. A person who is not a resident of Kentucky but who is employed in Kentucky may become a notary public by making an application to the Secretary of State which has been approved by an officer specified in this section from the county in which the applicant is principally employed in Kentucky. No officer shall charge or accept any fee for

approving the application. A notary public shall be eighteen (18) years of age, a resident of the county from which he or she makes his or her application or be principally employed in the county from which he or she makes his or her application, of good moral character, and capable of discharging the duties imposed upon him or her by this chapter, and the endorsement of the officer approving the application shall so state. The Secretary of State, in his or her certificate of appointment to the applicant, shall designate the limits within which the notary is to act. Before a notary acts, he or she shall take an oath before any person authorized to administer an oath as set forth in KRS 62.020 that he or she will honestly and diligently discharge the duties of his or her office. He or she shall in the same court give an obligation with good security, which shall be proven by a notarized statement from, and not the personal appearance of, the person providing the security, for the proper discharge of the duties of his or her office. Every certificate of a notary public shall state the date of the expiration of his or her commission. The Secretary of State shall give to each notary appointed a certificate of his or her appointment under the seal of the Commonwealth of Kentucky in lieu of a commission heretofore required to be issued to the notary by the Governor of Kentucky, and receive a fee of ten dollars ($10) for the certificate.

(2) A county clerk ***and a regional public records and licensing administrator*** shall have the powers of a notary public in the exercise of the official functions of the office of clerk ***or regional public records and licensing administrator*** within his or her county, and the official actions of the county clerk ***or regional public records and licensing administrator*** shall not require the witness or signature of a notary appointed pursuant to subsection (1) of this section.

➔Section 403. KRS 423.020 is amended to read as follows:

(1) A notary public may exercise all the functions of his office in any county of the state, by filing in the county clerk's ***or the regional public records and licensing***

administrator's office in such county his written signature and a certificate of the county clerk of the county ***or the regional public records and licensing administrator*** for which he was appointed, setting forth the fact of his appointment and qualification as a notary public, and paying a fee pursuant to KRS 64.012 to the county clerk ***or the regional public records and licensing administrator. In the case of the regional public records and licensing administrator, this fee shall be collected and remitted to the State Treasury***.

(2) The county clerk of a county ***or the regional public records and licensing administrator*** in whose office any notary public has so filed his signature and certificate shall, when requested, subjoin to any certificate of proof or acknowledgment signed by the notary a certificate under his hand and seal, stating that such notary public has filed a certificate of his appointment and qualifications with his written signature in his office, and was at the time of taking such proof or acknowledgment duly authorized to take the same; that he is well acquainted with the handwriting of the notary public and believes that the signature to such proof or acknowledgment is genuine.

➔Section 404. KRS 423.050 is amended to read as follows:

Upon the resignation of a notary public or the expiration of his term of office if he is not reappointed, he shall place his record book in the office of the ***regional public records and licensing administrator***~~[county clerk in the county]~~ in which he was appointed, and if a notary dies, his representative shall deposit the record book with the ***regional public records and licensing administrator***~~[clerk aforesaid]~~.

➔Section 405. KRS 426.552 is amended to read as follows:

The clerk, before making the indorsements required by paragraph (d) of subsection (1) of KRS 426.551, shall require the person claiming right thereto to file an affidavit showing his right. If the affiant state that he is a personal representative or successor of a decedent, the clerk shall also require him to file a copy, properly certified, of his appointment as

such by a competent tribunal in the United States; and, unless the appointment was made in Kentucky, the clerk shall also require of him a covenant, with good surety, that he will dispose, according to law, of any property which he may receive upon the execution. If the affiant state that he is a devisee of a decedent, the clerk shall require him to file a copy of the will, certified by a ***regional public records and licensing administrator***~~[county clerk]~~ in this state in which the will or a copy is recorded.

➔Section 406. KRS 426.715 is amended to read as follows:

A lien shall exist on real property sold under an order of court, as security for the purchase money; and, upon payment thereof the clerk shall release the lien on the margin of the record of the deed in the office of the ***regional public records and licensing administrator***~~[county clerk]~~, or at the option of the ***regional public records and licensing administrator***~~[county clerk]~~, in a marginal entry record kept for the same purpose. Each entry in the marginal entry record shall be linked to its respective referenced instrument in the indexing system for the referenced instrument.

➔Section 407. KRS 426.720 is amended to read as follows:

(1) A final judgment for the recovery of money or costs in the courts of record in this Commonwealth, whether state or federal, shall act as a lien upon all real estate in which the judgment debtor has any ownership interest, in any county in which the following first shall be done:

   (a) The judgment creditor or his counsel shall file with the ***regional public records and licensing administrator***~~[county clerk]~~ of any ***area development district***~~[county]~~ a notice of judgment lien containing the court of record entering the judgment, the civil action number of the suit in which the judgment was entered, and the amount of the judgment, including principal, interest rate, court costs, and any attorney fees;

   (b) The ***regional public records and licensing administrator***~~[county clerk]~~ shall enter the notice in the lis pendens records in that office, and shall so note the

entry upon the original of the notice;

(c) The judgment creditor or his counsel shall send to the last known address of the judgment debtor or the judgment debtor's attorney of record, by regular first class mail, postage prepaid, or shall deliver to the debtor personally, a copy of the notice of judgment lien, which notice shall include the text of KRS 427.060 and also the following notice, or language substantially similar: "Notice to Judgment Debtor. You may be entitled to an exemption under KRS 427.060, reprinted below. If you believe you are entitled to assert an exemption, seek legal advice."; and

(d) The judgment creditor or his counsel shall certify on the notice of judgment lien that a copy thereof has been mailed to the judgment debtor in compliance with paragraph (c) of this subsection.

(2) In any action involving real property which is subject to a judgment lien, service may be had upon the judgment creditor by serving the judgment creditor or the judgment creditor's attorney as shown in the notice of judgment lien.

➔Section 408. KRS 431.535 is amended to read as follows:

(1) Any person who has been permitted to execute a bail bond in accordance with KRS 431.520(3)(c) may secure such bond:

(a) By a deposit, with the clerk of the court, of cash, or stocks and bonds in which trustees are authorized to invest funds under the laws of this Commonwealth having an unencumbered market value of not less than the amount of the bail bond; or

(b) By real estate situated in this Commonwealth with unencumbered equity, not exempt and owned by the defendant or a surety or sureties having a fair market value at least double the amount of the bail bond.

(2) If the bail bond is secured by stocks and bonds the defendant or the surety or sureties shall file with the bond a sworn schedule which shall be approved by the

court and shall contain:

(a) A list of the stocks and bonds deposited describing each in sufficient detail that they may be identified;

(b) The present market value of each stock and bond;

(c) The total market value of the stocks and bonds listed;

(d) A statement that the affiant or affiants is the sole owner or owners thereof and that the stocks and bonds listed are not exempt from execution;

(e) A statement that such stocks and bonds have not previously been deposited or accepted as bail in this Commonwealth during the 12 months preceding the date of the bail bond; provided, however, this statement shall not be required of the defendant using his own property as security; or if the surety or sureties using their property as security are related to the defendant by consanguinity no further removed than first cousin; or if the surety or sureties is either a father-in-law, mother-in-law, son-in-law, or daughter-in-law of the defendant; and

(f) A statement that such stocks and bonds are security for the appearance of the defendant in accordance with the conditions of release imposed by the court.

(3) If the bail bond is secured by real estate the defendant or surety or sureties shall file with the bond a sworn schedule which shall contain:

(a) A legal description of the real estate;

(b) A description of any and all encumbrances on the real estate including the amount of each and the holder thereof;

(c) The market value of the unencumbered equity owned by the affiant or affiants;

(d) A statement that the affiant is the sole owner, or in the case of jointly owned real estate, that affiants are the sole owners of such unencumbered equity and that it is not exempt from execution;

(e) A statement that the real estate has not previously been used or accepted as

bail in this Commonwealth during the 12 months preceding the date of the bail bond; provided, however, this statement shall not be required of the defendant using his own property as security; or if the surety or sureties using their property as security are related to the defendant by consanguinity no further removed than first cousin; or if the surety or sureties is either a father-in-law, mother-in-law, son-in-law or daughter-in-law of the defendant; and

(f) A statement that the real estate is security for the appearance of the defendant in accordance with the conditions of release imposed by the court.

(4) The sworn schedule shall constitute a material part of the bail bond. An affiant shall be subject to penalty of perjury if in the sworn schedule he makes a false statement which he does not believe to be true.

(5) A certified copy of the bail bond and schedule of real estate accompanied by the necessary recording fee which shall be paid by the affiant or affiants shall be filed immediately by the clerk of the court requiring the bail bond in the office of the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ in which the real estate is situated. The ***regional public records and licensing administrator***~~[county clerk]~~ shall record such copies of said bail bonds and schedule and the Commonwealth shall have a lien upon such real estate from the date and time of such recordation. The instruments described herein shall be recorded in the miscellaneous encumbrances book provided by the ***regional public records and licensing administrator***~~[county clerk]~~.

(6) If the conditions of release imposed by the court have been performed and the defendant has been discharged from all obligations in the action, the clerk of the court shall return to him or his sureties the deposit of any cash, stocks or bonds. If the bail bond has been secured by real estate, the clerk of the court requiring the bail bond shall forthwith notify in writing the ***regional public records and licensing administrator***~~[county clerk]~~ of the ***area development district***~~[county]~~ where the real

estate is situated and the lien on the real estate shall be discharged and the release thereof recorded in the margin.

➔Section 409. KRS 532.164 is amended to read as follows:

(1) Any convicted person owing fines, court costs, restitution, or reimbursement before or after his release from incarceration shall be subject to a lien upon his interest, present or future, in any real property.

(2) The real property lien shall be filed in the circuit clerk's office of the county in which the person was convicted and shall also be filed by the Commonwealth in any county in which the convicted person is known to own property or reside.

(3) The lien may be foreclosed upon in the manner prescribed in KRS Chapter 426 and shall remain valid until satisfied. The lien shall constitute a charge against the estate of any decedent owing moneys under this chapter.

(4) The attorney for the Commonwealth, and not the crime victim, shall prepare and file lien documents for moneys to be restored to the crime victim. The manner of filing, recording, and releasing the lien shall be consistent with the provisions of KRS Chapter 376.

(5) The attorney for the Commonwealth shall pay to the ***regional public records and licensing administrator***~~[county clerk]~~ a fee pursuant to KRS 64.012 for filing the lien and subsequent release, which shall be assessed as court costs for the filing of any lien upon real estate. ***This fee shall then be remitted to the State Treasury.*** The attorney for the Commonwealth shall notify the appropriate ***regional public records and licensing administrator***~~[county clerk]~~ that the lien has been satisfied within ten (10) days of satisfaction.

(6) A lien under this section shall bear interest at the same rate as for a civil judgment unless the court orders that interest not be awarded. In considering whether interest shall be awarded, the court shall consider the following factors, among others:

(a) The defendant's ability to pay the amount of the interest;

(b) The hardship likely to be imposed on the defendant's dependents by paying the amount of the interest and the time and method of paying it;

(c) The impact that the amount of the interest will have on the defendant's ability to make reparation or restitution to the victim; and

(d) The amount of the defendant's gain, if any, derived from the commission of the offense.

➔Section 410. (1) Within thirty (30) days of the effective date of this Act representatives of the:

(a) Department for Local Government;

(b) Commonwealth Office of Information Technology;

(c) Kentucky Department of Libraries and Archives; and

(d) Department of Revenue

shall meet to examine issues the of:

(a) Personnel needs of regional public records and licensing administrators;

(b) Office space needs of regional public records and licensing administrators;

(c) Consolidation of records;

(d) Public access to records;

(e) Necessity for and number of satellite offices of regional public records and licensing administrators;

(f) Electronic storage and dissemination of records under the control of regional public records and licensing administrators;

(g) Records retention statutes as they relate to the documents held by regional public records and licensing administrators and county clerks;

(h) Initial budgetary requirements to implement this Act; and

(i) Electronic registration of vehicles and early voting.

(2) They shall issue an initial report no later than July 1, 2017. They may, if necessary release supplemental reports on these issues as they deem necessary. This

initial report and any subsequent reports shall be delivered to the:

(a) Respective commissioners of their departments;

(b) Governor's Office of Policy and Management; and

(c) Legislative Research Commission.

➔Section 411. The following KRS sections are repealed:

142.015 Commission of county clerk for collecting taxes.

382.220 General index of real property records in counties containing urban-county government or city with population of 20,000 or more -- Contracts for indexing work.

382.225 Duties of county clerk as to general indexes in certain counties containing city with population of 20,000 or more.

➔Section 412. Sections 9 to 409 and Section 411 of this Act take effect on January 1, 2019.