

1 AN ACT relating to contracts.

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

3 ➔Section 1. KRS 45A.705 is amended to read as follows:

4 (1) There is hereby created a permanent committee of the Legislative Research
5 Commission to be known as the Government Contract Review Committee. The
6 committee shall be composed of eight (8) members appointed as follows: three (3)
7 members of the Senate appointed by the President of the Senate; one (1) member of
8 the minority party in the Senate appointed by the Minority Floor Leader in the
9 Senate; three (3) members of the House of Representatives appointed by the
10 Speaker of the House of Representatives; and one (1) member of the minority party
11 in the House of Representatives appointed by the Minority Floor Leader in the
12 House of Representatives. Members shall serve for terms of two (2) years, and the
13 members appointed from each chamber shall elect one (1) member from their
14 chamber to serve as co-chair. Any vacancy that may occur in the membership of the
15 committee shall be filled by the appointing authority who made the original
16 appointment.

17 (2) On an alternating basis, each co-chair shall have the first option to set the monthly
18 meeting date. A monthly meeting may be canceled by agreement of both co-chairs.
19 The co-chairs shall have joint responsibilities for committee meeting agendas and
20 presiding at committee meetings. A majority of the entire membership of the
21 Government Contract Review Committee shall constitute a quorum, and all actions
22 of the committee shall be by vote of a majority of its entire membership. The
23 members of the committee shall be compensated for attending meetings, as
24 provided in KRS 7.090(3).

25 (3) Any professional, clerical, or other employees required by the committee shall be
26 provided in accordance with the provisions of KRS 7.090(4) and (5).

27 (4) All proposed personal service contracts, tax incentive agreements, and memoranda

1 of agreement received by the Legislative Research Commission shall be submitted
2 to the committee to:

3 (a) Examine the stated need for the service or benefit to the Commonwealth of
4 the motion picture or entertainment production;

5 (b) Examine whether the service could or should be performed by state personnel,
6 for personal service contracts and memoranda of agreement;

7 (c) Examine the amount and duration of the contract or agreement; and

8 (d) Examine the appropriateness of any exchange of resources or responsibilities.

9 (5) If the committee determines that the contract service or agreement, other than an
10 emergency contract approved by the secretary of the Finance and Administration
11 Cabinet or his or her designee, is not needed or inappropriate, the motion picture or
12 entertainment production is not beneficial or is inappropriate, the service could or
13 should be performed by state personnel, the amount or duration is excessive, or the
14 exchange of resources or responsibilities are inappropriate, the committee shall
15 attach a written notation of the reasons for its disapproval or objection to the
16 personal service contract, tax incentive agreement, or memorandum of agreement
17 and shall return the personal service contract, tax incentive agreement, or
18 memorandum of agreement to the secretary of the Finance and Administration
19 Cabinet or his or her designee. The committee shall act on a personal service
20 contract, tax incentive agreement, or memorandum of agreement submitted to the
21 Legislative Research Commission within forty-five (45) days of the date received.

22 (6) Upon receipt of the committee's disapproval or objection to a personal service
23 contract, tax incentive agreement, or memorandum of agreement, the secretary of
24 the Finance and Administration Cabinet or his or her designee shall determine
25 whether the personal service contract, tax incentive agreement, or memorandum of
26 agreement shall:

27 (a) Be revised to comply with the objections of the committee;

1 (b) Be canceled and, if applicable, payment allowed for services rendered under
2 the contract or amendment; or

3 (c) *Be appealed within ten (10) days to the State Treasurer, who shall make a*
4 *final determination within ten (10) days of receipt of the appeal of whether*
5 *the personal service contract, tax incentive agreement, or memorandum of*
6 *agreement shall:*

7 *1. Be revised to comply with the objection of the committee;*

8 *2. Be canceled and, if applicable, payment allowed for services already*
9 *rendered under the contract or amendment; or*

10 *3. Remain effective as originally submitted*~~[Remain effective as originally~~
11 ~~approved].~~

12 ~~(7) [The secretary of the Finance and Administration Cabinet or his or her designee shall~~
13 ~~notify the committee of the action taken on personal service contracts, tax incentive~~
14 ~~agreements, and memoranda of agreement disapproved or objected to within ten~~
15 ~~(10) days from the date the personal service contracts, tax incentive agreement, or~~
16 ~~memoranda of agreement were reviewed by the committee.~~

17 ~~(8)~~ Contracting bodies shall make annual reports to the committee not later than
18 December 1 of each year. The committee shall establish reporting procedures for
19 contracting bodies related to personal service contracts, tax incentive agreements,
20 and memoranda of agreement submitted by the secretary of the Finance and
21 Administration Cabinet or his or her designee.