

1 AN ACT relating to the Department of Military Affairs.

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

3 ➔Section 1. KRS 36.088 is amended to read as follows:

- 4 (1) As used in this section, unless the context requires otherwise:
- 5 (a) "Morale, welfare, and recreation facility" means any post exchange, canteen,  
6 barber shop, fitness center, snack bar, transient housing, billeting operation,  
7 daycare, laundry, or similar facility, the purpose of which is to enhance the  
8 morale and welfare of military personnel;
- 9 (b) "Nonappropriated fund employee" means an employee of a nonappropriated  
10 fund instrumentality who is not an employee of the federal government or the  
11 Commonwealth of Kentucky; and
- 12 (c) "Nonappropriated fund instrumentality" means an enterprise operated  
13 exclusively with funds derived from sales or user fees, which receives no  
14 legislative appropriations for its operations.
- 15 (2) (a) The adjutant general is authorized to establish morale, welfare, and recreation  
16 facilities within the state as in his or her judgment may be necessary and  
17 proper for military purposes.
- 18 (b) Morale, welfare, and recreation facilities may be established at any property  
19 under the control of the Department of Military Affairs.
- 20 (c) As used in this subsection, "property under the control of the Department of  
21 Military Affairs" means any property on the facility installations stationing  
22 plan as maintained by the construction and facilities manager for the Kentucky  
23 National Guard, and includes all armories, training areas, ranges, and other  
24 facilities leased, licensed, or owned by the Department of Military Affairs.
- 25 (3) Notwithstanding any other provision of law to the contrary, the adjutant general is  
26 authorized to establish a nonappropriated fund instrumentality for the purpose of  
27 operating the morale, welfare, and recreation facilities.

- 1 (4) A nonappropriated fund instrumentality established under this section may:
- 2 (a) Contract for goods and services;
- 3 (b) Hire nonappropriated fund employees under terms and conditions as it may
- 4 negotiate, subject only to applicable state and federal labor laws;
- 5 (c) Establish a system of bookkeeping, accounting, and auditing procedures for
- 6 the proper handling of funds derived from its operations; and
- 7 (d) Perform any other action necessary to establish a board, corporation, or other
- 8 entity for the purpose of operating the morale, welfare, and recreation
- 9 facilities.
- 10 (5) A nonappropriated fund instrumentality established under this section is solely
- 11 responsible for its operations. No debt of the nonappropriated fund instrumentality
- 12 is a debt of the Commonwealth. An action of the nonappropriated fund
- 13 instrumentality is not an action of the Commonwealth, and shall not obligate the
- 14 Commonwealth in any manner.
- 15 (6) The adjutant general may promulgate administrative regulations for the operation of
- 16 morale, welfare, and recreation facilities and any nonappropriated fund
- 17 instrumentality established under this section.
- 18 (7) All proceeds derived from the operation of the morale, welfare, and recreation
- 19 facilities within the state shall, after payment of operating expenses,
- 20 notwithstanding any other provision of law to the contrary, be used exclusively to
- 21 benefit the morale, welfare, and recreation facilities.
- 22 (8) Use of the morale, welfare, and recreation facilities provided for in this section is
- 23 limited to:
- 24 (a) Current and retired members of the United States military~~[Kentucky National~~
- 25 ~~Guard]~~ and their eligible dependents; and
- 26 (b) Civilian employees of the United States or the Commonwealth of Kentucky
- 27 working under Department of Military Affairs management or in support of

1 Department of Military Affairs activities.