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Kentucky Administrative Regulations

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Kentucky Constitution

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Section 201

Public utility company not to consolidate with, acquire or operate competing or parallel system -- Common carriers not to share earnings with one not carrying -- Telephone companies excepted under certain conditions.

No railroad, telegraph, telephone, bridge or common carrier company shall consolidate its capital stock, franchises or property, or pool its earnings, in whole or in part, with any other railroad, telegraph, telephone, bridge or common carrier company owning a parallel or competing line or structure, or acquire by purchase, lease or otherwise, any parallel or competing line or structure, or operate the same; nor shall any railroad company or other common carrier combine or make any contract with the owners of any vessel that leaves or makes port in this State, or with any common carrier, by which combination or contract the earnings of one doing the carrying are to be shared by the other not doing the carrying: Provided, however, That telephone companies may acquire by purchase or lease, or otherwise, and operate, parallel or competing exchanges, lines and structures, and the property of other telephone companies, if the state agency as may have jurisdiction over such matters shall first consent thereto, and if, further, each municipality wherein such property or any part thereof is located shall also first consent thereto as to the property within its limits, but under any such acquisition and operation toll line connections with the property so acquired shall be continued and maintained under an agreement between the purchasing company and the toll line companies then furnishing such service, and in the event they are unable to agree as to the terms of such an agreement the state agency as may have jurisdiction over such matters, shall fix the term of such agreement.

Text as Ratified on: November 7, 2000.

History: 2000 amendment was proposed by 2000 Ky. Acts ch. 399, sec. 1; 1917 amendment was proposed by 1916 Ky. Acts ch. 125, sec. 1, and ratified on November 6, 1917; original version ratified August 3, 1891, and revised September 28, 1891.

Section 209

(Repealed 2000)

Catchline at time of repeal: "Railroad Commission -- Election, term, and qualifications of Commissioners -- Commissioners' districts -- Powers and duties -- Removal -- Vacancies.

Repeal Ratified on: November 7, 2000.

History: Repeal was proposed by 2000 Ky. Acts ch. 399, sec. 3; original version ratified August 3, 1891, and revised September 28, 1891.

Section 210

Common carrier corporation not to be interested in other business.

No corporation engaged in the business of common carrier shall, directly or indirectly, own, manage, operate, or engage in any other business than that of a common carrier, or hold, own, lease or acquire, directly or indirectly, mines, factories or timber, except such as shall be necessary to carry on its business, and the General Assembly shall enact laws to give effect to the provisions of this section.

Text as Ratified on: August 3, 1891, and revised September 28, 1891.
History: Not yet amended.

Section 211

Foreign railroad corporation may not condemn or acquire real estate.

No railroad corporation organized under the laws of any other State, or of the United States, and doing business, or proposing to do business, in this State, shall be entitled to the benefit of the right of eminent domain or have power to acquire the right of way or real estate for depot or other uses, until it shall have become a body corporate pursuant to and in accordance with the laws of this Commonwealth.

Text as Ratified on: August 3, 1891, and revised September 28, 1891.
History: Not yet amended.

Section 212

Rolling stock, earnings, and personal property of railroads subject to execution or attachment.

The rolling stock and other movable property belonging to any railroad corporation or company in this State shall be considered personal property, and shall be liable to execution and sale in the same manner as the personal property of individuals. The earnings of any railroad company or corporation, and choses in action, money and personal property of all kinds belonging to it, in the hands, or under the control, of any officer, agent or employee of such corporation or company, shall be subject to process of attachment to the same extent and in the same manner, as like property of individuals when in the hands or under the control of other persons. Any such earnings, choses in action, money or other personal property may be subjected to the payment of any judgment against such corporation or company, in the same manner and to the same extent as such property of individuals in the hands of third persons.

Text as Ratified on: August 3, 1891, and revised September 28, 1891.
History: Not yet amended.

Section 213

Railroad companies to handle traffic with connecting carriers without discrimination.

All railroad, transfer, belt lines and railway bridge companies organized under the laws of Kentucky, or operating, maintaining or controlling any railroad, transfer, belt lines or bridges, or doing a railway business in this State, shall receive, transfer, deliver and switch empty or loaded cars, and shall move, transport, receive, load or unload all the freight in car loads or less quantities, coming to or going from any railroad, transfer, belt line, bridge or siding thereon, with equal promptness and dispatch, and without any discrimination as to charges, preference, drawback or rebate in favor of any person, corporation, consignee or consignor, in any matter as to payment, transportation, handling or delivery; and shall so receive, deliver, transfer and transport all freight as above set forth, from and to any point where there is a physical connection between the tracks of said companies. But this section shall not be construed as requiring any such common carrier to allow the use of its tracks for the trains of another engaged in like business.

Text as Ratified on: August 3, 1891, and revised September 28, 1891.
History: Not yet amended.

Section 214

Railroad not to make exclusive or preferential contract.

No railway, transfer, belt line or railway bridge company shall make any exclusive or preferential contract or arrangement with any individual, association or corporation, for the receipt, transfer, delivery, transportation, handling, care or custody of any freight, or for the conduct of any business as a common carrier.

Text as Ratified on: August 3, 1891, and revised September 28, 1891.
History: Not yet amended.

Section 215

Freight to be handled without discrimination.

All railway, transfer, belt lines or railway bridge companies shall receive, load, unload, transport, haul, deliver and handle freight of the same class for all persons, associations or corporations from and to the same points and upon the same conditions, in the same manner and for the same charges, and for the same method of payment.

Text as Ratified on: August 3, 1891, and revised September 28, 1891.
History: Not yet amended.

Section 216

Railroad must allow tracks of others to cross or unite.

All railway, transfer, belt lines and railway bridge companies shall allow the tracks of each other to unite, intersect and cross at any point where such union, intersection and crossing is reasonable or feasible.

Text as Ratified on: August 3, 1891, and revised September 28, 1891.
History: Not yet amended.

Section 217

Penalties for violating Sections 213, 214, 215, or 216 -- Attorney General to enforce.

Any person, association or corporation, willfully or knowingly violating any of the provisions of Sections 213, 214, 215, or 216, shall, upon conviction by a court of competent jurisdiction, for the first offense be fined two thousand dollars; for the second offense, five thousand dollars; and for the third offense, shall thereupon, ipso facto, forfeit its franchises, privileges or charter rights; and if such delinquent be a foreign corporation, it shall, ipso facto, forfeit its right to do business in this State; and the Attorney-General of the Commonwealth shall forthwith, upon notice of the violation of any of said provisions, institute proceedings to enforce the provisions of the aforesaid sections.

Text as Ratified on: August 3, 1891, and revised September 28, 1891.

History: Not yet amended.

Section 218

Long and short hauls.

It shall be unlawful for any person or corporation, owning or operating a railroad in this State, or any common carrier, to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of property of like kind, under substantially similar circumstances and conditions, for a shorter than for a longer distance over the same line, in the same direction, the shorter being included within the longer distance; but this shall not be construed as authorizing any common carrier, or person or corporation, owning or operating a railroad in this State, to receive as great compensation for a shorter as for a longer distance: Provided, That upon application to the state agency as may have jurisdiction over such matters, such common carrier, or person or corporation owning or operating a railroad in this State, may in special cases, after investigation by the appropriate state agency, be authorized to charge less for longer than for shorter distances for the transportation of passengers, or property; and the appropriate state agency may, from time to time, prescribe the extent to which such common carrier, or person or corporation, owning or operating a railroad in this State, may be relieved from the operation of this section.

Text as Ratified on: November 7, 2000.

History: 2000 amendment proposed by 2000 Ky. Acts ch. 399, sec. 2; original version ratified August 3, 1891, and revised September 28, 1891.

Section 230

Money not to be drawn from Treasury unless appropriated -- Annual publication of accounts -- Certain revenues usable only for highway purposes.

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No money shall be drawn from the State Treasury, except in pursuance of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published annually. No money derived from excise or license taxation relating to gasoline and other motor fuels, and no moneys derived from fees, excise or license taxation relating to registration, operation, or use of vehicles on public highways shall be expended for other than the cost of administration, statutory refunds and adjustments, payment of highway obligations, costs for

construction, reconstruction, rights-of-way, maintenance and repair of public highways and bridges, and expense of enforcing state traffic and motor vehicle laws.

Text as Ratified on: November 6, 1945.

History: 1945 amendment was proposed by 1944 Ky. Acts ch. 9, sec. 1; original version ratified August 3, 1891, and revised September 28, 1891.

House Bill 221

AN ACT relating to wastewater.

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) The General Assembly finds that regionalization of utility services can benefit Kentuckians by sharing the capital and operating costs of facilities among many users while protecting and enhancing the water quality of the Commonwealth's watersheds, creeks, lakes, and rivers. The General Assembly additionally finds and declares that:

(a) Continued economic growth in the Commonwealth is dependent upon the expansion of infrastructure to promote industrial, commercial, and residential development;

(b) Industrial, commercial, institutional, and residential development must be undertaken in a manner consistent with applicable planning, and in a manner that safeguards the waters of the Commonwealth from pollution;

(c) The challenges of improving and safeguarding the quality of the Commonwealth's watersheds, creeks, streams, lakes, and rivers through improvements in wastewater infrastructure and expanded wastewater treatment capacity favor a cooperative, regional approach;

(d) The Base Realignment and Closure (BRAC) Commission has realigned the mission at Fort Knox, a one hundred nine thousand (109,000) acre military reservation located in three (3) counties of the Commonwealth, resulting in significant economic expansion in the region encompassing the post;

(e) The ongoing regional economic expansion in the Fort Knox area of Hardin, Bullitt, and Meade counties resulting from BRAC, and the industrial, commercial and residential development throughout the Salt River Basin, including expansion in the adjacent counties of Oldham,

Spencer, Jefferson, and Nelson, provide a unique opportunity to illustrate the advisability of adopting a regionally integrated approach to wastewater management as a cost-effective and more affordable way to preserve Kentucky's water resources; and

(f) It is therefore the intent of the General Assembly to authorize the creation of a regional wastewater commission in accordance with Sections 1 to 12 of this Act, within the counties of Bullitt, Hardin, Jefferson, Meade, Nelson, Oldham, and Spencer, or portions of those counties, for the purposes of preserving water quality and developing infrastructure in the Salt River Basin sufficient to promote and sustain industrial, commercial, and residential development.

(2) Sections 1 to 12 of this Act shall constitute full and complete authority for the creation of a regional wastewater commission and for carrying out the powers and duties of the commission.

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

As used in Sections 1 to 12 of this Act, the following definitions shall apply:

(1) "Commission" means a regional wastewater commission established pursuant to Section 3 of this Act;

(2) "Member entity" means any of the following entities located in the counties of Bullitt, Hardin, Jefferson, Meade, Nelson, Oldham, or Spencer, that are participating in or that are eligible to participate in a regional wastewater commission:

(a) A city that owns a wastewater system;

(b) An urban-county government that owns a wastewater system;

(c) A sanitation district created pursuant to KRS Chapters 67 and 220;

(d) A metropolitan sewer district or a joint sewer agency established under KRS

Chapter 76;

(e) A water district that owns a wastewater system established under KRS

Chapter 74; and

(f) An agency of the federal, state, or local government owning a wastewater system subject to regulation by the Kentucky Division of Water;

(3) "Organizing official" means the chief elected official of the unit of general purpose local government having the greatest population to be served by the proposed regional wastewater commission. The organizing official may be a county judge/executive, a city mayor, or a mayor of an urban-county government or a consolidated local government; and

(4) "Wastewater" means raw, untreated, or partially treated sewage and other polluted waters collected by lateral and main lines from residential, commercial, and industrial customers of wastewater systems owned by or under contract with a member entity of a commission and properly conveyed to designated receiving points for further transportation or treatment. "Wastewater" includes stormwater.

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

(1) Any two (2) or more member entities owning wastewater systems may jointly:

(a) Acquire and construct wastewater collection, transportation, and treatment facilities;

(b) Operate and manage those facilities; and

(c) Improve and extend those facilities in any manner permitted under law.

(2) The governing body of a member entity owning a wastewater system that wants to form a regional wastewater commission shall adopt a resolution or ordinance electing to participate with other member entities to perform any of the functions authorized under subsection (1) of this section.

- (3) Upon the adoption of an ordinance or resolution by the governing body of each member entity or a decision by a local, state, or federal agency owning a wastewater system to participate in a commission, a certified copy of each member entity's action shall be filed with the organizing official.
- (4) Prior to the adoption by the governing body of any member entity of a resolution or ordinance proposing participation in a commission, that governing body shall publish notice in accordance with KRS Chapter 424 and shall set a date for a public hearing regarding the creation of the commission and shall give at least thirty (30) days' prior notice of the hearing. The notice shall include, at a minimum:
- (a) An explanation of the scope of the geographic area proposed to be served by a commission; and
- (b) A description of the anticipated benefits to the residents in the geographic area served by the member entity of membership by that entity in a commission.
- A resident, sewer customer, or citizen of the Commonwealth affected by a member entity proposing to establish a commission may submit written or oral comments and objections to the member entity, which shall provide a written statement of consideration of comments received.
- (5) The member entity shall enter an order of decision along with specific findings for the decision. The organizing official among the member entities seeking to form a commission shall establish the commission designating it as a "regional wastewater commission" if, after the public hearing and consideration of all comments and objections received, those member entities have adopted a resolution or ordinance, as appropriate, finding that:
- (a) The establishment of a commission is in the furtherance of the public health, convenience, and benefit to the customers of the member entities

proposing the creation of the commission; and

(b) The establishment of a commission can reasonably be expected to result in the improvement of the environment over that which would occur in the absence of the formation of the commission.

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

(1) After establishment of a commission, the chief executive officer of each member entity shall appoint one (1) commissioner to represent that member entity. A commissioner shall be a customer, a resident, or an authorized representative of the member entity, and shall be a resident of the county where the member entity that the commissioner is appointed to represent is located. The appointment shall be subject to the approval of the governing body of that member entity.

(2) There shall be no fewer than three (3) commissioners appointed by member entities to a commission, and the commission shall always have an odd number of commissioners. If the total number of commissioners is less than three (3) or is an even number, then the legislative bodies for the geographic areas served by the two (2) member entities shall jointly appoint one (1) additional member. The additional member shall be a resident of either of the service areas of the two (2) member entities.

(3) Commissioners shall serve a term of four (4) years and may be reappointed. Terms shall commence from the first day of the month when the order establishing the commission was entered. Upon the expiration of a commissioner's term, a successor shall be appointed in the manner of the commissioner's original appointment. Each commissioner shall serve until a qualified successor is appointed, and any vacancy shall be filled for the balance of the unexpired term.

(4) Initial commissioners shall serve the following terms:

- (a) One-third (1/3) of the commissioners shall serve for a term of two (2) years;
- (b) One-third (1/3) of the commissioners shall serve for a term of three (3) years; and
- (c) The remaining commissioners shall serve for a term of four (4) years.

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

- (1) Any entity listed in subsection (2) of Section 2 of this Act that did not participate in the initial creation of the commission may elect to participate in the operation and appoint a commissioner to an existing commission. To elect participation, the governing body of the prospective member entity shall follow the process set forth in subsections (2) to (5) of Section 3 of this Act.
- (2) After the process set forth in subsections (2) to (5) of Section 3 of this Act is complete, inclusion of the prospective member entity in the existing commission shall be granted if the organizing official finds that such inclusion:
 - (a) Satisfies the criteria set forth in subsection (5)(a) and (b) of Section 3 of this Act; and
 - (b) Will assist in achievement of the purposes of this Act and will be advantageous both for the customers of the prospective member entity and for the customers of the existing member entities of the commission.
- (3) If inclusion is granted, the organizing official shall enter an order authorizing the inclusion of the member entity. The chief executive officer of the member entity shall appoint a commissioner to the commission in accordance with the process and restrictions set forth in Section 4 of this Act.
- (4) The term of the newly appointed commissioner shall be determined in accordance with subsection (4) of Section 4 of this Act, but may be adjusted by the commission so that no more than one-third (1/3) of the terms of the commissioners expire each year.

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

- (1) The commission shall organize by appointing a chair from among its members and a secretary and a treasurer, who need not be commissioners. The secretary shall keep a record of all proceedings of the commission. The treasurer shall be the lawful custodian of all funds of the commission and shall make expenditures as authorized by the commission. The secretary and treasurer shall perform other duties pertaining to the affairs of the commission and may receive salaries prescribed by the commission.
- (2) The commission shall:

 - (a) Adopt bylaws and rules of procedure;
 - (b) Establish a regular meeting time, date, and location; and
 - (c) Decide upon other matters for conduct of its business.
- (3) The commission may employ and fix reasonable compensation for a qualified general manager and other personnel comparable to the salary and benefits of the personnel for similarly sized wastewater entities based on regional or national standards. The commission may contract with and fix reasonable compensation for the services of officers, agents, operators, and consultants, including engineers, attorneys, accountants, fiscal agents, and other professional persons.
- (4) Each commissioner shall receive the same compensation fixed by agreement among the member entities and paid out of the commission's funds. Reasonable expenses incurred by a commissioner in the course of commission business shall be authorized and verified by the commission and shall be paid with commission funds.
- (5) Each commissioner shall have one (1) vote on matters requiring a vote. The commissioners, secretary, treasurer, and general manager shall be bonded for faithful performance of his or her official duties pursuant to Section 14 of this

Act. Bond shall be in an amount prescribed by the commission, shall be comparable to bonds required of individuals among the member entities, and the cost of bonding shall be borne by the commission.

(6) Commission meetings and records shall be subject to KRS 61.805 to 61.850 and 61.870 to 61.884, respectively.

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

(1) A commissioner may be removed for cause by the chief executive officer of the member entity he or she represents. The chief executive officer shall give the commissioner thirty (30) days' written notice of the hearing. The notice shall identify the charges brought against that commissioner, and the hearing shall be conducted by an impartial hearing officer appointed by the governing body of the member entity. The commissioner may elect to be represented by private legal counsel and shall bear any cost associated with private legal counsel.

(2) After a formal evidentiary hearing under subsection (1) of this section, the hearing officer shall submit written findings to the governing body of the member entity for approval or disapproval. If the governing body approves the charges brought against the commissioner, then the position shall be declared vacant.

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

(1) Any member entity of the commission may withdraw its participation by submitting an ordinance or resolution, as appropriate, of its governing body to all member entities at least ninety (90) days prior to the effective date of the withdrawal, conditioned solely upon that member having made prior payment in full or making other financial arrangements agreeable to the member entities to meet contract obligations, retire any cost, or pay any portion of any debt or other obligations incurred on its behalf by the commission.

(2) Vacancies on the commission that result from a withdrawal of a member entity shall be filled in the manner prescribed in Section 4 of this Act.

➔SECTION 9. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) The commissioners shall constitute the managing board of the commission. The commission shall be a public corporation, and a public body corporate and politic, and a local public agency with the powers and duties in its corporate name to:

(a) Execute contracts or be contracted with;

(b) Sue and be sued;

(c) Adopt and alter its corporate seal, at its own pleasure;

(d) Make loans and issue and repay revenue bonds, or other instruments of indebtedness;

(e) Receive proceeds from loans and grants;

(f) Purchase, acquire, own, hold, and dispose of all real and personal property necessary for carrying out its corporate purposes; and

(g) Exercise any powers, duties, and requirements for carrying out its corporate purposes in the manner prescribed in KRS 58.010 to 58.190 and Chapter 224A.

(2) The commission shall have full and complete supervision, management, and control over all of its facilities. The commission shall prescribe standards for the quality and characteristics of the wastewater it accepts into its facilities including standards as are required under state and federal law. All matters relating to the following shall be clearly set forth in commission policy and procedures and promulgated to the governing bodies of all the member entities of the commission:

(a) Procurement of professional services;

(b) Construction of facilities;

(c) Accepting, metering, conveying, and treating influent from all waste streams; and

(d) Handling of treatment process solids and effluent.

(3) It shall be the role and duty of the commission to:

(a) Plan for and provide site and technology appropriate facilities and services relating to any type or aspect of wastewater collection, transportation, or treatment to achieve the best benefit for the customers of its member entities;

(b) Protect and enhance the environmental quality of the watershed in which those facilities and services are located;

(c) Actively participate in the planning activities of the 2020 water management planning councils established pursuant to KRS Chapter 151, that serve the regions in which the commission has facilities;

(d) Use the configuration of available and proposed wastewater facilities that is the most cost-effective in safeguarding the waters of the Commonwealth from pollution, and providing wastewater infrastructure appropriate for the customers of the member entities; and

(e) Assure that any construction or expansion of any wastewater facility proposed by a commission is consistent with the regional facilities plan adopted by the member entities of the commission and approved by either the Division of Water or the United States Environmental Protection Agency.

(4) For the purpose of ensuring proper collection, transportation, and treatment of wastewater and in the furtherance of its purpose, the commission may collect and treat or contract with others to collect and treat any portion of its overall waste load.

- (5) The commission's property and income, along with any bonds or financial instruments issued by the commission or income derived from those bonds or financial instruments, shall be exempt from taxation.
- (6) The commission shall adopt and comply with KRS 45A.343, 45A.345 to 45A.360, 45A.735, 45A.740, 45A.745, and 45A.750 of the Kentucky Model Procurement Code and conduct all its business and financial activities according to approved governmental fiscal procedure. The commission shall procure the services of a certified public accountant to conduct an audit of all funds and fiscal transactions annually, providing copies of the audit report to the governing bodies of its member entities.

➔SECTION 10. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

- (1) The commission shall provide all services on a wholesale contract basis and shall have no retail customers. The commission shall not be deemed a utility under KRS 278.010(3), but any contract between a commission and a utility that is regulated by the Public Service Commission regarding provision of services that would result in an increase in the rates paid by customers of that utility shall be subject to review and approval by the Public Service Commission in accordance with KRS Chapter 278. Contracts entered into between the commission and its member entities or other parties shall include covenants for the establishment of rates and charges as provided in subsection (5) of this section.
- (2) In addition to providing services to its member entities by contract, the commission may contract with cities, city-owned utilities, urban-county governments, consolidated local governments, sanitation districts, Metropolitan sewer districts, joint sewer agencies, water districts, and agencies of local, state, and federal government that are not members of the commission. The commission may contract to provide services to wastewater entities in

neighboring states that are not members of the commission under terms mutually agreed upon by the respective parties.

(3) The commission shall not enter into a service contract with any entity that is obtaining the same wastewater collection, transportation, or treatment services by agreement with another wastewater service provider that has incurred debt obligations to be retired in whole or in part from revenue generated from providing the service to the entity unless the wastewater service provider releases the entity from its wastewater service agreement.

(4) All services provided by the commission to member entities or other parties shall be set out in contracts that shall contain, at minimum, the following elements:

- (a) A comprehensive description of any type of services to be provided;
- (b) A statement of term, with beginning and ending times, dates, and a specific delineation of automatic term extensions of the contract, if any;
- (c) A provision that the commission shall be the exclusive service provider for all or a designated geographic portion of a member entity's wastewater collection system;
- (d) Statements that:
 - 1. All service shall be metered at each point of service and that the contractee shall be responsible for initial capital costs and construction of metering stations subject to the commission's specifications;
 - 2. The commission shall take ownership and provide security for all metering stations for purposes of management;
 - 3. The commission shall arrange for testing of all meters according to manufacturer's recommended schedule;
 - 4. Testing and metering station maintenance costs shall be shared equally between the commission and the contractee;

- 5. Metering stations shall be accessible to both parties; and
- 6. Meters shall be read at least monthly or more often according to a mutually agreed upon schedule;
- (e) A statement setting out allowed minimum volumes, if any, and allowed maximum volumes expressed in gallons per minute for each meter;
- (f) Identification of collected wastewater sources and allowed quality of influent to commission facilities at each meter;
- (g) A statement of rates and charges for access to services, for allowed minimum volumes, if any, expressed in dollars per thousand gallons, and for allowed maximum volumes, expressed in dollars per thousand gallons;
- (h) A statement that all rates or charges are subject to adjustment based on periodic cost-of-service analyses and an associated cost-allocation plan funded equitably between the commission and contractees, and a statement that any rates and charges adjustment that may occur in the interim between the times of full cost-of-service analyses with cost-allocation plans, if any, are subject to clauses citing time frames, volumes of influent, or other triggering elements tied to designated indexing method and proper notice;
- (i) A requirement that either party provide immediate notification to the other party regarding changes in volume or the quality of influent, instances of mechanical failure, or other critical circumstance affecting operations when and as changes are known or can be reasonably anticipated;
- (j) A statement regarding any modifications or restrictions in service by either the commission or the contractee during emergencies;
- (k) A statement delineating any special condition binding one (1) or both parties, or citation of a particular action that, if taken by either party or if either party allows a third party to take, will constitute a breach of contract

or invoke specifically identified penalties;

(l) A statement requiring both parties to provide current contact information of the respective parties' agents for both administrative matters and for emergencies; and

(m) A statement that the commission and the governing body of the contractee agree to meet at least annually to review any contract issues, assess service delivery, and plan for future service needs.

(5) Any contract entered into by the commission to supply designated wastewater services to either a member entity or other party shall provide that charges assessed by the commission and payments made by the entity or party shall be sufficient to cover all costs associated with the service. The commission's rates and charges may be modified to compensate for increased operating costs, pursuant to covenants set forth in contract. Contracts for services shall be fully binding on the parties but shall not be construed to be a debt of the commission member entities within the meaning of any statutory or constitutional limitations.

(6) If a commission contracts for management of a wastewater facility owned by a member entity or other party, the commission shall become a signatory on any federal, state, or local wastewater-related permits issued to and held by that member entity or other party.

➔SECTION 11. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) The rates and charges to be assessed by the commission to its member entities and other parties shall be the verified cost of providing the services as prescribed in this section, and shall be allocated based on usage and the cost of service. However, the commission may negotiate and establish temporary initial service terms without strict regard to actual dollar cost or value in every instance in furtherance of its basic purpose to assist the member entities in providing

wastewater services and protect the environment.

(2) The commission shall establish wholesale charges and rates for its services to its member entities and to any other party to which it provides service under contract that is sufficient at all times to:

(a) Pay the cost of operation and maintenance of any facility that it may own or lease to provide wastewater services contracted to its member entities or other parties;

(b) Pay the principal and interest on any bonds, loans, or other instruments or obligations secured in the name of the commission; and

(c) Provide an adequate fund for renewals, replacements, and reserves.

(3) The commission's procedure for establishing or changing rates and charges levied on member entities and other parties that contract for service shall be as follows:

(a) Every five (5) years, or more often if circumstances warrant, the commission shall procure, pursuant to KRS 45A.343, 45A.345 to 45A.460, 45A.735, 45A.740, 45A.745 and 45A.750 the professional consulting services of an independent accounting firm or individual accountant qualified and experienced in conducting cost-of-service studies. The commission shall invite the governing body of each member entity to designate a special representative to participate in the consultant selection process;

(b) The firm or individual selected in consultation with the commission's designated engineers, operators, and other knowledgeable individuals shall perform a cost-of-service study to:

1. Determine the actual or probable cost of operating and maintaining the commission's respective wastewater facilities;

2. Determine the cost of servicing any associated debt obligations and

administrative costs;

3. Devise a comprehensive cost allocation plan and recommend that the commission establish and levy specific rates for treatment services and appropriate charges for other services to offset these costs; and

4. Devise and recommend a standard method of formulary whereby the commission may conduct regular financial analyses internally, based on sound accounting policy, allowing for the application of inflation indices and other equitable methods of determining service rates;

(c) The commission shall determine final rates and charges based on:

1. The cost-of-service study and recommendations of the consultant; and

2. Consultation with the governing bodies of member entities during the cost-of-service study;

(d) Initial rates and charges and any subsequent changes to rates and charges shall be approved by the commission; and

(e) The commission shall provide not less than sixty (60) days' written notice to the governing bodies of the member entities prior to the effective date of any change in rates or charges for service.

➔SECTION 12. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

(1) For the purpose of acquiring all or part of the facilities necessary to collect, transport, and treat wastewater, the commission may purchase facilities and equipment from member entities and others for mutually agreed upon terms not to exceed the actual value of the facilities and equipment. Notwithstanding any provision of law to the contrary, a member entity of the commission or other entity may convey ownership of the facility or equipment to the commission without an election or voter approval.

(2) If a member entity has any outstanding debt obligation related to any facility or

equipment proposed to be acquired by the commission, the commission may either make sufficient purchase payment to the owner to cover debt obligations or assume the debt obligations in its name pursuant to a sales agreement and any other instruments deemed appropriate by legal counsel. If the commission makes cash payment to the owner for the equipment or facility, it shall be a condition of sale that any outstanding debt obligation associated with the equipment or facility be retired by the owner at the time of sale.

(3) The commission may secure funding from state and federal grants and loan programs, nonprofit associations, and private lending institutions and may issue revenue bonds to acquire, construct, improve, or extend facilities for the collection, transportation, or treatment of wastewater. Loans and bonds shall be payable solely from the revenues derived pursuant to contracts for wastewater collection, transportation, and treatment services with member entities or other entities.

(4) For the purpose of securing appropriate sites, facilities, and required funding, the commission shall be vested with all the powers, duties, and responsibilities as delegated and granted to a governmental agency under the terms and provisions of KRS 58.010 to 58.190 and Chapter 224A.

(5) A commission shall not assume responsibility for payment of any fines or penalties incurred by a member entity or other party and owed at the time of formation of a commission or contracting with that party, as a result of an agreed order, enforcement action, or other resolution of alleged violation of any provision of the Clean Water Act.

➔Section 13. KRS 58.010 is amended to read as follows:

As used in KRS 58.010 to 58.140, unless the context requires otherwise:

- (1) "Public project" means any lands, buildings, or structures, works or facilities (a) suitable for and intended for use as public property for public purposes or suitable

for and intended for use in the promotion of the public health, public welfare or the conservation of natural resources, including medical office buildings contiguous to hospital facilities, and shall also include the planning of any such lands, buildings, structures, works or facilities; or (b) suitable for and intended for use for the purpose of creating or increasing the public recreational, cultural and related business facilities of a community, including such structures as concert halls, museums, stadiums, theaters and other public facilities, together with related and appurtenant parking garages, offices and office buildings for rental in whole or in part to private tenants, dwelling units and apartment buildings for rental in whole or in part to private tenants, commercial and retail businesses, stores or other establishments, and any structure or structures or combination of the foregoing, or other structures having as their primary purpose the creation, improvement, revitalization, renewal or modernization of a central business or shopping community, and shall also include existing lands, buildings, structures, works and facilities, as well as improvements or additions to any such lands, buildings, structures, works or facilities.

- (2) "Public project" as defined herein shall include projects intended for use as public property for public purposes by another governmental agency, including the United States government, other than the governmental agency acquiring the land or constructing the building, structure or facility.
- (3) "Governmental agency" means the Commonwealth of Kentucky as such acting by or through any department, instrumentality or agency thereof, or any county, city, agency, or instrumentality, including a regional wastewater commission established under Sections 1 to 12 of this Act, or other political subdivision of the Commonwealth.

➔Section 14. KRS 65.067 is amended to read as follows:

- (1) All officers, officials, and employees of cities, counties, urban-county governments,

charter county governments, a regional wastewater commission, and special districts who handle public funds in the execution of their duties shall give a good and sufficient bond to the local governing body for the faithful and honest performance of his or her duties and as security for all money coming into that person's hands or under that person's control. The bond amount shall be based upon the maximum amount of public funds the officer, official, or employee handles at any given time during a fiscal year cycle. The local governing body shall pay the cost of the bond.

- (2) Elected officials who post bond as required by statute, and employees of their offices covered by a blanket or umbrella bond, shall be deemed to have complied with subsection (1) of this section.

➔Section 15. KRS 224A.011 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) "Administrative fee" means a fee assessed and collected by the authority from borrowers under assistance agreements, to be used for operational expenses of the authority.
- (2) "Applicable interest rate" means the rate of interest which shall be used as part of the repayment criteria for an assistance agreement between a governmental agency and the authority, and shall be determined by the authority pertinent to the source of funds from which the assistance agreement is funded.
- (3) "Assistance agreement" means the agreement to be made and entered into by and between a governmental agency and the authority, as authorized by this chapter, providing for a lease, loan, services, or grant to the governmental agency or for the purchase of obligations issued by the governmental agency, and for the repayment thereof to the authority by the governmental agency.
- (4) "Authority" means the Kentucky Infrastructure Authority, which is created by this chapter.

- (5) "Authority revenues" means the totality of all:
- (a) Service charges;
 - (b) Utility tax receipts, to the extent not otherwise committed and budgeted by the authority during any fiscal period of the authority;
 - (c) Any gifts, grants, or loans received, to the extent not otherwise required to be applied;
 - (d) Any and all appropriations made to the authority by the General Assembly of the Commonwealth of Kentucky, to the extent not otherwise required to be applied;
 - (e) All moneys received in repayment of and for interest on any loans made by the authority to a governmental agency, except as provided in KRS 224A.111, 224A.1115, and 224A.112, or as principal of and interest on any obligations issued by a governmental agency and purchased by the authority, or as receipts under any assistance agreement;
 - (f) The proceeds of bonds or long-term debt obligations of governmental agencies pledged to the payment of bond anticipation notes issued by the authority on behalf of the said governmental agency to provide interim construction financing; and
 - (g) Payments under agreements with any agencies of the state and federal government.
- (6) "Borrower or borrowing entity" means any agency of the state or its political subdivisions, any city, or any special district created under the laws of the state acting individually or jointly under interagency or interlocal cooperative agreements to enter into assistance agreements with the authority.
- (7) "Community flood damage abatement project" means any structural or nonstructural study, plan, design, construction, development, improvement, or other activity to provide for flood control.

- (8) "Construction" means and includes, but is not limited to:
- (a) Preliminary planning to determine the economic and engineering feasibility of infrastructure projects, the engineering, architectural, legal, fiscal, and economic investigations, and studies necessary thereto, and surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary to the construction of infrastructure or solid waste projects;
 - (b) The erection, building, acquisition, alteration, remodeling, improvement, or extension of infrastructure or solid waste projects; and
 - (c) The inspection and supervision of the construction of infrastructure or solid waste projects and all costs incidental to the acquisition and financing of same. This term shall also relate to and mean any other physical devices or appurtenances in connection with, or reasonably attendant to, infrastructure or solid waste projects.
- (9) "Dams" means any artificial barrier, including appurtenant works, which does or can impound or divert water, and which either:
- (a) Is or will be twenty-five (25) feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, as determined by the Environmental and Public Protection Cabinet; or
 - (b) Has or will have an impounding capacity at maximum water storage elevation of fifty (50) acre feet or more.
- (10) "Distribution facilities" means all or any part of any facilities, devices, and systems used and useful in obtaining, pumping, storing, treating, and distributing water for agricultural, industrial, commercial, recreational, public, and domestic use.
- (11) "Environmental and Public Protection Cabinet" means the Kentucky Environmental and Public Protection Cabinet, or its successor, said term being meant to relate specifically to the state agency which is designated as the water pollution agency for the Commonwealth of Kentucky, for purposes of the federal act.

- (12) "Federal act" means the Federal Clean Water Act (33 U.S.C. secs. 1251 et seq.) as said federal act may be amended from time to time in the future, or any other enactment of the United States Congress providing funds that may assist in carrying out the purposes of the authority.
- (13) "Federally assisted wastewater revolving fund" means that fund which will receive federal and state funds or the proceeds from the sale of revenue bonds of the authority for the purpose of providing loans to finance construction of publicly owned treatment works as defined in Section 212 of the federal act and for the implementation of a management program established under Section 319 of the federal act and for the development and implementation of a conservation and management plan under Section 320 of the federal act.
- (14) "Governmental agency" means any incorporated city or municipal corporation, or other agency, or unit of government within or a department or a cabinet of the Commonwealth of Kentucky, now having or hereafter granted, the authority and power to finance, acquire, construct, or operate infrastructure or solid waste projects. This definition shall specifically apply but not by way of limitation to incorporated cities; counties, including any counties containing a metropolitan sewer district; sanitation districts; water districts; water associations if these associations are permitted to issue interest-bearing obligations which interest would be excludable from gross income under Section 103 of the Internal Revenue Code of 1986 as amended; sewer construction districts; metropolitan sewer districts; sanitation taxing districts; *a regional wastewater commission established under Sections 1 to 12 of this Act;* and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another in accordance with any regional or area compact, or intergovernmental cooperative agreements), now or hereafter established in accordance with the laws of the Commonwealth of Kentucky having and possessing the described powers described in this subsection.

- (15) "Industrial waste" means any liquid, gaseous, or solid waste substances resulting from any process of industry, manufacture, trade, or business, or from the mining or taking, development, processing, or recovery of any natural resources, including heat and radioactivity, together with any sewage as is present therein, which pollutes the waters of the state, and specifically, but not by way of limitation, means heat or thermal differentials created in the waters of the state by any industrial processing, generating, or manufacturing processes.
- (16) "Infrastructure project" means any construction or acquisition of treatment works, *facilities related to the collection, transportation, and treatment of wastewater as defined in Section 2 of this Act,* distribution facilities, or water resources projects instituted by a governmental agency or an investor-owned water utility which is approved by the authority and, if required, by the Environmental and Public Protection Cabinet, Public Service Commission, or other agency; solid waste projects; dams; storm water control and treatment systems; gas or electric utility; broadband deployment project; or any other public utility or public service project which the authority finds would assist in carrying out the purposes set out in KRS 224A.300.
- (17) "Infrastructure revolving fund" means that fund which will receive state funds, the proceeds from the sale of revenue bonds of the authority or other moneys earmarked for that fund for the purpose of providing loans or grants to finance construction or acquisition of infrastructure projects as defined in this section.
- (18) "Loan or grant" means moneys to be made available to governmental agencies by the authority for the purpose of defraying all or any part of the total costs incidental to construction or acquisition of any infrastructure project.
- (19) "Market interest rate" means the interest rate determined by the authority under existing market conditions at the time the authority shall provide financial assistance to a governmental agency.

- (20) "Obligation of a governmental agency" means a revenue bond, bond anticipation note, revenue anticipation note, lease, or other obligation issued by a governmental agency under KRS 58.010 et seq. or other applicable statutes.
- (21) "Person" means any individual, firm, partnership, association, corporation, or governmental agency.
- (22) "Pollution" means the placing of any noxious or deleterious substances ("pollutants"), including sewage and industrial wastes, in any waters of the state or affecting the properties of any waters of the state in a manner which renders the waters harmful or inimical to the public health or to animal or aquatic life, or to the use, present or future, of these waters for domestic water supply, industrial or agricultural purposes, or recreational purposes.
- (23) "Prioritization schedules" means the list of wastewater treatment works, distribution facilities and water resources projects which the Environmental and Public Protection Cabinet has evaluated and determined to be of priority for receiving financial assistance from the federally assisted wastewater revolving fund and the federally assisted drinking water revolving fund, or the list of infrastructure projects which the authority has evaluated and determined to be of priority for receiving financial aid from the infrastructure revolving fund. The evaluation by the authority of infrastructure projects for water systems shall be undertaken with input from the appropriate area development district. The evaluation by the authority of infrastructure for broadband deployment projects shall be undertaken with consideration given to input from area development districts, telecommunications businesses, information services, technology industries, governmental entities, and Kentucky-based nonprofit organizations, including ConnectKentucky.
- (24) "Solid waste project" means construction, renovation, or acquisition of a solid waste facility which shall be instituted and owned by a governmental agency.
- (25) "Recovered material" means those materials which have known current use, reuse,

or recycling potential, which can be feasibly used, reused, or recycled, and which have been diverted or removed from the solid waste stream for sale, use, reuse, or recycling, whether or not requiring subsequent separation and processing but does not include materials diverted or removed for purposes of energy recovery or combustion except refuse-derived fuel (RDF), which shall be credited as a recovered material in an amount equal to that percentage of the municipal solid waste received on a daily basis at the processing facility and processed into RDF; but not to exceed fifteen percent (15%) of the total amount of the municipal solid waste received at the processing facility on a daily basis.

- (26) "Recovered material processing facility" means a facility engaged solely in the storage, processing, and resale or reuse of recovered material but does not mean a solid waste facility if solid waste generated by a recovered material processing facility is managed in accordance with KRS Chapter 224 and administrative regulations adopted by the cabinet.
- (27) "Revenue bonds" means special obligation bonds issued by the authority as provided by the provisions of this chapter, which are not direct or general obligations of the state, and which are payable only from a pledge of, and lien upon, authority revenues as provided in the resolution authorizing the issuance of the bonds, and shall include revenue bond anticipation notes.
- (28) "Service charge" means any monthly, quarterly, semiannual, or annual charge to be imposed by a governmental agency, or by the authority, for any infrastructure project financed by the authority, which service charge arises by reason of the existence of, and requirements of, any assistance agreement.
- (29) "Sewage" means any of the waste products or excrements, or other discharges from the bodies of human beings or animals, which pollute the waters of the state.
- (30) "Solid waste" means "solid waste" as defined by KRS 224.01-010(31)(a).
- (31) "Solid waste facility" means any facility for collection, handling, storage,

transportation, transfer, processing, treatment, or disposal of solid waste, whether the facility is associated with facilities generating the waste or otherwise, but does not include a container located on property where the waste is generated and which is used solely for the purpose of collection and temporary storage of that solid waste prior to off-site disposal, or a recovered material processing facility.

- (32) "Solid waste revolving fund" means that fund which shall receive state funds, the proceeds from the sale of revenue bonds of the authority, or other moneys earmarked for the purpose of providing loans or grants to finance solid waste projects defined in this section.
- (33) "State" means the Commonwealth of Kentucky.
- (34) "System" means the system owned and operated by a governmental agency with respect to solid waste projects, treatment works, or infrastructure projects financed as provided by the assistance agreement between the governmental agency and the authority.
- (35) "Treatment works" or "wastewater treatment works" means all or any part of any facilities, devices, and systems used and useful in the storage, treatment, recycling, and reclamation of wastewater or the abatement of pollution, including facilities for the treatment, neutralization, disposal of, stabilization, collecting, segregating, or holding of wastewater, including without limiting the generality of the foregoing, intercepting sewers, outfall sewers, pumping power stations, and other equipment and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof, and any wastewater treatment works, including site acquisition of the land that will be an integral part of the wastewater treatment process, or is used for ultimate disposal of residues resulting from wastewater treatment, together with any other facilities which are deemed to be treatment works in accordance with the federal act.
- (36) "Variable rate revenue bonds" means revenue bonds the rate of interest on which

fluctuates either automatically by reference to a predetermined formula or index or in accordance with the standards set forth in KRS 224A.120.

- (37) "Wastewater" means any water or liquid substance containing sewage, industrial waste, or other pollutants or contaminants derived from the prior use of these waters.
- (38) "Water resources" means all waters of the state occurring on the surface, in natural or artificial channels, lakes, reservoirs, or impoundments, and in subsurface aquifers, which are available, or which may be made available to agricultural, industrial, commercial, recreational, public, and domestic users.
- (39) "Water resources project" means any structural or nonstructural study, plan, design, construction, development, improvement, or any other activity including programs for management, intended to conserve and develop the water resources of the state and shall include all aspects of water supply, facilities to collect, transport, and treat wastewater as defined in Section 2 of this Act, flood damage abatement, navigation, water-related recreation, and land conservation facilities and measures.
- (40) "Waters of the state" means all streams, lakes, watercourses, waterways, ponds, marshes, wells, springs, irrigation systems, drainage systems, and all other bodies or accumulations of water, surface and underground, natural or artificial, which are situated wholly or partly within, or border upon, this state, or are within its jurisdiction, except those private waters which do not combine or effect a junction with natural, surface, or underground waters.
- (41) "Utility tax" means the tax which may be imposed by the authority on every purchase of water or sewer service in the Commonwealth of Kentucky.
- (42) "Broadband deployment project" means the construction, provision, development, operation, maintenance, leasing, or improvement of broadband infrastructure, broadband services, or technologies that constitute a part of, or are related to, broadband infrastructure or broadband services, to provide for broadband service in

unserved areas of the Commonwealth.

(43) "Unserved area" means any place where broadband service is not available.

➔Section 16. KRS 278.010 is amended to read as follows:

As used in KRS 278.010 to 278.450, 278.541 to 278.544, 278.546 to 278.5462, and 278.990, unless the context otherwise requires:

- (1) "Corporation" includes private, quasipublic, and public corporations, and all boards, agencies, and instrumentalities thereof, associations, joint-stock companies, and business trusts;
- (2) "Person" includes natural persons, partnerships, corporations, and two (2) or more persons having a joint or common interest;
- (3) "Utility" means any person except *a regional wastewater commission established pursuant to Section 3 of this Act and*, for purposes of paragraphs (a), (b), (c), (d), and (f) of this subsection, a city, who owns, controls, operates, or manages any facility used or to be used for or in connection with:
 - (a) The generation, production, transmission, or distribution of electricity to or for the public, for compensation, for lights, heat, power, or other uses;
 - (b) The production, manufacture, storage, distribution, sale, or furnishing of natural or manufactured gas, or a mixture of same, to or for the public, for compensation, for light, heat, power, or other uses;
 - (c) The transporting or conveying of gas, crude oil, or other fluid substance by pipeline to or for the public, for compensation;
 - (d) The diverting, developing, pumping, impounding, distributing, or furnishing of water to or for the public, for compensation;
 - (e) The transmission or conveyance over wire, in air, or otherwise, of any message by telephone or telegraph for the public, for compensation; or
 - (f) The collection, transmission, or treatment of sewage for the public, for compensation, if the facility is a subdivision collection, transmission, or

treatment facility plant that is affixed to real property and is located in a county containing a city of the first class or is a sewage collection, transmission, or treatment facility that is affixed to real property, that is located in any other county, and that is not subject to regulation by a metropolitan sewer district or any sanitation district created pursuant to KRS Chapter 220;

- (4) "Retail electric supplier" means any person, firm, corporation, association, or cooperative corporation, excluding municipal corporations, engaged in the furnishing of retail electric service;
- (5) "Certified territory" shall mean the areas as certified by and pursuant to KRS 278.017;
- (6) "Existing distribution line" shall mean an electric line which on June 16, 1972, is being or has been substantially used to supply retail electric service and includes all lines from the distribution substation to the electric consuming facility but does not include any transmission facilities used primarily to transfer energy in bulk;
- (7) "Retail electric service" means electric service furnished to a consumer for ultimate consumption, but does not include wholesale electric energy furnished by an electric supplier to another electric supplier for resale;
- (8) "Electric-consuming facilities" means everything that utilizes electric energy from a central station source;
- (9) "Generation and transmission cooperative" or "G&T" means a utility formed under KRS Chapter 279 that provides electric generation and transmission services;
- (10) "Distribution cooperative" means a utility formed under KRS Chapter 279 that provides retail electric service;
- (11) "Facility" includes all property, means, and instrumentalities owned, operated, leased, licensed, used, furnished, or supplied for, by, or in connection with the business of any utility;

- (12) "Rate" means any individual or joint fare, toll, charge, rental, or other compensation for service rendered or to be rendered by any utility, and any rule, regulation, practice, act, requirement, or privilege in any way relating to such fare, toll, charge, rental, or other compensation, and any schedule or tariff or part of a schedule or tariff thereof;
- (13) "Service" includes any practice or requirement in any way relating to the service of any utility, including the voltage of electricity, the heat units and pressure of gas, the purity, pressure, and quantity of water, and in general the quality, quantity, and pressure of any commodity or product used or to be used for or in connection with the business of any utility, but does not include Voice over Internet Protocol (VoIP) service;
- (14) "Adequate service" means having sufficient capacity to meet the maximum estimated requirements of the customer to be served during the year following the commencement of permanent service and to meet the maximum estimated requirements of other actual customers to be supplied from the same lines or facilities during such year and to assure such customers of reasonable continuity of service;
- (15) "Commission" means the Public Service Commission of Kentucky;
- (16) "Commissioner" means one (1) of the members of the commission;
- (17) "Demand-side management" means any conservation, load management, or other utility activity intended to influence the level or pattern of customer usage or demand, including home energy assistance programs;
- (18) "Affiliate" means a person that controls or that is controlled by, or is under common control with, a utility;
- (19) "Control" means the power to direct the management or policies of a person through ownership, by contract, or otherwise;
- (20) "CAM" means a cost allocation manual which is an indexed compilation and

- documentation of a company's cost allocation policies and related procedures;
- (21) "Nonregulated activity" means the provision of competitive retail gas or electric services or other products or services over which the commission exerts no regulatory authority;
- (22) "Nonregulated" means that which is not subject to regulation by the commission;
- (23) "Regulated activity" means a service provided by a utility or other person, the rates and charges of which are regulated by the commission;
- (24) "USoA" means uniform system of accounts which is a system of accounts for public utilities established by the FERC and adopted by the commission;
- (25) "Arm's length" means the standard of conduct under which unrelated parties, each party acting in its own best interest, would negotiate and carry out a particular transaction;
- (26) "Subsidize" means the recovery of costs or the transfer of value from one (1) class of customer, activity, or business unit that is attributable to another;
- (27) "Solicit" means to engage in or offer for sale a good or service, either directly or indirectly and irrespective of place or audience;
- (28) "USDA" means the United States Department of Agriculture;
- (29) "FERC" means the Federal Energy Regulatory Commission;
- (30) "SEC" means the Securities and Exchange Commission;
- (31) "Commercial mobile radio services" has the same meaning as in 47 C.F.R. sec. 20.3 and includes the term "wireless" and service provided by any wireless real time two (2) way voice communication device, including radio-telephone communications used in cellular telephone service, personal communications service, and the functional or competitive equivalent of a radio-telephone communications line used in cellular telephone service, a personal communications service, or a network radio access line; and
- (32) "Voice over Internet Protocol" or "VoIP" has the same meaning as in federal law.

House Bill 236

AN ACT relating to fiscal matters and making an appropriation therefor.

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

➔Section 1. The Transportation Cabinet Budget is as follows:

PART I

OPERATING BUDGET

(1) **Funds Appropriations:** There is appropriated out of the General Fund, Road Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the fiscal year beginning July 1, 2013, and ending June 30, 2014, for the fiscal year beginning July 1, 2014, and ending June 30, 2015, and for the fiscal year beginning July 1, 2015, and ending June 30, 2016, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the budget units of the Transportation Cabinet are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

A. TRANSPORTATION CABINET

Budget Units

1. GENERAL ADMINISTRATION AND SUPPORT

	2014-15	2015-16
General Fund	500,000	500,000
Restricted Funds	1,989,100	1,989,100
Road Fund	70,871,200	72,006,800
TOTAL	73,360,300	74,495,900

(1) **Biennial Highway Construction Plan:** The Secretary of the Transportation Cabinet shall produce a single document that contains two separately identified sections, as follows:

Section 1 shall detail the enacted fiscal biennium 2014-2016 Biennial Highway

Construction Program and Section 2 shall detail the 2014-2016 Highway Preconstruction Program Plan for fiscal year 2014-2015 through fiscal year 2019-2020 as identified by the 2014 General Assembly. This document shall mirror in data type and format the fiscal year 2014-2020 Recommended Six-Year Road Plan as submitted to the 2014 General Assembly. The document shall be published and distributed to members of the General Assembly and the public within 60 days of adjournment of the 2014 Regular Session of the General Assembly.

(2) **Debt Service:** Included in the above Road Fund appropriation is \$6,401,000 in fiscal year 2014-2015 and \$6,780,500 in fiscal year 2015-2016 for debt service on previously authorized bonds for the Transportation Cabinet office building and parking structure.

(3) **Adopt-A-Highway Litter Program:** The Transportation Cabinet and the Energy and Environment Cabinet may receive, accept, and solicit grants, contributions of money, property, labor, or other things of value from any governmental agency, individual, nonprofit organization, or private business to be used for the Adopt-a-Highway Litter Program or other statewide litter programs. Any contribution of this nature shall be deemed to be a contribution to a state agency for a public purpose and shall be treated as Restricted Funds under KRS Chapter 45 and reported according to KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter 11A.

(4) **Debt Service:** Included in the above Road Fund appropriation is \$208,000 in fiscal year 2014-2015 and \$415,000 in fiscal year 2015-2016 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

(5) **SAFE Patrol Program:** The Transportation Cabinet shall continue the SAFE Patrol Program at the current service level. The primary mission of the Cabinet's SAFE Patrol shall be motorist assistance. The SAFE Patrol shall be restricted to providing only assistance services on interstates, parkways, and other limited-access highways.

(6) **Riverport Improvements:** Included in the above General Fund appropriation is \$500,000 in each fiscal year to improve public riverports within Kentucky. Improvements shall be limited to dredging and maintenance of access. The Secretary of the Transportation Cabinet, in conjunction with the Kentucky Water Transportation Advisory Board, shall determine how the funds are distributed.

(7) **Ferry Boat Captain Licensure:** If the United States Congress exempts any small passenger vessels from the operator licensing requirements of 46 U.S.C. sec. 8902, the Transportation Cabinet shall establish a system of state licensure for the operators of any small passenger vessels so affected.

2. AVIATION

	2014-15	2015-16
Restricted Funds	10,412,000	10,421,500
Federal Funds	611,700	611,700
Road Fund	2,862,000	2,884,500
TOTAL	13,885,700	13,917,700

(1) **Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted Funds appropriation includes operational costs of the program in each fiscal year.

(2) **Debt Service:** Included in the above Road Fund appropriation is \$1,894,500 in fiscal year 2014-2015 and \$1,898,800 in fiscal year 2015-2016 for debt service on previously authorized bonds. Notwithstanding KRS 183.525, \$992,500 in fiscal year 2014-2015 and \$996,800 in fiscal year 2015-2016 is transferred to the Road Fund from the Kentucky Aviation Economic Development Fund to support debt service on those bonds.

(3) **Bowling Green-Warren County Regional Airport:** Included in the above Restricted Funds appropriation is \$750,000 in fiscal year 2014-2015 for the Bowling Green-Warren County Regional Airport project. No funds shall be disbursed unless \$1,250,000 from other fund sources, including up to \$300,000 in in-kind contributions, is

available to complete the project.

(4) **Pikeville Commercial Air Service:** Included in the above Restricted Funds appropriation is \$250,000 in fiscal year 2014-2015 for the City of Pikeville for the Pikeville Commercial Air Service project.

(5) **Eastern Kentucky University Aviation Program:** Included in the above Restricted Funds appropriation is \$2,000,000 in fiscal year 2014-2015 for hangars, flight simulators, maintenance, and renovations for the Eastern Kentucky University Aviation Program.

3. DEBT SERVICE

	2014-15	2015-16
Road Fund	154,035,300	170,387,700

(1) **Economic Development Road Lease-Rental Payments:** Included in the above Road Fund appropriation is \$153,910,300 in fiscal year 2014-2015 and \$170,262,700 in fiscal year 2015-2016 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority.

(2) **Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505, no portion of the revenues to the state Road Fund provided by the adjustments in KRS 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment Acceleration Fund account during the 2014-2016 fiscal biennium.

(3) **Excess Lease-Rental Payments:** Any moneys not required to meet lease-rental payments or to meet the administrative costs of the Kentucky Turnpike Authority shall be transferred to the State Construction Account.

4. HIGHWAYS

	2013-14	2014-15	2015-16
Restricted Funds	100,000,000	349,341,800	199,952,100

Federal Funds	-0-	697,940,400	699,967,300
Road Fund	-0-	821,913,600	779,181,500
TOTAL	100,000,000	1,869,195,800	1,679,100,900

(1) **Debt Service:** Included in the above Federal Funds appropriation is \$68,477,200 in fiscal year 2014-2015 and \$91,415,700 in fiscal year 2015-2016 for debt service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously appropriated by the General Assembly.

(2) **State Supported Construction Program:** Included in the above Road Fund appropriation is \$393,011,900 in fiscal year 2014-2015 and \$345,306,800 in fiscal year 2015-2016 for the State Supported Construction Program.

(3) **Biennial Highway Construction Program:** Included in the State Supported Construction Program is \$265,019,900 in fiscal year 2014-2015 and \$217,323,800 in fiscal year 2015-2016 from the Road Fund for state construction projects in the fiscal biennium 2014-2016 Biennial Highway Construction Program.

(4) **Highway Construction Contingency Account:** Included in the State Supported Construction Program is \$31,000,000 in each fiscal year for the Highway Construction Contingency Account. Included in the Highway Construction Contingency Account is \$5,000,000 in each fiscal year to support the Kentucky Pride Fund created in KRS 224.43-505. Also included in the Highway Construction Contingency Account for Shortline Railroads is \$1,600,000 in each fiscal year for public safety improvements to at-grade railroad crossings, railroad bridge overpasses, and railroad crossing safety equipment, which shall not be expended unless matched with private funds equaling 20 percent of the total amount for any individual project. Except in the case of a declared emergency, the Governor and the Secretary shall not expend or encumber in the aggregate more than 55 percent of the funds appropriated by this Act to the Highway Construction Contingency Account during the first half of fiscal year 2015-2016.

(5) **2014-2016 Biennial Highway Construction Plan:** Projects in the enacted

2012-2014 Biennial Highway Construction Plan are authorized to continue their current authorization into the 2014-2016 fiscal biennium. If projects in previously enacted highway construction plans conflict with the 2014-2016 Biennial Highway Construction Plan, the projects in the 2014-2016 Biennial Highway Construction Plan shall control. The Secretary shall make every effort to maintain highway program delivery by adhering to the timeframes included in the 2014-2016 Biennial Highway Construction Plan for those projects.

(6) **Kentucky Transportation Center:** Notwithstanding KRS 177.320(4), included in the above Road Fund appropriation is \$290,000 in each fiscal year for the Kentucky Transportation Center.

(7) **New Highway Equipment Purchases:** Notwithstanding KRS 48.710(3), included in the above Restricted Funds appropriation is \$1,500,000 in each fiscal year from the sale of surplus equipment to purchase new highway equipment.

(8) **State Match Provisions:** The Transportation Cabinet is authorized to utilize state construction moneys or Toll Credits to match federal highway moneys.

(9) **Federal Aid Highway Funds:** If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) Any demonstration-specific or project-specific money shall be used on the project identified; and (b) All other funds shall be used to ensure that projects in the fiscal biennium 2014-2016 Biennial Highway Construction Plan are funded. If additional federal moneys remain after these priorities are met, the Transportation Cabinet may select projects from the Highway Preconstruction Program.

(10) **Road Fund Cash Management:** The Secretary of the Transportation Cabinet may continue the Cash Management Plan to address the policy of the General Assembly to expeditiously initiate and complete projects in the fiscal biennium 2014-2016 Biennial Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial

Highway Construction Plan by employing management techniques that maximize the Cabinet's ability to contract for and effectively administer the project work. Under the approved Cash Management Plan, the Secretary shall continuously ensure that the unspent project and Road Fund balances available to the Transportation Cabinet are sufficient to meet expenditures consistent with appropriations provided. The Transportation Cabinet shall provide quarterly reports to the Interim Joint Committee on Appropriations and Revenue when the General Assembly is not in session and the Standing Committees on Appropriations and Revenue when the General Assembly is in session beginning July 1, 2014. The report shall include a monthly forecast by fiscal year for fiscal year 2014-2015 through fiscal year 2019-2020.

(11) Carry Forward of Appropriation Balances: Notwithstanding KRS 45.229, unexpended Road Fund appropriations in the Highways budget unit for the Construction Program, the Maintenance Program, and the Research Program in fiscal year 2013-2014 and in fiscal year 2014-2015 shall not lapse but shall carry forward. Unexpended Federal Funds and Restricted Funds appropriations in the Highways budget unit for the Construction Program, the Maintenance Program, the Equipment Services Program, and the Research Program in fiscal year 2013-2014 and in fiscal year 2014-2015, up to the amount of ending cash balances and unissued Highway and GARVEE Bond Funds, to include any interest income earned on those bond funds, and grant balances shall not lapse but shall carry forward.

(12) Federally Supported Construction Program: Included in the above Federal Funds appropriation is \$676,524,300 in fiscal year 2014-2015 and \$678,551,200 in fiscal year 2015-2016 for federal construction projects.

(13) State Resurfacing Program: Included in the State Supported Construction Program is \$97,000,000 in each fiscal year from the Road Fund for the State Resurfacing Program.

(14) Highways Maintenance: Included in the above Highways Road Fund

appropriation is \$334,723,000 in fiscal year 2014-2015 and \$338,751,200 in fiscal year 2015-2016 for Highways Maintenance. Highways Maintenance positions may be filled to the extent the above funding level and the Highways Maintenance continuing appropriation are sufficient to support those positions.

(15) Delayed Projects Status Report: The Secretary of the Transportation Cabinet shall report by September 30 of each fiscal year to the Interim Joint Committee on Transportation any project included in the enacted Biennial Highway Construction Plan which has been delayed beyond the fiscal year for which the project was authorized. The report shall include:

- (a) The county name;
- (b) The Transportation Cabinet project identification number;
- (c) The route where the project is located;
- (d) The length of the project;
- (e) A description of the project and the scope of improvement;
- (f) The type of local, state, or federal funds to be used on the project;
- (g) The stage of development for the design, right-of-way, utility, and construction phases;
- (h) The fiscal year in which each phase of the project was scheduled to commence;
- (i) The estimated cost for each phase of the project;
- (j) A detailed description of the circumstances leading to the delay; and
- (k) The same information required in paragraphs (a) to (i) of this subsection for the project or projects advanced with funds initially scheduled for the delayed project.

(16) Transportation Engineering Salaries: The Transportation Cabinet and the Personnel Cabinet shall develop a plan to revise the Transportation Engineering Series salaries in a manner that allows the Transportation Cabinet to become competitive with state transportation engineering salaries in surrounding states and private entities. The

Transportation Cabinet shall submit a report detailing the plan to the Interim Joint Committee on Transportation and the Interim Joint Committee on Appropriations and Revenue no later than October 31, 2014.

(17) Interstate Connecting Spur: The Secretary of the Transportation Cabinet shall submit a report on interstate opportunities using existing infrastructure as it relates to the William H. Natcher Parkway as a connecting spur to I-65 to the Legislative Research Commission and the Interim Joint Committee on Transportation by September 30, 2015.

(18) Jessamine County Bypass: It is the intent of the General Assembly in the 2016-2018 Biennial Highway Construction Plan to provide \$15,000,000 in federal highway funds in fiscal year 2016-2017 for the East Nicholasville Bypass, Section IA.

5. JUDGMENTS

(1) Payment of Judgments: Road Fund resources required to pay judgments shall be transferred from the State Construction Account at the time when actual payments must be disbursed from the State Treasury.

6. PUBLIC TRANSPORTATION

	2014-15	2015-16
General Fund	5,728,200	5,728,200
Restricted Funds	484,200	495,600
Federal Funds	25,341,400	25,667,200
TOTAL	31,553,800	31,891,000

(1) Toll Credits: The Transportation Cabinet is authorized to maximize to the extent necessary the use of Toll Credits to match Federal Funds for transit systems capital grants.

(2) Nonpublic School Transportation: Included in the above General Fund appropriation is \$3,500,000 in each fiscal year for nonpublic school transportation.

7. REVENUE SHARING

	2014-15	2015-16
Road Fund	396,861,000	390,753,800

(1) **County Road Aid Program:** Included in the above Road Fund appropriation is \$149,967,100 in fiscal year 2014-2015 and \$147,643,000 in fiscal year 2015-2016 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in each fiscal year, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(2) **Rural Secondary Program:** Included in the above Road Fund appropriation is \$181,927,400 in fiscal year 2014-2015 and \$179,108,000 in fiscal year 2015-2016 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in each fiscal year, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(3) **Municipal Road Aid Program:** Included in the above Road Fund appropriation is \$63,100,900 in fiscal year 2014-2015 and \$62,123,000 in fiscal year 2015-2016 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in each fiscal year, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(4) **Energy Recovery Road Fund:** Included in the above Road Fund appropriation is \$903,000 in each fiscal year for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771, 177.9772, 177.978, 177.979, and 177.981.

8. VEHICLE REGULATION

	2014-15	2015-16
Restricted Funds	8,952,800	13,663,100
Federal Funds	2,868,600	2,886,600

Road Fund	31,769,200	28,464,000
TOTAL	43,590,600	45,013,700

(1) **Debt Service:** Included in the above Road Fund appropriation is \$4,802,000 in fiscal year 2014-2015 and \$4,803,800 in fiscal year 2015-2016 for debt service on previously authorized bonds.

TOTAL - TRANSPORTATION CABINET

	2013-14	2014-15	2015-16
General Fund	-0-	6,228,200	6,228,200
Restricted Funds	100,000,000	371,179,900	226,521,400
Federal Funds	-0-	726,762,100	729,132,800
Road Fund	-0-	1,478,312,300	1,443,678,300
TOTAL	100,000,000	2,582,482,500	2,405,560,700

PART II

CAPITAL PROJECTS BUDGET

(1) Capital Construction Fund Appropriations and Reauthorizations:

Moneys in the Capital Construction Fund are appropriated for the following capital projects subject to the conditions and procedures in this Act. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 2014-2016 fiscal biennium. Unless otherwise specified, reauthorized projects shall conform to the original authorization enacted by the General Assembly.

(2) Expiration of Existing Line-Item Capital Construction Projects:

All appropriations to existing line-item capital construction projects expire on June 30, 2014, unless reauthorized in this Act with the following exceptions: (a) A construction contract for the project shall have been awarded by June 30, 2014; (b) Permanent financing or a short-term line of credit sufficient to cover the total authorized project scope shall have been obtained in the case of projects authorized for bonds, if the authorized project

completes an initial draw on the line of credit within the biennium immediately subsequent to the original authorization; and (c) Grant or loan agreements, if applicable, shall have been finalized and properly signed by all necessary parties. Notwithstanding the criteria set forth in this subsection, the disposition of 2012-2014 fiscal biennium nonstatutory appropriated maintenance pools funded from Capital Construction Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

(3) Bond Proceeds Investment Income: Investment income earned from bond proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage rebates and penalties and excess bond proceeds upon the completion of a bond-financed capital project shall be used to pay debt service according to the Internal Revenue Service Code and accompanying regulations.

A. TRANSPORTATION CABINET

Budget Units	2014-15	2015-16
1. GENERAL ADMINISTRATION AND SUPPORT		
001. Maintenance Pool – 2014-2016		
Road Fund	3,000,000	3,000,000
002. Construct C-1 Garage		
Bond Funds	5,000,000	-0-
003. Upgrade AASHTOWare		
Road Fund	1,300,000	1,300,000
004. Construct Ballard County Maintenance Facility and Salt Storage		
Structure Reauthorization (\$1,440,000 Road Fund)		
005. Construct Crittenden County Maintenance Facility and Salt Storage		
Structure Reauthorization (\$1,340,000 Road Fund)		
006. Construct Harrison County Maintenance Facility and Salt Storage		
Structure Reauthorization (\$1,440,000 Road Fund)		
007. Construct Henderson County Maintenance Facility and Salt Storage		

Structure Reauthorization (\$1,440,000 Road Fund)

008. Construct Knott County Maintenance Facility and Salt Storage

Structure Reauthorization (\$1,440,000 Road Fund)

009. Construct Menifee County Maintenance Facility and Salt Storage

Structure Reauthorization (\$1,440,000 Road Fund)

010. Construct Muhlenberg County Maintenance Facility and Salt Storage

Structure Reauthorization (\$1,440,000 Road Fund)

011. Construct Nicholas County Maintenance Facility and Salt Storage

Structure Reauthorization (\$1,440,000 Road Fund)

012. Construct Jackson (D-10) District Office

Road Fund	1,300,000	5,300,000
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013. Construct Manchester (D-11) District Office

Road Fund	1,300,000	5,300,000
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2. AVIATION

001. Aircraft Major Maintenance Pool - 2014-2016

Investment Income	600,000	600,000
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3. HIGHWAYS

001. Road Maintenance Parks - 2014-2016

Road Fund	1,500,000	1,500,000
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002. Repair Loadometer and Rest Areas - 2014-2016

Road Fund	750,000	750,000
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003. Various Environmental Compliance - 2014-2016

Road Fund	583,000	555,000
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4. VEHICLE REGULATION

001. Replace Kentucky Driver Licensing System Reauthorization

(\$12,500,000 Bond Funds)

PART III

FUNDS TRANSFER

The General Assembly finds that the financial condition of state government requires the following action.

Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2014-2015 and fiscal year 2015-2016:

	2014-15	2015-16
A. TRANSPORTATION CABINET		
1. Aviation		
Agency Revenue Fund	468,000	468,000
(KRS 183.525(4) and (5))		
2. Vehicle Regulation		
Agency Revenue Fund	4,100,000	4,100,000
(KRS 186.040(6)(a))		
3. Vehicle Regulation		
Agency Revenue Fund	3,000,000	3,000,000
(KRS 186.240(3))		
4. Vehicle Regulation		
Agency Revenue Fund	250,000	-0-
(KRS 138.710(2) and 45.345(2))		
TOTAL - FUNDS TRANSFER	7,818,000	7,568,000

PART IV**ROAD FUND BUDGET REDUCTION PLAN**

Notwithstanding 2014 Regular Session HB 235/EN, Part VIII, there is established a Road Fund Budget Reduction Plan for fiscal year 2014-2015 and fiscal year 2015-2016. Pursuant to KRS 48.130, in the event of an actual or projected revenue shortfall in Road Fund revenue receipts of \$1,546,700,000 in fiscal year 2014-2015 and \$1,558,400,000 in

fiscal year 2015-2016 as determined by KRS 48.120 and modified by related Acts and actions of the General Assembly in an extraordinary or regular session, the Governor shall implement sufficient reductions as may be required to protect the highest possible level of service.

PART V

BUDGET RESERVE TRUST FUND

The Budget Reserve Trust Fund Account (KRS 48.705) balance as appropriated in 2014 Regular Session HB 235/EN shall be reduced by \$1,617,800 for General Fund moneys appropriated in Part I of this section.

PART VI

TRANSPORTATION CABINET BUDGET SUMMARY

OPERATING BUDGET

	2013-14	2014-15	2015-16
General Fund	-0-	6,228,200	6,228,200
Restricted Funds	100,000,000	371,179,900	226,521,400
Federal Funds	-0-	726,762,100	729,132,800
Road Fund	-0-	1,478,312,300	1,443,678,300
SUBTOTAL	100,000,000	2,582,482,500	2,405,560,700

CAPITAL PROJECTS BUDGET

	2013-14	2014-15	2015-16
Road Fund	-0-	9,733,000	17,705,000
Bond Funds	-0-	5,000,000	-0-
Investment Income	-0-	600,000	600,000
SUBTOTAL	-0-	15,333,000	18,305,000

TOTAL - TRANSPORTATION CABINET BUDGET

	2013-14	2014-15	2015-16
General Fund	-0-	6,228,200	6,228,200

Restricted Funds	100,000,000	371,179,900	226,521,400
Federal Funds	-0-	726,762,100	729,132,800
Road Fund	-0-	1,488,045,300	1,461,383,300
Bond Funds	-0-	5,000,000	-0-
Investment Income	-0-	600,000	600,000
TOTAL FUNDS	100,000,000	2,597,815,500	2,423,865,700

➔Section 2. Notwithstanding KRS 68.197 or any other statute to the contrary, the provisions of this section shall apply as follows from the effective date of this Act through June 30, 2016:

- (1) Any set-off or credit of city license fees against county license fees that exists between a city and county as of the effective date of this Act, shall remain in effect as it is on the effective date of this Act;
- (2) The provisions of subsection (7) of KRS 68.197 shall not apply to a city and county unless both the city and the county have levied and are collecting license fees on the effective date of this Act;
- (3) Any agreement between a city and county related to the sharing of revenues from a license fee that is in effect on the effective date of this Act shall remain in effect, regardless of whether the agreement, by its terms, was set to expire prior to June 30, 2016; and
- (4) Any city and county subject to the provisions of subsections (1) to (3) of this section may enter into an interlocal agreement to establish a revenue-sharing arrangement that differs from the requirements of this section.

➔Section 3. (1) Notwithstanding KRS 68.197 or any other statute to the contrary, the provisions of this section shall only apply to the levy of license fees by a county that levied a license fee that was in effect on the effective date of this Act, and a city within that county that has levied but not collected a license fee as of the effective date of this Act.

(2) From July 1, 2014, through June 30, 2015, the credit established by subsection (7) of KRS 68.197 shall only apply to the first one-tenth of one percent (0.10%) of the tax rate imposed by the county within the corporate limits of the city.

(3) From July 1, 2015, through June 30, 2016, the credit established by subsection (7) of KRS 68.197 shall only apply to the first two-tenths of one percent (0.20%) of the tax rate imposed by the county within the corporate limits of the city.

(4) Any city and county subject to this section may enter into an interlocal agreement to establish a revenue-sharing arrangement that differs from the requirements of this section.

➔Section 4. Notwithstanding the provisions of KRS 68.197, KRS 68.199, or any other statute to the contrary, any county that:

- (1) Enacted an occupational license fee under the authority of KRS 67.083 at a rate of greater than one percent (1%) prior to reaching a population of thirty thousand (30,000); and
- (2) Has an agreement with the largest city in the county to share revenues from the occupational license fee levied by the county;

may increase the occupational license fee rate above the rate that was imposed at the time the population of the county grew to beyond thirty thousand (30,000) if the county and the largest city within the county enter into an agreement approving the rate increase, and providing an agreed distribution of revenues from the levy to the city and the county. Other cities within the county may also be parties to the agreement if agreed to by all the parties.

U.S. Code

U.S. Code: Title 49 – Transportation

PART A — SAFETY (§§ 20101–21311)

PART B — ASSISTANCE (§§ 22101–22706)

PART C — PASSENGER TRANSPORTATION (§§ 24101–24910)

PART D — HIGH-SPEED RAIL (§§ 26101–26106)

PART E — MISCELLANEOUS (§§ 28101–28505)

U.S. Code: Title 45 – Rail Roads

CHAPTER 1 — SAFETY APPLIANCES AND EQUIPMENT ON RAILROAD ENGINES AND CARS, AND PROTECTION OF EMPLOYEES AND TRAVELERS (§§ 1_to_14–44_to_46)

CHAPTER 2 — LIABILITY FOR INJURIES TO EMPLOYEES (§§ 51–60)

CHAPTER 3 — HOURS OF SERVICE OF EMPLOYEES (§§ 61_to_64b–65,_66)

CHAPTER 4 — CARE OF ANIMALS IN TRANSIT (§§ 71_to_74–75,_76)

CHAPTER 5 — GOVERNMENT-AIDED RAILROADS (§§ 81_to_92–94,_95)

CHAPTER 6 — MEDIATION, CONCILIATION, AND ARBITRATION IN CONTROVERSIES BETWEEN CARRIERS AND EMPLOYEES (§§ 101_to_125–126)

CHAPTER 7 — ADJUSTMENT BOARDS AND LABOR BOARDS (§ 131_to_146)

CHAPTER 8 — RAILWAY LABOR (§§ 151–188)

CHAPTER 9 — RETIREMENT OF RAILROAD EMPLOYEES (§§ 201_to_208–231v)

CHAPTER 10 — TAX ON CARRIERS AND EMPLOYEES (§§ 241_to_253–261_to_273)

CHAPTER 11 — RAILROAD UNEMPLOYMENT INSURANCE (§§ 351–369)

CHAPTER 12 — TEMPORARY RAILROAD UNEMPLOYMENT INSURANCE PROGRAM (§§ 401–404)

CHAPTER 13 — RAILROAD SAFETY (§§ 421–431_to_447)

CHAPTER 14 — RAIL PASSENGER SERVICE (§§ 501_to_502–651_to_658)

CHAPTER 15 — EMERGENCY RAIL SERVICES (§§ 661–669)

CHAPTER 16 — REGIONAL RAIL REORGANIZATION (§§ 701–797m)

CHAPTER 17 — RAILROAD REVITALIZATION AND REGULATORY REFORM (§§ 801–856)

CHAPTER 18 — MILWAUKEE RAILROAD RESTRUCTURING (§§ 901–922)

CHAPTER 19 — ROCK ISLAND RAILROAD EMPLOYEE ASSISTANCE (§§ 1001–1018)

CHAPTER 20 — NORTHEAST RAIL SERVICE (§§ 1101–1116)

CHAPTER 21 — ALASKA RAILROAD TRANSFER (§§ 1201–1214)

CHAPTER 22 — CONRAIL PRIVATIZATION (§§ 1301–1347)