

Special Districts Manual

Office of Finance and Administration
Special Districts Branch



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FOREWORD

This Kentucky Special Districts Manual provides information about the purposes and statutory obligations of special districts. It also includes information intended as general guidance on formation and subsequent reporting requirements of special districts organized pursuant to 65.060 of the Kentucky Revised Statutes (KRS 65.060). In addition, you will find a copy of the KRS cite which governs board appointments by district type and other provisions applicable to each of these districts.

However, this is not a complete review of the relevant statutes, and is not to be construed as legal advice. Any individual or local government considering the organization and ongoing responsibilities of a district, authority, or other mechanism should obtain competent legal counsel.

All statutory citations refer to the Kentucky Revised Statutes and include amendments and new enactments through the 2005 Regular Session of the Kentucky General Assembly. It is our desire to assist with interpretation and implementation of any and all provisions affecting special districts and we welcome any comments or recommendations.

For more information or for Governor's Office for Local Development (GOLD) assistance and forms, go to the GOLD web site www.gold.ky.gov and click on Financial Management and Administration.

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WHAT IS A SPECIAL DISTRICT?

For the purpose of this manual, “special district” is used to refer to districts that fall under the definitions in 65.005, 65.060 and 65.180 of the Kentucky Revised Statutes. These districts are independent, political subdivisions of the state, government entities called “authorities” and “special districts.” They exercise less than statewide jurisdiction and are organized for the purpose of performing governmental or other prescribed functions within limited boundaries. Special districts are created to fill the gaps that may exist in the services counties provide and the services the residents may desire.

Although special districts are probably the least known of governmental units, the sheer number created makes this form of government the most prevalent in the state. New districts are organized after submission of a petition and “service plan” to fiscal court, followed by a hearing and final approval by the fiscal court. The independently elected boards of each district consist of five to seven members. Each district can be organized in one county, several counties, one or more municipalities, or in both a county and municipality. The districts exist in perpetuity unless specific steps are taken to dissolve them.

There are many types of special districts in Kentucky providing a variety of services. The approximately 1366 special districts organized under Chapter 65, Section 060, of the Kentucky Statutes provide ambulance, fire protection, water, sanitary sewer, health services, water conservancy, airports, groundwater management, soil conservation, housing and park and recreation services. In addition to these single-purpose districts are metropolitan districts, which can provide multiple services, including those provided by single-purpose districts, as well as street construction and improvement, transportation, and police protection.

Special districts have various financial powers, which may include, but are not limited to, the powers to tax and/or assess fees for services. At the same time, special districts must be publicly accountable, which means, among other things, they must hold open meetings, properly notice all meetings, keep minutes and other records, which are open for inspection by any citizen, adopt annual budgets, and submit to annual financial documentation and audits. In addition, they must maintain appointment provisions for a governing board of directors.

The governing board of each district is comprised of representatives of the public served by the district. This raises serious concerns about accountability. Thus, efforts are being undertaken to enhance special district oversight. The Governor’s Office for Local Development (GOLD) has been designated as the central agency of state government responsible for dealing with special districts. A dedicated branch has been created within GOLD’s office of financial management and administration. Legislation is in place to assist GOLD, the State Local Finance Officer and the State Local Debt Officer in structuring and enforcing provisions necessary for greater public accountability.

ISSUES AND CONCERNS

Accountability is a key issue for special districts in Kentucky. There is a fiduciary responsibility associated with the expenditure of all public funds. Budgeting and public reporting is essential to accountability. The Governor’s Office for Local Development is one resource available to assist special districts in budgeting, reporting, and demonstrating accountability for public dollars. Additional resources are listed under **RESOURCES** and **ADDITIONAL RESOURCES**.

Input from the field can help this office to better serve the needs of the districts----in locating and understanding applicable Kentucky Statutes, and in preparing and submitting documents. Therefore, the following form is included for special districts to print and use for their own record keeping, as well as to provide a prepared form to record issues and concerns that can be sent to GOLD.

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SPECIAL DISTRICTS: Issues and Concerns

District type:

Governing Chapter of Kentucky Revised Statutes:

KRS Cite for Appointment Provisions:

Necessary Action to be taken by Appointing Governmental Unit:

Questions/Concerns:

Recommendations:

Comments/Notes:

RESOURCES

One of the objectives of this manual is to assist Kentucky's special districts in areas such as budgeting and reporting, and to support districts in achieving compliance with Kentucky Revised Statutes (KRS).

- (1) Each district should keep accounting records and render financial reports so as to:
 - (a) Determine compliance with statutory provisions;
 - (b) Determine fairly and with full disclosure the financial operations of constituent funds and account groups of the district in conformity with generally accepted governmental accounting principles; and
 - (c) Readily provide such financial data as may be required by federal grant programs.
- (2) District accounting systems should be organized and operated on a fund basis.

The Governor's Office for Local Development is providing technical resources to assist Kentucky's special districts to demonstrate accountability for public dollars. This manual, which includes selected statutes for financial management of Kentucky's special districts, is intended to serve as a building block for a district's financial reference library and should be used in conjunction with the publications listed below. Reference to these publications will provide additional technical resources for district financial management.

- Governmental Accounting Standards Board (GASB) Codification establishes financial accounting and reporting guidance for state and local governmental entities.
- Government Finance Officer's Association (GFOA), *Governmental Accounting, Auditing and Financial Reporting*, (the Blue Book) provides practical guidance on governmental accounting, auditing, and financial reporting.
- GFOA Small Government Series is a series of publications providing practical guidance for specific areas of governmental finance.

Districts are not required to purchase these publications, but they are useful reference publications to supplement this manual.

GOLD is dedicated to supporting Kentucky special districts. Please contact our office anytime you need assistance.

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The Kentucky Revised Statutes and Kentucky Administrative Regulations are all available online at <http://www.lrc.state.ky.us/legresou/legres2.htm>. If you are not able to access this information via the Internet, please call us at GOLD and we will be happy to research the KRS and send you the sections you need.

ADDITIONAL RESOURCES FOR TECHNICAL ASSISTANCE

The Kentucky Area Development Districts

BARREN RIVER AREA DEVELOPMENT DISTRICT

177 Graham Avenue <http://www.bradd.org>
Bowling Green, KY 42102-9005
(800) 598-2381
(270) 781-2381 (270) 842-0768 Fax

BIG SANDY AREA DEVELOPMENT DISTRICT

110 Resource Court <http://www.bigsandy.org>
Prestonsburg, KY 41653
(606) 886-2374 (606) 886-3382 Fax

BLUEGRASS AREA DEVELOPMENT DISTRICT

699 Perimeter Drive <http://www.bgadd.org>
Lexington, KY 40517
(859) 269-8021 (859) 269-7917 Fax

BUFFALO TRACE AREA DEVELOPMENT DISTRICT

Kenton Commonwealth Center <http://www.state.ky.us/agencies/btrc>
201 Government Street, Suite 300
P O Box 460
Maysville, KY 41056
(606) 564-6894 (606) 564-0955 Fax

CUMBERLAND VALLEY AREA DEVELOPMENT DISTRICT

P O Box 1740 <http://www.cvadd.org>
342 Old Whitley Road
London, KY 40743-1740
(606) 864-7391 (606) 878-7361 Fax

FIVCO AREA DEVELOPMENT DISTRICT

P O Box 636 <http://www.fivco.org>
3000 Louisa Street
Catlettsburg, KY 41129-0636
(606) 739-5191 (606) 739-8533 Fax

GATEWAY AREA DEVELOPMENT DISTRICT

P O Box 1070 <http://www.gwadd.org>
19 East Main Street
Owingsville, KY 40360
(606) 674-6355 (606) 674-6658 Fax

GREEN RIVER AREA DEVELOPMENT DISTRICT

3860 U S Highway 60 West <http://www.gradd.com>
Owensboro, KY 42301-0200
(270) 926-4433 (270) 684-0714 Fax

KENTUCKIANA REGIONAL PLANNING AND DEVELOPMENT AGENCY

11520 Commonwealth Drive <http://www.kipda.org>
Louisville, KY 40299
(502) 266-6084 (502) 266-5047 Fax

KENTUCKY RIVER AREA DEVELOPMENT DISTRICT

917 Perry Park Road <http://kradd.org>
Hazard, KY 41701
(606) 436-3158 (606) 436-2144 Fax

LAKE CUMBERLAND AREA DEVELOPMENT DISTRICT

2384 Lakeway Drive <http://www.lcadd.org>
P O Box 1570
Russell Springs, KY 42642
(270) 866-4200 (270) 866-2044 Fax

LINCOLN TRAIL AREA DEVELOPMENT DISTRICT

P O Box 604 <http://www.ltadd.org>
613 College Street
Elizabethtown, KY 42701
(270) 769-2393 (270) 769-2993 Fax

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

22 Spiral Drive <http://www.nkadd.org>
Florence, KY 41042
(859) 283-1885 (859) 282-2707 Fax

PENNYRILE AREA DEVELOPMENT DISTRICT

300 Hammond Avenue <http://www.peadd.org>
Hopkinsville, KY 42240
(270) 886-9484 (270) 886-3211 Fax

PURCHASE AREA DEVELOPMENT DISTRICT

P O Box 588 <http://www.purchaseadd.org>
1002 Medical Drive
Mayfield, KY 42066
(270) 247-7171 (270) 251-6110 Fax

COUNTY CLERK'S OBLIGATIONS

Although special districts have both general and specific reporting requirements, the issue of "whom they are accountable to" has not historically been clearly defined by statute. Thus, the Kentucky General Assembly in conjunction with state agencies involved with accountability, oversight and special district implementation requirements have placed a high priority on defining the functions and roles of all affected parties. The Governor's Office for Local Development (GOLD) has been identified as the lead agency in this effort; however, the county clerk in each county is the key component necessary to effectively implement applicable criteria.

Generally, GOLD functions as the link between state government and other political subdivisions of the Commonwealth. The ability to assess and define compliance criteria takes place on the state level, but implementation requires a direct line of communication with those agencies and individuals closest to the taxpayer. The county clerk serves this role in each county. Therefore, it is easy to understand why legislation requires that the county clerk's office distribute and collect information for special districts.

Effective implementation of the Kentucky Revised Statutes governing special districts depends on the county clerks fulfilling their duty. Some of these duties include, but are not limited to:

1. Receive written notification from each newly created district before the district can legally function. The county clerk must then:
 - a. Record the original; and
 - b. Send a copy of this notification to GOLD.
2. Receive petition for dissolution of special district and file with fiscal court to be used for:
 - a. Fiscal court hearings and final decision by fiscal court.
 - b. Voter referendum.
 - c. Advertising the dissolution question for voter referendum.
 - d. Removing ad valorem taxes from county tax rolls if district is dissolved.
3. Receive budget forms that are mailed from the GOLD offices and distribute to each of the special districts in the county.
4. Receive completed budgets submitted by each district back through the county clerk's office. The county clerk must:
 - a. File district budget with the fiscal court; and
 - b. Send a copy of each completed budget to GOLD.

KENTUCKY STATUTES FOR COUNTY CLERKS

KRS 65.005 Notice to county clerk of establishment of political subdivision -- Duties of clerk -- Fee -- Notice by existing districts.

Section (2) states:

No special district shall be legally created without sending notification of its existence in writing to the clerk of the county within the jurisdiction of which its principal office shall be located. This requirement for notification is in addition to all other provisions of existing law providing for the creation of special districts. The notification shall contain the names and addresses of the members of the governing body of the district, the name and address of its chief executive officer, a specific reference to the statute or statutes under which it was created, and a brief description of its service area and activities. The clerk shall record the original and forward a copy of the notification to the state local finance officer and the state local debt officer, Department for Local Government. The clerk shall be paid a fee of two dollars (\$2) by the district for recording and mailing the notification.

KRS 65.166 Fiscal court procedure for alteration or dissolution of district

Section (2) states:

- (2) Upon receipt of a petition signed by at least thirty percent (30%) of the citizens who may by law petition for creation of a district, fiscal court shall schedule a public hearing on the matter of alteration or dissolution, advertising such hearing as provided in KRS 424.130.

Section (5)(a) states:

- (5) Within sixty (60) days following the hearing, the fiscal court shall set forth its written findings of fact in approving or disapproving the alteration or dissolution of the district.
 - (a) If the fiscal court determines to dissolve a district, it shall determine a method to satisfy any legal obligations of the district which might be affected thereby. Upon satisfaction of its legal obligations, the district shall be legally dissolved; any special ad valorem tax imposed by the district shall be removed from the tax rolls by the county clerk; and any assets of the district shall be assumed by the county.

KRS 65.170 Dissolution by referendum

Section (1)& (2) state:

- (1) A district may be dissolved by a referendum as provided in this section.
- (2) Persons seeking dissolution of a district shall submit a petition to the county clerk signed by at least fifty percent (50%) of that class of citizens who may by law petition for the creation of the district.

Section (4) & (5) state:

- (4) If the county clerk determines that the petition is in proper order, he shall certify the petition to the fiscal court or consolidated local government. The fiscal court or consolidated local government shall direct that the question be placed before the voters at the next regular election if the petition is certified not later than the second Tuesday in August preceding the day of the regular election. The fiscal court or consolidated local government shall bear the costs of advertising and placing the question before the voters.
- (5) The county clerk shall advertise the question as provided in KRS Chapter 424 and shall prepare the following admonition to the voter: "The (name of district) may have existing legal obligations that must be satisfied before the district can be dissolved. The citizens of the district shall be responsible for the satisfaction of any such obligations." The question of the dissolution of the district shall be placed before the voters in substantially the following form: "The (name of the district and containing a metes and bounds description of the district) should be dissolved." The voter shall vote "yes" or "no."

KRS 65.065 Budgets -- Filing -- Financial statements -- Audits -- Enforcement

Section (1) states:

The governing body of each district shall annually prepare a budget and, as appropriate, shall classify budget units in same fashion as county budgets are classified in accordance with KRS 68.240(2) - (5). The state local finance officer shall prepare standard budget forms for district use and shall furnish them to county clerks for distribution to district officers. No moneys shall be expended from any funds or any sources, except in accordance with the budget which has been filed with fiscal court and available for public inspection. No budget of a district shall be effective until filed with fiscal court of county in which district is located for submission to Department for Local Government. Districts with multi-county jurisdictions shall file a copy with each fiscal court within jurisdiction of district for their review. If budget is not filed with fiscal court at least thirty (30) days prior to start of district fiscal year, fiscal court shall immediately notify the county attorney. County attorney shall notify the governing board of the special district of noncompliance and then proceed with any steps necessary to prevent expenditure of funds by the special district until district is in compliance.

CREATION OF SPECIAL DISTRICTS---- General Provisions

When a special district is created specific criteria must be met as set forth by Kentucky Statute. A new district, taxing or non-taxing, cannot legally function until the following has been completed and the fiscal court approves the formation of the District:

I. Creation by Petition of Registered Voters---

- A. Present a petition to fiscal court signed by registered voters in district [KRS 65.182 & 65.810].
- B. Submit a plan of service to fiscal court [KRS 65.182(1) & 65.810(1)] including:
 - 1. Statutory authority under which the district is created;
 - 2. A listing of demographics of the area;
 - 3. A description including such as---service area, beginning date, projected growth;
 - 4. A three (3) year projection of cost versus revenue;
 - 5. Justification for formation of the district; and
 - 6. Additional information impacting need or means of providing proposed service
- A. Send written notification to the county clerk of creation of district [KRS 65.005(2)] including:
 - 1. Names and addresses of board members;
 - 2. Name and address of chief executive officer;
 - 3. Listing of statutes under which the district was created; and
 - 4. Brief description of districts service area and activities.

II. Creation by Vote of Fiscal Court ---

- A. A majority of the members of fiscal court may vote to form a taxing district [KRS 65.182(1)(b)].
- B. Plan of service must be submitted [KRS 65.182(1)] and include:
 - 1. Statutory authority under which the district is created;
 - 2. A listing of demographics of the area;
 - 3. A description including such as---service area, beginning date, projected growth;
 - 4. A three (3) year projection of cost versus revenue;
 - 5. Justification for formation of the district; and
 - 6. Additional information impacting need or means of providing proposed service.
- C. Written notification must be sent to the county clerk of creation of the district [KRS 65.005(2)] including:
 - 5. Names and addresses of board members;
 - 6. Name and address of chief executive officer;
 - 7. Listing of statutes under which the district was created; and
 - 8. Brief description of districts service area and activities.

I. TAXING DISTRICTS

A taxing District is any special district with the power to levy ad valorem, or property taxes. Kentucky Statutes define and set forth procedures for the creation of taxing districts.

KENTUCKY STATUTES FOR CREATION OF TAXING DISTRICTS

KRS 65.180 Definition of "taxing district"

As used in KRS 65.182 to 65.190, unless the context otherwise requires, the word "taxing district" shall mean, and the provisions of KRS 65.182 to 65.190 shall apply to, any special district authorized by statute to levy ad valorem taxes within the meaning of Section 157 of the Constitution of Kentucky or to levy ad valorem taxes under the provisions of KRS 68.602 and governed by the following statutes: KRS 65.182, 75.010 to 75.260, 107.310 to 107.500, 108.080 to 108.180, 109.115 to 109.190, 173.450 to 173.650, 173.710 to 173.800, 179.700 to 179.990, 212.720 to 212.760, 216.310 to 216.360, 266.010 to 266.990, and 268.010 to 268.990.

KRS 65.182 Procedures for creating taxing district

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

- (1) (a) Persons desiring to form a taxing district shall present a petition to the fiscal court clerk and to each member of the fiscal court, meeting the criteria of KRS 65.184, and signed by a number of registered voters equal to or greater than twenty-five percent (25%) of an average of the voters living in the proposed taxing district and voting in the last four (4) general elections. At time of its submission to fiscal court, each petition shall be accompanied by a plan of service, showing such of the following as may be germane to the purposes for which the taxing district is being formed:
 1. The statutory authority under which the district is created and under which the taxing district will operate;
 2. Demographic characteristics of the area including but not limited to population, density, projected growth, and assessed valuation;
 3. A description of the service area including but not limited to the population to be served, a metes and bounds description of the area of the proposed taxing district, the anticipated date of beginning service, the nature and extent of the proposed service, the projected effect of providing service on the social and economic growth of the area, and projected growth in service demand or need;
 4. A three (3) year projection of cost versus revenue;
 5. Justification for formation of taxing district including but not limited to the location of nearby governmental and nongovernmental providers of like services; and
 6. Any additional information, such as land use plans, existing land uses, drainage patterns, health problems, and other similar analyses which bear on the necessity and means of providing the proposed service.
- (b) A majority of the members of a fiscal court may vote to form a taxing district set forth in a plan of service that shall contain those items set forth in paragraph (a)1 to 6 of this subsection as may be germane to the purposes for the taxing district being formed.
- (2) The fiscal court clerk shall notify all planning commissions, cities, and area development districts within whose jurisdiction the proposed service area is located and any state agencies required by law to be notified of the proposal for the creation of the taxing district.
- (3) The fiscal court clerk shall schedule a hearing on the proposal no earlier than thirty (30) nor later than ninety (90) days following receipt of petition, charter and plan of service, and shall, in accordance with KRS Chapter 424, publish notice of time and place of the public hearing and an accurate map of the area or description in layman's terms identifying the area.
- (4) At the public hearing, the fiscal court shall take testimony of interested parties and solicit the recommendations of any planning commission, city, area development district, or state agency meeting the criteria of subsection (2) of this section.
- (5) The fiscal court may extend the hearing, from time-to-time, for ninety (90) days from the date of the initial hearing and shall render a decision within thirty (30) days of the final adjournment of the hearing.

- (6) Following the hearing, the fiscal court shall set forth its written findings of fact and shall approve or disapprove the formation of the taxing district to provide service as described in the plan of service and to exercise the powers granted by the specific statutes that apply to the taxing district being formed.
- (7) The creation of a taxing district shall be of legal effect only upon the adoption of an ordinance, in accordance with the provisions of KRS 67.075 and 67.077, creating the taxing district, and compliance with the requirements of KRS 65.005.
- (8) A certified copy of the ordinance creating the taxing district shall be filed with the county clerk who shall add the levy to tax bills of the county. For taxing purposes, effective date of the tax levy shall be January 1 of year following certification of the creation of taxing district.
- (9) Nothing in this section shall be construed to enlarge upon or to restrict the powers granted a taxing district under the taxing district's specific authorizing statutes.
- (10) In a county which does not contain a city of the first class, the fiscal court may adopt the procedures of KRS 65.192 to create a fire protection district or a volunteer fire department district, but only those qualified voters who live within the boundaries of the proposed district shall vote on the question of whether it shall be established.

KRS 65.005 Notice to county clerk of establishment of political subdivision -- Notice by existing districts.

- (2) No special district shall be legally created without sending notification of its existence in writing to the clerk of the county within the jurisdiction of which its principal office shall be located. This requirement for notification is in addition to all other provisions of existing law providing for the creation of special districts. The notification shall contain the names and addresses of the members of the governing body of the district, the name and address of its chief executive officer, a specific reference to the statute or statutes under which it was created, and a brief description of its service area and activities. The clerk shall record the original and forward a copy of the notification to the state local finance officer and the state local debt officer, Department for Local Government. The clerk shall be paid a fee of two dollars (\$2) by the district for recording and mailing the notification.
- (3) The governing body of any existing special district shall submit notification as required in subsection (2) of this section within thirty (30) days after June 16, 1966, and the governing body of a newly-created special district shall submit the required notification at or before its first meeting.

KRS 65.184 Petition -- Contents -- Signatures

- (1) A valid petition for the creation of a taxing district shall be in substantially the following form:
 "The following registered voters of (insert name of county) hereby petition the fiscal court to form a (insert type of taxing district) which shall have the authority to impose a special ad valorem tax of (insert exact amount) on each one hundred dollars (\$100) worth of property assessed for local taxation in the district for the following reasons: (A valid petition shall contain a brief list in layman's terms of the reasons for the creation of the taxing district.)"
- (2) The petition shall contain the name and address of each petitioner. Each signature shall be dated as of the day of its execution, with the last signature no later than one hundred eighty (180) days from the first signature.

KRS 65.186 Appeal from decision of fiscal court to form a taxing district.

- (1) Any city containing all or any portion of the service area or any state agency with jurisdiction over the taxing district or any citizen living in the proposed area of the taxing district may, within thirty (30) days of the decision of the fiscal court, appeal the decision of the fiscal court on the formation of a district to the Circuit Court.
- (2) The Circuit Court may affirm the action of the fiscal court, remand the matter to the fiscal court for additional findings or may reverse the action of the fiscal court and order approval

or disapproval of the district. The Circuit Court may reverse the action of the fiscal court only if such decision is found to be arbitrary or capricious.

- (3) No new or additional evidence may be introduced in the Circuit Court except as to fraud or misconduct affecting the decision of the fiscal court.
- (4) Where appeals are brought from two (2) or more fiscal courts, actions shall be merged and venue shall lie in the Circuit Court of county where the greatest numbers of taxing district's residents are located.

KRS 65.188 Two or more counties included in one district.

The fiscal courts of two (2) or more counties may create a taxing district that includes the area of two (2) or more counties by following the procedures of KRS 65.182 to 65.190.

KRS 65.190 Effect of amendment or repeal of section of KRS by 1984 Acts Chapter 100.

The amendment or repeal by 1984 Acts Chapter 100 of a section authorizing the creation of a taxing district shall not be construed as limiting or changing the power or organization of taxing districts created prior to July 13, 1984.

KRS 65.192 Alternate method of creating a taxing district in counties containing a consolidated local government or a first class city

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

- (1) Persons desiring to form a taxing district shall present a petition to fiscal court clerk or clerk of legislative council of consolidated local government and to each member of fiscal court or consolidated local government council, requesting that the question of establishing the special district be placed upon the ballot for next general election. A petition shall be signed by at least one hundred (100) registered voters from each senatorial district, contained wholly or partially within proposed taxing district. If one hundred (100) registered voters do not reside within a senatorial district and the boundaries of proposed taxing district, then the petition shall be signed by twenty-five percent (25%) of registered voters in the senatorial district. At the time of its submission to the fiscal court or consolidated local government council each petition shall be accompanied by a plan of service, showing such of the following as may be germane to the purposes for which the taxing district is being formed:
 - (a) The statutory authority under which the district is created and under which the taxing district will operate;
 - (b) The method of creating and appointing the governing body of such district if it is to be different from the general statutory authority under which it will operate;
 - (c) Demographic characteristics of the area, including but not limited to population, density, projected growth, and assessed valuation;
 - (d) A description of the service area, including but not limited to the population to be served, a metes and bounds description of the area of the proposed taxing district, the anticipated date of beginning service, the nature and extent of the proposed service, the projected effect of providing service on the social and economic growth of the area, and projected growth in service demand or need;
 - (e) A three (3) year projection of cost versus revenue and the method chosen for raising such revenues as authorized in this section;
 - (f) Justification for formation of the taxing district, including but not limited to the location of nearby governmental and nongovernmental providers of like services; and
 - (g) Any additional information such as land use plans, existing land uses, drainage patterns, health problems, and other similar analyses which bear on the necessity and means of providing the proposed service.
- (2) The fiscal court clerk or the clerk of the legislative council of a consolidated local government shall notify all planning commissions, cities, and area development districts within whose

jurisdiction the proposed service area is located and any state agencies required by law to be notified of the proposal for the creation of the taxing district.

- (3) The fiscal court clerk or the clerk of the legislative council of a consolidated local government shall review the petition, and if the fiscal court or consolidated local government council determines that the signatures are valid, the fiscal court or consolidated local government council shall schedule a hearing on the proposal for no earlier than thirty (30) nor later than sixty (60) days following receipt of the petition, charter, and plan of service, and shall, in accordance with the provisions of KRS Chapter 424, publish notice which includes the time and place of the public hearing, alerts the public that the issue discussed at the hearing will be placed upon the ballot, and includes an accurate map of the area or a description in layman's terms reasonably identifying the area.
- (4) At the public hearing, the fiscal court or the legislative council of a consolidated local government shall take testimony of interested parties and solicit the recommendations of any planning commission, city, area development district, or state agency meeting the criteria of subsection (2) of this section.
- (5) Following the public hearing, the fiscal court or the legislative council of a consolidated local government shall adopt a resolution submitting to the qualified voters of the county or the consolidated local government the question as to whether a taxing district should be established for the area and a special ad valorem tax or an occupational license fee imposed for the maintenance and operation of the district. A certified copy of the order of the fiscal court or the legislative council of a consolidated local government shall be filed with the county clerk not later than the second Tuesday in August prior to the next regular election and thereupon the clerk shall cause the question to be placed upon the ballot.
- (6) The question shall be stated so that the service to be provided by the district, the type of governing body, and the method of financing as allowed by this section are clearly outlined.
- (7) If a majority of those voting on the question favor the establishment of a special district with authorization to impose an ad valorem tax, then it shall be so established and shall constitute and be a taxing district within the meaning of Section 157 of the Constitution of Kentucky. If a majority of those voting on the question favor the establishment of a special district with an increase in the occupational license fee as authorized by this section, it shall be so established and shall operate as set forth in the question on the ballot.
- (8) If an ad valorem tax is approved, the county clerk shall add the levy to tax bills of the county or consolidated local government. For taxing purposes, effective date of the tax levy shall be January 1 of year following the election. If an occupational license fee increase is approved, appropriate legislative bodies shall add the levy to the occupational license fee as of January 1 of the year following the election. The tax or fee shall be collected in the same manner as other county or consolidated local government ad valorem taxes or occupational license fees and shall be turned over to governing body of the district. Special ad valorem tax or fee shall be in addition to all other ad valorem taxes or occupational license fees.
- (9) Nothing in this section shall be construed to enlarge upon or to restrict the powers granted a taxing district under the taxing district's specific authorizing statutes.
- (10) A special district created pursuant to this section may be financed either by a special ad valorem tax imposed by the governing body of the district, as authorized by the voters in an election on the question, of an amount not to exceed ten cents (\$0.10) per one hundred dollars (\$100) of assessed value of the property subject to local taxation of the district; or by a levy of occupational license fees by the public body or bodies with jurisdiction over the area served by the special district, if the levy has been approved by the voters in an election on the question. The special district shall not levy both an ad valorem tax and an occupational license fee. The occupational license fee shall not exceed one percent (1%) of:
 - (a) Salaries, wages, commissions, and other compensation earned by persons for work done and services performed or rendered; and

- (b) The net profits of businesses, trades, professions, or occupations from activities conducted in the district, except public service companies, banks, trust companies, combined banks and trust companies, combined trust, banking and title companies, any savings and loan association whether state or federally chartered, and in all other cases where a public body is prohibited by law from imposing a license fee.
- (11) The budget of any taxing district created pursuant to this section shall be approved by the fiscal court or legislative council of a consolidated local government if financed by an ad valorem tax, or by the fiscal court or the legislative council of a consolidated local government and the legislative body levying the fee, if funded by an occupational license fee increase. The board of the district shall submit its estimate of revenue and proposed budget to the appropriate approving body or bodies by May 1 of each year, and such body or bodies shall approve or amend the budget by June 1.

II. NON-TAXING DISTRICTS

A non-taxing district is any special district with the power to collect fees and levy assessments, such as water districts and urban services. Kentucky Statutes define and set forth procedures for the creation of these non-taxing districts.

KENTUCKY STATUTES FOR CREATION OF NON-TAXING DISTRICTS

KRS 65.805 Definition of non-taxing special district

As used in KRS 65.810 to 65.830, unless the context otherwise requires, the word "district" shall mean, and the provisions of KRS 65.810 to 65.830 shall apply to, any special district governed by the following statutes: KRS 66.610 to 66.650, 74.010 to 74.416, 108.010 to 108.070, 184.010 to 184.300, and 267.010 to 267.990.

KRS 65.810 Sole method of creating a non-taxing special district

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

- (1) Persons desiring to form a district shall present a petition to the fiscal court clerk and to each member of the fiscal court, meeting the criteria of KRS 65.815, and signed by a number of registered voters equal to or greater than twenty percent (20%) of an average of the voters living in the proposed service area and voting in the last four (4) general elections. At time of submission to fiscal court each petition shall be accompanied by a plan of service, showing such of the following as may be germane to the purposes for which the district is formed:
 - (a) The statutory authority under which the district is created and will operate;
 - (b) Demographic characteristics of the area including but not limited to population, density, projected growth, and assessed valuation;
 - (c) A description of the service area including but not limited to the population to be served, a metes and bounds description of the area of the proposed district, the anticipated date of beginning service, the nature and extent of the proposed service, the projected effect of providing service on the social and economic growth of the area, and projected growth in service demand or need;
 - (d) A three (3) year projection of cost versus revenue;
 - (e) Justification for formation of the district including but not limited to the location of nearby governmental and nongovernmental providers of like services; and
 - (f) Any additional information such as land use plans, existing land uses, drainage patterns, health problems, and other similar analyses which bear on the necessity and means of providing the proposed service.
- (2) The fiscal court clerk shall notify all planning commissions, cities, and area development districts in whose jurisdiction the proposed service area is located and state agencies required by law to be notified of proposal for creating district.

- (3) The fiscal court clerk shall schedule a hearing on the proposal for no earlier than thirty (30) nor later than ninety (90) days following receipt of the petition, charter, and plan of service, and shall, per KRS Chapter 424, publish notice of the time and place of the public hearing and an accurate map of the area or a description in layman's terms reasonably identifying the area of the proposed district.
- (4) At the public hearing, the fiscal court shall take testimony of interested parties and solicit the recommendations of any planning commission, city, area development district, or state agency meeting the criteria of subsection (2) of this section.
- (5) The fiscal court may extend the hearing, from time-to-time, for ninety (90) days from the date of the initial hearing and shall render a decision within thirty (30) days of the final adjournment of the hearing.
- (6) Following the hearing, the fiscal court shall set forth its written findings of fact and shall approve or disapprove the formation of the district to provide service as described in the plan of service, and to exercise the powers granted by the specific statutes that apply to the district being formed.
- (7) The creation of a district shall be of legal effect only upon the adoption of an ordinance, in accordance with the provisions of KRS 67.075 and 67.077, creating such district and compliance with the requirements of KRS 65.005.
- (8) Nothing in this section shall be construed to enlarge upon or to restrict the powers granted a district under the district's specific authorizing statutes.

KRS 65.815 Petition for creation of non-taxing special district.

- (1) A valid petition for the creation of a district shall be in substantially the following form:
 "The following registered voters of (insert name of county) hereby petition the fiscal court of each county concerned to form a (insert type of district) for the following reasons: (A valid petition shall contain a brief list in layman's terms of reasons for the creation of the district.)"
- (2) The petition shall contain the name and address of each petitioner. Each signature shall be dated as of the day of its execution, the last signature no later than one hundred eighty (180) days from the first signature.

KRS 65.005 Notice to county clerk of establishment of political subdivision -- Notice by existing districts.

- (2) No special district shall be legally created without sending notification of its existence in writing to the clerk of the county within the jurisdiction of which its principal office shall be located. This requirement for notification is in addition to all other provisions of existing law providing for the creation of special districts. The notification shall contain the names and addresses of the members of the governing body of the district, the name and address of its chief executive officer, a specific reference to the statute or statutes under which it was created, and a brief description of its service area and activities. The clerk shall record the original and forward a copy of the notification to the state local finance officer and the state local debt officer, Department for Local Government. The clerk shall be paid a fee of two dollars (\$2) by the district for recording and mailing the notification.
- (3) The governing body of any existing special district shall submit notification as required in subsection (2) of this section within thirty (30) days after June 16, 1966, and the governing body of a newly-created special district shall submit the required notification at or before its first meeting.

KRS 65.820 Appeal of decision of fiscal court on formation of non-taxing special district.

- (1) Any city containing all or any portion of the service area or any state agency with jurisdiction over the district or any citizen living in the proposed area of the district may, within thirty (30) days of the decision of the fiscal court, appeal the decision of the fiscal court on the formation of a district to the Circuit Court.

- (2) The Circuit Court may affirm the action of the fiscal court, remand the matter to the fiscal court for additional findings or may reverse the action of the fiscal court and order approval or disapproval of the district. The Circuit Court may reverse the action of the fiscal court only if such decision is found to be arbitrary or capricious.
- (3) No new or additional evidence may be introduced in the Circuit Court except as to fraud or misconduct affecting the decision of the fiscal court.
- (4) Where appeals are brought from two (2) or more fiscal courts, the actions shall be merged and venue shall lie in the Circuit Court of the county where the greatest number of the district's residents is located.

KRS 65.825 Creation of joint non-taxing special district

The fiscal courts of two (2) or more counties may create a district that includes the area of two (2) or more counties by following the procedures of KRS 65.810 to 65.830.

DISSOLUTION OF SPECIAL DISTRICTS

When a special district has not provided service for two (2) consecutive years or the service is being provided by another entity, the boundaries of the district may be altered to reduce its service area or the district may be dissolved completely. In either case, specific criteria must be met as set forth by Kentucky Statutes [KRS 65.166 & 65.170].

I. Dissolution by petition to fiscal court---

- A. Petition is presented to fiscal court, signed by thirty percent (30%) of registered voters of district and clearly stating that:
 1. All legal obligations of district must be satisfied before it can be dissolved; and
 2. Citizens of district shall be responsible for satisfaction of all such obligations.
- B. Fiscal court schedules a public hearing and accepts testimony and information including, but not limited to:
 1. Proof the district is providing or taking steps toward providing the service.
 2. Proof no other entity is providing the service.
 3. Proof of existence of other service providers.
 4. Need for the service provided by District.
 5. Consequences of altering District's boundaries.
- C. Fiscal court renders a decision within sixty (60) days following the hearing.

II. Dissolution by referendum---

- A. Petition is presented to County Clerk, signed by fifty percent (50%) of registered voters of District and clearly stating that:
 1. All legal obligations of district must be satisfied before it can be dissolved; and
 2. Citizens of district shall be responsible for satisfaction of all such obligations.
- B. County clerk places petition before fiscal court or consolidated local government.
- C. Fiscal court directs that the question be put before voters at next regular election.
- D. Voters vote "yes" or "no."

KENTUCKY STATUTES FOR DISSOLUTION OF SPECIAL DISTRICTS

KRS 65.166 Fiscal court procedure for alteration or dissolution of district

- (1) Upon receipt of a petition and following a public hearing as provided in this section, the fiscal court may alter the boundaries of a district by reducing its area, or may dissolve a district if that district has for a period of two (2) consecutive years failed to provide the services for which it was established, or if all or a portion of such services have been provided by some other entity. If the district is located in more than one (1) county, the fiscal court of each county containing a portion of the district must vote to dissolve the district before such dissolution may take effect.

- (2) Upon receipt of a petition signed by at least thirty percent (30%) of that class of citizens who may by law petition for the creation of the district, the fiscal court shall schedule a public hearing on the matter of alteration or dissolution and advertise such hearing as provided in KRS 424.130.
- (3) The petition shall be in substantially the following form: "The undersigned (registered voters, qualified voters, freeholders or landowners as determined by subsection (2) of this section) living within (name of special district and containing a metes and bounds description of the district) hereby request that the fiscal court consider the alteration or dissolution of (name of district) pursuant to this section." The petition shall conspicuously state in layman's terms that any legal obligations of the district must be satisfied before the district can be dissolved and that the citizens of the district shall be responsible for the satisfaction of any such obligations. Signatures on the petition shall be dated, the last no later than ninety (90) days after the first.
- (4) At the hearing, the burden of proving that the district is providing or taking substantial steps toward providing the services for which it was created, or that no other entity is providing the service, shall be upon the district board of directors. In determining whether to alter, dissolve or to take no action in regard to the district, the fiscal court shall consider testimony offered at the hearing and any other relevant information including but not limited to the following:
 - (a) Present and projected need for the service provided by the district;
 - (b) Population density of the district;
 - (c) Existence of alternate providers of services;
 - (d) Revenue base of the district such as assessed valuation, bonding capacity and user fees; and
 - (e) Consequences of alteration of the district's boundaries on the effectiveness and efficiency of the district.
- (5) Within sixty (60) days following the hearing, the fiscal court shall set forth its written findings of fact in approving or disapproving the alteration or dissolution of the district.
 - (a) If the fiscal court determines to dissolve a district, it shall determine a method to satisfy any legal obligations of the district which might be affected thereby. Upon satisfaction of its legal obligations, the district shall be legally dissolved; any special ad valorem tax imposed by the district shall be removed from the tax rolls by the county clerk; and any assets of the district shall be assumed by the county.
 - (b) If the fiscal court determines to alter the boundaries of the district, it shall draw the new boundaries of the district and determine the proportional amount of existing legal obligations of the area which is to be excluded from the district. Upon the satisfaction of such obligations, the new boundaries of the district shall be legally effective and any affected taxpayers shall be removed from the tax rolls of the district.
- (6) If the final decision of the fiscal court or the Circuit Court, in the case of an appeal as provided in KRS 65.168, is against the alteration or dissolution of the district, no attempt to alter or dissolve the district pursuant to this section shall be made within three (3) years of the decision.

65.170 Dissolution by referendum.

- (1) A district may be dissolved by a referendum as provided in this section.
- (2) Persons seeking dissolution of a district shall submit a petition to county clerk signed by at least fifty percent (50%) of the class of citizens who may by law petition to create the district.
- (3) The petition shall be in substantially the following form: "The undersigned (registered voters, qualified voters, freeholders, or landowners as determined by subsection (2) of this section) living within (name of the district and containing a metes and bounds description of the district) hereby request that the question of the dissolution of the district be put to a referendum." The petition shall conspicuously state in layman's terms that any legal

obligations of the district must be satisfied before district can be dissolved and that citizens of the district shall be responsible for satisfaction of any such obligations. Signatures on the petition shall be dated, the last no later than ninety (90) days after the first.

- (4) If the county clerk determines the petition is in proper order, he shall certify petition to fiscal court or consolidated local government. The fiscal court or consolidated local government shall direct that the question be placed before voters at the next regular election if the petition is certified not later than the second Tuesday in August preceding the day of regular election. Fiscal court or consolidated local government shall bear costs of advertising and placing the question before the voters.
- (5) The county clerk shall advertise the question as provided in KRS Chapter 424 and shall prepare the following admonition to the voter: "The (name of district) may have existing legal obligations that must be satisfied before the district can be dissolved. The citizens of the district shall be responsible for the satisfaction of any such obligations." The question of the dissolution of the district shall be placed before the voters in substantially the following form: "The (name of the district and containing a metes and bounds description of the district) should be dissolved." The voter shall vote "yes" or "no."
- (6) Registered voters eligible to sign a petition for dissolution as provided by subsection (2) of this section shall be eligible to vote on the question of dissolution.
- (7) In referendums under this section, provision shall be made for those opposing dissolution of the district to have equal representation with proponents of the measure in the determination of eligibility of voters, and in the observance of canvassing and certifying of the returns.

BUDGETS AND REPORTING

Pursuant to KRS 65.065 and 65.070 all special districts defined by KRS 65.060 are required to:

1. Budget all funds and submit an annual budget (form LF 2001) to fiscal court by June 1.
2. Prepare an annual audit or financial statement.
 - a. Districts who receive or expend four hundred thousand dollars (\$400,000) or more in a fiscal year----an annual audit by a CPA
 - b. Districts who receive or expend less than four hundred thousand dollars (\$400,000) in a fiscal year----an annual financial statement except every fourth year must prepare an audit by a CPA
3. Prepare summarized annual financial statement (form LF 2002) for publication by September 1, or publish location of account books and make these books available for public inspection.
4. Publish by September 1 the names and addresses (form LF 2003) of the district's board members and chief executive officer.

In addition, all ad valorem, or property, taxing districts must complete a Uniform Financial Information Report (UFIR) (form F-65{KY-5}) pursuant to KRS 65.905 and submit the UFIR to the Governor's Office for Local Development (GOLD) by May 1.

Each reporting period the budget form and publication forms are distributed to special districts through the county clerk's office. The UFIR is mailed directly to districts from GOLD.

For your convenience, all forms are included in this manual; however, check to see that they are for the current filing year as forms can change substantially from year to year. Current forms may be found online at GOLD's website: www.gold.ky.gov. Click on "Downloads" at the top of the page. When the Downloads screen comes up simply scroll down to "Special Districts" and open the appropriate form.

Water Districts—Water districts, which operate on a calendar year, must submit a budget (form LF 2001 WD) to fiscal court by December 1.

Kentucky Statute Required Filings

----Calendar for Special Districts

Fiscal Year--- July 1 – June 30

Category	Form *	Procedures	Deadline	Statute Reference
District Certification	LF 2003	File with County Clerk in each county you have operations:		
&		-- District Name		
		-- Statutory Authority	September 1 st	KRS 65.070 {1}
Summarized Annual Financial Statement		-- Names, addresses and expiration dates of board members and CEO		
	LF 2002	-- Summary of Finances	<i>(within 60 days of close of fiscal year)</i>	
		Publish descriptive information and summary of District finances in local newspaper		
Annual Financial Statement	Audit to be prepared by CPA	Submit to each fiscal court where you have operations -annual financial statement or audit within 30 days of completion of the audit.	March 1st	KRS 65.070(2) KRS 65.065(2)(3)
or Audit				
Uniform Financial Information Report (UFIR)	F-65(KY-5)	Special Districts which are also taxing districts must annually complete and file a UFIR and forward it to GOLD.	May 1 st	KRS 65.905
Budget	LF 2001	File copy of District budget with the fiscal court in each county of operation. Courts must submit this budget to GOLD.	June 1 st	
	<i>(LF2001WD for Water Districts)</i>		<i>(December 1st for Water Districts)</i>	KRS 65.065 {1}

* Forms are available in this manual and electronically on GOLD's website--- www.gold.ky.gov.

CERTIFICATION OF SPECIAL DISTRICT TO COUNTY CLERK

1. **CERTIFICATION FILING**—A special district must file a District Certification with the county clerk within sixty (60) days following the close of the fiscal year (KRS 65.070).
2. **CERTIFICATION INFORMATION**—The certification is required to be filed each year and must include any information that has changed since the last filing with the county clerk.
 - a. The name of the district
 - b. A map or general description of its service area
 - c. The statutory authority under which it was created, and
 - d. The names, addresses and expiration dates of the terms of office of the members of its governing body and chief executive officer.
3. **CERTIFICATION FORM**—A District Certification Form with all of the information required for certification to the county clerk is included in the District Budget Packets distributed by GOLD through the county clerk's office.

SUMMARY FINANCIAL INFORMATION PUBLICATION

1. **PUBLICATION OF FINANCIAL SUMMARY**— Each special district is required to publish the following district and financial information:
 - a. Names and addresses of the members of its Board
 - b. Summary financial statement that includes the location of supporting documents, or the location of the financial records of the District, which may be examined by the public [KRS 65.070(1)(c)].

Forms with instructions for the publication of a Summary of Financial Information are included in the District Budget Packet distributed by GOLD.
2. **ALTERNATIVE TO DETAILED PUBLICATION**—The publication of a Financial Summary is in lieu of the detailed publication requirements of KRS, chapter 424, which requires Districts to publish in the newspaper an itemized sworn statement of all funds collected, received, held or disbursed within sixty (60) days of the fiscal year.

ANNUAL BUDGET

1. **ANNUAL BALANCED BUDGET**— Kentucky law requires that every special district annually prepare a proposed budget for the expenditure of all funds [KRS 65.065(1)], including those from local, state and federal sources which are to be expended. The budget must be based on a fiscal year from July 1 to June 30 (KY Constitution §169), unless otherwise authorized by the Kentucky General Assembly. Districts must adopt a balanced budget, with budgeted expenditures not exceeding budgeted revenues, cash and receipts.
2. **STANDARD BUDGET FORMS**— Each district must prepare its budget on a fiscal year basis using the STANDARD BUDGET FORMS prepared by the Kentucky State Local Finance Officer and furnished to county clerks for local districts by GOLD.

3. **CURRENT BUDGET FORMS**— The most recent **STANDARD BUDGET FORMS** prepared by the Kentucky State Local Finance Officer are available from The Governor's Office for Local Development (GOLD):

- In this manual— check form to be sure it is current
- Website-- www.gold.ky.gov, click on "Downloads" at the top of the page, when "Downloads" page comes up scroll down to "Special Districts" and open the form.
- GOLD's offices-- 1024 Capital Center Drive
Frankfort, Kentucky 40601-8204
Phone---502-573-2382
Toll-free---800-346-5606

The Budget Document includes the following:

A. Budget Summary

1. Revenues
2. Receipts & Cash
3. Appropriations

B. Revenues

1. Taxes
 2. Permits & Licenses
 3. In Lieu of Tax Payments
 4. Intergovernmental Revenues
 5. Charges for Services
 6. Other Revenues
 7. Interest Earned
- TOTAL REVENUES**

C. Surplus, Borrowed Money & Transfers

8. Surplus, Borrowed Money & Transfers

D. Expenditures

9. Personnel
 10. Operating Expenses
 11. Administration
 12. Capital Outlay
 13. Debt Service
- GRAND TOTAL ALL APPROPRIATIONS**

E. Certification of Truth & Accuracy

4. **THREE YEARS ON BUDGET**—The **STANDARD BUDGET FORMS** prepared by the Kentucky State Local Finance Officer require detailed budget information for three (3) consecutive fiscal years—July 1 to June 30:

- A. LAST YEAR—**ACTUAL** amounts spent in the prior fiscal year, ending last June 30;
- B. THIS YEAR—**BUDGETED** amounts for current fiscal year, ending this June 30; and
- C. NEXT YEAR—**ESTIMATED** amounts for next fiscal year, beginning this July 1.

5. **INSTRUCTIONS FOR BUDGET FORMS**—The **STANDARD BUDGET FORMS** packet distributed by GOLD contains **INSTRUCTIONS** and a **MEMORANDUM**, together with an informational letter from the State Local Finance Officer. Special districts are instructed **NOT to add categories** to the forms and to contact The Governor's Office for Local Development (GOLD) if any district believes that the categories do not cover an expenditure. GOLD's phone number, email and mailing address are given in the instructions.

- 6. JUNE 1 FILING IN FISCAL COURT**—Every district must file its budget with fiscal court by June 1, at least 30 days prior to the start of the fiscal year [KRS65.065(1)] --- the lone exception being water districts which operate on a calendar year and must comply by December 1.
- 7. NO FILING, NO SPENDING**—The budget requirement law states that the budget of a special district is NOT effective until filed with the fiscal court of the county in which the district is located for submission to The Governor's Office for Local Development (GOLD) and no money can be spent until the budget is filed [KRS 65.065(1)].
- 8. PAY ONLY BUDGET CATEGORIES**—Kentucky budget law prohibits a district from spending any money from any source except in accordance with the budget which has been filed with the fiscal court and is available for public inspection.
- 9. PROSECUTOR MUST STOP DISTRICT FROM SPENDING UNTIL BUDGET IS FILED**—
If a district does not file its budget by June 1, the fiscal court clerk must immediately notify the county attorney who is required to immediately:
- Notify the district it has violated state financial law; and
 - Take legal action to stop the district from spending any money, including taking "all steps necessary to prevent the expenditure of funds by the district until the district is in compliance" [KRS 65.065(1)].

KENTUCKY STATUTES FOR ANNUAL BUDGETS

KRS 65.065 Budgets -- Filing -- Financial statements -- Audits -- Enforcement

- (1) The governing body of each district shall annually prepare a budget and, as appropriate, shall classify budget units in the same fashion as county budgets are classified in accordance with KRS 68.240(2) to (5). The state local finance officer shall prepare standard budget forms for district use and shall furnish them to county clerks for distribution to district officers. No moneys shall be expended from any funds or any sources, except in accordance with the budget which has been filed with the fiscal court to be available for public inspection. No budget of a district shall become effective until filed with the fiscal court of the county in which the district is located for submission to the Department for Local Government. For those districts with multi-county jurisdictions, the district shall file a copy with each of the fiscal courts within the jurisdiction of the district for their review. If the budget is not filed with the fiscal court at least thirty (30) days prior to the start of the district fiscal year, the fiscal court shall immediately notify the county attorney. The county attorney shall then notify the governing board of the special district of the noncompliance and then proceed with any steps necessary to prevent the expenditure of funds by the special district until the district is in compliance.
- (2) The governing body of each district which for the year in question receives from all sources or expends for all purposes less than four hundred thousand dollars (\$400,000) will annually prepare a financial statement, except once every four (4) years the district's governing body shall provide for the performance of an audit as provided in subsection (4) of this section.
- (3) The governing body of each district which for the year in question receives from all sources or expends for all purposes four hundred thousand dollars (\$400,000) or more shall provide for the performance of an annual audit as provided in subsection (4) of this section.
- (4) To provide for the performance of an audit, the governing body of a district shall employ an independent certified public accountant or contract with the Auditor of Public Accounts to perform an audit of the funds in the district budget. The audit shall conform to:

- (a) Generally-accepted governmental auditing standards, which means those standards for audits of governmental organizations, programs, activities, and functions issued by the Comptroller General of the United States; and
 - (b) Additional procedures and reporting requirements as may be required by the Auditor of Public Accounts. A unit of government furnishing funds directly to a district may require additional audits at its own expense. Upon request, the State Auditor of Public Accounts may review the final report and all related work papers and documents of the independent certified public accountant relating to the audit. If a district is required by law to audit its funds more often than is required by this section, it shall perform those audits and may submit them in lieu of the requirements of this section, if the audits meet the requirements of this subsection.
- (5) The provisions of subsection (2) of this section shall not apply to any district that is required by law to annually submit a financial report to an agency of state government. The districts shall annually submit a copy of their financial report to the county judge/executive and to the state local finance officer and once every four (4) years provide for the performance of an audit as provided in subsection (4) of this section.
- (6) Any resident of the district may bring an action in Circuit Court to enforce provisions of this section. The Circuit Court shall hear the action and, on a finding that the governing body of the district violated the provisions of this section, shall order the district to comply with the provisions. The Circuit Court, in its discretion, may allow the prevailing party, other than the district, a reasonable attorney's fee and court costs, to be paid from the district's treasury.

KRS 65.070 Filing with county clerk and fiscal court -- Publication of descriptive information on the district -- Submission of audit to fiscal court -- Department for Local Government to furnish standard reporting forms to county clerks -- Enforcement.

- (1) Within sixty (60) days following the close of the fiscal year, the district shall:
- (a) File with the county clerk of each county with territory in the district a certification showing any of the following information that changed since last filing by the district:
 - 1. The name of the district;
 - 2. A map or general description of its service area;
 - 3. The statutory authority under which it was created; and
 - 4. The names, addresses, and the date of expiration of the terms of office of the members of its governing body and chief executive officer;
 - (b) Submit for review a copy of the summary financial statement with the fiscal court of each county with territory in the district; and
 - (c) Publish, in lieu of the provisions of KRS 424.220, but in compliance with other applicable provisions of KRS Chapter 424, the names and addresses of the members of its governing body and chief executive officer, and either a summary financial statement, which includes the location of supporting documents, or the location of district financial records which may be examined by the public.
- (2) The district shall submit for review a copy of the audit with the fiscal court of each county with territory in the district. The submission shall be made within thirty (30) days of the district's receipt of the completed audit.
- (3) The Department for Local Government shall prepare and furnish to county clerks standard reporting forms which districts may use to comply with the provisions of this section.
- (4) Any resident of the district may bring an action in Circuit Court to enforce the provisions of this section. The Circuit Court shall hear the action and, on a finding that the governing body of the district has violated provisions of this section, shall order the district to comply with its provisions. The Circuit Court, in its discretion, may allow the prevailing party, other than the district, a reasonable attorney's fee and court costs, to be paid from the district's treasury.

UNIFORM FINANCIAL INFORMATION REPORT (UFIR)

1. **ANNUAL UFIR REPORT**—After the close of the fiscal year, every special taxing district is required to complete a Uniform Financial Information Report [KRS 65.905(1)]. Districts are authorized to have the UFIR completed by the certified public accountant or auditor that performs its annual audit [KRS 65.905(3)]. The information from this form is used for an analysis of the state's overall credit rating, for a database of comparable financial data from all counties, cities, and special taxing districts, for fiscal impact statements on proposed legislation, and for data collection obligations of the United States Bureau of the Census.
2. **NEW UFIR FORMS BY DECEMBER 31**— The Governor's Office for Local Development (GOLD) is required to distribute copies of the UFIR to each special district as soon as practical after the close of the fiscal year, but in no event later than December 31 [KRS 65.905(4)]. UFIR forms are usually sent out from the GOLD office by the end of October. The forms are based on the United States Bureau of the Census forms and other requirements, and may change substantially from year to year [KRS 65.905(4)].
3. **MAY 1 FILING**—A special district must file the completed report with The Governor's Office for Local Development (GOLD) by May 1.
 - Electronically on GOLD's website— www.gold.ky.gov, click on "Downloads" at the top of the page, when "Downloads" page comes up scroll down to "Special Districts" and open the form.
 - GOLD's offices-- 1024 Capital Center Drive
Frankfort, Kentucky 40601-8204
Phone---502-573-2382
Toll-free---800-346-5606
4. **COMPLETION OF REPORT**—The Uniform Financial Information Report must contain information and specific data on the demographics of the special district, tax rate (including "HB 44" information), revenues (including intergovernmental revenues), lease purchase agreements, and other financial data (KRS 65.910). The Governor's Office for Local Development (GOLD) requires the report to be completed on the UFIR form without any changes, additions or deletions in any category. There should be no addendum attached. Do not include cents, but round all amounts to the nearest whole dollar amount.
5. **FISCAL YEAR REVENUE AND CALENDAR RATES**— The Uniform Financial Information Report must be prepared on a cash basis, fiscal year July 1 to June 30, as required by the Kentucky Constitution and state law. However, real estate, personal property and motor vehicle tax rates are to be reported as established for a calendar year. The assessment is a calendar year assessment and rates are set for a calendar year, although the revenue produced is to be reported on a fiscal year basis.
6. **SPECIAL DISTRICTS UNIFORM FINANCIAL INFORMATION REPORT (UFIR)** —The UFIR is distributed by GOLD and includes general instructions for completion.

The UFIR Document includes the following:

I. Tax Rates:

1. Real Property
2. Personal Property
3. Motor Vehicles

II. Revenue and Cash:

1. Taxes:
 - a. Real Property Taxes
 - b. Personal Property Taxes
 - c. Motor Vehicle Taxes
 - d. Delinquent Taxes
 - e. All Other Taxes
2. Permits and Licenses:
3. Intergovernmental Revenue:
 - a. From Federal Government
 - b. From State Government
 - c. From County Government
 - d. From City Government
 - e. From Other Districts
4. Service Charges:
 - a. Service Charges
 - b. User Fees
 - c. Special Assessments
 - d. Rental income
5. Other:
 - a. Interest Earnings
 - b. Gifts and Endowments
 - c. Sales (including surplus property)
 - d. Penalties and Interest
6. Proceeds from Long-Term Debt
7. Unrestricted Cash and Investments
8. Restricted Cash and Investments
9. Transfers In
10. Transfers Out

III. Expenditures:

1. Personal Services:
 - a. Salaries and Wages
 - b. Pensions (Retirement)
 - c. Health (Medical) Insurance
 - d. FICA (Social Security)
 - e. Worker's Compensation
 - f. Unemployment Insurance
 - g. All Other Employer Paid Fringe
2. Contracted Services:
 - a. Advertising and Printing
 - b. Professional Services
 - c. Maintenance and Repairs
 - d. Utilities (including telephone)
 - e. Rent and Leases
 - f. Insurance and Bonds
 - g. All Other Contracted Services

3. Materials and Supplies:
 - a. Supplies
 - b. Materials
4. Administration:
 - a. Dues and Subscriptions
 - b. Travel and Training
 - c. Court Judgments
 - d. Grants and Donations
 - e. Other Administrative Expenses
5. Capital Outlay:
 - a. Equipment
 - b. Vehicles
 - c. Land
 - d. Building and Structures
6. Debt Service:
 - a. Principal Payments
 - b. Interest Payments

7. **CONSULTATION WITH LOCAL OFFICIALS**—GOLD is required to consult with the Kentucky League of Cities, Kentucky Association of Counties and other local officials to develop information for the report's expenditure section [KRS 65.910(10)].
8. **GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT (GOLD)**—GOLD is required to use the Uniform Financial Information Report (UFIR) to replace as many as possible of the financial information forms that special districts are required to complete and submit, by consolidating the required information into the UFIR. Data supplied by a special district will be used by state and federal agencies. By filing the report, a district will not be required to complete local government finance reporting forms from the U.S. Bureau of the Census.
9. **TERMINATION OF STATE AID**—If a special district fails to file a Uniform Financial Information Report (UFIR) by May 1 or fails to comply with other requirements, any state agency that provides money to the district may be notified by GOLD of the noncompliance, and those agencies shall immediately suspend all payments to the district until compliance is obtained [KRS 65.920(2)]. Kentucky Administrative Regulations have been adopted by GOLD for enforcing compliance with the report requirements, including notifying non-complying districts, the Legislative Research Commission, and state agencies providing funds to special districts (109 KAR 13:010). If an incomplete or incorrect report is filed, the district will be notified in writing and given thirty (30) days to complete or correct the report.
10. **COPY TO COUNTY CLERK**—It is required by law that a copy of each completed UFIR be filed with the county clerk of the county in which the special district is located (KRS 65.925). The form distributed by GOLD requests that the district file a copy of this report with its county clerk.

KENTUCKY STATUTES FOR UFIRS---UNIFORM FINANCIAL INFORMATION REPORT

KRS 65.900 Definitions

As used in KRS 65.905 to 65.920, unless the context requires otherwise:

- (1) "City" means every city organized and governed under the mayor-alderman form of government pursuant to KRS Chapter 83, every city organized and governed under the mayor-council form of government pursuant to KRS Chapter 83A, every city organized and

governed under the commission form of government pursuant to KRS Chapter 83A, every city organized and governed under the city manager form of government pursuant to KRS Chapter 83A, and every urban-county government organized and governed under the urban-county form of government pursuant to KRS Chapter 67A.

- (2) "County" means any of Kentucky's one hundred and twenty (120) counties.
- (3) "Special district" means any district with ad valorem taxing powers including, but not limited to, those specified in the following KRS statutes: KRS 75.010 to 75.260, KRS 76.274 to 76.279, KRS 104.450 to 104.680, KRS 107.310 to 107.500, KRS 108.080 to 108.180, KRS 109.115 to 109.190, KRS 147.610 to 147.710, KRS 164.605 to 164.675, KRS 173.450 to 173.650, KRS 173.710 to 173.800, KRS 179.700 to 179.990, KRS 210.370 to 210.480, KRS 212.720 to 212.760, KRS 216.310 to 216.360, KRS 220.010 to 220.613, KRS 262.010 to 262.660, KRS 262.700 to 262.990, KRS 266.010 to 266.990, KRS 268.010 to 268.990, and KRS 269.100 to 269.270.
- (4) "Local government" includes the terms city, county, and special district as defined in this section.
- (5) "Lease-purchase agreement" means an agreement to lease or to lease and purchase major items of property, equipment, or services estimated to cost fifty thousand dollars (\$50,000) or more, and two hundred thousand dollars (\$200,000) or more for the construction or installation of a building or a utility.

KRS 65.905 Local governments required to file uniform financial information report -- Use of report by Department for Local Government.

- (1) Except as otherwise provided in subsection (2) of this section, each local government as defined in KRS 65.900 shall annually, after close of fiscal year, complete a uniform financial information report. The report shall be submitted to the Department for Local Government by May 1 immediately following the close of the fiscal year. The Department for Local Government shall immediately send one (1) copy of the uniform financial information report to the Legislative Research Commission to be used for the purposes of KRS 6.955 to 6.975.
- (2) Final quarterly report filed by a county within fifteen (15) days after the end of the last quarter of the fiscal year, in accordance with KRS 68.360(2), shall be deemed the uniform financial information report for that county for purposes of compliance with KRS 65.900 to 65.925, if that quarterly report contains, at a minimum, all information required by KRS 65.910.
- (3) Each city may have the uniform financial information report completed by its selected auditor as part of the terms and conditions of the written agreement between the city and the auditor in accordance with KRS 91A.040. Each county may have the uniform financial information report completed by its auditor selected in accordance with KRS 43.070 or 64.810. Each special district may have the uniform financial information report completed by its auditor selected in accordance with KRS 65.065. If a city does not use the auditor to complete the uniform financial information report, it shall by order designate an elected or non-elected official to be responsible for annually completing the report and submitting it to the Department for Local Government. If a local government has any agency, board, or commission that receives funding from the local government, but conducts its operations on an autonomous or semi-autonomous basis, the local government shall note on the uniform financial information report the name of the agency, board, or commission; the mailing address of the agency, board, or commission; and the dollar amount annually appropriated by the local government to the agency, board, or commission.
- (4) The Department for Local Government shall by administrative regulation prescribe the format of the uniform financial information report. The department shall attempt to coordinate and combine efforts with the United States Bureau of the Census in the development of the format of the uniform financial information report so that a single report will meet the needs of both agencies and fulfill the requirements of KRS 65.900 to 65.925. Regardless of any agreement between the Department for Local Government and the

United States Bureau of the Census, the department shall maintain responsibility for assuring that a uniform financial information report is distributed to each local government as soon as practicable after the close of each fiscal year, but in no event later than one hundred twenty (120) days prior to the required submission date of May 1.

- (5) The Department for Local Government shall use the uniform financial information report to replace as many financial information forms as possible that local governments are currently required to complete and submit to the department for use by either the state or federal governments, by consolidating the required information into the uniform report.

KRS 65.910 Required contents of uniform financial information report

- (1) The uniform financial information report shall include, but not be limited to, information relating to demographics, bonded indebtedness, debt service requirements, lease-purchase agreements, tax rates/revenues, licenses, permits, fees, utilities, inter-government revenues, miscellaneous revenues, charges for services, and all expenditures set forth in this section.
- (2) Demographic information shall include:
- (a) The name of the unit of local government;
 - (b) The county in which the city or special district is located;
 - (c) The classification of the city;
 - (d) The population of the unit of local government;
 - (e) The form of government of the city; and
 - (f) The area development district in which the unit of local government is located.
- (3) Bonded indebtedness and debt service information shall include:
- (a) The name of each project listed individually;
 - (b) The type of bond issue used for each project;
 - (c) The bonded indebtedness of each project;
 - (d) The debt service requirements of each project; and
 - (e) The specific source of debt service funds, whether local government appropriations or use of nongovernmental funds.
- (4) Lease-purchase agreement information shall include:
- (a) Purpose of the agreement;
 - (b) Identity of the leaser;
 - (c) Principal amount of the agreement;
 - (d) Interest rate or rates for the agreement;
 - (e) Date the local government entered into agreement;
 - (f) Length of term of agreement;
 - (g) Current annual debt service requirements for agreement; and
 - (h) A list of and the purpose of any short-term renewal bank notes.
- (5) Tax rate and revenue information shall include:
- (a) The compensating tax rate and the maximum tax rate for the current fiscal year and the preceding fiscal year;
 - (b) The current fiscal year ad valorem tax rate levied by the local government, preceding fiscal year revenues collected by the local government, and the assessed property valuation for real property, personal property, motor vehicles and watercraft; and
 - (c) The current fiscal year tax rate levied by the local government and preceding fiscal year revenues collected by the local government for the following types of taxes:
 - 1. Occupational license tax on persons;
 - 2. Occupational license tax on business net profits, gross receipts, or a flat rate;
 - 3. Insurance premium tax on fire and allied perils, casualty liability only, vehicle, inland marine, health, life, all other risks taxed, minimum tax and company taxable reserves;
 - 4. Transient room tax;
 - 5. Restaurant tax;

6. Bank franchise tax;
 7. Delinquent collections; and
 8. Special purpose and other taxes.
- (6) Information on licenses, permits, and fees shall include the amount charged and the preceding fiscal year revenues collected by the local government for the following types of licenses, permits, and fees:
- (a) Alcoholic beverage licenses for the manufacture and sale, distilled spirits and wine, malt beverages, Sunday sales, and regulatory license fee on gross receipts;
 - (b) Required sticker fees on automobiles and trucks;
 - (c) Motor vehicles fees on taxicabs, truck-tractors, semi-trailers and trailers;
 - (d) Coin-operated machines;
 - (e) Cable television;
 - (f) Building, electrical, and plumbing permits;
 - (g) Zoning permits and development impact fees;
 - (h) Building, elevator, electrical, plumbing, food, rehabilitation, and other inspection fees;
 - (i) Licensing of electricians and electrical contractors;
 - (j) Unloading fees;
 - (k) Public service fees for fire protection, police protection;
 - (l) Ambulance service franchise fees and ambulance run fees;
 - (m) Animal license fees; and
 - (n) Any other source of license, permit, or fee.
- If varying rates or fees are charged based upon classification, volume, value, or other criteria, the local government shall submit a fee chart with the report form.
- (7) Information on utilities shall include the franchise tax or fee, charge for service, user fee or "tap on" fee, and preceding fiscal year revenues collected by the local government on the following utilities:
- (a) Waterworks;
 - (b) Sewage treatment;
 - (c) Electric light, heat, and power;
 - (d) Gas;
 - (e) Garbage collection -- residential, commercial, and industrial, and landfill fees;
 - (f) Transit authority; and
 - (g) Any other type of utility.
- If varying rates or fees are charged based upon classification, volume, value, or other criteria, the local government shall submit a fee chart with the report form.
- (8) Information on intergovernmental revenues shall include the types of intergovernmental revenues received by the local government, preceding fiscal year revenues collected by the local government, and rate and interest requirements for loan repayments that shall include:
- (a) Kentucky Law Enforcement Foundation Program fund;
 - (b) Professional Firefighters Foundation Program fund;
 - (c) Community development block grant funds;
 - (d) County or municipal road aid;
 - (e) Local government economic assistance funds;
 - (f) Net court revenues;
 - (g) Kentucky Infrastructure Authority funds;
 - (h) Economic development bonds;
 - (i) Kentucky Economic Development Finance Authority funds;
 - (j) Environmental Protection Agency funds;
 - (k) County or city transfers; and
 - (l) Any other source of state or federal funds.

- (9) Information on miscellaneous revenues and charges for services shall include the source of revenue, charge, or fee levied by the local government and preceding fiscal year revenues collected for the following:
- (a) Parking meter receipts;
 - (b) Parking facility receipts;
 - (c) Parking violation fines;
 - (d) Charges for impounded vehicles;
 - (e) Sale of abandoned vehicles;
 - (f) Delinquent tax bills;
 - (g) Fines and forfeitures;
 - (h) Penalties and interest;
 - (i) Franchise payments for governmental services bid out to the private sector;
 - (j) Golf course receipts;
 - (k) Parks and recreation;
 - (l) Proceeds from sale of seized and forfeited property;
 - (m) Rent;
 - (n) Interest from investments and dividends; and
 - (o) Any other source of revenue or charge for service.
- (10) Information on expenditures shall be listed by total only and indicate the fund from which an appropriation was made. The Department for Local Government shall consult with the Kentucky League of Cities, the Kentucky Association of Counties, the Kentucky Municipal Finance Officers' Association, the Kentucky Society of Certified Public Accountants, and other affected interest groups, as well as local officials in the development of information to be included in the expenditure section of the uniform financial information report.

KRS 65.915 Date of filing first report.

The first uniform financial information report local governments shall be required to complete in accordance with KRS 65.900 to 65.925 shall be submitted to the Department for Local Government on or before February 1, 1992, for the July 1, 1990, to June 30, 1991, fiscal year.

KRS 65.920 Effects of failure of local government to comply with certain specified statutory provisions.

- (1) Any local government that fails to submit annually a uniform financial information report to the Department for Local Government shall be ineligible to receive county or municipal road aid moneys in accordance with KRS 177.360 or 177.366. Any local government receiving road aid moneys in accordance with KRS 177.365 to 177.369 or KRS 177.320 and 177.360 that fails to comply with the provisions of KRS 65.900 to 65.915 shall immediately have all road aid payments suspended until the local government submits the uniform financial information report to the Department for Local Government.
- (2) If a local government receives payments of money from the Commonwealth and fails to comply with the provisions of KRS 65.900 to 65.925 or KRS 92.280(1), the state local finance officer may notify those agencies making payments to the local government of noncompliance, and those agencies shall immediately suspend delivery of all payments to the local government except those payments made pursuant to KRS Chapter 154 or KRS 42.4588, until the state local finance officer determines that the local government has complied with the requirements of KRS 65.900 to 65.925 or KRS 92.280(1).

AUDITS AND FINANCIAL STATEMENTS

1. **AUDIT IF OVER \$400,000 REVENUE**—The board of a special district that receives from all sources or expends for all purposes four hundred thousand dollars (\$400,000) or more in a fiscal year shall provide for the performance of an annual audit of the funds in the district budget by an independent certified public accountant (or contract with the Kentucky Auditor of Public Accounts) [KRS 65.065(3)(4)].
2. **UNDER \$400,000 REVENUE**—If a special district receives from all sources or expends for all purposes less than four hundred thousand dollars (\$400,000) in a fiscal year, the board shall annually prepare a financial statement, except that once every four years (4) years the district's governing body shall provide for the performance of an audit of the funds in the district budget by an independent certified public accountant (or contract with the Kentucky Auditor of Public Accounts) [KRS 65.065(2)(4)].
3. **FILE IN FISCAL COURT WITHIN 30 DAYS OF RECEIPT**—Kentucky law requires a special district to submit for review to fiscal court a copy of the audit (or financial statement) that is performed on the funds in the district budget. The audit must be submitted to fiscal court for review within thirty (30) days of the district's receipt of the completed audit [KRS 65.070(2)].
4. **GOVERNMENT AUDIT STANDARDS**—The audit required for special districts must conform to the generally-accepted governmental auditing standards, which means those standards for audits of governmental organizations, programs, activities and functions issued by the Comptroller General of the United States [KRS 65.065(4)(a)].

The Auditor of Public Accounts has issued the following interpretation of KRS 65.065(4) (a):

"The audit program must cover all applicable audit objectives and meet all applicable professional standards as set forth by the American Institute of Certified Public Accountants (AICPA) and Government Accounting Office (GAO). This includes but is not limited to the AICPA's Codification of Statements on Auditing Standards and GAO's Government Auditing Standards commonly known as the "Yellow Book."

"Compliance with generally accepted governmental auditing standards shall be effective for all special taxing districts' audits started after December 31, 1991."
Auditor of Public Accounts, Commonwealth of Kentucky, October 10, 1991.

The Kentucky Auditor may require additional procedures and reporting requirements, including requesting the final report and all related work papers and documents of the independent certified public accountant relating to the audit [KRS 65.065(4)(b)].

5. **FINANCIAL STATEMENTS**—The financial statement required for special districts with revenue from all sources or expenditures for all purposes less than \$400,000 includes the following categories:
 - a. Beginning cash on hand on July 1.
 - b. All funds received from all sources during the fiscal year, separated by source of funds
 - c. Expenditures of all funds for all purposes during the fiscal year, separated by purpose.
 - d. Ending balance as of June 30.
6. **SELECTING AN AUDITOR**—Special districts should never select an auditor without considering five basic elements of an effective audit process:
 1. Planning—determining what needs to be done and when.

2. Fostering competition by soliciting proposals—writing a clear and direct solicitation document and disseminating it widely.
3. Technically evaluating proposals and qualifications—authorizing a committee of knowledgeable persons to evaluate the ability of prospective auditors to effectively carry out the audit.
4. Preparing a written agreement---documenting the expectations of both the District and the auditor.
5. Monitoring the auditor's performance—periodically reviewing the progress of that performance.

KENTUCKY STATUTES FOR AUDITS AND FINANCIAL STATEMENTS

KRS 65.065 Budgets -- Filing -- Financial statements -- Audits -- Enforcement

Sections (2) – (6) state:

- (2) The governing body of each district which for the year in question receives from all sources or expends for all purposes less than four hundred thousand dollars (\$400,000) will annually prepare a financial statement, except once every four(4) years the district's governing body shall provide for the performance of an audit as provided in subsection (4) of this section.
- (3) The governing body of each district which for the year in question receives from all sources or expends for all purposes four hundred thousand dollars (\$400,000) or more shall provide for the performance of an annual audit as provided in subsection (4) of this section.
- (4) To provide for the performance of an audit, the governing body of a district shall employ an independent certified public accountant or contract with the Auditor of Public Accounts to perform an audit of the funds in the district budget. The audit shall conform to:
 - (a) Generally-accepted governmental auditing standards, which means those standards for audits of governmental organizations, programs, activities, and functions issued by the Comptroller General of the United States; and
 - (b) Additional reporting requirements as may be required by Auditor of Public Accounts. A unit of government furnishing funds directly to a district may require additional audits at its own expense. Upon request, the State Auditor of Public Accounts may review final report and related documents of independent certified public accountant relating to audit. If a district is required by law to audit its funds more often than required by this section, it shall perform those audits and submit them in lieu of the requirements of this section, if the audits meet the requirements of this subsection.
- (5) The provisions of subsection (2) of this section shall not apply to any district required by law to annually submit a financial report to an agency of state government. The districts shall annually submit a copy of their financial report to county judge/executive and state local finance officer and once every four (4) years provide for the performance of an audit as provided in subsection (4) of this section.
- (6) A resident of district may bring action to enforce provisions of this section. Circuit Court shall hear action and, on finding that governing body of district violated provisions of this section, shall order district to comply with provisions. Circuit Court may allow prevailing party, other than district, a reasonable attorney's fee and court costs, to be paid from district's treasury.

KRS 65.070 Filing with county clerk and fiscal court -- Publication of descriptive information on the district -- Submission of audit to fiscal court -- Department for Local Government to furnish standard reporting forms to county clerks -- Enforcement.

- (1) Within sixty (60) days following the close of the fiscal year, the district shall:
 - (a) File with the county clerk of each county with territory in the district a certification showing any of the following information that changed since last filing by the district:

1. The name of the district;
 2. A map or general description of its service area;
 3. The statutory authority under which it was created; and
 4. The names, addresses, and the date of expiration of the terms of office of the members of its governing body and chief executive officer;
- (b) Submit for review a copy of the summary financial statement with the fiscal court of each county with territory in the district; and
- (c) Publish, in lieu of the provisions of KRS 424.220, but in compliance with other applicable provisions of KRS Chapter 424, the names and addresses of the members of its governing body and chief executive officer, and either a summary financial statement, which includes the location of supporting documents, or the location of district financial records which may be examined by the public.
- (2) The district shall submit for review a copy of the audit with the fiscal court of each county with territory in the district. The submission shall be made within thirty (30) days of the district's receipt of the completed audit.
- (3) The Department for Local Government shall prepare and furnish to county clerks standard reporting forms which districts may use to comply with the provisions of this section.
- (4) Any resident of the district may bring an action in Circuit Court to enforce the provisions of this section. The Circuit Court shall hear the action and, on a finding that the governing body of the district has violated provisions of this section, shall order the district to comply with its provisions. The Circuit Court, in its discretion, may allow the prevailing party, other than the district, a reasonable attorney's fee and court costs, to be paid from the district's treasury.

REAL ESTATE TAX LEVY

1. **PROPERTY TAX LEVY**—A special taxing district has authority to levy a tax on the property subject to county tax within the district for the purpose of defraying the expenses related to the establishment, maintenance and operation of the district.

The process includes:

- a. Property valuation administrator values the property;
- b. District establishes the tax rate;
- c. County clerk computes the tax on the tax bills; and
- d. Sheriff collects the tax for the district.

2. **PROPERTY TAX CALENDAR**—The basic tax calendar in Kentucky includes:

- a. Assessment Date [KRS 132.220(1)].....January 1
- b. Listing Period [KRS 132.220(1)].....January 1 – March 1
- c. PVA Recap to Districts [KRS 133.040(1)].....First Monday in April
- d. Public Inspection Tax Roll [KRS 133.045(1)].....13 Days beginning 1st Monday May
- e. Board of Assessment Appeals [KRS 133.120(2)].....5 Days 25 to 35 Days after (d)
- f. Clerk's Recap to Revenue Cabinet [KRS 133.125(1)].....5 Days after Board ends
- g. Decisions Board Appeals [KRS 133.125(2)].....within 5 Days of Adjourn
- h. Revenue Cabinet Certification [KRS 132.020(7)].....Upon Completion
- i. District Tax Rates to Clerk (KRS 132.0225).....September 1
- j. Clerk delivers Tax Bill to Sheriff [KRS 133.220(3)].....September 15
- k. Pay with 2% Discount [KRS 134.020(2)].....November 1
- l. Pay without Discount [KRS 134.020(2)].....November 2-December 31
- m. Tax Bills Delinquent [KRS 134.020(3)].....January 1
- n. Pay with 2% Penalty [KRS 134.020(5)].....January 1-January 31
- o. Pay with 10% Penalty [KRS 134.020(4)].....After January 31
- p. Sheriff's accounts settlement [KRS 134.310(1)].....October Fiscal Court Meeting

KRS, Chapter 132, 133, 134 and other statutes provide the Department of Revenue with authority to extend certain sections of the Kentucky Property Tax Calendar.

- 3. RATE WITHIN 45 DAYS OF CERTIFICATION**—A district setting a tax rate that is not subject to recall vote shall establish a final tax rate within forty-five (45) days of Department of Revenue Certification of Assessment (KRS 132.017). Any district failing to meet the deadline shall be required to use the compensating tax rate for that year's property tax bills (KRS 132.0225).

DEBT NOTIFICATION

Kentucky law requires special districts to report in writing to the State Local Debt Officer in the Governor's Office for Local Development before entering into debt in the form of bonds, leases and short-term loans. The required notification must contain information as outlined in the Bond Summary, Lease Summary and Notification of Intent to Borrow forms included in this manual.

- 1. BONDS**---No bonds or obligations may be issued by or on behalf of any special district without first notifying the State Local Debt Officer in writing. Bond notification must contain all information the State Local Debt Officer requires in order to provide a complete file in the State Local Debt Report [KRS 66.045].

Notification of Bonds must include the following:

- a. Completed Bond Summary Form.
- b. Amortization schedule with all principal payments made throughout life of the bond.
- c. Any other information necessary to complete the file.

- 2. LEASES**---No lease may be entered into without first notifying the State Local Debt Officer in writing if lease price exceeds one hundred thousand dollars (\$100,000) per KRS 65.944. Notification, using the Lease Summary form, must include the terms of the Lease.

Notification of Leases must include the following:

- a. Completed Lease Summary Form.
- b. Amortization schedule with all principal payments made throughout life of the lease.
- c. Any other information necessary to complete the file.

- 3. SHORT-TERM BORROWING ACT**---The Short-Term Borrowing Act, KRS 65.7701 to KRS 65.7721, governs short-term loans to special districts. This Act requires short-term loans to be paid off within the same fiscal year (July 1-June 30) as borrowed. Notification to the State Local Debt Officer must occur prior to the loan being finalized and must include all KRS 65.7719 required terms. The Notification of Intent to Borrow form is to be used to notify the State Local Debt Officer of short-term borrowing.

KENTUCKY STATUTES FOR DEBT NOTIFICATION

BOND NOTIFICATION---

KRS 66.045 Notice to state local debt officer required before bonds and obligations issued by political subdivision.

- (1) Intent of this section is to facilitate, through state technical and advisory assistance, marketing of local government bonds and long-term obligations at lowest net interest costs.

- (2) Without first notifying the state local debt officer in writing, no bonds or obligations may be issued by or on behalf of any issuer except as provided by KRS 65.940-65.956. Notification shall contain maturity schedule, interest rate, date of issue, purpose, paying agent, and any other information the state local debt officer may require to provide a complete file on local government debt.
- (3) The state local debt officer may provide technical and advisory assistance regarding the issuance of bonds and obligations to those issuers whose governing bodies request that assistance. The assistance shall include, but need not be limited to:
 - (a) Advice on the marketing of bonds and obligations by issuers;
 - (b) Conduct of training courses in debt management; and
 - (c) Promotion of the use by local governments of such tools for sound financial management as adequate systems of budgeting, accounting, auditing, and reporting.

LEASE NOTIFICATION---

KRS 65.944 Notification or approval of state local debt officer, when required -- Approval by chief state school officer, when required.

- (1) (a) Without first notifying the state local debt officer in writing, no lease may be entered into if the lease price exceeds one hundred thousand dollars (\$100,000). The notification shall contain the terms of the lease, including the lease price, number of optional renewal periods, interest rate, date of issue, purpose, any trustee or paying agent, if any, and any other information the state local debt officer may require. The state local debt officer may prescribe a form for providing the information required by this paragraph.
- (b) In addition to the notification required in (1) (a), no county, except an urban-county, shall enter into a lease if the lease price exceeds five hundred thousand dollars (\$500,000) without first receiving approval of lease from the state local debt officer. State local debt officer may prescribe procedures and adopt regulations for granting approval of leases.
- (c) In addition to notification required in (1) (a), no school district shall enter into a lease if price exceeds one hundred thousand dollars (\$100,000) without first receiving approval of lease from the chief state school officer. This officer shall recommend administrative regulations to State Board of Education for implementation of KRS 65.940 to 65.956.
- (2) The state local debt officer may provide technical and advisory assistance regarding the entering into leases by a governmental agency whose governing body requests assistance.

SHORT-TERM BORROWING NOTIFICATION---

KRS 65.7719 Notification of prescribed note information to state local debt officer

Without first notifying the state local debt officer in writing, no note shall be valid or obligatory. Notification shall contain the terms of the notes, including the interest rates or method of determining rates, the approximate date of issue, the maturity dates, the trustee or paying agent, if any, and shall include a copy of the certificate of the governmental agency as to taxes or revenues to be collected during the term of the notes. No approval of the state local debt officer shall be required.

KRS STATUTES by Special District Type

<u>District Type</u>	<u>Chapter</u>	<u>Tax Power</u>
1. Agricultural Extension	164	Yes
2. Air Board	183	Yes
3. Air Pollution Control	77	No
4. Ambulance	108	No
5. Area Development	147A	No
6. Area Planning Commission	147	Yes
7. Community Action Corporation	273	No
8. Community Improvement	107	Yes
9. Drainage and Levee	266, 267, 268, 269	Yes
10. Fire Protection	75	Yes
11. Flood Control	104	Yes
12. Hospital	216	Yes
13. Housing Authority	80.310	No
14. Industrial Development Authority	154.50	No
15. Library	173.710 or 173.450	Yes
16. Mass Transit Authority	96A	Yes
17. Mental Health	210	Yes
18. Public Health	212	Yes
19. Rescue Squad	39F	Yes
20. Riverport Authority	65, 58, 273	Yes
21. Road District	184	No*
22. Sanitation District	220	Yes
23. Sewer District	76.005 & 76.300	No*
24. Soil and Water Conservation	262	Yes
25. Solid Waste Management	109	Yes
26. Tourist and Convention	91A	Yes
27. Urban Services	108	No*
28. Water District	74	No
29. Watershed Conservancy	262	Yes

*These districts cannot levy a tax; however, they can levy assessments against real property in order to generate revenue.

SPECIAL DISTRICTS: Agricultural Extension

District type: *Agricultural Extension*

Governing Chapter of Kentucky Revised Statutes: 164

KRS Cite for Appointment Provisions: 164.635

KRS 164.635 Extension board--Membership, appointment, term, vacancy, removal of member

- (1) Appointment of the six (6) members, other than the county judge/executive, to the extension board shall be made by the county judge/executive of the county in which the extension district is located. These appointments shall be made, with the approval of the fiscal court, from nominations submitted by the extension council in the county in which said district is located. Said council, to be eligible to submit nominations, shall be organized and functioning in accordance with procedures approved by the director of extension.
- (2) On or before November 1 of each year the extension council shall submit to the county judge/executive a list of two (2) nominees for each member to be appointed to the extension board. On or before December 1 of each year the county judge/executive shall from this list appoint the required board members. If for any reason the county judge/executive fails to appoint the required members by December 15 of the year in question, they may be appointed by the director of extension. On the first board two (2) members shall be appointed for terms of three (3) years, two (2) for terms of two (2) years and two (2) for terms of one (1) year. Thereafter, all appointments shall be for terms of three (3) years and shall become effective on the first of January following appointment. Each member shall serve until his successor is appointed and qualified. Appointment of members to fill vacancies shall be in the same manner as those for other members. Board members may be appointed and the first board organized immediately after June 14, 1962. In this case the period served in 1962 shall be in addition to the regular terms of the members which start on January 1, 1963. Each board member shall, by virtue of his membership on the board, become a member of the extension council. This membership on the extension council may be in addition to the maximum of forty (40) as listed in subsection (2) of KRS 164.625.
- (3) A board member may be removed from office as provided by KRS 65.007.

SPECIAL DISTRICTS: Air Board

District type: *Air Board*

Governing Chapter of Kentucky Revised Statutes: 183

KRS Cite for Appointment Provisions: 183.132

KRS 183.132 Local air boards

- (1) Any urban-county government, city, or county, or city and county acting jointly, or any combination of two (2) or more cities, counties, or both, may establish a nonpartisan air board composed of six (6) members. Any city other than first class and county jointly or an urban-county government established pursuant to KRS Chapter 67A may establish a nonpartisan board of ten (10) members. Any existing six (6) member board, including a board established in an urban-county government, may be expanded to ten (10) members by action of the government entity or entities that established the six (6) member board.
- (2) Any city of the first class, jointly with the county containing the city or a consolidated local government, may establish or maintain a nonpartisan air board. Membership of the board shall be appointed in accordance with subsection (6) or (11) of this section. Any air board established or maintained in a county containing a city of the first class or consolidated local government shall be composed of eleven (11) members.
- (3) The board shall be a body politic and corporate with the usual corporate attributes, and in its corporate name may sue and be sued, contract and be contracted with, and do all things reasonable or necessary to effectively carry out the duties prescribed by statute. The board shall constitute a legislative body for the purposes of KRS 183.630 to 183.740.
- (4) The members of an air board composed of six (6) members shall be appointed as follows:
 - (a) If the air board is established by a city, the members shall be appointed by the mayor of the city;
 - (b) If the air board is established by a county, the members shall be appointed by the county judge/executive except that in the event that an airport is located outside the boundary of the county establishing the airport board, the county judge/executive shall appoint an additional member to the air board from the jurisdiction where the airport is physically located. The additional member shall serve a four (4) year term in accordance with the provisions of subsection (7) of this section and receive full voting privileges on matters brought before the airport board;
 - (c) If the air board is established as a joint city-county air board, the members shall be appointed jointly by the mayor of the city and the county judge/executive;
 - (d) If a combination of cities, counties, or both, establishes a joint air board, the mayors and county judges/executive involved shall jointly choose six (6) members and shall jointly choose successors;
 - (e) If the air board is established by an urban-county government, the mayor of the urban-county government or an officer of the urban-county government designated by the mayor shall serve as one (1) member of the board. The remaining five (5) members shall be appointed by the mayor. One (1) of the members appointed by the mayor shall live within a three (3) mile radius of the airport.
- (5) The members of an air board composed of ten (10) members in a city other than a city of the first class and county jointly other than an urban-county government established pursuant to KRS Chapter 67A shall be appointed as follows:
 - (a) Five (5) members shall be appointed by the mayor of the city, without approval of the legislative body;
 - (b) Five (5) members shall be appointed by the county judge/executive without approval of the other members of the fiscal court.

- (6) An air board consisting of eleven (11) members and established jointly by a first class city and the county containing the first class city shall be composed of members as follows:
- (a) The mayor of the city of the first class;
 - (b) The county judge/executive of the county containing the city of the first class;
 - (c) Three (3) members appointed by the mayor of the city of the first class;
 - (d) Three (3) members appointed by the county judge/executive of the county, with the approval of the fiscal court;
 - (e) Two (2) members, who shall be residents of the county containing a city of the first class or of counties contiguous thereto, appointed by the Governor; and
 - (f) One (1) member, who shall be a member of the executive board of an incorporated alliance of incorporated neighborhood associations and fifth or sixth class cities which represents citizens living within a five (5) mile radius of airport operations, appointed by the Governor. If more than one (1) incorporated alliance exists, the Governor shall select the appointee from the executive boards of any of the incorporated alliances. If no alliances exist, the Governor shall appoint a citizen of the county who resides within a five (5) mile radius of airport operations.
- (7) An air board consisting of eleven (11) members and established or maintained by a consolidated local government shall be composed of members as follows:
- (a) The mayor of the consolidated local government;
 - (b) Seven (7) members appointed by the mayor of the consolidated local government;
 - (c) Two (2) members who shall be residents of the county containing the consolidated local government or residents of counties contiguous to the county containing the consolidated local government, appointed by the Governor; and
 - (d) One (1) member who shall be a member of the executive board of an incorporated alliance of incorporated neighborhood associations and fifth or sixth class cities which represents citizens living within a five (5) mile radius of airport operations, appointed by the Governor. If more than one (1) incorporated alliance exists, the Governor shall select the appointee from the executive boards of any of the incorporated alliances. If no alliances exist, the Governor shall appoint a citizen of the county who resides within a five (5) mile radius of airport operations.
- (8) The members of an air board composed of ten (10) members established by an urban-county government shall be composed of the mayor of the urban-county government or an officer of the urban-county government designated by the mayor. The remaining nine (9) members shall be appointed by the mayor. Two (2) of the members appointed by the mayor shall live within a three (3) mile radius of the airport.
- (9) Members of the board composed of six (6) members shall serve for a term of four (4) years each and until their successors are appointed and qualified. The initial appointments shall be made so that two (2) members are appointed for two (2) years, two (2) members for three (3) years, and two (2) members for four (4) years. Upon expiration of the staggered terms, successors shall be appointed for a term of four (4) years.
- (10) Members of the board composed of ten (10) members in a city other than a first class city and county jointly shall serve for a term of four (4) years each and until their successors are appointed and qualified. The initial appointments made by the mayor and the county judge/executive shall be made so that one (1) member is appointed for two (2) years, two (2) members are appointed for three (3) years, and two (2) members are appointed for four (4) years. If an existing six (6) member board is being increased to a ten (10) member board, initial appointments of the four (4) new members shall be made so that the mayor and the county judge/executive, or the mayor if the board is established by an urban-county government, each appoint one (1) member for two (2) years and one (1) member for four (4) years. Upon expiration of the initial terms, successors shall be appointed for a term of four (4) years. In the case of a board established by an urban-county government, the term of

the mayor for the urban-county government, or the officer of the urban-county government designated by the mayor, shall be coextensive with the term of the mayor.

- (11) Members of an air board composed of eleven (11) members and established or maintained jointly by a city of the first class and the county containing a first class city shall serve for a term of three (3) years each and until their successors are appointed and qualified. The terms of the mayor and the county judge/executive shall be coextensive with their terms of office. The mayor and the county judge/executive shall each make their initial appointments to a board established jointly by a first class city and the county containing a first class city so that one (1) member is appointed for one (1) year, one (1) member is appointed for two (2) years, and one (1) member is appointed for three (3) years. The Governor shall make the initial appointments so that one (1) member is appointed for two (2) years and one (1) member is appointed for three (3) years. Upon the expiration of the initial terms, successors shall be appointed for a term of four (4) years.
- (12) Members of an air board composed of eleven (11) members in a county that has established a consolidated local government in a county containing a former first class city shall serve until their successors are appointed and qualified. The terms of office on the air board of the mayor of the previously existing first class city and the county judge/executive shall expire upon the establishment of a consolidated local government. Upon the establishment of a consolidated local government, if the consolidated local government maintains the previously existing air board, the incumbent members, except the mayor of the previously existing first class city and the county judge/executive, shall continue to serve as members of the board for the time remaining of their current terms of appointment. The Governor shall appoint members pursuant to subsection (7)(c) and (d) of this section. The mayor of the consolidated local government shall serve on the board for a term which shall be coextensive with his or her term of office. Incumbent members shall be eligible for reappointment upon the expiration of their terms. The terms of all other board members shall be for four (4) years. Upon the establishment of a consolidated local government and maintenance of a previously existing air board, any incumbent member whose term had expired but who had continued to serve because the member's successor had not been appointed, shall continue to serve until a successor is appointed. Successors shall be appointed by the mayor or the Governor as provided by law within sixty (60) days after the establishment of a consolidated local government. As terms of previously serving members of an air board being maintained by a consolidated local government expire, the mayor of the consolidated local government and the Governor shall make their new appointments.
- (13) Members of the board shall serve without compensation but shall be allowed any reasonable expenses incurred by them in the conduct of affairs of the board. The board shall, upon the appointment of its members, organize and elect officers. The board, except for a board composed of eleven (11) members, shall choose a chairman and vice chairman who shall serve for terms of one (1) year. Where the board is composed of eleven (11) members and established jointly by a city of the first class and the county containing a city of the first class, the mayor of the city of the first class and the county judge/executive shall jointly appoint the chairman from among the membership of the board. Where the board is composed of eleven (11) members and is in a county containing a consolidated local government, the mayor shall appoint the chairman from among the membership of the board. The board shall also choose a secretary-treasurer who may or may not be a member of the board. The board may fix a salary for the secretary-treasurer and the secretary treasurer shall execute an official bond to be set and approved by the board, and the cost of the bond shall be paid by the board.
- (14) The board may employ necessary counsel, agents, and employees to carry out its work and functions and prescribe rules and regulations as it deems necessary.
- (15) The secretary-treasurer shall keep the minutes of all meetings of the board and shall also keep a set of books showing the receipts and expenditures of the board. The secretary-

treasurer shall preserve on file duplicate vouchers for all expenditures and shall present to the board, upon request, complete reports of all financial transactions and the financial condition of the board. The books and vouchers shall at all times be subject to examination by the legislative body or bodies by whom the board was created. The secretary-treasurer shall transmit at least once annually a detailed report of all acts and doings of the board to the legislative body or bodies by whom the board was created.

- (16) If a joint air board is created by cities, counties, or both, and thereafter city or county desires to withdraw from participation, remaining participants may jointly choose successor member or members of the board. A local government wanting to withdraw from participation in the board shall not be entitled to return of any moneys or property advanced to the board.
- (17) A quorum for transacting business of a six (6) member board shall consist of four (4) members, a ten (10) member board shall consist of six (6) members, and an eleven (11) member board shall consist of six (6) members. Meetings of the board may be called by the chairman or by four (4) members. In case of tie voting by the board, the issue shall be deemed to have failed passage.
- (18) A board member may be replaced by the appointing authority upon showing of misconduct as a board member or upon conviction of a felony. A board member shall not hold any official office with the appointing authority, except for the mayor of a first class city and county judge/executive on a board made up of eleven (11) members and established jointly by a first class city and the county containing the first class city, or the mayor of an urban-county government or consolidated local government, or officer of the urban-county government designated by the mayor on a board established by urban-county government.

SPECIAL DISTRICTS: Air Pollution

District type: *Air Pollution*

Governing Chapter of Kentucky Revised Statutes: 77

KRS Cite for Appointment Provisions: 77.070

KRS 77.070 Air pollution control board, membership-- Qualifications-- Vacancies-- Removal-- Effect of compact-- Membership of board upon establishment of consolidated local government.

- (1) In a county containing a city of the first or second class, the air pollution control board of the air pollution control district shall consist of seven (7) members, three (3) shall be appointed by the county judge/executive, subject to the approval of the fiscal court, and four (4) shall be appointed by the mayor of a first or second class city within such county. The mayoral appointments shall be subject to the approval of the legislative body of the city.
- (2) The mayor shall appoint, subject to the approval of the legislative body of the city, one (1) member for a term of one (1) year, one (1) member for a term of two (2) years, one (1) member for a term of three (3) years, and one (1) member for a term of four (4) years, and the county judge/executive, subject to the approval of the fiscal court, shall appoint one (1) member for a term of two (2) years, one (1) member for a term of three (3) years, and one (1) member for a term of four (4) years, and upon the expiration of each of said terms respectively, and thereafter, the term of each of such members shall be four (4) years, and until their successors are appointed and qualified.
- (3) All air pollution control board members appointed pursuant to this section must be freeholders within the district; those appointed by the county judge/executive must be residents of such county, and those appointed by a mayor must be residents of their respective city or consolidated local government.
- (4) Not more than four (4) of the seven (7) board members appointed pursuant to this section shall be of the same political party affiliation, nor shall an officer or employee of such city, consolidated local government, or county, whether holding a paid or unpaid position, be eligible for appointment to the board.
- (5) A member of the air pollution control board is eligible to succeed himself or herself. A vacancy in the membership shall be filled by an appointee of the mayor or of the county judge/executive as the case may be, for the unexpired portion of the term. An appointee to a vacancy shall have the same qualifications as any regularly appointed member.
- (6) Any member of the board appointed by a mayor may be removed, for cause, after a hearing, by the legislative body of such city or consolidated local government, and after ten (10) days' notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the legislative body shall be final and removal results in vacancy in such office.
- (7) Any member of the board appointed by a county judge/executive may be removed, for cause, after a hearing, by the fiscal court of such county, and after ten (10) days' notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the fiscal court shall be final and removal results in vacancy in such office.
- (8) As used in this section "mayor" means the chief executive of the city or consolidated local government whether official designation of his office is mayor, city manager, or otherwise.
- (9) Notwithstanding subsections (1) and (2) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the air pollution control board shall consist of seven (7) members---four (4) shall be appointed by the county judge/executive with the approval of the fiscal court and three (3) shall be appointed by the mayor, with the approval of the legislative body, of the first-class city within

such county. The terms of such members shall be three (3) years, and until their successors are appointed and qualified. Upon the effective date of the compact, the mayor, and county judge/executive with the approval of the fiscal court, shall adjust the terms of the sitting members so that the term of one (1) of each of their appointments expires in one (1) year, the term of one (1) of each of their appointments expires in two (2) years, and the term of one (1) of each of their appointments expires in three (3) years. The term of the then remaining member who was previously appointed by the mayor shall terminate immediately and the county judge/executive with approval of the fiscal court shall appoint a member for a one (1) year term. Upon the expiration of these staggered terms, successors shall be appointed for a term of three (3) years. Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, all members of the board shall be appointed by the mayor of the consolidated local government pursuant to the provisions of KRS 67C.139 for a term of three (3) years. Incumbent members upon the establishment of the consolidated local government shall continue to serve as members of the board for the time remaining of their current term of appointment.

SPECIAL DISTRICTS: Ambulance

District type: *Ambulance*

Governing Chapter of Kentucky Revised Statutes: 108

KRS Cite for Appointment Provisions: 108.110

KRS 108.110 Board of directors -- Appointment -- Term of office -- Vacancies -- Quorum -- Removal of board members.

- (1) The affairs of the district shall be controlled and managed by a board of directors appointed by the county judge/executive with approval of the fiscal court and city legislative bodies in the following manner:
 - (a) If the district consists of one (1) city, three (3) members shall be appointed to the board by the city legislative body;
 - (b) If the district consists of two (2) cities, the legislative body of the city having the greater portion of the population of the district shall appoint two (2) directors and the legislative body of the other city shall appoint the third director;
 - (c) If the district consists of more than two (2) cities, the legislative body of the city having the greatest portion of the population of the district shall appoint two (2) directors and the legislative body of the remaining cities comprising the district shall appoint one (1) director;
 - (d) If the district consists of one (1) county, three (3) members shall be appointed to the board by the county judge/executive of the county;
 - (e) If the district consists of two (2) counties, the county judge/executive of the county having a greater portion of the population of the district shall appoint two (2) directors and the county judge/executive of the other county shall appoint a third director;
 - (f) If the district consists of more than two (2) counties, the county judge/executive of the county having the greatest portion of the population of the district shall appoint two (2) directors and the county judge/executive of the remaining counties comprising the district shall each appoint one (1) director;
 - (g) The legislative body of each city of the first three (3) classes, or if there is no such class of city, the city of the highest class located within each county in the district shall appoint one (1) additional director;
 - (h) If part of an ambulance district within a county consists of an unincorporated area, the county judge/executive, with the approval of the fiscal court, shall appoint no more than two (2) persons residing within the affected unincorporated area to the board of directors for a term of two (2) years.
- (2) Each board member shall reside within the district and within the county or city of which he was appointed to represent.
- (3) The board of directors shall be appointed within thirty (30) days after the establishment of the district. Directors shall be appointed for terms of two (2) years each, except that initially the appointing authority shall appoint a minority of the board members for one (1) year terms. Subsequent terms shall all be for two (2) years. Any vacancies shall be filled by the appointing authority for the unexpired term.
- (4) A majority of the membership of the board shall constitute a quorum.
- (5) A member of the board of directors may be removed from office as provided by KRS 65.007.

SPECIAL DISTRICTS: Area Development

District type: *Area Development*

Governing Chapter of Kentucky Revised Statutes: 147A

KRS Cite for Appointment Provisions: 147A.060

KRS 147A.060 Board of directors for each district -- Appointment -- Terms -- State officers and members of General Assembly may serve only in advisory capacity.

There shall be in each area development district a board of directors. The composition of the board and the terms and appointments of its members in each district shall be specified by administrative regulation promulgated by the Department for Local Government in accordance with KRS Chapter 13A. The designee of a mayor or county judge/executive shall be a member of the designator's respective legislative body or their staff. Other persons who are not elected officials or members of their staffs may be designated as representatives with the consent of that body. The Department for Local Government in specifying the composition of the board shall conform to applicable federal requirements. A person who is a state officer, a deputy state officer, or a member of the General Assembly may serve only in a nonmember advisory capacity to the board of directors of an area development district. An area development district board of directors shall notify legislators of the provisions of this section and of their right to participate in the activities of the area development district. If a legislator chooses to participate in accordance with this section, the area development district shall send meeting notices to that legislator at the same time board members are notified of the meetings.

SPECIAL DISTRICTS: Area Planning Commission

District type: *Area Planning Commission*

Governing Chapter of Kentucky Revised Statutes: 147

KRS Cite for Appointment Provisions: 147.630

KRS 147.630 Commission membership -- Officers -- Quorum -- Meetings

- (1) The area planning commission as created under the provisions of KRS 147.610 to 147.705 shall be composed of not more than nine (9) members who shall be selected from governmental units participating in the existence of the area planning commission by the affirmative action of the area council hereinafter provided for.
- (2) Of the initial membership five (5) members shall be elected for a term of two (2) years, and four (4) members for a term of one (1) year each, and upon the expiration of their respective terms the successors of each shall be elected for a term of two (2) years.
- (3) At its first regular meeting in each year, the commission shall elect from its membership a chairman and a vice chairman. The vice chairman shall have the authority to act as the chairman during the absence of its chairman.
- (4) The commission may appoint from within or without its own membership a secretary, prescribe his duties and fix his compensation.
- (5) Members of commission may be removed for cause by an affirmative action of area council.
- (6) Vacancies may be filled at any time by the affirmative action of the area council for the unexpired term existing.
- (7) Each member of the commission, before entering upon his official duties, shall take and subscribe to an oath that he will honestly, faithfully, and impartially perform the duties of his office, and that he will not be interested in any contract let for the purpose of carrying out any of the provisions of KRS 147.610 to 147.705. The oath shall be filed with the county clerk in the county of his residence.
- (8) Each member of the commission shall give a good and sufficient bond, to be approved by the area council, conditioned upon faithful and honest performance of his duties, and as security for all moneys coming into his hands or under his control. The cost of the bond shall be paid by the commission.
- (9) A quorum shall consist of a majority of the members of the commission.
- (10) The commission shall appoint a treasurer from within or without its membership, prescribe his duties and fix his compensation. The treasurer shall execute a good and sufficient bond, conditioned upon the faithful and honest performance of his duties and as security for all moneys coming into his hands or under his control. Said bond shall be in the penal sum of twenty-five thousand dollars (\$25,000). The cost of the bond shall be paid by the commission.
- (11) Meetings shall be held at the call of the chairman.

SPECIAL DISTRICTS: Community Action Corporation

District type: *Community Action Corporation*

Governing Chapter of Kentucky Revised Statutes: 273

KRS Cite for Appointment Provisions: 273.437

KRS 273.437 Administering boards

- (1) When a private nonprofit corporation is designated as a community action agency, the board of directors of the private nonprofit corporation, if constituted in compliance with subsection (3) of this section, shall be the governing board.
- (2) When a political subdivision is designated as the community action agency the board of directors of the community action agency shall be a community action board constituted as required by subsection (3) of this section.
- (3) Governing boards and community action boards shall be so established and organized that the poor and residents of the area concerned will be able to influence the character of programs affecting their interests and regularly participate in the planning and implementation of those programs. The articles of incorporation shall be deemed to meet these requirements if they provide that:
 - (a) One-third (1/3) of members of an administering board shall be public officers, including elected public officials or their representatives, unless the number of public officers reasonably available or willing to serve is less than one-third(1/3) of the membership of the board;
 - (b) At least one-third (1/3) of the members of the administering board shall be persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area to be served by the agency;
 - (c) The remaining members of the administering board shall be officials or members of business, industry, labor, religious, welfare, education, or other major groups and shall be interested in the community;
 - (d) Each member of the board who is to represent a specific geographic area within a community shall reside in the area he represents; and
 - (e) Total membership of the board is not less than fifteen(15) or more than fifty-one(51).
- (4) Neighborhood based organizations composed of residents of the area or individual members of the groups served by the community action agency shall be consulted by each community action agency to assist the agency in the planning, conduct, and evaluation of components of the community action program.

SPECIAL DISTRICTS: Community Improvement

District type: *Community Improvement*

Governing Chapter of Kentucky Revised Statutes: 107

KRS Cite for Appointment Provisions: 107.340

KRS 107.340 Board of commissioners -- Membership -- Terms -- Officers -- Quorum -- Removal of board members.

- (1) A district shall be administered by a board of commissioners (the "board"), which shall control and manage the affairs of the district. The term of each commissioner shall be four (4) years except as herein specified. The board shall consist of four (4) members who shall be appointed by the county judge/executive with the approval of the fiscal court. Initial appointments shall be for terms of one (1), two (2), three (3) and four (4) years as designated by the county judge/executive. Thereafter, as the term of each member expires, his successor shall be appointed for a term of four (4) years. Not more than three-fourths (3/4) of the persons appointed to membership on the board shall be members of the same political party, as determined, in the case of each person, by such person's registration record at the time of his or her appointment.
- (2) The board shall elect its chairman from among its members and may appoint a secretary, an executive director, and other officials and employees who need not be members of the board. Members of the board shall not receive compensation for their services, but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties. A quorum for the transacting of the business of the board shall consist of three (3) members.
- (3) A member of the board may be removed from office as provided by KRS 65.007.

SPECIAL DISTRICTS: Drainage and Levee

District type: *Drainage and Levee*

Governing Chapter of Kentucky Revised Statutes: 266; 267; 268; 269

KRS Cite for Appointment Provisions: 266.100; 267.100; 268.160

KRS 266.100 Board of levee commissioners -- Appointment -- Terms -- Removal of members.

- (1) The county judge/executive shall, upon the creation of a levee district as provided in KRS 65.182 and 266.010 and every four (4) years thereafter, appoint five (5) resident landowners of the vicinity of the levee to be known as the board of levee commissioners. The commissioners shall serve for a term of four (4) years and until their successors are appointed. The county judge/executive shall fill any vacancies in the board. All appointments to the board shall be subject to the approval of the fiscal court.
- (2) Members of the board of levee commissioners may be removed from office as provided by KRS 65.007.
- (3) When a multi-county levee district is established the board shall be appointed by the county judges/executive of the counties involved. Appointments shall be apportioned among the counties in ratio to the portion of the levee to be constructed within each county.
- (4) The board of levee commissioners is a body politic, with the status of a corporation, and in its corporate name may do everything authorized by law with reference to public levees.

KRS 267.100 Board of drainage commissioners created -- Powers.

Except as provided in KRS 267.010, 267.090, and 267.490, the directors from the various districts of the county shall constitute the county board of drainage commissioners, with the right to acquire, hold, encumber, sell and convey any property necessary to the conduct of its affairs, with all the rights and powers of a corporation, and with all other rights and powers necessary to carry out its work under the provisions of this chapter, including the right of eminent domain.

KRS 268.160 Election of board -- Qualifications -- Bond -- Officers -- Powers

- (1) The county judge/executive shall divide the district into three (3) precincts as nearly equal in area as practicable, following owners' property lines, and immediately upon such division he shall appoint a temporary secretary to act for the district board. The secretary for the board shall record the result of the division of the district into precincts in the drainage record.
- (2) The secretary shall give twenty (20) days' notice by posting three (3) notices in each precinct of the district and by publication pursuant to KRS Chapter 424, informing the owners of the district that they may vote for a drainage commissioner for each precinct and a secretary for the board and the district, within a stated time. The vote shall be taken by the owners filing a written designation of choice, together with the number of acres the voter owns in the district, or if benefits have been confirmed the amount of benefits assessed against the owner's land, with the county judge/executive. Each acre owned and assessed in the district shall count one (1) vote, or if benefits have been confirmed each one hundred dollars (\$100) or fraction thereof in benefits assessed against the voter's land shall count one (1) vote for secretary and drainage commissioner. The votes of the owners, when cast and filed with the county judge/executive, shall be recorded by the secretary of the board in the drainage record immediately after the expiration of the time for casting the vote. Votes shall be filed with the county judge/executive by the first Monday in April for drainage commissioner and for secretary, for a term of one (1) year beginning on the first Monday of May following. If there is a tie vote in any contest the judge of the county where the district has been established shall cast the deciding vote.

- (3) The board shall consist of three (3) members, being the persons who have received the largest number of votes in each of the three (3) precincts. The secretary shall be the party who received the largest number of votes from the district at large for that office. The board shall elect some responsible resident of the district, who is not a member of or secretary to the board, as treasurer. The treasurer shall be paid whatever salary the board deems proper, and shall execute bond as the board directs. One (1) month after the advertised election is completed, or on the first Monday in May if not an advertised election, the elected officers shall take charge of the drainage record and all records, maps, papers and property belonging to the district, except money in the hands of the treasurer.
- (4) No one except an owner of land in the precinct for which he acts shall be eligible for drainage commissioner. Each commissioner shall be a freeholder and over twenty-one (21) years of age. The board shall have control of all improvements in the district, except as otherwise provided. Vacancies in the office of board member or secretary shall be filled by a special election after due advertising. Each drainage commissioner when elected shall execute bond for the faithful performance of his duties in the sum of \$2,500 and shall be sworn to perform the duties of his office to the best of his ability.
- (5) Immediately upon election and qualification, the board shall become a body corporate, under name and style of "Board of Drainage Commissioners ofDistrict," with all powers of a corporation necessary to carry on its work. It shall use a corporate seal which it may change at pleasure. The board shall elect from among its members a president, and vice president.

SPECIAL DISTRICTS: Fire Protection

District type: *Fire Protection*

Governing Chapter of Kentucky Revised Statutes: 75

KRS Cite for Appointment Provisions: 75.031

KRS 75.031 Trustees, elections, appointments, terms-- Continued service in establishment of consolidated local government-- Vacancies-- Removal-- Elections for part of trustees-- Officers.

- (1) (a) Upon creation of a fire protection district or a volunteer fire department district as provided in KRS 75.010, the affairs of the district shall be conducted by the board of trustees consisting of seven (7) members, four (4) to be elected by the members of the district as hereinafter set out and three (3) to be appointed by the county judge/executive or mayor in a consolidated local government pursuant to the provisions of KRS 67C.139. Two (2) members of the board of trustees shall be elected by the members of the firefighters of the district and shall be members of the district. Two (2) members of the board of trustees shall be property owners who own real or personal property which is subject to the fire protection tax pursuant to KRS 75.040, who personally reside in the district, and who are not active firefighters and shall be elected by the property owners of the district. Property owners voting to select representatives to the board of trustees shall have attained the age of eighteen (18). The county judge/executive of the county in which the greater part of the district is located shall, with the approval of the fiscal court, appoint three (3) members of the board of trustees. In counties containing a city of the first class, trustees appointed by the county judge/executive to serve in volunteer fire prevention districts shall reside within the boundaries of that county. In counties governed by a consolidated local government, trustees appointed by the mayor to serve in volunteer fire prevention districts shall reside within the boundaries of the consolidated local government. At the first election held after the district is formed, one (1) firefighter shall be elected to serve on the board of trustees for a period of one (1) year and one (1) for a period of three (3) years, and one (1) non-firefighter property owner shall be elected to serve on the board of trustees for a period of two (2) years and one (1) for a period of four (4) years. On the expiration of the respective terms, the successor to each shall have the same qualifications as his or her predecessor and shall be elected for a term of four (4) years. The original appointed members of the board of trustees shall be appointed for terms of one (1), two (2), and three (3) years respectively. On the expiration of the respective terms, the successors to each shall be appointed for a term of three (3) years. Upon the establishment of a consolidated local government, incumbent members shall continue to serve until the expiration of their current term of office. In the event of a vacancy in the term of an appointed or elected trustee, the county judge/executive shall appoint with the approval of the fiscal court a trustee for the remainder of the term, except in a county containing a consolidated local government. In a county containing a consolidated local government, the mayor pursuant to the provisions of KRS 67C.139 shall appoint a trustee for the remainder of the term.
- (b) An appointed trustee may be removed from office as provided by KRS 65.007.
- (c) No person shall be an elected trustee who, at the time of his or her election, is not a citizen of Kentucky and has not attained the age of twenty-one (21).
- (d) Unless otherwise provided by law, an elected firefighter trustee may be removed from office by the mayor of a consolidated local government, or in a county not containing a consolidated local government, by the county judge/executive of the county in which the greater part of the district is located. An elected firefighter trustee may be removed after a hearing with notice as required by KRS Chapter 424, for inefficiency, neglect of duty,

malfeasance, or conflict of interest. The hearing shall be initiated and chaired by the county judge/executive of a county or the mayor of a consolidated local government, who shall prepare a written statement setting forth the reasons for removal. The trustee to be removed shall be notified of his or her proposed removal and the reasons for the proposed removal by registered mail sent to his or her last known address at least ten (10) days prior to the hearing. The person proposed to be removed may employ counsel to represent him or her. A record of the hearing shall be made by the county judge/executive or mayor respectively.

- (e) The removal of an elected firefighter trustee of a fire protection district shall be subject to the approval of the fiscal court of the county in which the greater part of the district is located in those counties not containing a consolidated local government or the legislative council in a county containing a consolidated local government.
 - (f) An elected firefighter trustee removed pursuant to paragraphs (c) and (d) of this subsection may appeal, within ten (10) days of the rendering of the decision of the fiscal court or legislative council, respectively, to the Circuit Court of the county in which the greater part of the district is located. The scope of the appeal shall be limited to whether the county judge/executive, mayor, legislative council, or the fiscal court respectively, abused their discretion in removing the trustee.
- (2) The elective offices of members of the board of trustees shall be filled by an election to be held once each year on the fourth Saturday of June between the hours of 11:00 a.m. and 2:00 p.m. The polls shall be located at the principal fire house in the district. The date, time, and place of the election shall be advertised in accordance with KRS 424.120. This notice shall be advertised at least thirty (30) days prior to the election date and shall include the names and addresses of the candidates to be voted on for each position of trustee. In lieu of the published notice for the election of the firefighter trustees, written notice containing the information required to be advertised may be sent by first-class mail to each member of the firefighters of the fire protection district or volunteer fire department district, addressed to the firefighter at his or her residence, at least thirty (30) days prior to the election date. The nominations for candidates for trustees both representing the firefighters and the property owners residing in the district shall be made in accordance with the bylaws of the department. The terms of the three (3) trustees appointed by the county judge/executive or mayor shall start at the same time as the terms of the elected trustees. On or before the beginning of the second fiscal or calendar year, depending on which basis the fire protection or volunteer fire department district is being operated, after June 16, 1966, all departments organized prior to June 16, 1966, shall increase their boards of trustees from three (3) to seven (7) members and elect the elective members in the manner set forth herein.
- (3) The trustees shall elect from their number a chairman, a secretary, and a treasurer, the latter of whom shall give bond in an amount determined by the county judge/executive of the county in which the greater part of the fire protection district is located or the mayor in a consolidated local government, conditioned upon the faithful discharge of the duties of his or her office, and faithful accounting for all funds which may come into his or her possession as treasurer. The premiums on the bonds shall be paid out of the funds of the district.

SPECIAL DISTRICTS: Flood Control

District type: *Flood Control*

Governing Chapter of Kentucky Revised Statutes: 104

KRS Cite for Appointment Provisions: 104.580

KRS 104.580 Board of directors -- Appointment -- Qualifications -- Term -- Vacancies -- Removal of board members.

- (1) Within thirty (30) days after the secretary certifies to the county clerk of each county in which the district is located that the district is incorporated, there shall be appointed a board of directors for the district, consisting of five (5) members, which shall control and manage the affairs of the district. If all or part of a first, second, or third-class city lies within the district, the mayor of such city shall appoint three (3) members of the board of directors, and the county judge/executive shall appoint two (2) members, or if the district lies within two (2) counties, each county judge/executive shall appoint one (1) member, or if the district lies within more than two (2) counties, the county judge/executive of each of two (2) of the counties, in rotation as determined by lot, shall appoint one (1) member. If all or part of two (2) first, second, or third class cities lies within the district, the mayor of each city shall appoint two (2) members of the board of directors, and the fifth member shall be appointed by the county judge/executive of the county in which the major portion of the district lies. If all or part of more than two (2) first, second, or third class cities lies within the district the mayor of each city shall appoint one (1) member of the board and one (1) additional member shall be appointed by each mayor of the city or cities containing most of the district to make the full number of five (5) directors. If no first, second, or third-class city, or part thereof, lies within the district, the county judge/executive shall appoint all five (5) members, or if the district lies in two (2) counties, the county judge/executive of the county in which the major portion of the district is located shall appoint three (3) members and the county judge/executive of the other county shall appoint two (2) members, or if the district lies in more than two (2) counties, the county judge/executive of each county shall appoint one (1) member and one (1) additional member shall be appointed by each county judge/executive of the county or counties containing most of the district to make the full number of five (5) directors. No director shall in any way be associated or connected with ownership, operation or control of any privately-owned public utility operating within the district. Two (2) members of the first board of directors shall hold their offices for one (1) year, and the others shall hold their offices for two (2), three (3) and four (4) years, respectively, from the dates of their appointments, the length of the term of office of each member to be determined by lot at their first meeting. After the expiration of the respective terms of office of the members of the first board of directors, each director shall be appointed and serve for a period of four (4) years, until his successor has been appointed and qualified. Vacancies resulting from any cause other than expiration of term of office shall be filled only for unexpired term and until a successor is appointed and qualified. The directors shall at all times be residents and real estate owners within the district. Any director who moves his residence outside the district or ceases to be a real estate owner within the district shall automatically vacate the office.
- (2) (a) All appointments by a county judge/executive pursuant to this section shall be with the approval of the fiscal court.
(b) A member of board of directors may be removed from office as provided by KRS 65.007.

SPECIAL DISTRICTS: Hospital

District type: *Hospital*

Governing Chapter of Kentucky Revised Statutes: 216

KRS Cite for Appointment Provisions: 216.323

KRS 216.323 District board -- Membership -- Number, how determined -- Removal of members.

- (1) Where there is only one (1) participating county in the district, the county judge/executive, with the approval of the fiscal court of the participating county shall appoint five (5) members of the district board. Where there are two (2) or more counties participating in the district the board shall consist of at least one (1) but not more than four (4) persons from each county, the total membership of the board to consist of not less than five (5) persons. Where a participating county in a district in which more than one (1) county is participating has a population of seventy-five thousand (75,000) or less, that county shall be allowed one (1) board member. Where a participating county in a district in which one (1) or more county is participating has a population in excess of seventy-five thousand (75,000) the county shall be allowed a board member for each forty thousand (40,000) or a portion thereof, in excess of seventy-five thousand (75,000), but not to exceed four (4) members in all.
- (2) Where, after each county in the district has appointed the number of board members that it is allowed to appoint, the board consists of fewer than five (5) members the secretary shall recommend a number of persons from the district at large suitable for appointment to the board equal to twice the difference between the number already appointed and five (5). The board members appointed by the county judges/executive shall elect to the membership on the board one-half (1/2) of those recommended by the secretary. The length of the term of no member shall be determined as required by KRS 216.325 until the full membership of the board has been appointed. The successors of the members from the district at large shall be appointed in the same manner as the original members from the district at large. Population shall be determined by the most recent decennial report of United States Census Bureau.
- (3) A member of the board may be removed from office as provided by KRS 65.007.

SPECIAL DISTRICTS: Housing Authority

District type: *Housing Authority*

Governing Chapter of Kentucky Revised Statutes: 80

KRS Cite for Appointment Provisions: 80.420; 80.430; 80.440

KRS 80.420 Appointment and term of county authority -- Vacancies

If a housing authority is created in a county, the governing body of that county shall appoint five (5) persons as members of the authority. Three (3) of five (5) members who are first appointed shall be designated to serve for terms of one (1), two (2) or three (3) years and two (2) of such members for terms of four (4) years, respectively, from the date of their appointments, but thereafter members of the housing authority shall be appointed as aforesaid for a term of four (4) years except that all vacancies shall be filled by the governing body for the unexpired terms.

KRS 80.430 Appointment and term of regional authority members -- Vacancies

- (1) The governing body of each county included in a regional housing authority shall appoint one (1) person as a member of such authority, and each such member to be first appointed by the governing body of a county may be appointed at or after the time of the adoption of the resolution declaring the need for such regional housing authority or declaring the need for the inclusion of such county in the area of operation of such regional housing authority. When the area of operation of a regional housing authority is increased to include an additional county or counties as provided above, governing body of each county shall appoint one (1) additional person as member of regional housing authority. Governing body of each county shall appoint successor of the member appointed by it. Any county excluded from the area of operation of a regional housing authority, the office of the member of such regional housing authority appointed by governing body of such county shall be abolished.
- (2) No more than four(4) members of an authority shall be affiliated with the same political party.
- (3) If the area of operation of the regional housing authority consists at any time of an even number of counties, the members of the regional housing authority appointed by the governing bodies of such counties shall appoint one (1) additional member whose term of office shall be as herein provided for a member of a regional housing authority except that such term shall end at any earlier time that the area of operation of the regional housing authority shall be changed to consist of an odd number of counties. The members of such authority appointed by the governing bodies of such counties shall likewise appoint each person to succeed such additional member; provided that the term of office of such person begins during the terms of office of the members appointing him.
- (4) The members of a regional housing authority shall be appointed for terms of four (4) years except that all vacancies shall be filled by the appointing authority for the unexpired term.

KRS 80.440 Certificate of appointment of member to be filed -- Use in evidence -- Members not to be county officers or employees -- Term -- Compensation.

- (1) A certificate of the appointment of any member shall be filed with the clerk (provided, that in the case of appointment of a member of a regional housing authority by its other members, as provided in KRS 80.430, such certificate shall be signed by the members making the appointment and filed with the other records of the regional housing authority) and such certificate shall be conclusive evidence of the due and proper appointment of such member.
- (2) No member shall be officer/employee of county for which the authority is created. A member shall hold office until successor has been appointed & qualified, except as provided herein.
- (3) A member may receive compensation either as salary or as payment for meetings attending. Any compensation of the members shall be fixed by the legislative body of the county.

SPECIAL DISTRICTS: Industrial Development Authority

District type: *Industrial Development Authority*

Governing Chapter of Kentucky Revised Statutes: 154

KRS Cite for Appointment Provisions: 154.50-326

KRS 154.50-326 Membership of authority

- (1) The members of the authority shall be appointed as follows:
 - (a) If an authority is established by a city, members shall be appointed by the city mayor;
 - (b) If the authority is established by a county, the members shall be appointed by the county judge/executive;
 - (c) If the authority is established as a joint city-county industrial development authority, one-half (1/2) of the members shall be appointed by the mayor and one-half (1/2) by county judge/executive. If the authority has seven (7) members, the mayor and the county judge/executive shall jointly appoint the seventh member; (d) If a combination of cities and/or counties establishes a joint industrial development authority, or if an established joint industrial development authority adds a new city or county as a participating member, mayors and/or county judges/executives involved shall:
 1. Jointly choose the members, and shall jointly choose successors; or
 2. Choose the members and successors in a manner established by an agreement between the legislative bodies of affected cities and counties.
- (2) Members of the authority shall serve for a term of four (4) years each, and until their successors are appointed and qualified. If the authority is composed of six (6) members, initial appointments shall be made so that two (2) members are appointed for two (2) years, two (2) members for three (3) years, and two (2) members for four (4) years. If the authority is composed of seven (7) members, initial appointments shall be made so that two (2) members are appointed for two (2) years, two (2) members for three (3) years, and three (3) members for four (4) years. If the authority is composed of eight (8) members, initial appointments shall be made so that two (2) members are appointed for two (2) years, three (3) members for three (3) years, and three (3) members for four (4) years. Upon expiration of these staggered terms, successors shall be appointed for a term of four (4) years.
- (3) An industrial development authority member may be replaced by the appointing authority upon a showing of misconduct as an authority member or upon conviction of a felony.

SPECIAL DISTRICTS: Library

District type: *Library*

Governing Chapter of Kentucky Revised Statutes: 173

KRS Cite for Appointment Provisions: 173.490

KRS 173.490 Terms of board members -- Appointment to fill vacancies -- Removal of members -- Advisory board.

- (1) One-third (1/3) of the persons first appointed to the board shall serve for a term of two (2) years, one-third (1/3) for a term of three (3) years and one-third (1/3) for a term of four (4) years. Where the board consists of a number of members not divisible by three (3), one-third (1/3) of the next higher number divisible by three (3), shall serve for a term of two (2) years, one-third (1/3) for a term of three (3) years and the remaining number shall serve for a term of four (4) years. Thereafter, as their terms expire, their successors shall be recommended by the board. The board shall recommend two (2) persons committed to the provision of library services to the Department for Libraries and Archives, for each vacancy. The names shall be forwarded to the Department for Libraries and Archives and the state librarian and commissioner shall recommend those names to the county judge/executive. The county judge/executive shall immediately, with the approval of the fiscal court, make his selection from those recommended. Board members thus appointed shall serve a term of four (4) years each. Trustees may serve for two (2) consecutive terms after which they shall not succeed themselves. They may be reappointed no earlier than twelve (12) months following the end of their last service. The members shall hold office until their respective successors are appointed and qualified. After absence of a trustee from four (4) regular monthly meetings of the board during any one (1) year of the trustee's term, the trustee shall be considered to have automatically resigned from the board. An advisory board may be appointed and serve as specified in the bylaws of the board of trustees.
- (2) Any vacancy occurring in a member's term of office shall be filled for the unexpired term by county judge/executive, with approval of fiscal court, by appointment on recommendation of the state librarian and commissioner of two (2) names of persons committed to the provision of library services and living in the county in which the vacancy occurred.
- (3) A member of the board may be removed from office as provided by KRS 65.007.

SPECIAL DISTRICTS: Mass Transit Authority

District type: *Mass Transit Authority*

Governing Chapter of Kentucky Revised Statutes: 96A

KRS Cite for Appointment Provisions: 96A.040

KRS 96A.040 Managing board -- Membership -- Effect of compact -- Membership upon establishment of consolidated local government

- (1) The business, activities, and affairs of a transit authority shall be managed, controlled, and conducted by a board consisting of members appointed as follows:
 - (a) If the authority is established by one (1) city alone, or by a county alone, the members shall be eight (8) in number and shall be appointed by the appointing authority of such city or county;
 - (b) If the authority is established by joint proceedings of two (2) public bodies, the membership shall be eight (8) in number, four (4) of whom shall be appointed by the appointing authority of each of such public bodies;
 - (c) If an authority is created and established by joint proceedings of more than two (2) public bodies, the membership shall be eight (8) in number, plus one (1) additional member for each participating public body in excess of two (2), and the members thereof shall be appointed by the appointing authorities of the participating public bodies in such manner as may be set forth in the joint proceedings; and
 - (d) If an authority is created and established, and subsequently one (1) or more other public bodies are permitted to join therein, the membership of the board may be enlarged, with the concurrence and approval of the governing bodies of the public bodies theretofore participating, by not more than one (1) additional member for each additional public body so permitted to join the authority.
- (2) No officer or employee of any public body represented in the creation, establishment, or enlargement of an authority shall be eligible for appointment to the board.
- (3) After the effective date of the creation of an authority as provided in this chapter, the appointing authority or the appointing authorities, as the case may be, shall, in such manner as may be specified in the proceedings or joint proceedings, appoint at least two (2) members for terms of one (1) year, at least two (2) members for terms of two (2) years, at least two (2) members for terms of three (3) years, and the remaining number for terms of four (4) years; such terms to expire, in each instance, on June 30 and thereafter until a successor is appointed and accepts appointment. Upon the expiration of these initial staggered terms, successors shall be appointed by the respective appointing authorities, for terms of four (4) years, and until successors are appointed and accept their appointments. Members shall be eligible for reappointment.
- (4) Any member of the board may be removed by his or her appointing authority for inefficiency, neglect of duty, malfeasance, conflict of interest, or want of mental or physical capacity to serve. Any appointing authority exercising the power to remove a member of the board shall submit to the board a written statement setting forth the reasons for removal. Notice shall be given to the member named in such statement; a hearing, if requested, shall be conducted within thirty (30) days before the members of the board who are not the subject of such removal proceedings; a record of the hearing shall be made by the secretary-treasurer of the board; and the member named in such removal notice may appeal any adverse decision, within ten (10) days after the rendering thereof, to the Circuit Court of any county which is served in whole or in part by the facilities of the transit authority, such appeal to be perfected by filing with the clerk of such court a copy of the removal proceedings certified by the secretary-treasurer of the board. The court, upon application of the member removed,

may in its discretion order that the original record of the proceedings be filed with the clerk as the basis for such appeal. There shall be a right of appeal to the Court of Appeals.

- (5) Members of the board shall be allowed reasonable expenses necessarily incurred in the conduct of affairs of the authority. Compensation may be paid to members of the board if so provided in the proceedings or joint proceedings, subject to such limitations set forth therein.
- (6) Notwithstanding subsection (3) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the terms of the members on the board shall be for three (3) years and until their successors are appointed and qualified. On the effective date of the compact, the mayor, and county judge/executive with the approval of the fiscal court, shall adjust the terms of the sitting members so that the terms of two (2) of each of their appointments expire in one (1) year, the term of one (1) of each of their appointments expire in two (2) years and the term of one (1) of each of their appointments expire in three (3) years. Upon expiration of these staggered terms, successors shall be appointed for a term of three (3) years. Upon the establishment of a consolidated local government in a county where a first class city and a county containing such city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, all members of the board shall be appointed by the mayor of the consolidated local government pursuant to the provisions of KRS 67C.139 for a term of three (3) years. Incumbent members upon the establishment of a consolidated local government shall continue to serve as board members for the time remaining in current term of appointment.

SPECIAL DISTRICTS: Mental Health

District type: *Mental Health*

Governing Chapter of Kentucky Revised Statutes: 210

KRS Cite for Appointment Provisions: 210.380; 210.390

KRS 210.380 Community mental health-mental retardation board -- Establishment -- Membership.

Every combination of cities and counties establishing a regional community mental health and mental retardation services program shall, before it comes within the provisions of KRS 210.370 to 210.460, establish a community mental health-mental retardation board consisting of at least nine (9) members. When a nonprofit corporation is the administrator of such a program not established by a combination of cities or counties, such corporation shall select a community mental health-mental retardation board which shall be representative of the groups herein enumerated, but the number of members need not be nine (9). When any combination of cities and counties establishes a regional community mental health and mental retardation services program, the chief executive officer of each participating city or county shall appoint two (2) members to a selecting committee which shall select the members of the board. Membership of the community mental health-mental retardation boards shall be representative of the elected chief executives of county governments, local health departments, medical societies, county welfare boards, hospital boards, lay associations concerned with mental health and mental retardation as well as labor, business and civic groups and the general public.

210.390 Terms of members of board -- Vacancies -- Removal.

The term of office of each member of the community mental health-mental retardation board shall be for four (4) years measured from the first day of the year of appointment except that of the members first appointed, three (3) shall be appointed for a term of two (2) years, three (3) for a term of three (3) years, and three (3) for a term of four (4) years. Vacancies shall be filled for the unexpired term in the same manner as original appointments. Any member of a board may be removed by the appointing authority for neglect of duty, misconduct or malfeasance in office, after being given a written statement of charges and an opportunity to be heard thereon.

SPECIAL DISTRICTS: Public Health

District type: *Public Health*

Governing Chapter of Kentucky Revised Statutes: 212

KRS Cite for Appointment Provisions: 212.855

KRS 212.855 Members of district board of health -- Appointment -- Terms.

- (1) Except for district health departments which serve a county containing a first class city, an urban-county government, or which are part of an interstate metropolitan statistical area where the Kentucky population of the metropolitan statistical area exceeded two hundred fifty thousand (250,000) people on July 1, 1989, a district board of health shall consist of the following members:
 - (a) The county judge/executive or his designee from each county in the district as an ex officio voting member; and
 - (b) One (1) additional resident member per county per fifteen thousand (15,000) population or fraction thereof, which shall include the mayor, city manager, or the designee of the city manager of each city of the second class as an ex officio voting member, except that the total number of members from any county in a district shall not exceed seven (7) members.
- (2) All members except for the county judges/executive and the mayors of second class cities shall be appointed by the county or city-county boards of health from the membership of each county or city-county board of health.
 - (a) The secretary of the Cabinet for Health and Family Services shall notify the chairman of each county or city-county board of health in the district of the name of each member from that county whose term is expiring.
 - (b) Upon receipt of the notification, under paragraph (a) of this subsection, each county or city-county board of health shall appoint one (1) of its members to fill each vacant position from that county. At least twenty-five percent (25%) or the nearest whole number to twenty-five percent (25%) of the appointed members of the district board shall be doctors of medicine or osteopathy qualified, licensed, and practicing in the Commonwealth, and there shall be at least one (1) qualified, licensed, and practicing registered nurse, one (1) qualified, licensed, and practicing dentist, one (1) licensed pharmacist, one (1) qualified, licensed, and practicing civil or sanitary engineer, one (1) qualified, licensed, and practicing optometrist, and one (1) qualified, licensed, and practicing veterinarian, when available, among the membership of the board. The remaining members of the district board shall be concerned community leaders residing within the county from which they are to be representatives.
 - (c) The chairman of the county or city-county board of health shall inform the secretary within forty-five (45) days of receipt of this notification of names of the county or city-county board of health members appointed to serve on the district board. Appointed members of district boards of health shall not begin to serve on a district board of health until the time the secretary has certified their eligibility to serve on the board.
- (3) If a vacancy exists upon the district board, the vacancy shall be filled in a manner consistent with subsection (2) of this section, with the appointed member to fill the vacant seat coming from the county in which the vacancy occurs and the appointed member resides. If the term of a member on the county board of health expires or the member cannot complete the term on the county board, the seat on the district board of health shall be declared vacant and the county or city-county board of health shall appoint another of its members to fill any unexpired portion of the term on the district board.
- (4) The appointed members of the district board of health shall hold offices for a term of two (2) years ending on December 31, or until their successors are appointed. The terms of the first

appointments shall be staggered so that members whose terms expire on June 30, 1992, shall be replaced with appointed members whose terms expire on December 31, 1994. Members whose terms expire on June 30, 1993, shall be replaced with appointed members whose terms expire on December 31, 1995.

- (5) The secretary shall remove any appointed member who fails to attend three (3) consecutive scheduled meetings.

SPECIAL DISTRICTS: Rescue Squad

District type: *Rescue Squad*

Governing Chapter of Kentucky Revised Statutes: 39F

KRS Cite for Appointment Provisions: 39F.160

KRS 39F.160 Rescue squad taxing districts

- (1) A rescue squad taxing district is created by fiscal court pursuant to KRS 65.182 or 65.188.
- (2) The ad valorem tax that may be imposed for the maintenance and operation of the district shall not exceed ten cents (\$0.10) for each one hundred dollars (\$100) of the assessed valuation of all property in the district.
- (3) Upon the creation of a district, the district so established shall be a taxing district within the meaning of Section 157 of the Constitution of Kentucky.
- (4) The district ad valorem taxes shall be collected by the sheriff in the same manner as county ad valorem taxes. The sheriff shall be entitled to a fee of four percent (4%) of the amount of the tax collected for the district.
- (5) The affairs of the district shall be controlled by a board of directors appointed by the county judge/executive, the mayor of an urban-county, or the chief executive of another local government with the approval of the legislative body of that jurisdiction.
 - (a) If the district consists of one (1) county, three (3) directors shall be appointed;
 - (b) If the district consists of two (2) counties, the county judge/executive of the county having the greater portion of population of the district shall appoint two (2) directors and the county judge/executive of the other county shall appoint the third director;
 - (c) If the district consists of more than two (2) counties, the county judge/executive of the county having the greatest portion of the population of the district shall appoint two (2) directors and the county judge/executive of the remaining counties comprising the district shall each appoint one (1) director;
 - (d) The legislative body of each city of the first three (3) classes, or if there is no such class of city, the city of the highest class located within the district shall appoint one (1) additional director.
- (6) The board of directors shall be appointed within thirty (30) days after the establishment of the district. Each board member shall reside within the county or city for which appointed. Directors shall be appointed for terms of two (2) years each, except that initially the appointing authority shall appoint a minority of the board members for one (1) year terms. Subsequent terms shall all be for two (2) years. Any vacancies shall be filled by the appointing authority for the unexpired term.
- (7) A majority of the membership of the board shall constitute a quorum.
- (8) A member of the board of directors may be removed from office as provided by KRS 65.007.
- (9) The board of directors shall provide rescue service to inhabitants of the district and may:
 - (a) Purchase vehicles and all other necessary equipment and employ trained personnel who meet all federal and state requirements;
 - (b) Adopt rules/regulations necessary to effectively and efficiently provide rescue service for district. Rules/ regulations shall be consistent with the provisions of this chapter;
 - (c) Employ persons to administer the daily operations of the rescue service;
 - (d) Compensate employees of the district at a rate determined by the board;
 - (e) Apply for and receive available funds from the state and federal government for the purpose of maintaining or improving the rescue service of the district; and
 - (f) Acquire by bequest, gift, grant, or purchase any real or personal property necessary to provide rescue service.
- (10) A district shall be eligible for grants pursuant to KRS 39F.130 and workers' compensation coverage pursuant to KRS 39F.170.

- (11) Tax revenues of rescue squad taxing district shall be used only for rescue services as described in this chapter. Tax revenues of a rescue taxing district shall be distributed among all rescue squads in district in proportion to percentage of district's population served by each squad.

SPECIAL DISTRICTS: Riverport Authority

District type: *Riverport Authority*

Governing Chapter of Kentucky Revised Statutes: 65

KRS Cite for Appointment Provisions: 65.540

KRS 65.540 Members of authority -- Appointment, terms -- Removal -- Effect of compact.

- (1) The members of the authority shall be appointed as follows:
 - (a) If authority is established by a city, members shall be appointed by mayor of the city;
 - (b) If the authority is established by a county, such members shall be appointed by the county judge/executive with the approval of the fiscal court;
 - (c) If the authority is established as a joint city-county riverport authority, three (3) members shall be appointed by the mayor and three (3) members by the county judge/executive to the terms as provided in subsection (2) of this section, and in addition, the mayor may appoint himself or a member of the city legislative body as one (1) additional member of the authority and the county judge/executive may appoint himself or a member of the fiscal court as one (1) additional member of the authority for a term of two (2) years, provided that such persons may not serve on the authority after the expiration of their terms as an elected official;
 - (d) If a combination of cities and/or counties establishes a joint riverport authority, mayors and/or county judges/executive involved shall jointly choose six (6) members to terms as provided in subsection (2) of this section, and jointly choose successors and may upon agreement appoint a mayor or a member of a city legislative body and a county judge/executive or a member of a fiscal court as two (2) additional members of the authority for terms of two (2) years, provided that such persons may not serve on the authority after the expiration of their terms as an elected official.
- (2) Except as provided in subsection (1)(c) and (d) of this section, members of the authority shall serve a term of four (4) years each, and until their successors are appointed and qualified, provided that initial appointments be made so that two (2) members are appointed for two(2) years, two(2) members for three (3) years, and two (2) members for four (4) years. At expiration of these staggered terms, successors are appointed for term of four (4) years.
- (3) Riverport authority member may be replaced by appointing authority for inefficiency, neglect of duty, malfeasance, or conflict of interest. Appointing authority shall submit a written statement to the riverport authority setting forth reasons for removal, and statement shall be read at next authority meeting, which shall be open to general public. A member so removed shall have right of appeal in Circuit Court. Except as provided in subsection (1)(c)&(d) of this section no riverport authority member shall hold any official office with appointing authority.
- (4) Notwithstanding subsection (2) of this section, when a first class city and a county containing such city have in effect a compact under KRS 79.310 to 79.330, terms of members of the authority shall be for three (3) years and until their successors are appointed and qualified. Upon effective date of the compact, county judge/executive with approval of fiscal court shall adjust the terms of sitting members so that one-third (1/3) of the terms expire in one (1) year, one third (1/3) in two (2) years, and one-third (1/3) in three (3) years. Upon expiration of these staggered terms, successors shall be appointed for term of three (3) years. With the establishment of a consolidated local government where a first class city and a county containing that city have in effect a cooperative compact pursuant to KRS 79.310 to 79.330, all members of the authority shall be appointed by mayor of the consolidated local government for a term of three (3) years pursuant to the provisions of KRS 67C.139. Incumbent members upon the establishment of the consolidated local government shall continue to serve as members of the authority for the time remaining on their current terms.

SPECIAL DISTRICTS: Road District

District type: *Road District*

Governing Chapter of Kentucky Revised Statutes: 184

KRS Cite for Appointment Provisions: 184.060

KRS 184.060 Appointment of board of directors -- Qualifications -- Term -- Vacancies -- Removal of member

- (1) In the event that a road district is created pursuant to KRS 65.810 and 184.020, the county judge/executive shall appoint, with the approval of the fiscal court, three (3) persons as members of the road district board of directors, whose duty it shall be to control and manage the affairs of the district. Each director shall be at least twenty-five (25) years of age, shall be an owner of land abutting upon the road to be improved and shall have lived on such land for a period of at least six (6) months prior to his appointment. The members of the first board of directors shall hold their offices, respectively, for two (2), three (3) and four (4) years from the date of their appointment, and thereafter each director shall be appointed for a term of four (4) years. Vacancies resulting from any cause other than expiration of a term of office shall be filled by the county judge/executive and only for the unexpired term.
- (2) A member of the board of directors may be removed from office as provided by KRS 65.007.

SPECIAL DISTRICTS: Sanitation

District type: *Sanitation*

Governing Chapter of Kentucky Revised Statutes: 220; 76

KRS Cite for Appointment Provisions: 220.140; 76.277

KRS 220.140 Board of directors -- Management of district -- Qualifications -- Appointment -- Terms -- Vacancies.

Within twenty (20) days after the commissioner certifies to the county clerk of each county in which the district is located that the district is incorporated, there shall be appointed a board of directors for the district, consisting of three (3) members, which shall control and manage the affairs of the district. If the district lies wholly within a single county, the county judge/executive of that county shall appoint all of the directors. If the district lies within two (2) counties, the county judge/executive of the county in which the greater portion of the population of the district resides may appoint two (2) directors and the county judge/executive of the other county shall appoint the third. If the district lies within more than two (2) counties, the county judges/executive of all the counties shall jointly select the directors, but each one so appointed must reside in a different county. Not less than two (2) of the directors shall be freeholders, and not more than two (2) of them shall belong to or be affiliated with the same political party. If the district is coextensive with the boundaries of two (2) or more counties, four (4) directors shall be appointed by the county judge/executive of the most populous county and two (2) shall be appointed by the county judge/executive of each remaining county. All appointments by county judges/executive shall be subject to the approval of the respective fiscal courts. In a district which is coextensive with the boundaries of two (2) or more counties, not less than two-thirds (2/3) of the directors shall be freeholders. No director shall be in any way associated or connected with the ownership, operation or control of any privately owned public utility operating within the district. The terms of office of the first board of directors shall be two (2), three (3), and four (4) years, respectively, from the date of their appointment, the length of the term of office of each member to be determined by lot at their first meeting, but the individual holding such office shall do so at the pleasure of the county judge/executive by whom he is appointed, and he may be removed without cause, with the approval of the respective fiscal court, by the county judge/executive by whom he was appointed and his unexpired term filled by another appointee of such county judge/executive. After the expiration of the respective terms of office of the first board, each director shall be appointed for a term of four (4) years, subject to the will of the county judge/executive making the appointment. Vacancies resulting from any cause other than expiration of term shall be filled only for the unexpired term. The county judge/executive of the county whose director has completed his term of office or whose office has otherwise been vacated shall fill the vacant office, except that when the district lies within more than three (3) counties, if each county is not represented, vacancies resulting from expiration of term shall be filled in rotation by the county judges/executive of those counties not represented by a director at the time a vacancy occurs. The directors shall at all times be residents of the district, and the office of any director who moves his residence outside the district shall automatically be vacated.

KRS 76.277 Board of sanitation tax district -- Members, appointment, tenure, removal, compensation -- Officers, employees

- (1) The affairs of each sanitation tax district shall be conducted by a board composed of five (5) members, all of whom shall be appointed by the county judge/executive of the county subject to the approval of the fiscal court. Not more than three (3) members of the board shall be affiliated with the same political party.

- (2) Each member shall be at least twenty-five (25) years of age and a resident of the county. No officer or employee of a city or county, whether holding a paid or unpaid position, shall be eligible for appointment as a member of the board.
- (3) On the first day of the first month which starts more than thirty (30) days after the creation of a sanitation tax district, or as soon thereafter as may be practical, the county judge/executive, subject to the approval of the fiscal court, shall appoint one (1) member for a term of two (2) years, two (2) members for a term of three (3) years, and two (2) members for a term of four (4) years. The first year of each term shall end on the first day of July which occurs at least six (6) months after creation of sanitation tax district. Upon expiration of each of the terms and thereafter, the term of each member shall be four (4) years, ending July first. A member is eligible to succeed himself, and continue in office until his successor has been appointed and qualified. Vacancies in the membership are filled for the unexpired portion of the term by the county judge/executive, subject to the approval of the fiscal court.
- (4) Any member of the board may be removed for cause, after hearing by the county judge/executive, and after at least ten (10) days' notice in writing has been given to the member. The notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the county judge/executive shall be final and removal results in vacancy in the office.
- (5) Each member of the board shall be paid ten dollars (\$10) for each meeting of the board attended by the member.
- (6) The board in accordance with its bylaws shall elect from its members a chairman and a vice chairman. It may employ a secretary-treasurer and other officers and employees as it deems requisite for the performance of its duties. The board may require those officers and employees as it determines to execute faithful performance bonds, in sums as fixed by the board. The premiums for the bonds shall be paid by the district.

SPECIAL DISTRICTS: Sewer

District type: Sewer

Governing Chapter of Kentucky Revised Statutes: 76

KRS Cite for Appointment Provisions: 76.030; 76.315

KRS 76.030 Board of district -- Membership, appointment, qualifications, term, vacancies, removal, compensation -- Effect of compact -- Membership of board upon establishment of consolidated local government.

- (1) Except in counties containing a consolidated local government, the business, activities, and affairs of such district shall be managed, controlled, and conducted by a board composed of seven (7) members, four (4) shall be appointed by the mayor of the city subject to approval of the city legislative body, and three (3) shall be appointed by the county judge/executive of the county subject to approval of the fiscal court, and which seven (7) members thus appointed shall constitute the board of such district. Not more than four (4) members of a seven (7) member board nor more than five (5) members of an eight (8) member board shall be affiliated with the same political party. After March 19, 1977, members shall be so selected and appointed so that no more than one (1) member resides in any one (1) state senatorial district. In a county containing a city of the first class, the county judge/executive, with approval of the fiscal court, shall appoint one (1) additional member to board of such district who may be a resident of any state senatorial district in the county.
- (2) Each such member shall be at least twenty-five (25) years of age; each appointed by the mayor shall be a resident of such city and wherein he shall have actually resided continuously for at least three (3) years next prior to appointment; each appointed by the county judge/executive shall be a resident of such county and wherein he shall have actually resided continuously for at least three (3) years next prior to appointment. No officer or employee of such city or county, whether holding a paid or unpaid position, shall be eligible for appointment as a member of such board.
- (3) The term of each of such members shall be four (4) years, ending on July first. A member is eligible to succeed himself and shall continue in office until his successor has been appointed and qualified. Vacancies in the membership shall be filled for unexpired portion of the term by the mayor or the county judge/executive, subject to the same approval.
- (4) Any member of the board appointed by the mayor may be removed by the mayor, for cause, after hearing by the mayor, and after at least ten (10) days' notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the mayor shall be final and removal results in vacancy in such office. Any member of the board appointed by the county judge/executive may be removed by the county judge/executive, for cause, after hearing by the county judge/executive, and after at least ten (10) days' notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the county judge/executive shall be final and removal results in vacancy in such office.
- (5) The members of the board shall be paid seventy-five dollars (\$75) for each meeting of the board attended by such member, and fifty dollars (\$50) for attendance at any meeting of a committee which has been authorized or duly appointed by the board. But in no instance shall any member of said board be paid for more than one (1) meeting per day, nor more than one thousand eight hundred dollars (\$1,800) during any fiscal year of the board, nor for more than twenty-four (24) board meetings and twenty-eight (28) committee meetings held during any fiscal year of said board.
- (6) Notwithstanding subsection (3) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the terms of the

members of the board shall be for three (3) years and until their successors are appointed and qualified. Upon the effective date of the compact, the mayor shall adjust the terms of the sitting members appointed by the mayor so that the terms of two (2) members expire in one (1) year, the term of one (1) member expires in two (2) years, and the term of one (1) member expires in three (3) years; the county judge/executive with the approval of the fiscal court shall adjust the terms of the sitting members appointed by the county judge/executive so that the term of one (1) member expires in one (1) year, term of one (1) member expires in two (2) years, and term of one (1) member expires in three (3) years. Upon expiration of these staggered terms, successors shall be appointed for a term of three (3) years.

- (7) Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, all members of the board shall be appointed by the mayor of the consolidated local government pursuant to the provisions of KRS 67C.139 for a term of three(3) years. Incumbent members upon establishment of the consolidated local government continue to serve as members of the board for time remaining on their current term of appointment.

KRS 76.315 Sewer construction district commissioners -- Appointment, terms, removal -- Officers

- (1) If the county judge/executive orders such district established, the county judge/executive shall, with the approval of the fiscal court, appoint three (3) commissioners, from among the residents of the sewer construction district. One (1) of the commissioners shall be appointed for a term of two (2) years, one (1) for a term of three (3) years and one (1) for a term of four (4) years from the date of first appointment. Upon expiration of the term of office of each of these commissioners, the county judge/executive shall, with the approval of the fiscal court, appoint a commissioner to succeed him, to serve for a term of four (4) years. The commissioners shall elect a chairman, a secretary and a treasurer.
- (2) A commissioner may be removed from office as provided by KRS 65.007.

SPECIAL DISTRICTS: Soil and Water Conservation

District type: *Soil and Water Conservation*

Governing Chapter of Kentucky Revised Statutes: 262

KRS Cite for Appointment Provisions: 262.150; 262.200; 262.210; 262.220

KRS 262.150 Appointment of district supervisors by commission --Qualifications -- Term

- (1) If the commission determines that the operation of the proposed district within the defined boundaries is administratively practicable and feasible, it shall appoint three (3) supervisors to act with the four (4) supervisors elected as provided by KRS 262.220 and 262.240.
- (2) The three (3) supervisors appointed under subsection (1) shall be persons who by training and experience are qualified to perform the services required of them by this chapter, and they shall serve until supervisors are elected at the next regular elections of supervisors as provided for under KRS 262.240.

KRS 262.200 Nature of district -- Governing body -- Corporate powers -- Operating funds.

- (1) A district shall constitute a governmental subdivision of the state and public body corporate and politic, exercising public power.
- (2) The governing body of the district shall consist of a board of seven (7) supervisors. On organization of a district, the first two (2) supervisors shall be appointed by the committee as provided in KRS 262.150, and five (5) shall be elected under KRS 262.210 and 262.220. The supervisors shall hold no other city, county, or state elective office. Where the need for urban representation on board of supervisors exists, it shall be limited to three (3) members.
- (3) The board may sue and be sued in the name of the district; have a seal, which shall be judicially noticed; have perpetual succession unless terminated as provided in KRS 262.530 to 262.560; make and execute contracts and other instruments necessary or convenient to exercise its powers.
- (4) The board may request annual operating funds from the fiscal court. To support the request, the board shall present to the fiscal court a report of the previous year's operation, a long range plan for natural resource development, and an annual plan of work. Should a fiscal court fail to approve a requested budget, it shall present a specific list of objections and suggested corrections to the board in writing and within a reasonable time. If a budget request is not approved, the board may submit a revised budget request. Funds for an approved budget shall be supplied either from general funds or from the levy of a millage tax on all real property within the boundaries of the county. The tax shall be collected in the same manner as other county taxes, and shall be credited to the board. The funds so collected shall be expended by the board for the employment of soil conservation aids and for other purposes directly associated with the program, including promotional activities, prize moneys, office equipment and supplies, and incidentals deemed necessary.

KRS 262.210 Nomination of supervisors by petition

Nominating petitions shall be filed with the clerk of the county in which the district lies to nominate candidates for supervisors of the district. Such petitions shall be filed by at least the last date prescribed by the election law generally for filing certificates of nomination prior to a general election. Such petitions shall be filed no later than 4 p.m. local time at the place of filing when filed on the last date on which such papers are permitted to be filed. Each nominating petition shall be subscribed by twenty-five (25) or more qualified voters who are residents of the territory to be encompassed by the district. Resident qualified voters may join in nominating by petition more than one (1) candidate for supervisor. The nominating petition shall state the residence and post office address of each candidate, that he is legally qualified to hold the office, and that the subscribers desire, and are legally qualified, to vote

for the candidate. The county clerk shall certify the nomination and election of supervisors to the commission.

KRS 262.220 Election for supervisors -- County clerk's duties

The county clerk shall cause the names of all nominees on behalf of whom nominating petitions have been filed under KRS 262.210 to be prepared for presentation to the voters in the regular elections as provided in KRS 117.145. In counties encompassing more than one (1) soil and water conservation district, where portions of more than one (1) district are within the boundaries of a single voting precinct, separate votes shall be taken for the election of supervisors. The election of soil and water conservation district supervisors shall be subject to the provisions of KRS Chapter 118 for the conduct of regular elections, except that the cost of placing the names of the nominees before the voters shall be borne by the commission.

SPECIAL DISTRICTS: Solid Waste Management

District type: *Solid Waste Management*

Governing Chapter of Kentucky Revised Statutes: 109

KRS Cite for Appointment Provisions: 109.115

KRS 109.115 Districts -- Establishment -- Powers -- Directors

- (1) A single county, or two (2) or more counties, may create a waste management district in accordance with the procedures of KRS 65.182. Waste management districts shall have all powers and authority set forth in KRS 109.041.
- (2) The waste management district shall be controlled and managed by a board of directors.
- (3) The fiscal court shall determine the composition of the board of directors in one (1) of the following ways:
 - (a) Appointment of the county judge/executive of every county, or portion of a county, within that district and mayor of the most populous city in each county. Appointment of a third member from each county in the district, so representation on the board shall be in proportion to urban-rural population distribution in the county. The county judge/executive and mayor may delegate a representative to serve in their stead.
 - (b) Appointment of members by the county judge/executive and confirmed by the respective fiscal court. In the case of multi-county districts, membership on the board shall be apportioned among the counties in ratio to their population with each county having at least one (1) member. The mayor of the most populous city in each county that is a participant in the waste management district shall be appointed a member. In no case shall the total membership of the board consist of fewer than three (3) persons. When a county has two (2) or more members on the board, members shall be selected from urban or rural areas in the same proportion as the urban-rural population distribution in the county, except that there shall be at least one (1) member each from a rural and from an urban area.
- (4) A member of the board of directors may be removed from office pursuant to KRS 65.007.

SPECIAL DISTRICTS: Tourist and Convention

District type: *Tourist and Convention*

Governing Chapter of Kentucky Revised Statutes: 91A

KRS Cite for Appointment Provisions: 91A.360

KRS 91A.360 Membership of tourist and convention commissions -- Terms -- Officers and employees -- Audit

- (1) The commission established pursuant to KRS 91A.350(2) shall be composed of seven (7) members to be appointed, in accordance with the method used to establish the commission. Members of a commission established by joint action of the local governing bodies of a county and a city or cities located therein shall be appointed, jointly, by the chief executive officers of the local governing bodies that established the commission. Members of a commission established by separate action of the local governing body of a county or a city located therein shall be appointed separately by the chief executive officer of the local governing body that established the commission. The chief executive officer of a city shall mean the mayor and the chief executive officer of a county shall mean the county judge/executive. Appointments to a commission shall be made by the appropriate chief executive officer or officers in the following manner:
 - (a) Two (2) commissioners shall be appointed from a list of three (3) or more names submitted by the local city hotel and motel association and one (1) commissioner shall be appointed from a list of three (3) or more names submitted by the local county hotel and motel association, provided that if only one (1) local hotel and motel association exists which covers both the city and county, then three (3) commissioners shall be appointed from a list of six (6) or more names submitted by it. If no formal local city or county hotel and motel association is in existence upon the establishment of a commission or upon the expiration of the term of a commissioner appointed pursuant to this subsection, then up to three (3) commissioners shall be appointed by the appropriate chief executive officer or officers from persons residing within the jurisdiction of the commission and representing local hotels or motels. A local city or county hotel and motel association shall not be required to be affiliated with the Kentucky Hotel and Motel Association to be recognized as the official local city or county hotel and motel association.
 - (b) One (1) commissioner shall be appointed from a list of three (3) or more names submitted by local restaurant association/associations. If no formal local restaurant association or associations exist upon the establishment of a commission or the expiration of the term of a commissioner appointed pursuant to this subsection, then one (1) commissioner shall be appointed by appropriate chief executive officer or officers from persons residing within the jurisdiction of the commission and representing a local restaurant. A local restaurant association or associations shall not be required to be affiliated with the Kentucky Restaurant Association to be recognized as the official local restaurant association or associations.
 - (c) One (1) commissioner shall be appointed from a list of three (3) or more names submitted by the chamber or chambers of commerce existing within those governmental units, which by joint or separate action have established the commission. If the commission is established by joint action of a county and a city or cities, then each chamber of commerce shall submit a list of three (3) names, and the chief executive officers of the participating governmental units shall jointly appoint one (1) commission member from the aggregate list. If no local chamber of commerce is in existence upon the establishment of a commission or upon the expiration of the term of a commissioner appointed pursuant to this subsection, then

one (1) commissioner shall be appointed by the appropriate chief executive officer or officers from persons residing within the jurisdiction of the commission and representing local businesses.

(d) Two (2) commissioners shall be appointed in the following manner:

1. By the chief executive officer of the county or city, if the commission has been established by separate action of a county or city; or
 2. One (1) each by the chief executive officer of the county and by the chief executive officer of the most populous city participating in the establishment of the commission, if the commission has been established by joint action of a county and a city or cities.
- (2) A candidate submitted for appointment to the commission, pursuant to subsection (1)(a) to (1)(c), shall be appointed by the appropriate chief executive officer or officers within thirty (30) days of the receipt of the required list or lists. Vacancies shall be filled in the same manner that original appointments are made.
- (3) The commissioners shall be appointed for terms of three (3) years, provided in the initial appointments, appropriate chief executive officer or officers appoint two (2) commissioners for a term of three (3) years, two (2) commissioners for a term of two (2) years and three (3) commissioners for a term of one (1) year. There shall be no limitation on number of terms a commissioner is reappointed. Subsequent appointments shall be for three (3) year terms.
- (4) The commission shall elect from its membership a chairman and a treasurer, and may employ personnel and make contracts necessary to carry out the purpose of KRS 91A.350 to 91A.390. The contracts may include, but shall not be limited to, the procurement of promotional services, advertising services, and other services and materials relating to the promotion of tourist and convention business. Contracts of the type enumerated shall be made only with persons, organizations, and firms with experience and qualifications for providing promotional services and materials, such as advertising firms, chambers of commerce, publishers, and printers.
- (5) The books of the commission and its account as established in KRS 91A.390 (2) shall be audited annually by an independent auditor who shall make a report to the commission, to the associations submitting lists of names from which commission members are selected, to the appropriate chief executive officer or officers, to the State Auditor of Public Accounts, and to the local governing body or bodies that established the commission that was audited. A copy of the audit report shall be made available by the commission to members of the public upon request and at no charge.
- (6) A commissioner may be removed from office, by joint or separate action, of the appropriate chief executive officer or officers of the local governing body or bodies that established the commission, as provided by KRS 65.007.

SPECIAL DISTRICTS: Urban Services

District type: *Urban Services*

Governing Chapter of Kentucky Revised Statutes: 108

KRS Cite for Appointment Provisions: 108.030

KRS 108.030 Council and director

- (1) The governmental and corporate authority of an urban services district shall be vested in a district council, which shall be the legislative and policy-making body, and a district director, who shall be the chief executive officer and shall preside over meetings of the council. The director shall have no right of veto over actions of the council.
- (2) The council shall be composed of five (5) members, to be elected for a term of four (4) years at the next general election following the creation of the district. At the expiration of their terms, vacancies shall be filled in accordance with the general election laws of the state. Members of the council shall be qualified voters of the district, and a member shall vacate his position by removal of his residence from the district. Vacancies on the council shall be filled by appointment by the Governor for the remainder of the term. Members shall serve until their successors are elected and qualified.
- (3) The council shall establish departments, offices or agencies to carry out the functions and services of the district and prescribe their powers and duties. The council shall meet regularly at least once in each month, and special meetings may be called by the director or on the call of three (3) or more members of the council.
- (4) The council may determine its own rules and order of business, and may adopt rules and regulations for the functioning of the district to supplement the provisions of this chapter. Each member of the council shall be paid a salary to be fixed by the council.

SPECIAL DISTRICTS: Water

District type: *Water*

Governing Chapter of Kentucky Revised Statutes: 74

KRS Cite for Appointment Provisions: 74.020

KRS 74.020 Appointment of commissioners -- Number -- Terms -- Removal -- Vacancies -- Organization -- Bond -- Compensation.

- (1) A water district shall be administered by a board of commissioners which shall control and manage the affairs of the district. The term of each commissioner is four (4) years, except as provided in this section:
 - (a) If a district lies wholly within a single county, or operates as a single-county district, as provided in paragraph (c) of this subsection, the board of commissioners shall be composed of either three (3) or five (5) members as the county judge/executive shall determine. Members of the board shall be residents of the district, or of any incorporated or unincorporated area served by the district in the county in which the district was originally established, who shall be appointed by the county judge/executive with the approval of the fiscal court. If two (2) or more water districts within a single county merge as described in KRS 74.361, the county judge/executive may appoint up to two (2) additional commissioners with the approval of the fiscal court. Initial appointments shall be for terms of two (2), three (3), and four (4) years, as designated by the court.
 - (b) Except as provided in paragraph (c) of this subsection, if a district formed in a single county extends its area to include territory in an adjacent county, as provided by KRS 74.115, the board of commissioners shall be appointed by the county judges/executive with the approval of the fiscal courts of the concerned counties as follows: in two (2) county districts, three (3) members from the original district and two (2) members from the extended portion of the district; for extensions into three (3) or more counties, the respective county judges/executive, with the approval of the fiscal courts, shall appoint, in addition to the existing membership of the commission, two (2) members from the original one-county district and two (2) members from the newly extended portion of the district. Orders establishing the extension shall provide for the staggering of initial terms in an equitable manner.
 - (c) If a single-county district administered as provided in paragraph (a) of this subsection shall acquire an existing water or gas distribution system serving an area which extends beyond the boundaries of the district into another county, or if a district formed in a single county extends its area to include territory in an adjacent county as provided by KRS 74.115, it may operate the distribution system so acquired, or extended, if the area served outside the county shall be deemed to be a minor portion of the total area served by the district, and if the fiscal court of the county containing the minor portion of the total area shall have agreed to the acquisition or to the extension of the distribution system. If less than twenty-five percent (25%) of the total assets of the distribution system are located within the county outside of the boundaries of the district, it shall be conclusively presumed that the district comes within the terms of this subsection.
- (2) A commissioner may be removed from office as provided by KRS 65.007.
- (3) A commissioner who participates in any official action by the water district board of commissioners which results in a direct financial benefit to him may be removed from office as provided by KRS 65.007.
- (4) Vacancies shall be filled by the same appointing authority which is empowered to make the original appointment. Vacancies resulting from cause other than expiration of the term shall

be filled for the unexpired term only. Notwithstanding the provisions of KRS 67.710, a vacancy resulting from the expiration of a term shall be filled by the Public Service Commission if, within ninety (90) days following the expiration of the term, the vacancy has not been filled by the appropriate county judge/executive with approval of the fiscal court.

- (5) The commission shall elect a chairman, secretary, and treasurer. Each commissioner shall execute a bond, approved by the county judge/executive, conditioned on the faithful performance of the duties of his position.
- (6) Each commissioner shall receive an annual salary of not more than thirty-six hundred dollars (\$3,600), which shall be paid out of the water district fund, except that beginning January 1, 1999, each commissioner who completes during an educational year a minimum of six (6) instructional hours of water district management training approved by the Public Service Commission may receive an annual salary of not more than six thousand dollars (\$6,000) to be paid out of the water district fund. An educational year shall begin on January 1 and end on the following December 31. In the case of single-county districts, which shall be deemed to include districts described in paragraph (c) of subsection (1) of this section, the salary shall be fixed by the county judges/executive with the approval of the fiscal court; in multicounty districts, it shall be fixed by the agreement between the county judges/executive with the approval of their fiscal courts. In fixing and approving the salary of the commissioners, the county judge/executive and the fiscal court shall take into consideration the financial condition of the district and its ability to meet its obligations as they mature.
- (7)
 - (a) In order to receive an increase in salary as specified in subsection (6) of this section, commissioners shall successfully complete six (6) instructional hours of water district management training annually. The training shall be approved and paid for by the water district of the county the commissioner represents. Those commissioners not required to complete the six (6) instructional hours shall be reimbursed for the cost of instruction if they choose to complete the water district training.
 - (b) The Public Service Commission shall be responsible for the regulation of all water district management training programs for commissioners of water districts, combined water, gas, or sewer districts, or water commissions.
 - (c) The Public Service Commission shall encourage and promote the offering of high quality water district management training programs that enhance a water district commissioner's understanding of his or her responsibilities and duties. The commission shall, no later than January 1, 1999, establish standards and procedures to evaluate, accredit, and approve water district management training programs.
 - (d) The Public Service Commission may promulgate administrative regulations in accordance with the provisions of KRS Chapter 13A to implement this section.

SPECIAL DISTRICTS: Watershed Conservancy

District type: *Watershed Conservancy*

Governing Chapter of Kentucky Revised Statutes: 262

KRS Cite for Appointment Provisions: 262.740

KRS 262.740 Board of directors -- Election -- Membership -- Terms -- Officers -- Bond of treasurer -- Nomination petitions -- Qualification of members -- Removal of directors.

- (1) Within thirty (30) days after a watershed conservancy district is created, nominating petitions may be filed with the board of supervisors for the election of a board of directors consisting of five (5) members, who shall hold office for a term of four (4) years, or until a successor is qualified. Such board of directors shall, under the supervision of the board of supervisors, be the governing body of the watershed conservancy district. The board of supervisors shall give due notice of the election of directors and shall, as nearly as practicable, conduct the election in the manner prescribed by KRS 262.220.
- (2) If the territory embraced within a watershed conservancy district lies within more than one (1) soil and water conservation district, each of said additional districts with minority of the land involved in the watershed shall be entitled to elect three (3) additional directors.
- (3) The board of directors shall annually elect from its membership a chairman, secretary, and treasurer. The treasurer shall execute an official bond for the faithful performance of the duties of his office to be approved by the board of directors. Such bond shall be executed with at least three (3) solvent personal sureties whose solvency must exceed the amount of the bond, or by a surety company authorized to do business in this state, and shall be in an amount determined by the board of directors. If the treasurer is required to execute a surety company bond, the premium on the bond shall be paid by the board of directors.
- (4) Each person desiring to be a director of a watershed conservancy district shall file a nominating petition with the board of supervisors of the county in which he is a landowner and legal resident, signed by twenty-five (25) or more landowners within the watershed conservancy district of the county involved, or, if less than fifty (50) landowners are involved a majority of such landowners. Nominating petitions for the election of any director following the first election of members of the board after creation of the district shall be filed with the board of supervisors not less than forty-five (45) days prior to the day of the regular election. If the candidates nominated do not exceed the positions available, they shall be declared elected. No person shall be eligible to be a director of a watershed conservancy district who is not a landowner within watershed and resident of county in which watershed is located.
- (5) A director who has been declared elected without an election pursuant to subsection (4) of this section may be removed from office by the board of supervisors as provided by KRS 65.007 for removal of an appointed member of the governing body of a special district.

Forms for Debt Notification

For your convenience, all debt notification forms are included in this manual; however, check to see that they are current as debt forms may change.

Current forms may be found online at GOLD's website at www.gold.ky.gov. Click on "Downloads" at the top of the page. When the "Downloads" screen comes up simply scroll down to "Special Districts" and open the appropriate form.

Forms on GOLD's website may be submitted electronically by downloading to your computer, saving the document, and then filling in the information and sending it back to GOLD as an attachment to an email. All forms may also be faxed or mailed to GOLD as a hardcopy.

Contact us if you need assistance:

Governor's Office for Local Development
Office of Financial Management and Administration
Special Districts Branch
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601-8204
Email: Glenn.Oldham@ky.gov
Toll Free: 800-346-5606
Office: 502-573-2382
Fax: 502-573-3712

LOCAL DEBT NOTIFICATION

BOND SUMMARY FORM

Please complete this form and return to the State Local Debt Officer at GOLD. Include all corresponding bond information and the **principal payment schedule**. Completion of this form along with the payment schedule will insure timely entry into the State Local Debt Report.

Name of Entity Issuing Bond: _____

County (Please specify the **County** in which the **Entity** is located. This is strictly for our filing purposes.)

Type of Bond: (please circle one or fill in the blank if type not listed) _____

Bond Anticipation Notes

General Obligation

Industrial Revenue

Lease Revenue

Public Corporation

Refunding

Refunding Revenue

Revenue

Special Assessment

Purpose of the Bond: _____

IF REFUNDING— Please state the name, date and principal amount of original issue(s) being refunded: _____

Is the COUNTY (*in which the Entity is located*) Obligated? _____

Date the Bond was Issued: _____

Bond Series: _____

Principal Amount: _____

Type of Interest (Fixed or Variable): _____

Interest Rate: _____

Date of Initial Payment: _____

AOC Percent (if applicable): _____

Date of Maturity: _____

Call Date: _____

Retirement Method: _____

Who is the Financial Advisor (if applicable): _____

Who is Trustee/Paying Agent: _____

Who is Bond Counsel: _____

LOCAL DEBT NOTIFICATION

LEASE SUMMARY FORM

Please complete this form and return to the State Local Debt Officer at GOLD. Include all corresponding bond information and the **principal payment schedule**. Completion of this form along with the payment schedule will insure timely entry into the State Local Debt Report.

Name of Entity Entering Lease: _____

County (Please specify the **County** in which the **Entity** is located. This is strictly for our filing purposes.)

Type of Lease (ex: General Obligation or Renewable): _____

Purpose of the Lease: _____

IF REFUNDING— Please state the name, date and principal amount of original issue(s) being refunded: _____

Is the COUNTY (*in which the Entity is located*) Obligated? _____

Name of Lessor: _____

Date the Lease was Issued: _____

Principal Amount: _____

Type of Interest (Fixed or Variable): _____

Interest Rate: _____

Date of Initial Payment: _____

Date of Maturity: _____

Retirement Method: _____

Who is Trustee/Paying Agent (if applicable): _____

Who is Counsel (if applicable): _____

NOTIFICATION OF INTENT TO BORROW

1. Borrower Information:

- A. Governmental Agency: _____
- B. Governing Body: _____
- C. Street Address: _____
- D. City and State: _____
- E. Zip: _____

2. Purpose: Briefly explain the documented need which necessitates this note (loan) and the public purpose it is intended to address. (Attach additional information if necessary)

3. Terms of Note (Loan) Agreement

- A. Lender's Name and Address: _____
- _____
- _____
- B. Date of Issue: _____
- C. Interest Rate(s): _____
- D. Maturity Schedule: _____
- E. Date note (loan) is to be paid: _____

4. Source of Note (Loan) Repayment

- A. Pledge of Taxes/Description: _____
- _____
- B. Pledge of Revenue/Description: _____
- _____
- C. Project Revenues (if revenue from a project is required to pay not (loan), documentation must be provided which substantiates the revenue projections and the specific source of income.

5. Have bids been sought by the local governments to determine the financial and programmatic competitiveness of the note (loan) proposal?

6. Additional Required Documentation:

- A. Complete copy of the proposed note (loan) agreement.
- B. Certification from local government attesting to tie ability to meet additional financial commitments necessitated by this note (loan) and shall include a copy of the certificate of the governmental agency as to taxes and revenues to be collected during the term of the note (loan).

Date submitted: _____

Authority of governing body: _____

Title: _____

Mail to:
Governor's Office for Local Development
State Local Debt Officer
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601

Fax to:
502-573-3712

Forms for Budgeting and Reporting

For your convenience, all forms are included in this manual; however, check to see that they are for the current filing year as forms can change substantially from year to year.

Current forms may be found online at GOLD's website at www.gold.ky.gov. Click on "Downloads" at the top of the page. When the "Downloads" screen comes up simply scroll down to "Special Districts" and open the appropriate form.

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Contact us if you need assistance:

Governor's Office for Local Development
Office of Financial Management and Administration
Special Districts Branch
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601-8204
Email: Glenn.Oldham@ky.gov
Toll Free: 800-346-5606
Office: 502-573-2382
Fax: 502-573-3712

Certification Board Member Publication
Form (LF2003)

District Board Membership			
Designated Meeting Date, Time, & Place _____			
President/Chair:		Term Expires (Mo/Day/Yr):	
P. O. Box/Street		First Full Term Second Full Term Third or more Full Term Filling Unexpired Term	
City:			
Zip Code:			
Telephone:			
Vice President:			Term Expires (Mo/Day/Yr):
P. O. Box/Street		First Full Term Second Full Term Third or more Full Term Filling Unexpired Term	
City:			
Zip Code:			
Telephone:			
Secretary:			Term Expires (Mo/Day/Yr):
P. O. Box/Street		First Full Term Second Full Term Third or more Full Term Filling Unexpired Term	
City:			
Zip Code:			
Telephone:			
Treasurer:			Term Expires (Mo/Day/Yr):
P. O. Box/Street		First Full Term Second Full Term Third or more Full Term Filling Unexpired Term	
City:			
Zip Code:			
Telephone:			
Member:			Term Expires (Mo/Day/Yr):
P. O. Box/Street		First Full Term Second Full Term Third or more Full Term Filling Unexpired Term	
City:			
Zip Code:			
Telephone:			

Member:	Term Expires (Mo/Day/Yr):	
P. O. Box/Street	First Full Term	
	Second Full Term	
City:	Third or more Full Term	
	Filling Unexpired Term	
Zip Code:		
Telephone:		
Member:	Term Expires (Mo/Day/Yr):	
P. O. Box/Street	First Full Term	
	Second Full Term	
City:	Third or more Full Term	
	Filling Unexpired Term	
Zip Code:		
Telephone:		
Member:	Term Expires (Mo/Day/Yr):	
P. O. Box/Street	First Full Term	
	Second Full Term	
City:	Third or more Full Term	
	Filling Unexpired Term	
Zip Code:		
Telephone:		
Member:	Term Expires (Mo/Day/Yr):	
P. O. Box/Street	First Full Term	
	Second Full Term	
City:	Third or more Full Term	
	Filling Unexpired Term	
Zip Code:		
Telephone:		
Member:	Term Expires (Mo/Day/Yr):	
P. O. Box/Street	First Full Term	
	Second Full Term	
City:	Third or more Full Term	
	Filling Unexpired Term	
Zip Code:		
Telephone:		

Annual Summary Financial Publication
Form (LF2002)

<div style="margin-bottom: 10px;">_____ District</div> <div style="margin-bottom: 10px;">_____ (Street Address)</div> <div style="margin-bottom: 10px;"><u>Summary Financial Statement</u></div> <div style="margin-bottom: 10px;">For Period Beginning July 1, 2005, and Ending June 30, 2006</div> <div style="margin-bottom: 10px;">_____ Fund</div> <div style="margin-bottom: 10px;"><u>Revenues</u></div> <table style="width: 100%;"><tr><td style="width: 70%;">Taxes (all categories)</td><td style="width: 30%;"></td></tr><tr><td>Permits and Licenses</td><td></td></tr><tr><td>Payments in Lieu of Taxes</td><td></td></tr><tr><td>Intergovernmental Revenues</td><td></td></tr><tr><td>Charges for Services</td><td></td></tr><tr><td>Other Revenues</td><td></td></tr><tr><td>Interest Earned</td><td></td></tr><tr><td>Total Revenues</td><td></td></tr></table>		Taxes (all categories)		Permits and Licenses		Payments in Lieu of Taxes		Intergovernmental Revenues		Charges for Services		Other Revenues		Interest Earned		Total Revenues	
Taxes (all categories)																	
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Intergovernmental Revenues																	
Charges for Services																	
Other Revenues																	
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Total Revenues																	
<div style="margin-bottom: 10px;"><u>Receipts and cash</u></div> <table style="width: 100%;"><tr><td style="width: 70%;">Carryover from Prior Fiscal Year</td><td style="width: 30%;"></td></tr><tr><td>Bonded Debt</td><td></td></tr><tr><td>Transfers to Other Funds</td><td></td></tr><tr><td>Transfers from Other Funds</td><td></td></tr><tr><td>Borrowed Money (Notes)</td><td></td></tr><tr><td>Governmental Leasing Act</td><td></td></tr><tr><td>Total Receipts and Cash</td><td></td></tr></table> <div style="margin-top: 10px;">Total Available (sum of Total Receipts, Cash & Total Revenues)</div>		Carryover from Prior Fiscal Year		Bonded Debt		Transfers to Other Funds		Transfers from Other Funds		Borrowed Money (Notes)		Governmental Leasing Act		Total Receipts and Cash			
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Personnel																	
Operations																	
Administration																	
Capital Outlay																	
Debt Service																	
Total Expenditures																	
<div>Supporting documentation for this statement is located at:</div> <div style="margin-top: 10px;">_____ (Street Address)</div> <div style="margin-top: 10px;">_____ (City)</div>																	

_____ District	
_____ (Street Address)	
<u>Summary Financial Statement</u>	
July 1, 2005, Through June 30, 2006	
_____ Fund	
<u>Revenues</u>	
Taxes (all categories)	\$ _____
Permits and Licenses	\$ _____
Payments in Lieu of Taxes	\$ _____
Intergovernmental Revenues	\$ _____
Charges for Services	\$ _____
Other Revenues	\$ _____
Interest Earned	\$ _____
Total Revenues	\$ _____
<u>Receipts and cash</u>	
Carryover from Prior Fiscal Year	\$ _____
Bonded Debt	\$ _____
Transfers to Other Funds	\$ (_____)
Transfers from Other Funds	\$ _____
Borrowed Money (Notes)	\$ _____
Governmental Leasing Act	\$ _____
Total Receipts and Cash	\$ _____
Receipts, Cash & Revenues Total	\$ _____

<u>Expenditures</u>	
Personnel	\$ _____
Operations	\$ _____
Administration	\$ _____
Capital Outlay	\$ _____
Debt Service	\$ _____
Total Expenditures	\$ _____
Supporting documentation for this statement is located at:	
_____ (Street Address)	
_____ (City)	

WATER DISTRICT
Annual Summary Financial Publication
Form (LF2002WD)

_____ **Water District Summary Financial Statement**

For Period Beginning _____ **and Ending** _____

Cash Balance at _____ **\$** _____

Cash Flows from Operating Activities:

Add Total Operating Revenues **\$** _____

Less Operation and Maintenance Expenses **\$** _____

Add Non-Cash Item Included in O & M

 Expense: Bad Debt Expense **\$** _____

Less Taxes Other Than Income **\$** _____

Less Interest Expense **\$** _____

(Increase)/Decrease in Accounts Receivable **\$** _____

(Increase)/Decrease in All Other Current and Accrued Assets **\$** _____

Increase/(Decrease) in Accounts Payable **\$** _____

Increase/(Decrease) in All Other Current and Accrued Liabilities **\$** _____

Net Cash Flows from Operating Activities **\$** _____

Cash Flows from Investing Activities:

 Cash Used to Purchase/Construct Plant **\$** _____

 Other **\$** _____

Net Cash Flows from Investing Activities **\$** _____

Cash Flows from Financing Activities

 Cash Received from Grants/Contributions **\$** _____

 Cash Used for Principal Payments **\$** _____

 Other **\$** _____

Net Cash Flows from Financing Activities **\$** _____

Net Increase/(Decrease) in Cash **\$** _____

Cash Balance at _____ **\$** _____

This statement is published pursuant to the requirements of KRS 65.070.

Supporting documentation for this statement is located at:

Budget Form
(LF2001)

State Local Finance Officer

The Kentucky Revised Statute 65.065 requires the state local finance officer to prepare and supply each county clerk with standard budget and reporting forms for distribution to all special districts. State law requires the governmental unit to use these forms in the preparation of the tentative budget. When adopted, the budget is to be filed with the fiscal court to be available for public inspection. No special district budget shall become effective until filed with the fiscal court of the county in which the district is located for submission to the Governor's Office for Local Development. For those multi-county special districts a copy of the budget must be filed with each fiscal court within the jurisdiction of the district. The budget should be filed with the fiscal court by June 1 of each year.

Questions are frequently raised about the necessity of using the budget forms when governmental units have their own computerized budget process, which provides printouts in a different format than these forms. This is a very legitimate concern, but it needs to be considered in relation to the intent and purpose of uniformity. Many different citizens' groups, research organizations and other groups use these forms for analysis and research purposes. Because of their needs and the intent of the law, the budget forms or a computer printout with the same information and format must be filed with the respective fiscal courts. For tentative budget purposes, the districts may use their own forms, but when requested by citizens or other users, the district must provide the budget to them in the format required by law.

Governmental accounting standards require that three comparative years be provided in the budget. Columns for prior year actual, current year estimate, and ensuing year budget are provided on each budget form. This information, set out in columns, is helpful to district officials and the public by providing historical perspective.

A budget signature page is required with each budget. This page certifies that the attached budget is a true and correct copy of the budget as adopted and that appropriate notification and hearing requirements were met.

The decision as to what is the appropriate fund structure for a specific district is important in that it has a significant impact on budgetary procedures and financial reporting. It also impacts the basis of accounting and measurement focus to be used. The budget forms are for a single fund only, use a separate form for each fund. The State Constitution requires that all governmental budgets be balanced, and utilize a July 1 through June 30, fiscal year. Therefore, the total appropriations line must equal the total available line. All funds must be budgeted and no money can be legally expended unless it has been properly budgeted.

NOTE: If you are a multi-county district you must forward your budget to all fiscal courts in your service area.

Instructions

The following are the instructions and requirements for completing the Special District Budget Form LF 2001.

1. Special district budgets must be prepared in the format specified by the state local finance officer on form LF 2001 *or equivalent*.
2. The budget may be prepared on a cash or accrual basis, and must utilize a fiscal year basis beginning July 1 and ending June 30.
3. The budget LF 2001 must be submitted to the fiscal court prior to June 1 of the effective date of the budget.
4. The budget must balance; budgeted appropriations cannot exceed budgeted revenues, cash, and receipts. *Round to the nearest whole dollar amount, do not include cents.*
5. Do not add categories to the budget form, if you believe that none of the defined categories match a category that you have please contact the Governor's Office for Local Development (GOLD).
6. The proper individual (treasurer in most cases) must sign and date the budget prior to submission to the fiscal court.
7. *The line 11E on page six (6) of the budget is a reserve for transfer line. NO EXPENDITURES can be made from this line. It is reserved for transfer to another line within your budget for expenditure. Use this line to balance your appropriations and your total available cash, transfers, and revenues.*
8. *Line 13I is for long term debt payments to other governments only.*
9. Please complete and return the form to your **fiscal court** clerk (generally the same as your county clerk) intact, and make copies for your records and public dissemination. *The fiscal court clerk will record your budget in the fiscal court order book with the county budget document. Do not forward your budget to the Governor's Office for Local Development (GOLD); your fiscal court will submit the budget with the county budget.*
10. Please note that the form is printed on the front and back.
11. Water district budgets are based on a calendar year and utilize form LF 2001WD.

Please direct all inquiries to:

Governor's Office for Local Development
Division of Financial Management and Administration
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601
(800) 346-5606 or (502) 573-2382
Email: glenn.oldham@ky.gov

Budget of _____

July 1, 2006
June 30, 2007

_____ Fund

Budget Summary

Revenues

Taxes (all categories)	\$ _____
Permits and Licenses	\$ _____
Payments in Lieu of Taxes	\$ _____
Intergovernmental Revenues	\$ _____
Charges for Services	\$ _____
Other Revenues	\$ _____
Interest Earned	\$ _____
Total Revenues	\$ _____

Receipts and cash

Carryover from Prior Fiscal Year	\$ _____
Bonded Debt, Public Corporation & G.O.	\$ _____
Transfers to Other Funds	\$ (_____)
Transfers from Other Funds	\$ _____
Borrowed Money (all short term/single year)	\$ _____
Governmental Leasing Act	\$ _____
All Other Borrowed Money	\$ _____
Total Receipts and Cash	\$ _____
Total Available (sum of Total Receipts, Cash & Total Revenues)	\$ _____

Appropriations

Personnel	\$ _____
Operations	\$ _____
Administration & Reserves	\$ _____
Capital Outlay	\$ _____
Debt Service	\$ _____
Total Appropriations	\$ _____

	Actual FY 2004-05	Budget FY 2005-06	Estimate FY 2006-07
<u>Revenues</u>			
1. <u>Taxes</u>			
1A. Real Property Taxes			
1B. Tangible Personal Property (not vehicles)			
1C. Motor Vehicles			
1D. Delinquent Taxes			
1E. Other Tax (define)_____			
2. <u>Permits and Licenses</u>			
2A. (define)_____			
2B. (define)_____			
3. <u>In Lieu of Tax Payments</u>			
3A. (define)_____			
4. <u>Intergovernmental Revenues</u>			
4A. From Federal Government			
4B. From State Government			
4C. From County Government			
4D. From City Government			
4E. From Other Districts			
4F. Other (define)_____			

	Actual FY 2004-05	Budget FY 2005-06	Estimate FY 2006-07
5. <u>Charges for Services</u>			
5A. Service Charges	_____	_____	_____
5B. User Fees	_____	_____	_____
5C. Rental Income	_____	_____	_____
5D. Special Assessments	_____	_____	_____
5E. Other (define)_____	_____	_____	_____
5F. Other (define)_____	_____	_____	_____
6. <u>Other Revenues</u>			
6A. (define)_____	_____	_____	_____
6B. (define)_____	_____	_____	_____
6C. (define)_____	_____	_____	_____
6D. (define)_____	_____	_____	_____
7. <u>Interest Earned</u>			
7A. (define)_____	_____	_____	_____
7B. (define)_____	_____	_____	_____
Total Revenues	_____	_____	_____
8. <u>Cash, Borrowed Money, & Transfers</u>			
8A. Cash Balance, July 1	_____	_____	_____
8B. Tax Anticipation Note	_____	_____	_____
8C. Bond Sale Proceeds	_____	_____	_____

	Actual FY 2004-05	Budget FY 2005-06	Estimate FY 2006-07
<u>Cash, Borrowed Money, & Transfers</u> (continued)			
8D. Cash Transfers to Other Funds	_____	_____	_____
8E. Cash Transfers from Other Funds	_____	_____	_____
8F. Borrowed Money (short term/single year)	_____	_____	_____
8G. Governmental Leasing Act Proceeds	_____	_____	_____
8H. Loan(s) from Other Governments_____	_____	_____	_____
Total Cash, Borrowed Money, & Transfers	_____	_____	_____
Total Available (Revenues, Cash, Borrowed Money & Transfers)	_____	_____	_____
 <u>Appropriations</u>			
9. <u>Personnel</u>			
9A. Salaries and Wages (Gross)	_____	_____	_____
9B. Per Diem (Lump Expense Allowance)	_____	_____	_____
9C. Health (Medical) Insurance	_____	_____	_____
9D. FICA (Social Security)	_____	_____	_____
9E. Worker's Compensation	_____	_____	_____
9F. Unemployment Insurance	_____	_____	_____
9G. Pensions (Retirement)	_____	_____	_____
9H. Other Fringe (define)_____	_____	_____	_____

	Actual FY 2004-05	Budget FY 2005-06	Estimate FY 2006-07
<u>Personnel</u> (continued)			
9I. Other Fringe (define)_____	_____	_____	_____
Total, Personnel	_____	_____	_____
10. <u>Operating Expense</u>			
<u>Contracted Services (sub-category)</u>			
10A. Advertising and Printing	_____	_____	_____
10B. Professional Services (defined by K.R.S. 45A.380 (3))	_____	_____	_____
10C. Maintenance and Repairs	_____	_____	_____
10D. Utilities (inlcudes telephone)	_____	_____	_____
10E. Rents and Leases	_____	_____	_____
10F. Insurance and Bonds	_____	_____	_____
10G. Other Contract (define)_____	_____	_____	_____
10H. Other Contract (define)_____	_____	_____	_____
10I. Other Contract (define)_____	_____	_____	_____
Subtotal Contracted Services	_____	_____	_____
<u>Materials and Supplies (sub-category)</u>			
10J. Materials	_____	_____	_____
10K. Supplies	_____	_____	_____
Subtotal Materials and Supplies	_____	_____	_____

	Actual FY 2004-05	Budget FY 2005-06	Estimate FY 2006-07
<u>Other Operating Expense (sub-category)</u>			
10L. Other Operating (define)_____	_____	_____	_____
10M. Other Operating (define)_____	_____	_____	_____
Subtotal Other Operating Expense	_____	_____	_____
Total, Operating Expenses	_____	_____	_____
11. <u>Administration</u>			
11A. Dues and Subscriptions	_____	_____	_____
11B. Travel and Training	_____	_____	_____
11C. Court Judgements	_____	_____	_____
11D. Grants and Donations	_____	_____	_____
11E. Reserve for Transfer (no expenditures from this account)	_____	_____	_____
11F. Other (define)_____	_____	_____	_____
Total Administration	_____	_____	_____
12. <u>Capital Outlay</u>			
12A. Land	_____	_____	_____
12B. Land Improvement	_____	_____	_____
12C. Building Construction	_____	_____	_____
12D. Building Improvement	_____	_____	_____
12E. Furniture and Fixtures	_____	_____	_____
12F. Equipment	_____	_____	_____

	Actual FY 2004-05	Budget FY 2005-06	Estimate FY 2006-07
<u>Capital Outlay</u> (continued)			
12G. Vehicles	_____	_____	_____
12H. Other (define)_____	_____	_____	_____
12J. Other (define)_____	_____	_____	_____
Total Capital Outlay	_____	_____	_____
 13. Debt Service			
13A. Short Term Debt Principal	_____	_____	_____
13B. Short Term Debt Interest	_____	_____	_____
13C. Loan Principal, Other Governments	_____	_____	_____
13D. Loan Interest, Other Governments	_____	_____	_____
13E. Public Properties Corporation & G.O. Bonds Principal	_____	_____	_____
13F. Public Properties Corporation & G.O. Bonds Interest	_____	_____	_____
13G. Governmental Leasing Act Principal	_____	_____	_____
13H. Governmental Leasing Act Interest	_____	_____	_____
Total Debt Service	_____	_____	_____
 GRAND TOTAL ALL APPROPRIATIONS	_____	_____	_____

This budget is true and accurate to the best of my knowledge and belief.

Signed _____

District Chief Financial Officer

(Date) _____

Received by _____ County Fiscal Court Clerk

(Signed) _____

(Date) _____

Received by Governor's Office for Local Development (date) _____

District mailing address:

(Street or P O Box) _____

(City & zip code) _____

**WATER DISTRICT Budget Form
(LF2001WD)**

Budget Summary of _____

Reporting Period from _____ To _____

	Actual 2004	Budget 2005	Estimate 2006
<u>Utility Operating Income</u>			
Operating Revenues	\$ _____	\$ _____	\$ _____
Operation and Maintenance Expenses	_____	_____	_____
Depreciation Expense	_____	_____	_____
Amortization Expense	_____	_____	_____
Taxes Other Than Income	_____	_____	_____
Income from Utility Plant Leased to Others	_____	_____	_____
Gains (Losses) from Disposition of Utility Property	_____	_____	_____
Net Utility Operating Expenses	_____	_____	_____
Utility Operating Income (Loss)	\$ _____	\$ _____	\$ _____
<u>Other Income and Deductions</u>			
Net Results/Merchandising, Jobbing & Contract Work	\$ _____	\$ _____	\$ _____
Interest and Dividend Income	_____	_____	_____
Allowance for Funds Used During Construction	_____	_____	_____
Nonutility Income	_____	_____	_____
Miscellaneous Nonutility Expenses	_____	_____	_____
Taxes Other Than Income	_____	_____	_____
Interest Expense	_____	_____	_____
Total Other Income and Deductions	_____	_____	_____
Income Before Contributions & Extraordinary Items	\$ _____	\$ _____	\$ _____
Proceeds from Capital Contributions	_____	_____	_____
Net Extraordinary Items	_____	_____	_____
Change in Net Assets	\$ _____	\$ _____	\$ _____

USoA Acct #		Actual 2004	Budget 2005	Estimate 2006
	<u>Operating Revenues</u>			
	<u>Sales of Water (sub-category)</u>			
460	Unmetered Water Revenue			
461.1	Metered Water Revenue - Residential			
461.2	Metered Water Revenue - Commercial			
461.3	Metered Water Revenue - Industrial			
461.4	Metered Water Revenue - Public Authorities			
461.5	Metered Water Revenue - Multiple Family Dwellings			
461.6	Metered Water Revenue - Bulk Loading Stations			
462	Fire Protection Revenue			
465	Sales to Irrigation Customers			
466	Sales for Resale			
	Subtotal Sales of Water			
	<u>Other Water Revenues (sub-category)</u>			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			
472	Rents from Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			
	Subtotal Other Water Revenues			
	Total Operating Revenues			
	<u>Operation and Maintenance Expenses</u>			
601	Salaries and Wages - Employees			
603	Salaries and Wages - Commissioners			
604	Employee Pensions and Benefits			
	Medical/Life Insurance			
	Retirement Benefits			
	Other			

USoA		Actual	Budget	Estimate
Acct #		2004	2005	2006
	Subtotal Employee Pensions and Benefits			
610	Purchased Water			
615	Purchased Power			
616	Fuel for Power Production			
618	Chemicals			
620	Materials and Supplies			
631	Contractual Services - Engineering			
632	Contractual Services - Accounting			
633	Contractual Services - Legal			
634	Contractual Services - Management Fees			
635	Contractual Services - Testing			
636	Contractual Services - Other			
641	Rental of Building/Real Property			
642	Rental of Equipment			
650	Transportation Expenses			
656	Insurance - Vehicle			
657	Insurance - General Liability			
658	Insurance - Workers' Compensation			
659	Insurance - Other			
660	Advertising Expense			
665/667	Regulatory Commission Expense			
668	Water Resource Conservation Expense			
670	Bad Debt Expense			
675	Miscellaneous Expenses			
	Total Operation and Maintenance Expenses			
	<u>Depreciation Expense</u>			
403	Depreciation Expense on Utility Plant			
	<u>Amortization Expense</u>			
406	Amortization of Utility Plant Acquisition Adjustments			

USoA Acct #		Actual 2004	Budget 2005	Estimate 2006
407	Amortization Expense			
	Total Amortization Expense			
	<u>Taxes Other Than Income</u>			
408.10	Utility Regulatory Assessment Fees			
408.11	Property Taxes			
408.12	Payroll Taxes			
408.13	Other Taxes and Licenses			
	Total Taxes Other Than Income			
	<u>Income from Utility Plant Leased to Others</u>			
413	Income from Utility Plant Leased to Others			
	<u>Gains (Losses) from Disposition of Utility Property</u>			
414	Gains (Losses) from Disposition of Utility Property			
	Net Utility Operating Expenses			
	Utility Operating Income (Loss)			
	<u>Other Income and Deductions</u>			
	<u>Net Results of Merchandising, Jobbing and Contract Work</u>			
415	Revenues from Merchandising, Jobbing and Contract Work			
416	Costs & Expenses of Merchandising, Jobbing & Contract Work			
	Net Merchandising, Jobbing and Contract Work			
	<u>Interest and Dividend Income</u>			
419	Interest and Dividend Income			
	<u>Allowance for Funds Used During Construction</u>			
420	Allowance for Funds Used During Construction			
	<u>Nonutility Income</u>			
421	Nonutility Income			
	<u>Miscellaneous Nonutility Expenses</u>			

USoA Acct #		Actual 2004	Budget 2005	Estimate 2006
426	Miscellaneous Nonutility Expenses			
	<u>Taxes Other Than Income</u>			
408.20	Taxes Other Than Income (Other Income and Deductions)			
	<u>Interest Expense</u>			
427.1	Interest on Debt to Associated Companies			
427.2	Interest on Short-Term Debt			
427.3	Interest on Long-Term Debt			
427.4	Interest on Customer Deposits			
427.5	Interest - Other			
428	Amortization of Debt Discount and Expense			
429	Amortization of Premium on Debt			
	Total Interest Expense			
	Income Before Contributions & Extraordinary Items			
	<u>Proceeds from Capital Contributions</u>			
432	Proceeds from Capital Contributions			
	Federal Grants			
	State Grants			
	Other Grants			
	Customer Contributions			
	Subtotal Proceeds from Capital Contributions			
	<u>Net Extraordinary Items</u>			
433	Extraordinary Income			
434	Extraordinary Deductions			
	Net Extraordinary Items			
	Change in Net Assets			

Abbreviated Projected Cash Flow

	Estimate 2006
Income (Loss) Before Contributions & Extraordinary Items	\$ _____
Items in Operations Not Requiring Cash:	
Depreciation	_____
Amortization	_____
Others (define)	_____
Results Projected from Operations	\$ _____
Cash to be Received from Loans	_____
Proceeds from Capital Contributions	_____
Cash to be Received - Other (define)	_____
Total Cash to be Received Other Than From Operations	\$ _____
Cash to be Expended for Purchase/Construction of Utility Plant	_____
Cash to be Expended for Principal Payments	_____
Cash to be Expended - Other (define)	_____
Total Cash to be Expended Other Than From Operations	\$ _____
Projected Change in Cash	\$ _____
Projected Beginning Cash Balance	\$ _____
Projected Ending Cash Balance	\$ _____

SCHEDULE OF LONG-TERM DEBT

Long-Term Debt	Original Issue Amount	Projected Beginning Balance	Projected Principal Payments	Projected Ending Balance
Total Long-Term Debt				

RESERVE FUNDING REQUIREMENTS

	Projected Beginning Balance	Required Funding for Budget Year	Projected Ending Balance
Bond & Interest Sinking Fund			
Depreciation Reserve Fund			
Debt Service Fund			
Other:			

The district is in compliance with all reserve funding requirements established by long-term debt agreements as of the date of completion of this form.

YES _____ **NO** _____

WATER STATISTICS

	In Gallons		
	Actual 2004	Budget 2005	Estimate 2006
Water Produced & Purchased			
Total Water Sales			
Other Water Used			
Water Loss			
Water Loss Percentage			

This budget is true and accurate to the best of my knowledge and belief.

Signed _____

District Chief Financial Officer

(Date) _____

Received by _____ County Fiscal Court Clerk

(Signed) _____

(Date) _____

Received by the Governor's Office for Local Development (date) _____

District mailing address:

(Street or P O Box) _____

(City & zip code) _____

UFIR Form
(F65 [KY-5])

INSTRUCTIONS FOR FORM F-65(KY-5) UNIFORM FINANCIAL INFORMATION REPORT

These instructions will clarify and explain the information requested on the report and provide uniform definitions for the categories of information required in the report. If you have any questions regarding where to place information in the report please contact Mr. Glenn Oldham at 1-800-346-5606 or reach him via email at glenn.oldham@ky.gov. The report is to be prepared on a July 1 to June 30 fiscal year, as required by the Constitution and statutes of the Commonwealth, however, the tax rates in Part I are to be reported as set for a calendar year. The assessment is a calendar year assessment and the rates set are for a calendar year; however, the revenue produced is to be reported on a fiscal year basis. For example the 2005–2006 report covers the period for July 1, 2005 through June 30, 2006. The property tax rate for this report is the tax rate set for calendar year 2005. This same procedure is to be utilized for motor vehicle taxes.

Part II

Section 1. Taxes – Report taxes to the fund into which they are deposited; transfers of money between funds are to be reported in Sections 9 and 10. If you collect taxes other than a property tax (i.e. payroll) please report these on line 1e.

Section 2. Permits and Licenses – Examples of what to report on this line are plumbing permits, building and other inspection fees, and dump and haul fees.

Section 3. Intergovernmental Revenue – These are funds acquired by the district from other units of government, the categories are self-explanatory, please report the revenues accordingly.

Section 4. Service Charges --

4a. Service charges are those fees charged for usage of equipment, supplies, or materials (i.e., oxygen, bandages, fire runs).

4b. User fees are those fees charged for using something such as a park admission fee or library book fees.

4c. Special assessments are generally property assessments charged for the provision of something such as sewer lines.

Section 5. Other -- The categories thru 5e are self-explanatory. However, report any funds received from another government as intergovernmental transfers even when they are reimbursed funds.

Section 6. Proceeds from Borrowed Money – This is the proceeds from borrowed money, report multi-year debt in the debt service fund column.

Section 7. Unrestricted Cash and Investments – These are year-end fund balances that are not restricted by debt retirement requirements (i.e., Sinking funds), or restricted by their source such as endowments or restricted use intergovernmental grants.

Section 8. Restricted Cash and Investments – These are year-end fund balances that are restricted use such as sinking fund balances, grant fund balances and endowments.

Sections 9 and 10 are total transfers to and from other funds.

Part III – Expenditures

Section 1. Salaries and Fringe Benefits are self-explanatory.

Section 2. Contracted Services

2a. Advertising and printing are self explanatory.

2b. Professional services are those services of a licensed professional, such as attorney, physician, psychiatrist, psychologist, or certified public accountant. (see KRS 45A.380(3)).

2c. through 2g. are self-explanatory.

Section 3. Materials and Supplies

3a. Supplies are items that are generally not inventories and have a relatively low value. Items for resale and perishable items are supplies.

3b. Materials are items that have a value in excess of a set amount that would require them to be inventoried. Some examples would be tools and office furniture---usually, items with a value in excess of \$100.

Sections 4, 5 and 6 are self-explanatory.

SPECIAL DISTRICTS UNIFORM FINANCIAL INFORMATION REPORT

FISCAL YEAR 2004–2005

GENERAL INSTRUCTIONS

This report is required to be completed by **all** special districts defined by K.R.S. 65.900 pursuant to K.R.S. 65.905. It is to be prepared on a cash, fiscal year basis beginning July 1 and ending on June 30. Please do not change, add, or delete any categories on the report. Please do not attach any addenda. Please complete the report on the furnished form, do not include cents, round to the nearest whole dollar amount. The **all other funds** column is to report agency, trust, and fiduciary funds. If you have an enterprise or proprietary fund other than general operations please contact the **GOLD, Special Districts Branch**. Report multiple funds attributable to a particular fund type as a combined single fund entry within the appropriate category.

If you are unsure where to place information within the report please contact the GOLD, Special Districts Branch.

Please return the completed report with a duplicate to the Governor's Office for Local Development by May 1, and file a copy with the county clerk(s).

District name and address including county (If this is a multi-county district, please include all of the counties within the service area.

District name	County(ies) in your service area
Street address	
P.O. Box, (if any)	
City	
ZIP Code	

DATA SUPPLIED BY

Name	Area code	Telephone number	Extension
Title	Date		
Mailing address (City, State, ZIP code)			email

Note: Data supplied by your district in this report will be used by State and Federal Agencies and by public interest groups. By filing this report you will not receive, nor be required to complete local government finance reporting forms F-21 and F-22 from the U.S. Census Bureau.

Report ad valorem (property) tax rates to the third decimal. If your tax rate is 4.5 cents, then report the rate as .045. Report the rate(s) even if they have not changed from the prior year.

Part I – TAX RATES

Source (a)	Assessment (b)	Compensating Tax Rate (c)	Rate Allowing 4% Increase (d)	Actual Rate Levied (e)	Revenue Produced (f)
1. Real Property	\$	%	%	%	\$
2. Personal Property					
3. Motor Vehicles					

Part II - REVENUE AND CASH

Revenue source (a)	General Operations (b)	Special Funds (c)	Capital Projects (d)	Debt Service (e)	All Other Funds (f)
1. Taxes					
a. Real Property Taxes	\$	\$	\$	\$	\$
b. Personal Property Taxes					
c. Motor Vehicle Taxes					
d. Delinquent Taxes					
e. All Other Taxes					
Subtotal All Taxes	\$	\$	\$	\$	\$
2. Permits and Licenses (All) →	\$	\$	\$	\$	\$
3. Intergovernmental Revenue					
a. From Federal Government	\$	\$	\$	\$	\$
b. From State Government					
c. From County Government					
d. From Other Governments					
Subtotal All Intergovernmental →	\$	\$	\$	\$	\$
4. Service Charges					
a. Service Charges					
b. User Fees					
c. Special Assessments					
d. Rental Income					
Subtotal All Service Charges →	\$	\$	\$	\$	\$
5. Other					
a. Interest Earnings					
b. Reimbursements and Refunds					
c. Gifts and Endowments					
d. Sales (Include Surplus Property)					
e. Penalties					
Subtotal All Other →	\$	\$	\$	\$	\$
TOTAL ALL REVENUE	\$	\$	\$	\$	\$

Part II – REVENUE AND CASH – Continued

Revenue source (a)	General Operations (b)	Special Funds (c)	Capital Projects (d)	Debt Service (e)	All Other Funds (f)
6. Proceeds from Long Term Debt	\$	\$	\$	\$	\$
7. Unrestricted Cash and Investments					
8. Restricted Cash and Investments					
9. Transfers In					
10. Transfers Out					
GRAND TOTAL ALL FUNDS →	\$	\$	\$	\$	\$

Part III – EXPENDITURES

Do not include any long term debt payments (any obligations that have payments beyond the current fiscal year) in the general operations, special or capital project funds. These must be reported in the debt service funds column.

Expenditure description (a)	General Operations (b)	Special Funds (c)	Capital Projects (d)	Debt Service (e)	All Other Funds (f)
1. Personal Services					
a. Salaries and Wages	\$	\$	\$	\$	\$
b. Pensions (Retirement)					
c. Health (Medical) Insurance					
d. FICA (Social Security)					
e. Worker's Compensation					
f. Unemployment Insurance					
g. All Other Employer Paid Fringe					
Subtotal Personal Services →	\$	\$	\$	\$	\$
2. Contracted Services					
a. Advertising and Printing	\$	\$	\$	\$	\$
b. Professional Services					
c. Maintenance and Repairs					
d. Utilities (include telephone)					
e. Rent and Leases					
f. Insurance and Bonds					
g. All Other Contracted Services					
Subtotal Contracted Services →	\$	\$	\$	\$	\$

Part III - EXPENDITURES - Continued

Expenditure description (a)	General Operations (b)	Special Funds (c)	Capital Projects (d)	Debt Service (e)	All Other Funds (f)
3. Materials and Supplies					
a. Supplies	\$	\$	\$	\$	\$
b. Materials					
Subtotal Materials and Supplies →	\$	\$	\$	\$	\$
4. Administration					
a. Dues and Subscriptions	\$	\$	\$	\$	\$
b. Travel and Training					
c. Court Judgements					
d. Grants and Donations					
e. Other Administrative Expense					
Subtotal Administration →	\$	\$	\$	\$	\$
5. Capital Outlay					
a. Equipment	\$	\$	\$	\$	\$
b. Vehicles					
c. Land					
d. Buildings and Structures					
Subtotal Capital Outlay →	\$	\$	\$	\$	\$
6. Debt Service					
a. Principal payments	\$	\$	\$	\$	\$
b. Interest payments					
Subtotal Debt Service →	\$	\$	\$	\$	\$
GRAND TOTAL EXPENDITURES →	\$	\$	\$	\$	\$

Return the completed report to:

**Governor's Office for Local Development
1024 Capital Center Dr.
Suite 340
Frankfort, KY 40601**

Return by May 1 and file a copy with the county clerk.