

1 AN ACT relating to utility assessments.

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

3 ➔Section 1. KRS 42.409 is amended to read as follows:

4 As used in KRS 42.410 and 45.760, unless the context requires otherwise:

- 5 (1) "State total personal income" means the measure of all income received by or on  
6 behalf of persons in the Commonwealth, as most recently published in the Survey  
7 of Current Business by the United States Department of Commerce, Bureau of  
8 Economic Analysis.
- 9 (2) "Estimated state total personal income" means the personal income figure used by  
10 the Governor's Office for Economic Analysis to generate final detailed revenue  
11 estimates.
- 12 (3) "Total revenues" means revenues credited to the general fund and the road fund  
13 consistent with the provisions of KRS 48.120, as well as any restricted agency fund  
14 account from which debt service is expended.
- 15 (4) "Anticipated total revenues" means the official revenue estimates, as provided for in  
16 KRS 48.120, projected for the general fund and the road fund, as well as any  
17 restricted agency fund account from which debt service is expended.
- 18 (5) "Available revenues" means revenues credited to the general fund and the road fund  
19 consistent with the provisions of KRS 48.120, as well as any restricted agency fund  
20 account from which debt service is expended, minus any statutorily dedicated  
21 receipts of the respective funds.
- 22 (6) "Anticipated available revenues" means official revenue estimates, as provided for  
23 in KRS 48.120, projected for the general fund and the road fund, as well as any  
24 restricted agency fund account from which debt service is expended, minus any  
25 statutorily dedicated receipts of the respective funds.
- 26 (7) "Total assessed value of property" means state total net assessed value of property  
27 for taxes due, as obtained from the Department of Revenue.

- 1 (8) "Per capita" means per unit of population, where population figures are the most  
2 recent available from the University of Louisville, Kentucky State Data Center.
- 3 (9) "Appropriation-supported debt service" means the amount of an appropriation  
4 identified to be expended for debt service purposes in the executive budget  
5 recommendation, and the amount of an appropriation expended for debt services in  
6 a completed fiscal year.
- 7 (10) "Appropriation-supported debt" means the outstanding principal of bonds issued by  
8 all state agencies and all individuals, agencies, authorities, boards, cabinets,  
9 commissions, corporations, or other entities of, or representing the Commonwealth  
10 with the authority to issue bonds, and for which debt service is appropriated by the  
11 General Assembly.
- 12 (11) "Nonappropriation-supported debt" means the outstanding principal of bonds issued  
13 by all state agencies and all individuals, agencies, authorities, boards, cabinets,  
14 commissions, corporations, or other entities of, or representing the Commonwealth  
15 with the authority to issue bonds, and for which debt service is not appropriated by  
16 the General Assembly.
- 17 (12) "Statutorily dedicated receipts" means revenues credited to the general fund and  
18 road fund consistent with the provisions of KRS 48.120, as well as any restricted  
19 agency fund account, which are required by an enacted statute to be used for a  
20 specific purpose. Statutorily dedicated receipts include, but are not limited to, the  
21 following:
- 22 (a) Receipts credited to the general fund which are subject to KRS 42.450 to  
23 42.495~~, KRS 278.130 to 278.150,~~ or KRS 350.139;
- 24 (b) Receipts credited to the road fund which are subject to KRS 175.505, KRS  
25 177.320, KRS 177.365 to 177.369, KRS 177.9771 to 177.979, KRS 186.531,  
26 or KRS 186.535; and
- 27 (c) Receipts credited to a restricted agency fund account in accordance with any

1 applicable statute.

2 (13) "True interest cost" means the bond yield according to issue price without a  
3 reduction for related administrative costs, and is the same figure as the arbitrage  
4 yield calculation described in the United States Tax Reform Act of 1986.

5 ➔Section 2. KRS 48.315 is amended to read as follows:

6 (1) The General Assembly may provide in a budget bill for the transfer to the general  
7 fund for the purpose of the general fund all or part of the agency funds, special  
8 funds, or other funds established under the provisions of KRS 15.430; 21.347;  
9 21.540; 21.560; 42.500; 47.010; 48.010(15)(g); 56.100; 61.470; 64.345; 64.350;  
10 64.355; 95A.220; 136.392; 138.510; 161.420; 161.430; 164A.020; 164A.110;  
11 164A.800; 164A.810; 216A.110; 230.218; 230.400; 230.770; 248.540; 248.550; ~~278.130; 278.150;~~  
12 286.1-485; 304.35-030; 311.450; 311.610; 312.019; 313.022;  
13 314.161; 315.195; 316.210; 317.530; 317A.080; 319.131; 320.360; 321.320;  
14 322.290; 322.330; 322.420; 323.080; 323.190; 323.210; 323A.060; 323A.190;  
15 323A.210; 324.286; 324.410; 325.250; 326.120; 327.080; 330.050; 334.160;  
16 334A.120; 335.140; 342.122; 342.480, etc.

17 (2) The transfer of moneys from the agency funds, special funds, or other funds to the  
18 general fund provided for in subsection (1) of this section shall be for the period of  
19 time specified in the budget bill.

20 (3) Any provisions of any statute in conflict with the provisions of subsections (1) and  
21 (2) of this section are hereby suspended or modified. Any suspension or  
22 modification shall not extend beyond the duration of the budget bill.

23 ➔Section 3. KRS 278.130 is amended to read as follows:

24 (1) For the purpose of maintaining the commission, including the payment of salaries  
25 and all other expenses, and the cost of regulation of the utilities subject to its  
26 jurisdiction, the Department of Revenue shall each year assess the utilities in  
27 proportion to their earnings or receipts derived from intrastate business in Kentucky

1 for the preceding calendar year as modified by KRS 278.150, and shall notify each  
2 utility on or before July 1 of the amount assessed against it. The total amount so  
3 assessed shall not in any year exceed two (2) mills on intrastate receipts as so  
4 modified, which shall be deposited into the State Treasury to the credit of the  
5 account of the commission~~[general fund]~~. The sum by each utility shall not be less  
6 than fifty dollars (\$50) in any one (1) year.

7 (2) The assessments provided for in this section shall be in lieu of all other fees or  
8 assessments levied by any city or other political subdivision for the control or  
9 regulation of utilities.

10 (3) The commission, upon application by a utility, shall authorize the utility to adjust its  
11 rates to recover, within not more than one (1) year, any change in the annual  
12 assessment and any costs imposed by commission order for the fees and expenses of  
13 consultants. The application, and any hearing or other proceedings thereon, shall be  
14 limited to the amount of such adjustment.

15 ➔Section 4. KRS 278.150 is amended to read as follows:

16 (1) The commission shall, on or before June 1, certify to the Department of Revenue  
17 and the Finance and Administration Cabinet the amount of intrastate business of  
18 each utility in the state subject to its jurisdiction during the previous calendar year.  
19 The commission shall, when certifying the intrastate sales of retail electric  
20 suppliers, deduct from such sales one-half (1/2) of the applicable wholesale power  
21 costs, provided the utility from which such wholesale power purchases were made  
22 pays assessment on the full wholesale value of its gross intrastate sales in Kentucky.  
23 When certifying the intrastate sales of retail electric suppliers not subject to the  
24 jurisdiction of the commission for rates, the commission shall deduct one-half (1/2)  
25 of their actual intrastate sales. All utilities classified as retail electric suppliers shall  
26 pay assessments based on the amount of intrastate sales less deductions as certified  
27 by the commission.

- 1 (2) The Finance and Administration Cabinet shall, on or before June 10, establish the  
2 assessment rate and give written notification thereof to the Department of Revenue  
3 and the commission. The Department of Revenue shall collect and pay the  
4 assessment into the State Treasury to the credit of the account of the  
5 commission~~[general expenditure fund]~~. All such assessments shall be paid into the  
6 State Treasury through the Department of Revenue and credited to the account of  
7 the commission on or before July 31 of the year in which the assessments are made.
- 8 (3) If any amount in the special fund for the maintenance of the commission remains  
9 unexpended at the end of any fiscal year, that amount shall not lapse, but shall  
10 remain credited to the account of the commission and may be used during any  
11 succeeding year.