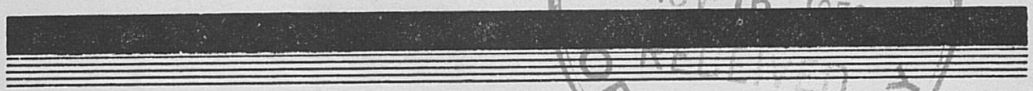
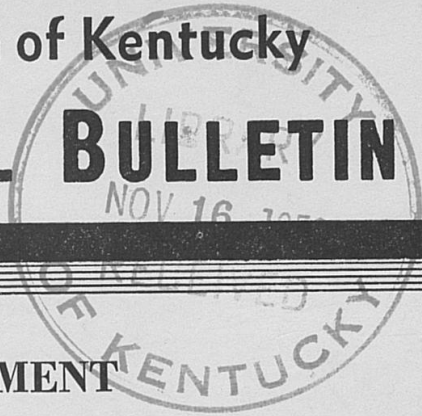


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Commonwealth of Kentucky
EDUCATIONAL BULLETIN



SUPPLEMENT

to the

1954 Edition

of the

KENTUCKY

COMMON SCHOOL

L A W S



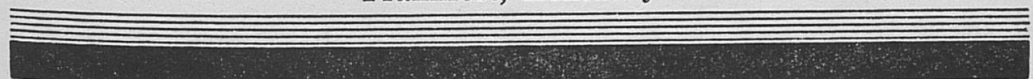
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DEPARTMENT OF EDUCATION

ROBERT R. MARTIN

Superintendent of Public Instruction

Frankfort, Kentucky



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SUPPLEMENT
to the
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of the
KENTUCKY
COMMON SCHOOL
LAW



Approved by
DEPARTMENT OF EDUCATION
ROBERT E. HAYES
Department of Public Instruction
Frankfort, Kentucky

ISSUED MONTHLY
List of all persons who have taken the exam in the past six months
Frankfort, Kentucky, and the list of names in this
NO. 1 JULY 1934 VOL. XXIV

SUPPLEMENT
to the
1954 Edition
of the
KENTUCKY
COMMON SCHOOL
L A W S
STATE BOARD OF EDUCATION

FOREWORD

The bills and resolutions affecting education passed by the 1956 Session of the Legislature, as well as the four extraordinary sessions, are contained herein.

Kentucky Revised Statutes sections which have been amended or repealed so state.

It is suggested that sections which have been repealed or amended be so marked in the 1954 Edition of the KENTUCKY COMMON SCHOOL LAWS. It can then be readily determined when to refer to the 1956 Acts.

There are included, also, Decisions of the Court of Appeals of Kentucky which have been decided since the 1954 Edition of the School Laws was published.

This bulletin, together with the 1954 Edition of the School Laws, furnishes a complete set of laws and court decisions to date.

Robert R. Martin
Superintendent of Public Instruction

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CHAPTER I
KENTUCKY CONSTITUTIONAL PROVISIONS

Sections Proposed to be Amended

| | |
|----|----|
| 91 | 95 |
| 93 | 96 |

The amendments to the following sections of the Constitution of the Commonwealth of Kentucky shall be submitted to the voters of the Commonwealth for their ratification or rejection at the time and in the manner provided for under Sections 118.170 and 118.430 of the Kentucky Revised Statutes and under Sections 256 and 257 of the Constitution.

NOTE: These sections may be found in Chapter I of the KENTUCKY COMMON SCHOOL LAWS, 1954, as they are presently constituted.

§ 91. A Treasurer, Auditor of Public Accounts, Register of the Land Office, Commissioner of Agriculture, Labor and Statistics, Secretary of State and Attorney General shall be elected by the qualified voters of the State at the same time the Governor is elected, for the term of four years, each of whom shall be at least thirty years of age at the time of his election, and shall have been a resident citizen of the State at least two years next before his election. The duties of all these officers shall be such as may be prescribed by law, and the Secretary of State shall keep a fair register of and attest all the official acts of the Governor, and shall, when required, lay the same and all papers, minutes and vouchers relative thereto before either House of the General Assembly. The officers named in this section shall enter upon the discharge of their duties the first Monday in January after their election, and shall hold their offices until their successors are elected and qualified.

§ 93. The Treasurer, Auditor of Public Accounts, Secretary of State, Commissioner of Agriculture, Labor and Statistics, Attorney General and Register of the Land Office shall be ineligible to re-election for the succeeding four years after the expiration of the term for which they shall have been elected. The duties and responsibilities of these officers shall be prescribed by law, and all fees collected by any of said officers and the State Board of Education shall be covered into the treasury. There shall be a State Board of Education consisting of nine members, who shall severally hold their office for the term of nine years, none of whom

shall be eligible for appointment unless he has been a citizen of Kentucky at least five years preceding his appointment, is a voter in the district for which he is appointed, and has attained the age of thirty years. The Board shall have the management and control of the common school systems of the State and other functions assigned it by law, and shall appoint a Commissioner of Education who shall act as its executive agent, and serve for such reasonable term and at such salary and allowance as may be fixed by the Board. The General Assembly shall, in 1958, divide the State, by counties, into eight districts as nearly equal in population and compact in form as possible; and it may, commencing in 1972 and every ten years thereafter, redistrict the State in like manner. The Governor shall appoint eight members of the Board from districts and the ninth member from the state-at-large. Commencing July 1, 1958, the Governor shall appoint members of the Board as follows: One member each for nine, eight, seven, six, five, four, three, two and one year terms, respectively, and upon the expiration of the respective terms of said members their successors shall be appointed by the Governor for terms of nine years each.

The Board shall elect a chairman annually from among its membership. Board members shall at stated times receive for their services adequate compensation and allowances to be fixed by law. Members of the Board shall serve until the expiration of their respective terms and until their successors are appointed and qualified; provided, that in the event no successor is appointed within sixty days after the expiration of the term of any member whose appointment is herein provided for, the remaining members of the Board shall make the appointment. In the event that a vacancy shall occur on the Board by reason of the death or resignation of a member, or for any other reason, the Board shall appoint a successor who shall hold office until the expiration of the term and the appointment and qualification of a successor as herein provided. Other officers and employes serving in State-supported educational institutions or school districts may be appointed or elected for such reasonable terms of years and shall have such qualifications and salaries and such duties of a local or state-wide nature as may be prescribed by law. Inferior State officers, not specifically provided for in this Constitution, may be appointed or elected, in such manner as may be prescribed by law, for a term not exceeding four years, and until their successors are appointed or elected and qualified.

§ 95. The election under this Constitution for Governor, Lieutenant Governor, Treasurer, Auditor of Public Accounts, Register of the Land Office, Attorney General, Secretary of State and Commissioner of Agriculture, Labor and Statistics, shall be held on the first Tuesday after the first Monday in November, eighteen hundred and ninety-five, and the same day every four years thereafter.

§ 96. All officers mentioned in Sections 93 and 95 shall be paid for their services by salary and not otherwise.

CHAPTER II

GENERAL PROVISIONS

| Amended KRS | Added KRS | | Repealed KRS |
|-------------|-----------|---------|--------------|
| 64.600 | 61.410 | 61.480 | 13.095 |
| 64.640 | 61.420 | 61.490 | 64.645 |
| 132.590 | 61.430 | 61.500 | 132.485 |
| 133.240 | 61.440 | 214.040 | |
| 134.290 | 61.450 | 214.050 | |
| 136.190 | 61.460 | 214.060 | |
| | 61.470 | 214.990 | |
| | New KRS | | |
| 13.081 | 61.565 | | 61.640 |
| 13.096 | 61.570 | | 61.645 |
| 61.420 (9) | 61.575 | | 61.650 |
| 61.510 | 61.580 | | 61.655 |
| 61.515 | 61.585 | | 61.660 |
| 61.520 | 61.590 | | 61.665 |
| 61.525 | 61.595 | | 61.670 |
| 61.530 | 61.600 | | 61.675 |
| 61.535 | 61.605 | | 61.680 |
| 61.540 | 61.610 | | 61.685 |
| 61.545 | 61.615 | | 61.690 |
| 61.550 | 61.620 | | 61.695 |
| 61.555 | 61.625 | | 61.700 |
| 61.560 | 61.630 | | 189.375 |
| | 61.635 | | |

13.081 Agencies may adopt regulations; effect; limitation. Unless otherwise provided by law each agency may adopt reasonable regulations to implement administration of the functions assigned to it by law, and shall adopt such regulations as are necessary to the proper execution of those functions. If prepared and filed in accordance with the provisions of Chapter 13 of the Kentucky Revised Statutes, such regulations shall have the force of law and be enforced by all law enforcement officers. In every instance the power to adopt regulations to implement a particular function is limited by the terms of the grant of authority under which the function was assigned.

13.096 Publication and distribution of regulations; official state publication; subscription fees. (1) The Legislative Research Commission shall compile, publish and distribute the regulations filed by state agencies in a manner which will accommodate changes in regulations and allow distribution of any topical or organizational part of the regulations as well as all of them. This compilation

shall be known as the Kentucky Administrative Regulations Service and shall constitute the official state publication of administrative regulations.

(2) The Commission shall prescribe reasonable fees for subscription to the Kentucky Administrative Regulations Service. All fees paid to the Commission for this service shall be placed in the State Treasury to the credit of a revolving, trust or agency fund account, for use by the Legislative Research Commission in carrying out the provisions of this section.

SOCIAL SECURITY FOR PUBLIC EMPLOYEES

61.410 Declaration of policy. (1) In order to extend to certain employes of the Commonwealth and its political subdivisions, and interstate instrumentalities, not now members of public retirement systems, and to the dependents and survivors of such employes, the basic protection accorded to others by the Old-Age and Survivors Insurance System embodied in the Social Security Act, it is hereby declared to be the policy of the General Assembly to provide such protection to such employes, and their dependents and survivors, on as broad a basis as is permitted under the Social Security Act.

(2) Subject to the provisions of KRS 61.430 (6) and the Federal Social Security Act, as amended, and regardless of present coverage under a public retirement system, it is declared to be the policy of the General Assembly to extend the aforesaid protection to the employes of the state colleges enumerated in KRS 164.290, and their dependents and survivors.

61.420 Definitions. For the purposes of KRS 61.410 to 61.500:

(1) The term "wages" means all remuneration for employment as defined herein, including the cash value of all remuneration paid in any medium other than cash, except that such term shall not include that part of such remuneration which, even if it were for "employment" within the meaning of Federal Insurance Contributions Act, would not constitute "wages" within the meaning of that Act.

(2) The term "employment" means any service performed by an employe in the employ of the Commonwealth, a political subdivision, or an interstate instrumentality, for such employer, except (a) service of an emergency nature, (b) service which in the absence of an agreement entered into under KRS 61.410 to 61.500 would constitute "employment" as defined in the Social Security Act, or (c) service which under the Social Security Act may not be included in any agreement between the Commonwealth and Federal Security Administrator entered into under KRS 61.410 to 61.500; provided, however, that service, the compensation for which is on a fee basis, may be excluded in any plan approved under KRS 61.40 to 61.500, and provided also, that service in any class or classes of positions, the exclusion of which is permitted under

the Social Security Act, may be excluded in any plan approved under KRS 61.460.

(3) The term "employee," in addition to its usual meaning, includes both elective and appointive officers of the Commonwealth, political subdivisions, or interstate instrumentalities.

(4) The term "state agency" means the Division of Personnel Security in the Department of Economic Security.

(5) The term "Federal Security Administrator" includes any individual to whom the Federal Security Administrator has delegated any of his functions under the Social Security Act with respect to coverage under such act of employes of states and their political subdivisions.

(6) The term "political subdivision," in addition to counties, municipal corporations and school districts, includes instrumentalities of the Commonwealth, of one or more of its political subdivisions, or of the Commonwealth and one or more of its political subdivisions, and any other governmental unit thereof.

(7) The term "Social Security Act" means the Act of Congress approved August 14, 1935, Chapter 531, 49 Stat. 620, officially cited as the "Social Security Act," including regulations and requirements issued pursuant thereto, as such act has been and may from time to time be amended.

(8) The term "Federal Insurance Contributions Act" means subchapter A of Chapter 9 of the Federal Internal Revenue Code as such Code has been and may from time to time be amended.

(9) "Secretary of Health, Education and Welfare" includes any individual to whom the Secretary of Health, Education and Welfare has delegated any of his functions under the Social Security Act, with respect to coverage under this Act, and with respect to any action taken prior to April 11, 1953, includes the Federal Security Administrator and any individual to whom such Administrator has delegated such functions.

61.430 Federal-State agreement; referendum in state colleges, conditions of. Consistent with the terms and conditions of KRS 61.410 to 61.500, the state agency, with the approval of the Governor, is hereby authorized to enter on behalf of the Commonwealth into an agreement with the Secretary of Health, Education and Welfare, for the purpose of extending the benefits of the Federal Old-Age and Survivors Insurance System to employes of the Commonwealth or any political subdivision thereof with respect to services specified in such agreement which constitute "employment" as defined in KRS 61.420. Such agreement may contain such provisions relating to coverage, benefits, contributions, effective date, modification and termination of the agreement, administration and other appropriate provisions as the state agency and Secretary of Health, Education and Welfare shall agree upon, but except as may be otherwise required by or under the Social Security Act as to the services to be covered, such agreements shall provide in effect that:

(1) Benefits will be provided for employes whose services are covered by the agreement, and their dependents and survivors, on the same basis as though such services constituted employment within the meaning of Title II of the Social Security Act:

(2) The state will pay to the Secretary of the Treasury, at such time or times as may be prescribed under the Social Security Act, contributions with respect to wages equal to the sum of taxes which would be imposed by Sections 1400 and 1410 of the Federal Insurance Contributions Act if the services covered by the agreement constituted employment within the meaning of that act;

(3) Such agreement or modification of such agreement shall be effective with respect to services performed after an effective date specified in the agreement or modification thereof, but in no case prior to January 1, 1955, and in no case (other than in the case of an agreement or modification agreed to prior to January 1, 1958) prior to the first day of the calendar year in which such agreement or modification, as the case may be, is agreed to by the Secretary of Health, Education and Welfare and the Commonwealth; provided, however, that in case of any agreement covering any state college made pursuant to Subsection (6) of this section, the effective date may be made retroactive to January 1, 1955, in the discretion of the agency concerned, and within the limits prescribed by the Federal Social Security Act, as amended.

(4) All services which constitute employment and are performed in the employ of the Commonwealth by employes of the Commonwealth shall be covered by the agreement.

(5) All services which (a) constitute employment, (b) are performed in the employ of a political subdivision of the state, and (c) are covered by a plan which is in conformity with the terms of the agreement and has been approved by the state agency under KRS 61.460, shall be covered by the agreement.

(6) (a) Such agreement or modification of such agreement, as permitted under the Social Security Act, shall include all services described in subsection (4) and performed by employes in positions covered by a retirement system at the various state colleges enumerated in KRS 164.290, with respect to which the Governor has issued a certificate to the Secretary of Health, Education and Welfare pursuant to this subsection:

(b) At the earliest practicable date after the effective date of this Act, the Governor shall authorize referendums and designate agencies or individuals to respectively supervise their conduct in each state college in accordance with the requirements of Section 218 (d) (3) of the Social Security Act, and this subsection, on the question of whether or not the service in the positions, now covered by a public retirement system established by law, in the respective state colleges should be included under such agreement;

(c) The Governor, before authorizing a referendum, shall require that the state college in which it is to be conducted shall meet the following conditions:

Each referendum shall be by secret, written ballot on the question of whether or not service in positions now covered by a public retirement system in the state college shall be included under the agreement between the Governor and the Secretary of Health, Education and Welfare;

An opportunity to vote in such referendum shall be given and shall be limited to all eligible employes of the state college;

Not less than ninety days notice of such referendum shall be given to all such employes of the state college;

Such referendum shall be conducted under the supervision of an agency or individual designated by the Governor;

The proposal for coverage shall be approved only if a majority of the eligible employes of the state college vote in favor of including services in such positions under the agreement.

(d) Upon receiving satisfactory evidence that, with respect to any such referendum, the conditions specified in this subsection and Section 218 (d) (3) of the Social Security Act have been met, the Governor shall so certify to the Secretary of Health, Education and Welfare.

(7) For the purposes of this section, employes of each of the colleges enumerated in KRS 164.290 shall be considered a separate coverage group.

61.440 Interstate instrumentalities. Any instrumentality jointly created by this state and any other state or states is hereby authorized, to the extent that this Commonwealth may confer authority, (1) to enter into an agreement with Federal Security Administrator whereby the benefits of the Federal Old-Age and Survivors Insurance System shall be extended to employes of such instrumentality, (2) to require its employes to pay (and for that purpose to deduct from their wages) contributions equal to the amounts which they would be required to pay under subsection (1) of KRS 61.450 if they were covered by an agreement made pursuant to KRS 61.430, and (3) to make payments to the Secretary of the Treasury in accordance with such agreement, including payments from its own funds, and otherwise to comply with such agreement. Such agreement shall, to the extent practicable, be consistent with the terms and provisions of KRS 61.430, and all other terms and provisions, of KRS 61.410 to 61.500.

61.450 Contributions by state employes. (1) Every employe of the state whose services are covered by an agreement entered into under KRS 61.430 shall be required to pay for the period of such coverage, into the Contribution Fund established by KRS 61.470, contributions, with respect to wages received during the calendar years 1951 to 1953, both inclusive, equal to one and one-half per centum of such wages; with respect to wages received during the calendar years 1954 to 1959, both inclusive, not to exceed two per centum of such wages; with respect to wages received during the calendar years 1960 to 1964, both inclusive,

not to exceed two and one-half per centum of such wages; with respect to wages received during the calendar years 1965 to 1969, both inclusive, not to exceed three per centum of such wages; and with respect to wages received after December 31, 1969, not to exceed three and one-fourth per centum of such wages. Such liability shall arise in consideration of the employe's retention in the service of the state, or his entry upon such service, after March 14, 1951.

(2) The contribution imposed by this section shall be collected by deducting the amount of the contribution from wages as and when paid, but failure to make such deduction shall not relieve the employe from liability for such contribution.

(3) If more or less than the correct amount of the contribution imposed by this section is paid or deducted with respect to any remuneration, proper adjustments, or refund if adjustment is impracticable, shall be made, without interest, in such manner and at such times as the state agency shall prescribe.

61.460 Plans for coverage of employes of political subdivisions.

(1) Each political subdivision of the state is hereby authorized to submit for approval by the state agency a plan for extending the benefits of Title II of the Social Security Act, in conformity with applicable provisions of such Act, to employes of such political subdivision. Each such plan and any amendment thereof shall be approved by the state agency if it finds that such plan, or such plan as amended, is in conformity with such requirements as are provided in regulations of the state agency, except that no such plan shall be approved unless:

(a) It is in conformity with the requirements of the Social Security Act and with the agreement entered into under KRS 61.430;

(b) It provides that all services which constitute employment and are performed in the employ of the political subdivision by employes thereof, shall be covered by the plan;

(c) It specifies the source or sources from which the funds necessary to make the payments required by paragraph (a) of subsection (3) and by subsection (4) are expected to be derived and contains reasonable assurance that such sources will be adequate for such purpose;

(d) It provides for such methods of administration of the plan by the political subdivision as are found by the state agency to be necessary for the proper and efficient administration thereof;

(e) It provides that the political subdivisions will make such reports, in such form and containing such information, as the state agency may from time to time require, and will comply with such provisions as the state agency or the Federal Security Administrator may from time to time find necessary to assure the correctness and verifications of such reports; and

(f) It authorizes the state agency to terminate the plan in its entirety, in the discretion of the state agency if it finds that there has been failure to comply substantially with any provision

contained in such plan, such termination to take effect at the expiration of such notice and on such conditions as may be provided by regulations of the state agency, and as may be consistent with the provisions of the Social Security Act.

(2) The state agency shall not finally refuse to approve a plan submitted by a political subdivision under subsection (1), and shall not terminate an approved plan, without reasonable notice and opportunity for hearing to the political subdivision affected thereby.

(3) (a) Each political subdivision for which a plan has been approved under this section is authorized to, and shall, pay into the Contribution Fund, with respect to wages, at such time or times as the state agency may by regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the state agency under KRS 61.430, and, furthermore, in anticipation of the due date of any payments of contributions required herein, is authorized to, and shall, make such advancements as the state agency, by regulation or contract, may require;

(b) Each political subdivision is authorized to, and shall, make such payments as are determined by the state agency to be necessary for the purpose of defraying the expenses incurred by the state agency in administering KRS 61.410 to 61.500 for the benefit of those employes covered under any plan approved under subsection (1) of this section, but in no event shall such amount be greater than five percent of the contributions required under paragraph (a) of this subsection. Such payments shall be made into the State Treasury and shall be credited to a separate trust and agency fund to be used by the state agency solely for the purpose stated herein;

(c) Each political subdivision required to make payments under paragraph (a) of this subsection is authorized, in consideration of the employe's retention in, or entry upon, employment after the effective date of KRS 61.410 to 61.500, to impose upon each of its employes, as to services which are covered by an approved plan, a contribution, with respect to wages received during the calendar years 1951 to 1953, both inclusive, equal to one and one-half per centum of such wages; with respect to wages received during the calendar years 1954 to 1959, both inclusive, not to exceed two per centum of such wages; with respect to wages received during the calendar years 1960 to 1964, both inclusive, not to exceed two and one-half per centum of such wages; with respect to wages received during the calendar years 1965 to 1969, both inclusive, not to exceed three per centum of such wages; and with respect to wages received after December 31, 1969, not to exceed three and one-fourth per centum of such wages. Contributions so collected shall be paid into the Contribution Fund in partial discharge of the liability of such political subdivision under paragraph (a) of this subsection. Failure to deduct such contribution shall not relieve the employe or employer of liability therefor.

(4) Delinquent payments due under paragraph (a) of subsection (3), with interest at the rate of six per centum per annum, may be recovered by action in the Franklin Circuit Court against the political subdivision liable therefor, or may, at the request of the state agency, be deducted from any other moneys payable to such subdivision by any department or agency of the state.

61.470 Contribution Fund. (1) There is hereby established a special fund to be known as the Contribution Fund. Such fund shall consist of and there shall be deposited therein: (a) all contributions, interest, and penalties collected under KRS 61.450 and 61.460; (b) all moneys appropriated or otherwise contributed thereto; (c) any property or securities and earnings thereof acquired through the use of moneys belonging to the fund; (d) interest earned upon any moneys in the fund, and (e) all sums recovered from the bond of the custodian or otherwise for losses sustained by the fund, and all other moneys received for the fund from any other source. All moneys in the fund shall be mingled and undivided. Subject to the provisions of KRS 61.410 to 61.500, the state agency is vested with full power, authority and jurisdiction over the fund, including all moneys and property or securities belonging thereto, and may perform any and all acts whether or not specifically designated, which are necessary to the administration thereof and are consistent with the provisions of KRS 61.410 to 61.500.

(2) The Contribution Fund shall be a trust and agency fund which shall not lapse and shall be held separate and apart from any other funds or moneys of the state and shall be used and administered exclusively for the purposes of KRS 61.410 to 61.500. Withdrawals from such fund shall be made for, and solely for (a) payment of amounts required to be paid to the Secretary of the Treasury pursuant to an agreement entered into under KRS 61.430; (b) payment of refunds provided for in subsection (3) of KRS 61.450; and (c) refunds of overpayments, not otherwise adjustable, made by a political subdivision.

(3) From the Contribution Fund the custodian of the fund shall pay to the Secretary of the Treasury such amounts at such time or times as may be directed by the state agency in accordance with any agreement entered into under KRS 61.430.

(4) The Treasurer of the state shall be ex-officio treasurer and custodian of the Contribution Fund and shall administer such fund in accordance with the provisions of KRS 61.410 to 61.500 and the directions of the state agency, and shall pay all warrants drawn upon the fund in accordance with the provisions of this section and with such regulations as the state agency may prescribe pursuant thereto.

61.480 State contributions authorized. Authorization is hereby granted to all offices, departments, boards, commissions, institutions, and all other agencies of the state government of the Commonwealth of Kentucky to make payments to the Contribution

Fund out of moneys, not required by law or contract to be expended for other purposes, in any revolving, trust or agency fund, or out of appropriations for recurring expenses heretofore or hereafter made by the General Assembly from the General Expenditure Fund or special funds.

61.490 Rules and regulations. The state agency shall make and publish such rules and regulations, not inconsistent with the provisions of KRS 61.410 to 61.500, as it finds necessary or appropriate to the efficient administration of the functions with which it is charged under KRS 61.410 to 61.500.

61.500 Retroactive effect of KRS 61.410 to 61.500, and 195.100. The provisions of KRS 61.410 to 61.500, and 195.100 shall be retroactive to January 1, 1951, and any agreement entered into pursuant to it may be made with retroactive effect to January 1, 1951, or any date thereafter.

EMPLOYES RETIREMENT SYSTEM

61.510 Definitions. As used in KRS 61.510 to 61.700, unless the context otherwise requires:

(1) "System" means the Kentucky Employees Retirement System created by KRS 61.510 to 61.700;

(2) "Board" means the Board of Trustees of the system as provided in KRS 61.645;

(3) "Department" means any state department, board or agency participating in the system in accordance with appropriate executive order, as provided in KRS 61.520;

(4) "Examiner" means the medical examiner or examiners as provided in KRS 61.665;

(5) "Employee" means every person regularly employed in rendering service to and for a department and whose compensation is payable in whole or in part by such department, and shall include all full time regular employes of the board. In case of any doubt the board shall determine if a person is an employe within the meaning of KRS 61.510 to 61.700;

(6) "Employer" means a department or any authority of such department having the power to appoint an employe to office or employment in such department;

(7) "State" means the Commonwealth of Kentucky;

(8) "Member" means any employe who is included in the membership of the system;

(9) "Service" means the total of current service and prior service as defined herein;

(10) "Current service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employe, on and after July 1, 1956, for which compensation is paid by the employer during which employment the employe is a member of the system, except as otherwise provided in KRS 61.620;

(11) "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employe, prior to July 1, 1956, for which compensation was paid by the employer.

(12) "Beneficiary" means any person entitled to receive benefits under KRS 61.510 to 61.700;

(13) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the members' contribution account, together with interest credited on such amounts, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(14) "Creditable compensation" means the compensation to an employe (arising from funds disbursed by the State Treasurer) working the full working time for his position. In cases where compensation includes maintenance and other perquisites, the board shall fix the value of that part of the compensation not paid in money;

(15) "Final compensation" means the arithmetic average of the annual creditable compensation of a member during the five consecutive years of service immediately prior to the member's retirement except that in determining final compensation for delayed retirement, such average shall not be less than that determined on the assumption that the member retired on his normal retirement date;

(16) "Retirement allowance" means the retirement payments to which a member is entitled;

(17) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such actuarial tables as are from time to time adopted by the board;

(18) "Normal retirement date" means the sixty-fifth birthday of a member or the date on which the member completes ten years of service, whichever occurs later, except that in no case will a member's normal retirement date be later than his seventy-fifth birthday. The normal retirement date for any member who has passed his seventy-fifth birthday on the date he becomes a member shall be the date he becomes a member, except as otherwise provided in KRS 61.590. Notwithstanding anything to the contrary contained in this subsection (18), the normal retirement date of a member shall not be earlier than July 1, 1957;

(19) "Fiscal year" of the system means the twelve months from July 1, through the following June 30.

61.515 Retirement System established; fund created. There is hereby created and established:

(1) A retirement system for employes to be known as the "Kentucky Employes Retirement System" by and in which name it shall, pursuant to the provisions of KRS 61.510 to 61.700, transact all of its business and shall have the powers and privileges of a corporation; and

(2) A state fund, called the "Kentucky Employees Retirement Fund," which shall consist of all the assets of the system as set forth in KRS 61.570 to 61.585.

61.520 Participation by executive order; authority for order.

(1) Each department will participate in the system when the Governor by appropriate executive order, the authority to issue such executive order being hereby granted, permits such department to participate in the system. The effective date of such participation shall be the July 1 coinciding with or next following the signing of such executive order.

(2) Once a department participates it shall thereafter continue to participate.

61.525 Membership; persons composing. Membership in the system shall consist of the following:

(1) All persons who become employes of a participating department after the date such department first participates in the system; and

(2) All persons who are employes of a department on the date the department first participates in the system, either in service or on authorized leave from service, and who elect prior to the October 1 next following such departments participation, or in the case of persons on authorized leave, within ninety days of their return to active service, to become members and thereby agree to make contributions as provided in KRS 61.510 to 61.700.

61.530 Refusal to become member; penalties. Any person who is an employe on the date his department first participates in the system, either in service or on leave from service, who does not elect within the time set forth in KRS 61.525 to become a member and thereby make contributions required of him by KRS 61.510 to 61.700, shall forfeit all right for credit for service with any department prior to the date he might subsequently elect to become a member, notwithstanding anything contained in KRS 61.510 to 61.700 to the contrary. Prior to the last day of the period during which he may elect to become a member, each such person shall be notified of the penalty resulting from his failure to elect to become a member.

61.535 Cessation of membership; conditions. The membership of any person in the system shall cease:

(1) Upon withdrawal of his accumulated contributions at or any time after termination of employment, regardless of length of service;

(2) Upon termination of employment for any reason, other than involuntary termination or employment by the employer without prejudice after ten years of service but before the completion of twenty years of service with such department, unless at such termination of employment the member has had at least twenty years of service;

(3) Upon involuntary termination of employment by the employer without prejudice if the person has less than twenty years of service, unless at such termination of employment the member has had at least ten years of service and is re-employed within eight years of said termination of employment;

(4) Upon service retirement;

(5) Upon death;

(6) Upon termination of employment with prejudice after twenty years of service;

(7) For purposes of KRS 61.510 to 61.700, termination of employment with prejudice shall mean termination as the result of conviction of the member in a court of competent jurisdiction of embezzlement or larceny of public funds or property or malfeasance in office, or the forcing of a member to make restitution for any funds or property criminally taken by said member at the time of termination of employment.

61.540 Statement of member to be filed; requirements. Under such rules and regulations as are adopted by the board, each employe of an employer upon becoming a member, or some one on his behalf, shall file with the board, in such form as the board may prescribe, a statement of the facts pertaining to his status as a member, which shall include a detailed description of all service rendered prior to the date of the most recent termination of membership, as the result of termination of employment with such employer, and such other information as the board may require. Until such statement is filed, no member or his beneficiary shall be eligible to receive any benefits under KRS 61.510 to 61.700. As soon as practicable after said statement is filed, the board shall ascertain the amount of service prior to his becoming a member, if any, to which a member is entitled and shall issue to such member a certificate certifying the length of such service rendered by him which certificate shall, however, become void upon termination of membership for any reason except for death or retirement.

61.545 Computation of service. The board shall determine by appropriate rules and regulations how much service in any year is the equivalent of a year of service, but in no case shall it allow credit for more than one year of service for all service rendered in any period of twelve consecutive months.

61.550 Cessation of membership; loss of benefits. When membership ceases, except in the case of retirement, an employe shall thereafter lose all right to any retirement allowance or benefits under KRS 61.510 to 61.700 arising from service prior to the date of such cessation of membership.

61.555 Service in armed forces to be credited; maximum; requirements. (1) Any member entering the armed forces of the United States after he first participates in the system, being on leave of absence from service and not withdrawing his accumulated con-

tributions, shall be entitled to have credited as service his period of service in the armed forces of the United States, not to exceed six years, provided his discharge therefrom is honorable and he is re-employed within one year after discharge, or upon the subsequent termination of any total disability which existed at the expiration of said year after discharge.

(2) Any member of the system who, prior to the date he first participated in the system, terminated his employment in order to enter the armed forces of the United States and who was or is re-employed within one year after his honorable discharge therefrom, or upon the subsequent termination of any total disability which existed at the expiration of said year after discharge, shall be entitled to have credited as service his period of service in the armed forces, not to exceed six years.

61.560 Members' contribution; rate. (1) (a) Each member shall, commencing on the date he becomes a member, contribute for each pay period for which he receives compensation two and one-half per cent of his creditable compensation if his rate of annual compensation does not exceed \$4,200. If such member's rate of annual compensation exceeds \$4,200, he shall contribute two and one-half per cent of that portion of his creditable compensation not in excess of the equivalent applicable rate for such pay period to annual compensation of \$4,200 and four per cent of that portion of his creditable compensation which is in excess of such rate applicable to annual compensation of \$4,200.

(b) Each employe of a department on the date the department first participates in the system who elects to become a member subsequent to such date, but prior to the next succeeding October 1, shall make contributions which he would have made if he had elected to become a member as of the date such department first participated.

(2) The Commissioner of Finance shall cause to be deducted from the salary or compensation of each member for each and every payroll period subsequent to the date of the establishment of the system, the contribution payable by such member as provided in KRS 61.510 to 61.700, but in no case shall any deduction be made from the compensation of a member after his normal retirement date if such member elects not to contribute.

(3) In determining the creditable compensation of a member in a payroll period, the board may consider the rate of compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period, and, to facilitate the making of deductions, may allow the omission of deductions from any fractional amount less than one dollar from any member in any period and may allow the omission of deductions from compensation for any period less than a full payroll period if any employe was not a member on the first day of the payroll period.

(4) The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for

any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made as provided herein; and payment of salary or compensation less such deductions shall be a full and complete discharge of all claims for services rendered by such person during the period covered by such payment, except as to any benefits provided by KRS 61.510 to 61.700.

(5) Notwithstanding any other provisions of this section, no deduction shall be made from any member's compensation if the employer's contribution required hereunder is in default.

61.565 Employer contributions. (1) Each employer shall contribute annually an amount equal to a certain percentage of the creditable compensation of its members, to be known as the "normal contribution," and an additional amount equal to a certain percentage of such creditable compensation to be known as the "prior service liability contribution."

(2) Until the prior service liability contribution is no longer required, the normal contribution shall be determined as such annual amount payable during the member's periods of service while under the system required to provide the retirement allowances due to such service not provided by the member's contributions. After the prior service liability contribution is no longer required, the normal contribution shall be determined as such annual amount payable during the members' periods of service under the system required to provide the difference between the total liabilities for retirement allowances not provided by members' contributions and the amount of the assets in the retirement allowance account.

(3) The prior service liability contribution shall be such annual amount required to provide for the liquidation, within thirty years of July 1, 1956, of the liability for retirement allowance due to prior service with the employer. The unfunded prior service liability at any particular time shall be the excess, if any, of the then present value of the retirement allowances due to prior service over the total accumulated prior service liability contributions previously made with interest on such contributions at the rates of interest earned each year on the assets of the system.

(4) Normal contributions and the prior service liability contributions shall be determined on actuarial bases adopted by the board. Such contributions shall be determined by the board after each valuation and shall continue in force until a new valuation is made.

(5) The board shall furnish to the employer prior to the beginning of each fiscal year its best estimate of the normal contributions, the prior service liability contributions and the expenses of administering the system as provided in KRS 61.645 to 61.670 necessary to meet the provisions of KRS 61.510 to 61.700 during the fiscal year next following. The estimated amount so furnished shall be included in the budget for the department and the department shall make available to the board sufficient funds to provide actual amounts necessary for contributions and expenses.

(6) The aggregate employer contributions payable into the retirement allowance account shall be at least sufficient, when combined with the amount then held in the account, to provide the benefits payable from such account during the current year.

61.570 Fund assets; how held, credited. All of the assets of the system shall be held and invested in the Kentucky Employes Retirement Fund and credited, according to the purpose for which they are held, to one of two accounts, namely, the members' contribution account, and the retirement allowance account.

61.575 Members' contribution account. (1) The members' contribution account shall be the account to which all members' contributions and interest allowances as provided in KRS 61.510 to 61.700 shall be credited. From this account shall be paid the accumulated contributions of a member required to be returned to him upon withdrawal, or paid in the event of his death before retirement.

(2) The Commissioner of Finance shall, at the end of each payroll period, transfer to the members' contribution account an amount equal to the aggregate amount of the deductions made for the preceding payroll period from the salaries of all members. The Commissioner of Finance shall forward a record of all such transfers to the board.

(3) Each member's contribution provided for in KRS 61.560 shall be credited to the individual account of the contributing member.

(4) Each individual account of the members' contribution account shall be credited annually with interest at that rate determined by the board but less than two per centum per annum on the accumulated contributions of the member; provided, however, that interest shall accrue on any such contribution beginning at the end of the fiscal year in which each such contribution was made. Such amounts so credited shall be transferred from the retirement allowance account.

(5) Upon the retirement of a member, his accumulated contributions shall be transferred from the members' contribution account to the retirement allowance account.

61.580 Retirement allowance account. The retirement allowance account shall be the account in which shall be accumulated all employer contributions, amounts transferred from the members' contribution account, and to which all income from the invested assets of the system shall be credited. From this account shall be paid the expenses of the board in administering the system, retirement allowance and any other benefits payable after a members' retirement and from this account shall be transferred to the members' contribution account the interest credited annually to each members' individual account as provided by KRS 61.575.

61.585 Deposits. For the purpose of meeting disbursements for retirement allowances and other payments, there may be kept

available cash, not exceeding seven and one-half per cent of the total amount in both accounts of the system, on deposit in one or more banks or trust companies that are designated by the State Treasurer as depositories for funds of the state. The members of the board shall not be liable for any loss sustained as to such funds that are on deposit in such banks or trust companies.

61.590 Service retirement. (1) Any member in service at his normal retirement date may retire at that time or, with the consent of the Personnel Policy Committee of the Division of Personnel, Department of Finance, at any time thereafter upon written notification to the board, made by such member or his employer, setting forth at what time the retirement is to become effective, provided that such effective date shall be after his last day of service but shall not be more than ninety days prior to or subsequent to the filing of such notice.

(2) Any member who is in service on or after this fifty-fifth birthday and has completed at least twenty years of service may, upon approval by the board, retire upon written request to the board, made by the member or his employer, setting forth at what time the retirement is to become effective, provided that such effective date shall be after his last day of service and after the filing of such notice but shall not be more than ninety days subsequent to the filing of such notice.

(3) Any member having left the service after having completed at least twenty years of service as of the date of leaving service may retire under the provisions of subsection (1) of this section, or after having completed at least thirty years of service with his employer as of the date of leaving service, may retire under the provisions of subsection (2) of this section provided that he shall not have withdrawn his accumulated contributions prior to the effective date of his retirement and except that any requirements as to the member being in service shall not apply.

61.595 Service retirement allowance. (1) Upon service retirement at normal retirement date, or subsequent thereto, a member shall receive an annual retirement allowance, payable monthly during his lifetime, which shall consist of an amount equal to one-fourth per cent of the first \$1320 of final compensation multiplied by the number of years of service, plus one per cent of the next \$2880 of final compensation multiplied by the number of years of service, plus one and one-fourth per cent of final compensation in excess of \$4200 multiplied by the number of years of service.

(2) Upon service retirement prior to normal retirement date, a member shall receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date with years of service and final compensation being determined as of the date of his actual retirement, but the amount of the retirement allowance so determined shall be reduced by five-twelfths per cent for each

thirty days that the actual retirement date precedes the normal retirement date.

61.600 Disability retirement. Any member in service who has fifteen or more years of service may, at any time before his normal retirement date, retire on account of disability upon written notification to the board, made by the member or his employer, setting forth at what time the retirement is to become effective; provided that such effective date shall be after the last day of service but shall not be more than ninety days prior to the filing of such notice; and provided further that the examiner, after a medical examination of such member, shall certify that such member is, and has been continuously since such effective date if prior to the filing of such notice, mentally or physically incapacitated for the further performance of duty and such incapacity is likely to be permanent and that such member should be retired.

61.605 Disability retirement; determination. Upon disability retirement, a member shall receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date with years of service and final compensation being determined as of the date of his disability except that the amount of such annual retirement allowance shall not be less than \$480.00; provided, however, that the amount of disability retirement allowance payable after the member's normal retirement date shall not be greater than that amount equal to the service retirement allowance for retirement on his normal retirement date determined on the assumption that the member's compensation on the date of disability continued in the same amount up to his normal retirement date and that years of service include the period of disability retirement prior to his normal retirement date.

61.610 Beneficiary of disability retirement allowance; medical examination of. Once each year during the first five years following the retirement of a member on a disability retirement allowance, and once in every three-year period thereafter, the board will require such member, prior to his normal retirement date, to undergo a medical examination by the examiner. Should the member refuse to submit to any such medical examination, his retirement allowance shall be discontinued until his withdrawal of such refusal, and should such refusal continue for one year, all his rights to any further disability allowance shall cease and he shall, at the end of such one year, cease to be a member hereunder.

61.615 Disability retirement allowance; reduction of. (1) Whenever the examiner certifies to the board that a member receiving a disability retirement allowance is, prior to his normal retirement date, engaged in gainful occupation or work paying more than the difference between the disability retirement allowance and his final compensation, the board may reduce such retirement allow-

ance to an amount which, together with the amount earnable by him equals the amount of his final compensation.

(2) Should the examiner report and certify to the board at any time that any disabled member is able to engage in gainful occupation paying more than the difference between his retirement allowance and his final compensation at retirement and should the board find that such member shall have refused any employment considered by the board suitable to his capacity, he shall not be entitled to any such allowance during the continuance of such refusal, unless in the opinion of the board such refusal was justified.

61.620 Disability retirement allowance; cessation of. (1) Should a member receiving a disability retirement allowance recover from such disability at any time prior to his normal retirement date, his disability retirement allowance shall cease, and if he re-enters the active employ of an employer within thirty days after such recovery, he shall continue to be a member of the system and shall thereafter make his required contributions. Any service on the basis of which his disability retirement allowance was computed shall thereafter be counted as service and, in addition, the period of disability retirement shall be counted as service.

(2) The excess, if any, of accumulated contributions of such member as of the date of disability retirement over the disability retirement allowances received by him shall be transferred from the retirement allowance account to the members' contribution account.

61.625 Death or withdrawal before retirement; refund of contributions in event of. If a member has ceased to be an employe other than by death, or by retirement under the provisions of KRS 61.510 to 61.700, he shall be paid, on demand, but not later than ninety days thereafter, the amount of his accumulated contributions reduced by the amount of any retirement allowances previously received by him under any of the provisions of KRS 61.510 to 61.700. Should a member die at any time before retirement, the amount of his accumulated contributions, reduced by the amount of any retirement allowances previously received by him under any of the provisions of KRS 61.510 to 61.700, shall then be payable in a lump sum in accordance with KRS 61.640.

61.630 Death after retirement; benefits. Should a member die at any time after retirement but before receiving total retirement allowances provided in KRS 61.510 to 61.700 at least equal to his accumulated contributions as of the date of his retirement, the difference between such accumulated contributions and such total allowances shall then be payable in a lump sum in accordance with KRS 61.640 unless the retirement allowance is then being paid in accordance with any of the options contained in KRS 61.635.

61.635 Optional benefits. (1) Each member shall have the right, with respect to paragraph (a) herein, not subsequent to the later of the effective date of the member's retirement or the date

of the written notification to the board of the retirement of the member, or with respect to paragraphs (b) and (c) herein, not subsequent to one year prior to retirement, to elect to have his retirement allowance payable under any one of the options set forth in this section in lieu of the retirement allowance otherwise payable to him upon retirement under any of the provisions of KRS 61.510 to 61.700. The amount of any such optional retirement allowance shall be the actuarial equivalent of the amount of such retirement allowance otherwise payable to him. The member shall make such an election by written request to the board and such election shall be subject to the approval of the board.

(a) A member may elect to receive an increased retirement allowance in lieu of any death benefits as provided in KRS 61.630.

(b) The member may elect to receive a decreased retirement allowance during his lifetime and have such retirement allowance, or one-half thereof if so designated, continued after his death to another person during the lifetime of such person. In case of such an election death benefits that might otherwise be provided under KRS 61.630 shall not be payable upon the death of the member. This option may not be elected by a member if the social security option of paragraph (c) herein has previously been elected.

(c) If a member retires prior to his sixty-fifth birthday, he may elect to receive an increased retirement allowance up to the date he commences to receive his primary insurance benefits under Federal Social Security and a decreased retirement allowance thereafter, thereby providing a more nearly level retirement allowance when such decreased retirement allowance is added to his anticipated primary benefits under the Federal Social Security Act. The election of this option shall automatically revoke any previous election under the joint and last survivor option of paragraph (b) herein.

(2) The election by a member of any one of the options stated in this section shall be null and void if the member dies prior to retirement, and the election of a member of option (b) shall be null and void if the designated person dies before the member's retirement.

(3) A member who has elected any one of the options stated in this section may, at any time prior to the later of the effective date of the member's retirement or the date of written notification to the board of retirement of the member, revoke such an election by written notification to the board.

(4) If any service or disability retirement allowance provided in KRS 61.590 to 61.640 is less than \$20.00 a month, the board may at its discretion pay the actuarial equivalent of such allowance in any other manner agreed on by the member and board.

61.640 Death benefits; payment of. All lump sum payments due under KRS 61.510 to 61.700 upon the death of a member or retired member shall be paid to such person, if any, as the member or retired member shall have nominated by written designation

signed in such manner as may be required by the board and filed with the board, otherwise to his executors or administrators. Such nomination may be changed from time to time by written designation by the member or retired member, signed and filed as aforesaid.

61.645 Board to administer system. (1) The system shall be administered by a Board of Trustees, which shall organize and begin to function at Frankfort, Kentucky, on or prior to the effective date of KRS 61.510 to 61.700 and shall meet monthly thereafter in Frankfort at such time and place as may be determined by the board. Said board shall consist of five persons appointed by the Governor who shall serve for terms of four years, except that one member of the first board shall be appointed for a term of one year, one member for a term of two years, one member for a term of three years and two members for a term of four years.

(2) Board members who are not employes of a department shall receive a salary of \$10.00 per day for each day they are in session or are on official duty. All board members shall receive per diem expenses as established by the board in accordance with standards and regulations applicable to a department employe when on official duty.

(3) The board shall elect a Chairman and Vice Chairman. A majority of the members shall constitute a quorum, and all actions taken by the board will be by affirmative vote of a majority of the entire board. All vacancies on said board shall be filled by appointment for unexpired terms by the Governor.

(4) The board shall:

(a) Appoint an executive secretary, who shall be the secretary and the administrative officer of the board;

(b) Appoint such other employes as it deems necessary and fix the compensation for all employes of the board;

(c) Require such employes as it thinks proper to execute bonds for the faithful performance of their duties;

(d) Establish a system of accounting; and

(e) Do all things, take all actions and make all rules and regulations, not inconsistent with the provisions of KRS 61.510 to 61.700, that it deems necessary or proper in order to carry out the provisions of KRS 61.510 to 61.700.

(5) All employes of said board shall serve during its will and pleasure.

(6) The Attorney General, or an assistant designated by him, shall act as legal adviser and attorney for the board.

(7) The board shall prepare and publish an annual financial report showing all receipts, disbursements, assets and liabilities. All its proceedings and records shall be open for inspection by the public.

(8) All expenses incurred by or on behalf of the board in the administration of the system during a fiscal year shall be paid from the retirement allowance account. The expenses incurred by the board in the administration of the system during any fiscal year

shall not exceed \$10,000, or two per cent of the total employer and member contributions during such fiscal year, whichever is the larger.

61.650 Investments; board to be trustee. (1) The board shall be the trustee of the several funds created by KRS 61.510 to 61.700 and shall have full power to invest and reinvest such funds, subject to the limitation that no investment shall be made except upon the exercise of bona fide discretion, in securities which, at the time of making the investment, are, by law, permitted for the investment of funds by fiduciaries in this state. Subject to such limitation, the board shall have full power to hold, purchase, sell, assign, transfer or dispose of, any of the securities or investments in which any of the funds created herein have been invested, as well as of the proceeds of such investments and any moneys belonging to such funds.

61.655 Interest in investments by members of board prohibited. No member of the board shall have any interest, direct or indirect, in the gains or profits of any investment made by the board, save insofar as any such member may be a member or beneficiary of the retirement system. No member of the board shall, directly or indirectly, for himself or as an agent, in any manner use the funds or deposits of the retirement system, except to make such payments therefrom as are authorized by the board; nor shall any member of the board become an endorser or surety or in any manner an obligor for moneys loaned by or borrowed from the board.

61.660 State Treasurer to be fiscal officer of the board. The State Treasurer shall be the custodian of the fund created by KRS 61.510 to 61.700 and he shall be responsible on an official surety bond for all cash and securities in his custody. All registered securities in the fund created by KRS 61.510 to 61.700 shall be registered in the name "Kentucky Employes Retirement System" and every change in registration, by reason of sale or assignment of such securities, shall be accomplished by the signature of the State Treasurer, and securities shall be delivered by him when directed so to do by resolution of the board. All payments from said fund shall be made by him on warrants issued upon order signed by such person as it designated for the purpose by the board. A duly attested copy of a resolution of the board designating such person and bearing on its face the specimen signature of such person shall be filed with the Commissioner of Finance as his authority for issuing warrants upon such orders. No order shall be signed unless it has previously been authorized by the board, which authorization shall be recorded on the records of the board.

61.665 Medical examiner; employment of, duties. The board shall, from time to time, employ one or more physicians, practicing in the state and not members of the system, upon such terms and conditions as it may prescribe, whose duty it shall be to pass upon all medical examinations required under KRS 61.510 to 61.700 or

by the board, and to investigate all health or medical statements and certificates made by or in behalf of any person in connection with the payment of money to such person under KRS 61.510 to 61.700, and shall report in writing to the board his conclusions and recommendations upon all matters referred to him.

61.670 Actuarial bases; adoption of, investigations, valuations.

As soon as practicable after its organization, the board shall adopt such actuarial tables as are necessary for the administration of the system and for the annual determination of assets and liabilities of the system. At least once in each five-year period, the board shall cause an actuarial investigation to be made of all the experience under the retirement system. Pursuant to such investigation the board shall, from time to time, revise the actuarial tables previously adopted by the board and shall thereupon revise the bases of the rates of contributions required under KRS 61.510 to 61.700. All such investigations and evaluations must be certified to the board by a Fellow of the Society of Actuaries.

61.675 Employer to prepare and furnish records; inform employe of duties and obligations. The employer shall prepare such records and, from time to time, shall furnish such information as the board may require in the discharge of its duties. Upon employment of a member, the employer shall inform the member of his duties and obligations in connection with the system as a condition of employment.

61.680 Acceptance of employment under system; significance.

Every member shall be deemed to consent and agree to any deductions from his compensation required by KRS 61.510 to 61.700 and to all other provisions thereof.

61.685 Correction of errors in records; erroneous payments.

Should any change or errors in records result in any member or beneficiary receiving from the system more or less than he would have been entitled to receive had the records been correct, then on discovery of any such error the board shall correct the same, and as far as practicable shall adjust the payments in such a manner that the actuarial equivalent of the benefit to which the member or beneficiary was correctly entitled shall be paid.

61.690 Retirement allowances exempt from taxation, execution, assignment. All retirement allowances and other benefits accrued or accruing to any person under the provisions of KRS 61.510 to 61.700, and the accumulated contributions and cash securities in the funds created under KRS 61.510 to 61.700, are hereby exempted from any state, county, or municipal tax, and shall not be subject to execution, attachment, garnishment, or any other process whatsoever, nor shall any assignment thereof be enforceable in any court.

61.695 Alteration, amendment or repeal. (1) The General Assembly of the Commonwealth of Kentucky reserves the right to

alter, amend or repeal any provisions of KRS 61.510 to 61.700 or any application thereof to any person; provided, however, that the amount of benefits which at the time of any such alteration, amendment or repeal shall have accrued to the extent provided under subsection (3) of this section for the members or beneficiaries shall not be affected thereby.

(2) If the General Assembly repeals the provisions of KRS 61.510 to 61.700, the board shall continue to administer the system in accordance with the provisions of KRS 61.510 to 61.700 for the sole benefit of the then members, any beneficiaries then receiving retirement allowances, and any future persons entitled to receive benefits under one of the options provided for in KRS 61.510 to 61.700 who are designated by any of said members.

(3) In the event of repeal as provided in subsection (1) of this section the assets of the system shall be allocated by the board in an equitable manner to provide benefits for the persons designated in subsection (2) of this section in accordance with the provisions of KRS 61.510 to 61.700 but based on years of service and final compensation as of the date of repeal and in the following order:

(a) For the benefit of the then members to the extent of their individual account in the members' retirement allowance account.

(b) If any funds remain, then for the benefit of the then beneficiaries and persons already designated by former members who are then beneficiaries under one of the options provided for in KRS 61.510 to 61.700 to the extent and in proportion to the then actuarial value of their retirement allowances.

(c) If any funds remain, then for the benefit of members and persons, if any, designated by members under one of the options provided for in KRS 61.510 to 61.700 to the extent not provided under paragraph (a) herein of, and in proportion to, the then actuarial value of their accrued retirement allowances.

(4) In the event the assets at the date of repeal are insufficient to provide all of the benefits of paragraph (a) or (b) of subsection (3), or both, then each employer will contribute to the assets from time to time, as and when required, the amount necessary to make up such insufficiency.

(5) The allocation of assets of the system provided for in subsection (3) of this section shall be carried out through the payment by the board of the benefits provided for in this section as they become due, or by the transfer of such assets to any retirement system replacing this system, provided that such vesting of benefits in the members or beneficiaries as are provided by this section shall be fully maintained under such new retirement system. Any funds remaining in the assets of this system after all of the vested benefits provided by this section have been paid shall revert to the employer.

(6) Any allocation of assets made in accordance with the provisions of this section shall be final and binding on all persons entitled to benefits under said provisions.

* * * *

61.700 False statements, falsification of records, penalty. Any person who shall knowingly make any false statement or shall falsify or permit to be falsified any record or records of the system in any attempt to defraud the system shall, upon conviction thereof, be punished by fine not exceeding \$1,000 or imprisonment not exceeding twelve months or both.

64.600 School officers and employes deemed officers and employes of state. For the purposes of KRS 64.480 to 64.760, officers and employes of school districts are deemed to be officers and employes of the State, and their salaries shall be set by their respective employing boards, and in no instance shall their salaries exceed the maximum salaries provided for other officers whose jurisdiction or duties are coextensive with the Commonwealth of Kentucky, as provided for by Section 246 of the Constitution of the State of Kentucky.

64.640 Compensation of state officers and employes generally.

(1) Except as otherwise provided in subsection (2) of this section, and excepting officers elected by popular vote, commissioners of the Court of Appeals, employes of the General Assembly, including employes of the Legislative Research Commission, members of boards and commissions, and presidents and employes of the University of Kentucky and the state colleges, the Department of Personnel shall prepare a schedule of compensation, payable out of the State Treasury, with a minimum and maximum salary rate, and such intermediate salary rates as are deemed necessary or advisable, for the office or position of employment of every state officer and employe, including specifically the offices and positions of employment in every constitutional administrative department, statutory administrative department, independent agency, or other unit of state government. Such schedules shall be based upon studies of the duties and responsibilities of the offices and positions and upon a comparison with rates being paid for similar or comparable services elsewhere, and in the preparation of such schedules, the Department of Personnel shall ascertain and record the duties, responsibilities and authority pertaining to the various offices and positions in the state service, and classify such positions in the manner provided in KRS 18.010 to 18.070. No such schedule shall become effective until it has been approved by the Governor.

(2) The Governor shall set the compensation payable out of the State Treasury to each office or position in the state service hereinafter named but such compensation shall not exceed the maximum sums listed herein:

(a) Commissioner of Conservation, Commissioner of Economic Development, Commissioner of Economic Security, Commissioner of Finance, Commissioner of Health, Commissioner of Highways, Commissioner of Mental Health, Commissioner of Public Relations, Commissioner of Public Safety, Commissioner of Revenue, \$12,000;

(b) Adjutant General, Administrator of Distilled Spirits Unit, Administrator of Malt Beverages Unit, Chief of the Department of Mines and Minerals, Commissioner of Aeronautics, Commissioner of Alcoholic Beverage Control, Commissioner of Banking, Commissioner of Fish and Wildlife Resources, Commissioner of Industrial Relations, Commissioner of Insurance, Commissioner of Motor Transportation, Commissioner of Personnel, Commissioner of Welfare, Director of the Kentucky Crippled Children's Commission, Executive Director of the State Tuberculosis Sanatoria Commission, Manager of the Kentucky State Fair, Reviser of Statutes, Chairman of the Public Service Commission, \$10,000;

(c) Members of the Public Service Commission of Kentucky, other than the Chairman, and of the Workmen's Compensation Board (the provisions of KRS 64.660 to the contrary notwithstanding), and heads of statutory departments and agencies other than those named in paragraphs (a) and (b) of this subsection, \$7,500;

d) Each Advisory Highway Commissioner shall be paid an annual salary of \$7,200.

(3) The Compensation payable out of the State Treasury to officers and employes subordinate to any office or position listed in subsection (2) of this section shall not exceed the maximum rate established pursuant to subsection (2) of this section for such office or position, except with respect to physicians as provided in KRS 64.655 and employes of the Public Service Commission of Kentucky whose compensation shall be fixed, within constitutional limits, by the Department of Personnel with the approval of the Governor as provided in subsection (1) of this section.

(4) The compensation payable out of the State Treasury to any subordinate officer or employe in any department, agency, board or commission of the state government not covered by subsection (3) of this section and except elective officers and their employes, shall not exceed \$7,500 per annum, provided however that Doctors of Veterinary Science may be paid not to exceed \$10,000 per annum.

(5) Nothing in this section shall preclude the allowance of maintenance to officers and employes of the state.

* * * *

HOUSE BILL NO. 503

NOTE: No new statute numbers or running headings have been assigned for the contents of this bill due to the fact that court action has been taken to determine the legal status of the bill.

(1) Except as otherwise provided in section (14) the sheriff of each county shall annually assess every vehicle that is subject to ad valorem taxation which is required to be registered under Chapter 186 of the Kentucky Revised Statutes and motor vehicles taxed under KRS 281.811, except those vehicles now assessed under Chapter 136 of the Kentucky Revised Statutes. The sheriff shall prepare a tax bill for each vehicle assessed. The tax bill shall show the

assessed valuation, the amount of tax due the state, county and other taxing districts, the total, and such other information as the Department of Revenue deems necessary.

(2) For his assessment services and preparation of each tax bill, the sheriff shall be allowed in addition to the compensation set forth in KRS 134.290 the sum of ten cents. One-half of this sum shall be paid by the state and one-half shall be paid by the county.

(3) The Department of Revenue shall annually furnish to each sheriff sufficient tax bills and other necessary forms to administer this Act, and shall, by regulation, prescribe the accounting control of tax bills and moneys collected.

(4) The county court clerk shall not register any vehicle until the owner has presented a tax receipt showing that the ad valorem tax on such vehicle has been paid or a statement prepared by the Sheriff that the vehicle was not subject to ad valorem tax as of January 1. The Department of Revenue shall by regulation prescribe for the disposition of the tax receipt furnished to the county court clerk.

(5) The Department of Motor Transportation shall not issue a certificate or permit required by KRS 281.811, KRS 281.812, or KRS 281.815 (1), (3) until the owner has presented a tax receipt showing that the ad valorem tax on each vehicle has been paid or was not subject to tax on January 1.

(6) Any owner of any vehicle who does not agree with the assessed valuation placed upon his vehicle or vehicles by the sheriff shall have the right to appeal such assessment to the Board of Supervisors which convenes as set out in KRS 133.030, or as provided by other taxing jurisdictions involved. The appeal shall be filed and treated as appeals on other property. An owner of a vehicle who appeals the assessment on his vehicle shall pay to the sheriff the tax due on the contested as well as the uncontested portion of the assessment. The sheriff shall hold in a safe depository the tax paid on the contested portion. If the final review authority as set out in KRS 133.120, or as provided by other taxing jurisdictions involved, decreases the assessed valuation as determined by the sheriff, the sheriff shall cause to be refunded to the owner that portion of the tax paid over and above the correct amount. If the final review authority sustains the assessed valuation as originally determined by the sheriff, the sheriff shall pay over to the state, county, and other taxing districts for whom the taxes were collected the taxes withheld on the contested portion of the assessed valuation. All taxes collected on vehicles by the sheriff shall be paid and reported to the various taxing districts as other ad valorem taxes are paid and reported.

(7) Every corporation, company, association, partnership, or person whose property is centrally assessed under Chapter 136 of the Kentucky Revised Statutes and who owns a motor vehicle subject to ad valorem taxes shall assess and pay the taxes as now provided by Chapter 136 of the Kentucky Revised Statutes. The county court

clerk shall not register any vehicle or the Department of Motor Transportation shall not issue a permit required by Kentucky Revised Statutes 281.811, 281.812 or 281.815 (1) and (3) upon a vehicle until the owner has presented a receipt from the Department of Revenue showing the ad valorem tax has been paid on each vehicle, or an indemnity bond posted with the Department of Revenue to cover such taxes due, or that no tax was due.

(8) It is the intent of the legislature that motor vehicles assessable under this Act not be assessed for taxes by the county tax commissioners as of January 1, 1957, but that motor vehicles be assessed and the taxes paid as set forth in this Act based on ownership of such vehicles as of January 1, 1958. The applicable rate shall be the rate in effect as of July 1, preceding the assessment date for other tangible property not carrying a special rate. The ad valorem taxes on such motor vehicles will be received by the state, county, and other taxing districts in the same fiscal year as ad valorem taxes on other property which was assessed as of January 1, 1957, or December 31, 1956.

(9) The owner who wants to register his vehicle before January 1 for the succeeding year shall assess and pay the ad valorem taxes due thereon and shall be deemed the owner of the vehicle as of the following January 1. Any taxes collected prior to the January 1 assessment date shall be held in escrow by the sheriff until his January report is made. If the vehicle which has been registered and the tax paid prior to January 1 is destroyed or damaged prior to January 1, the owner thereof must file a claim for refund of taxes from the sheriff on or before January 15. Such claims for refund shall be reviewed as provided in Section 6 of this Act.

(10) Any city or other taxing district may contract with the sheriff for assessment and collection of the ad valorem taxes due on vehicles under this Act. The sheriff shall not receive more than four per cent commission for his services for collecting and reporting funds due any such taxing district. The compensation of the sheriff for collecting all taxes shall not exceed that which is authorized in KRS 134.290 (3).

132.590. (1) In the calendar year of 1957 and thereafter, the compensation of the county tax commissioner shall be computed on the basis of ten cents on each one hundred dollars of the first two and one-half million dollars and two cents on each one hundred dollars of the excess over two and one-half million dollars of the annual assessment. However, each county tax commissioner shall receive a minimum monthly payment of two hundred dollars as part or all of his compensation.

(2) In counties in which the assessed value of property exceeds ten million dollars, the county tax commissioner shall be allowed by the state as compensation to his deputies and for other authorized expenditures two cents on each one hundred dollars of the property assessed in excess of ten million dollars, but the total sum allowed to any county tax commissioner as deputy hire

and for other authorized expenditures shall not exceed twenty thousand dollars in any county except in a county having a city of the first class, which shall be governed by KRS 132.630. No state funds available to any county tax commissioner as compensation for deputies or for other authorized expenditures shall be paid without authorization of the Department of Revenue prior to the employment by the tax commissioner of deputies or other assistants or the incurring of other expense.

(3) Each county fiscal court shall annually allow and pay to the county tax commissioner for deputy allowance, supplies, maps, and equipment, travel allowance for himself and his deputies, and other expenses of his office, two hundred dollars for the first million dollars of assessment and $\frac{3}{4}$ of one cent for each hundred dollars of assessment in excess of one million dollars, but the total sum to be paid by the fiscal court to any tax commissioner shall not exceed ten thousand dollars. Each county tax commissioner shall, on or before December 1, file with the fiscal court a detailed report on all expenditures for the preceding fiscal year of funds allowed by the county, and one copy of the report shall be filed with the Department of Revenue. On or before December 1, the county tax commissioner shall refund to the county treasury the unspent balance of funds remaining from the contribution allowed by the county for the preceding fiscal year.

(4) The county tax commissioner shall not receive more than \$7,200 for his personal services incident to any assessment. However, the maximum compensation for any county tax commissioner shall not exceed the highest compensation, including salary and fees, approved by the fiscal court for any other county official.

133.240. (1) In the calendar year of 1957 and each year thereafter the county clerk shall be allowed seventeen cents for each tax bill made out for the sheriff or collector under the provisions of KRS 133.220, and fifty cents for each tax bill made out in case of an omitted assessment. He shall not be paid any part of his compensation by the state where the taxpayer has no property subject to taxation for state purposes.

(2) The county clerk shall present his account to the county court, verified by his affidavit together with his receipt from the sheriff for the tax bills and his receipt from the Department of Revenue for the recapitulation sheets. If found correct, the court shall allow the account, and order one-half of it paid out of the county levy and the other one-half out of the State Treasury. The county clerk shall certify the allowance to the Department of Finance, which shall draw a warrant on the State Treasurer in favor of the county clerk for the state's one-half.

134.290. (1) For the calendar year 1957, the sheriff shall be allowed by the Department of Revenue for collecting state taxes, a commission of ten percent upon the first ten thousand dollars and four percent upon the residue collected or accounted for any

paid into the State Treasury for each calendar year. For the calendar year 1958 and each year thereafter the sheriff shall be allowed by the Department of Revenue, for collecting state taxes, a commission of ten percent upon the first five thousand dollars and four percent upon the residue collected or accounted for and paid into the State Treasury for each calendar year.

(2) He shall be allowed by the county treasurer, for collecting the county revenue, ten percent upon the first five thousand dollars collected, and four percent upon the residue.

(3) In counties containing a population of less than seventy-five thousand, the aggregate annual compensation of the sheriff for official services shall not exceed seven thousand two hundred dollars, independent of the compensation of legally authorized deputies and assistants and reasonable expenses as limited by the fiscal court.

KRS 132.485 is hereby repealed.

It is not the intention of the legislature to repeal any section of the Kentucky Revised Statutes except 132.485 now providing for the assessment, levy and collection of ad valorem taxes on tangible personalty including motor vehicles. Any city or other taxing district may elect to continue the assessment, levy and collection of ad valorem taxes as is otherwise provided by law for the respective taxing districts.

* * * *

KRS 107.140 Financing stret, sidewalk and sewer improvement projects. (1) The benefited property shall consist of all real property abutting upon both sides of the improvement project, and the costs of improving intersections shall be included in the total costs to be assessed and apoprtioned, unless and to the extent the city shall appropriate from availabl funds as definite and specified sum as a contribution thereto, within constitutional limitations; provided however, that if provision shall be made for sidewalk improvements upon only one side of the project, the costs of the sidewalk improvement shal lbe ascertained and assessed separately against the property abutting upon that side only, but the governing body may provide that such assesment shall include a fair share of the over-all costs, as herein defined, other than the amounts of the actual construction contracts.

(2) Benefited property owned by the city, county or state, or owned by the United States Government or any of its agencies, if such property is subject to assessment by Act of Congress, shall be assessed annually the same as private property, and the amount of the annual assessment shall be paid by the city, county, state, or United States Government, as the case may be. The same right of action shall lie against the county as against a private owner. In the case of the state, the amount of the annual assessment shall be certified by the city treasurer to the Department of Finance, which shall thereupon draw a warrant upon the State Treasurer, payable to the city treasurer, for the amount thereof, and the State Treasurer shall

pay the same out of any money in the State Treasury not otherwise appropriated. **For the purpose of this Act, all public school property shall be deemed to be property owned by the State, as provided by KRS 162.010.**

(3) No benefited property shall be exempt from assessment.

136.190 School superintendent and officials of municipalities and other taxing districts to report boundaries of taxing districts to county clerk and Department of Revenue. (1) The superintendent of schools in each district in which any individual, group of individuals or corporation, operates public utility or franchise tax-paying property assessed under KRS 136.120 shall, on or before the first day of January, 1957, furnish to the county clerk of the county in which the district is situated and to the Department of Revenue the boundary of his school district. The superintendent of schools in each district in which any franchise-paying corporation, individual, or group of individuals operates shall, on or before the first day of January, 1958, and each year thereafter, furnish to the county clerk and to the Department of Revenue any changes made in the boundary of his school district during the immediate preceding twelve months.

(2) The engineer of cities of the first class and the city clerk of cities of the second, third, fourth, fifth, and sixth classes shall notify the county clerk and the Department of Revenue of their boundaries in the same manner as required of the superintendent of schools in section (1).

(3) The responsible governing official or the chairman of the governing body of any taxing district other than the county, school district, or city shall notify the county clerk and the Department of Revenue of their boundaries in the same manner as required of the superintendent of schools in section (1).

189.375 School buses to be equipped with folding sign; penalty for failure to display. No school bus shall be licensed or operated for the transportation of school children unless it has a folding sign on the driver's side thereof, with letters at least six inches in height and containing the word "Stop." Upon stopping the school bus the driver shall open out the sign so that it will be plainly visible to traffic approaching from both directions. For failure to display the sign when the bus is stopped while loading or unloading school children, the driver shall be fined not less than ten nor more than one hundred dollars.

214.040 Smallpox; vaccination of adults. All persons of the age of twenty-one years and over who have not been successfully vaccinated for smallpox shall procure their own vaccination or re-vaccination.

214.050 Minors to be vaccinated. All parents, guardians and other persons having the care, custody or control of any minor, or who have a minor in their employ, shall have the minor vaccinated

for smallpox within twelve months after birth or after the minor comes under their care, custody or control.

214.060 Persons coming into state to be vaccinated. All persons coming into this state to abide or become citizens shall, if not previously vaccinated for smallpox, procure the vaccination of themselves and any children under their care or control within six months after coming into the state.

214.990 Penalties. (4) Any person who fails or refuses to comply with any of the provisions of KRS 214.040 to 212.060 shall be fined not less than five dollars nor more than twenty dollars for each failure or refusal.

CHAPTER III

DEPARTMENT OF EDUCATION

Amended KRS

New KRS

156.020

156.152 156.480

156.095

156.153 156.490

156.140

156.154

156.020 Appointment of Assistant Superintendent; Divisions of State Department of Education. (1) The Superintendent of Public Instruction shall recommend to the State Board of Education the appointment of an Assistant Superintendent of Public Instruction who is authorized to act in the absence of the Superintendent of Public Instruction.

(2) Subject to KRS, Chapter 12, the Superintendent of Public Instruction shall also recommend for the approval of the State Board of Education the establishment of such divisions of the State Department of Education as he deems necessary for the successful administration and supervision of the common schools and other educational agencies placed under the management and control of the State Board of Education. He may group the established divisions under such bureaus as he deems wise.

156.095 Program of in-service teacher training. The State Department of Education is hereby authorized to establish, direct and maintain a state-wide program of in-service teacher training. Said program shall be organized and operated for the purpose of improving instruction in the public common schools and for the improvement of the leadership qualities and professional competence of principals, supervisors and teachers and for such other services in the improvement of instruction in the public common schools as may be approved from time to time by the State Board of Education on the recommendation of the Superintendent of Public Instruction.

156.140 Superintendent to control and appoint division heads and employes. The Superintendent of Public Instruction shall have general supervision of all the assistants, agents and employes in the department. He shall, subject to the provisions of KRS 18.010 to 18.070 hereof and KRS, Chapter 12, appoint and set the salary of all division heads, assistants, agents and employes of the department, but the appointment and dismissal of all division heads and other professional staff members shall be upon the approval of the State Board of Education. The term "employes" as used in this section shall not be construed to include employes of local school districts.

156.152 Superintendent authorized to secure price agreements for the purchase of school buses by all district boards of education.

The Superintendent of Public Instruction, as executive officer of the State Board of Education, upon application and requisition to the Division of Purchases in the Department of Finance, is hereby authorized and directed to secure price contract agreements for the purchase of school buses by all district boards of education. The Division of Purchases shall enter into price contract agreements under established purchasing procedure in keeping with KRS 42.060 to 42.070 inclusive. Said price contract agreement shall establish sources of supply, maximum prices to be paid and shall set forth the length of time for which contracts shall be valid.

156.153 School buses to meet standards and specifications of State Board of Education; "school bus" defined. All school buses for which bids are made or bid contracts awarded shall meet the standards and specifications of the State Board of Education. The term "school bus", as used in this section, shall mean any motor vehicle which meets the standards and specifications for school buses as provided by law or by the standards or specifications of the State Board of Education authorized by law and used solely in transporting school children and school employes to and from school under the supervision and control and at the direction of school authorities, and shall further include school bus accessory equipment and supplies and replacement equipment considered to be reasonably adaptable for purchase from price contract agreements.

156.154 Superintendent to make available to district boards of education information respecting price agreements; authority to take own bids and purchase school buses. The Superintendent of Public Instruction shall make available to all district boards of education full information respecting established price contract agreements, and any or all districts may procure buses from sources and at prices, terms and conditions incorporated in said price contract agreements. Any district board of education may take its own bids on school buses which meet the specifications of the State Board of Education for school buses for which price contracts have been established, provided the Superintendent of Public Instruction approves the bids and purchase contract as meeting specifications of the State Board of Education. However, no district board of education shall purchase school buses under the terms of this section unless the Superintendent of Public Instruction shall certify that the purchase price is lower than prices set forth in established price contract agreements for similar equipment.

156.480 Employees of Department of Education or school districts not to have pecuniary interest in supplying goods or services for which school funds are expended; penalties. If any employe of the Department of Education or the superintendent, assistant superintendent, business manager, purchasing agent, or employe of any county or independent school district shall have any pecuniary interest either directly or indirectly in an amount exceeding twenty-five dollars per year either at the time of or after his appointment to

office, in supplying any goods, services, property, or merchandise of any nature whatsoever for which school funds are expended, or if any such person receives directly or indirectly any gift, reward, or promise of reward for his influence in recommending or procuring the use of any goods, services, property, or merchandise, of any kind whatsoever for which school funds are expended, then his office or appointment shall without further action be vacant and he shall upon conviction be deemed guilty of a misdemeanor and fined not less than fifty dollars nor more than five hundred dollars.

156.490 Governor's Conference on Education. (1) The Governor of the Commonwealth of Kentucky be, and hereby is, authorized to cause to be held annually, in September or October, a conference on education which shall hereafter be styled the Governor's Conference on Education.

(2) The Governor is hereby authorized to appoint a committee composed of eleven citizens, headed by the Superintendent of Public Instruction, but not more than five members of which shall be professional educators; this committee to assist the Governor, at his direction, in planning and arranging for holding the Conference, and to recommend to the Governor persons for appointments as delegates to the Conference.

CHAPTER IV

STATE SUPPORT OF EDUCATION

| Amended KRS | New KRS | Repealed KRS |
|--------------------------|-------------|------------------|
| 157.200 157.380 (2), (4) | 157.145 | 157.210 |
| 157.230 157.390 (1) | 157.380 (5) | 157.340 |
| 157.330 157.400 | | 157.370 (4), (5) |
| | 157.420 | 157.430 (2), (3) |
| 157.350 157.430 (1) | | |

157.145 Rebinding of textbooks; duties of Superintendent concerned. (1) The Superintendent of Public Instruction shall each year cause an inspection to be made of the conditions of all textbooks returned pursuant to the provisions of KRS 157.140, which have not been made obsolete by the adoption, by the State Textbook Commission, of other books to replace them. The inspection provided for by this section shall be for the purpose of determining the condition of the bindings of such books.

(2) When the inspection provided for by this section reveals to the Superintendent of Public Instruction that there are textbooks, the general condition of which warrants their being rebound he shall cause a report to be made to the Superintendent of Public Printing, on forms prescribed by the Department of Education, listing in detail the textbooks in need of rebinding.

(3) Upon receipt of the report provided for in subsection (2) the Superintendent of Public Printing shall, pursuant to Section 247 of the Constitution and Chapter 57 of the Kentucky Revised Statutes, proceed to contract to have such books rebound.

157.200 Definitions. (1) "Physically handicapped children" means children of sound mind between the ages of five and twenty-one years who suffer from any disability making it impracticable or impossible for them to benefit from or participate in the normal classroom program of the public schools in the school district in which they reside and whose education requires a modification of the normal classroom program.

(2) "Educable mentally handicapped children" means children who are educable or trainable and between the ages of five and twenty-one years who because of retarded mental growth (as determined by recognized standardized tests) are incapable of being educated profitably and efficiently through ordinary classroom instruction but who may be expected to benefit from special educational facilities designed to make them economically useful and socially adjusted.

(3) "Special educational facilities" means special schools, special classes, and special instruction. All special educational

facilities shall be under the supervision of the Superintendent of Public Instruction.

157.230 Special education classes for handicapped children. If parents of as many as twelve educable mentally handicapped children living in a school district desire special education classes for their children, school boards of any school district shall establish and maintain such classes, subject to any limitation specified in KRS 157.240 to 157.300.

157.330 Foundation program fund. (1) There is hereby established the public school foundation program fund consisting of appropriations for distribution to districts in accordance with the provisions of KRS 157.310 to 157.440.

(2) The resources of the public school foundation program fund shall be paid into the State Treasury, and shall be drawn out or appropriated only in aid of public schools as provided by statute.

157.350 Eligibility of districts to participate in foundation program funds. Each district which meets the following requirements shall be eligible to share in the distribution of funds from the public school foundation program fund:

(1) Employs and compensates all teachers for not less than nine scholastic months, provided, that the State Board of Education, upon recommendation of the Superintendent of Public Instruction, shall prescribe procedures whereby this requirement may be reduced during any year for any district which employs teachers for less than nine scholastic months, in which case the eligibility of a district for participation in the public school foundation program fund shall be in proportion to the length of time teachers actually are employed;

(2) Operates all schools for a term as provided in KRS 158.070 and regulations of the State Board of Education, provided, however, that if the school term is less than nine months for any reason approved by the State Board of Education on the recommendation of the Superintendent of Public Instruction the eligibility of a district for participation in the public school foundation program fund shall be in proportion to the length of term the schools actually operate;

(3) Compensates all teachers on the basis of a single salary schedule and in conformity with the provisions of this chapter;

(4) Makes the required local tax effort except as otherwise provided by subsection (3) of KRS 157.400;

(5) Includes no nonresident pupils in its average daily attendance, except by written agreement with the district of the pupils' legal residence.

157.380 Department of Revenue to determine aggregate assessed value of property subject to school tax; procedure for determining required local tax effort. (2) In determining the required local tax effort for districts which participate in the public school foundation program fund, including the capital outlay allot-

ment, the Superintendent of Public Instruction shall divide the aggregate assessed value of all property in the Commonwealth subject to taxation for school purposes by one hundred and multiply the quotient thereof by one dollar and ten cents. The product thereby obtained shall be multiplied by each district's percentage of the total equalized value of all property in the Commonwealth subject to taxation for school purposes. In determining the required local tax effort for districts which do not participate in the capital outlay allotment of the public school foundation program fund, the multiplier shall be one dollar.

(4) A portion of funds received by any district from the federal government in lieu of taxation of property shall be added to the district's required local tax effort. The portion of such federal funds added to the district's required local tax effort shall be the percentage the required local tax effort is of the total levy for school current expense purposes made in the district during that year; provided, however, that any part of federal funds received by the district that is charged against the district in determining its allotment under Public Law 874 or similar laws shall not be added to the district's required local tax effort; and, provided further, that this subsection shall not be applicable during the biennium 1956-1958.

(5) The Legislative Research Commission is hereby directed to conduct a study of federal grants in lieu of taxation, and other payments received by school districts in lieu of taxation and the relationship of these grants and/or payments to the required local tax effort under the foundation program and report its findings to the General Assembly on or before January 1, 1958.

157.390 Classification of teachers; procedure for determination of amounts for teachers' salaries, and other expenses. (1) The Superintendent of Public Instruction, under regulations of the State Board of Education, shall classify teachers in rank as follows:

RANK I. Those holding regular certificates and who have a master's degree and who have earned twenty-four semester hours of approved graduate work after the master's degree has been granted;

RANK II. Those holding regular certificates and who have a master's degree or its equivalent;

RANK III. Those holding regular certificates and who have an approved four-year college degree or the equivalent;

RANK IV. Those holding regular certificates and who have ninety-six to one hundred and twenty-eight semester hours of approved college training or the equivalent;

RANK V. Those holding regular certificates and who have sixty-four to ninety-five semester hours of approved college training or the equivalent; provided however, that persons holding emergency certificates shall not be classified higher than this rank;

RANK VI. Those holding certificates and who have thirty-two to sixty-three semester hours of approved college training or the equivalent.

RANK VII. Those holding certificates and who have fewer than thirty-two semester hours of approved college training or the equivalent.

In determining ranks, the Superintendent of Public Instruction, under regulations of the State Board of Education, shall classify teachers who hold certificates as of July 1, in the respective ranks according to approved college semester hours of credit. The Superintendent of Public Instruction, in defining preparation for certain types of vocational teachers as equivalent to college training, shall give consideration to apprenticeship training and industrial experience.

157.400 Procedure for determining amount distributable to each district from foundation program fund. (1) The amount of money distributable to each district from the public school foundation program fund shall be determined by subtracting the required local tax effort and any portion of federal funds required to be included, as set forth in subsection (4) of KRS 157.380, from the total foundation program allotment for the district as determined in KRS 157.390.

(2) If it shall be determined in KRS 157.400 subsection (1) that the amount of money distributable to a district from the public school foundation program fund is less than \$80 per pupil in average daily attendance or the per capita apportionment for the district in 1955-56, then the apportionment to that district shall be increased to \$80 per pupil in average daily attendance or to the per capita apportionment for the district in 1955-56, whichever is greater; provided, however, if a district fails to provide the total potential classroom units under KRS 157.360 subsections (2), (6), (7) and (8) and at least as many classroom units under KRS 157.360 subsections (4) and (5) as were provided in 1955-56, and increase in the apportionment called for in this subsection shall be reduced to the extent that the district fails to provide the classroom units.

(3) If a district fails for any reason to make the required local tax effort, as provided in KRS 157.380, the amount of the apportionment of the public school foundation program fund to be paid to such district under subsections (1) and (2) of this section shall be reduced by the percentage of loss from the required local tax effort.

(4) So much of the public school foundation program fund which would not be distributed under subsections (1), (2) and (3) of this section, due to the failure of one or more participating districts to meet the full requirements, shall be held in the account for distribution the following year among districts which meet the requirements for participation.

157.420 Restrictions governing expenditure of funds from foundation program fund. Public school foundation program funds made available to the credit of each district during any year, together with the funds required from local tax effort, shall be received, held and expended by the district board, subject to the provisions of law and regulations of the State Board of Education. The following restrictions shall govern the expenditure of funds from the public school foundation program fund:

(1) The teachers' salaries allotment for each district from the public school foundation program fund and from local sources shall be used only for teachers holding properly authorized certificates. The average salary paid any rank of teachers shall be at least equivalent to the public school foundation program fund allotment for that rank as established in subsection (2) of KRS 157.390, and no teacher shall be paid less than ninety-percent of the public school foundation program fund allotment for that rank.

(2) The capital outlay allotment for each district from the public school foundation program fund and from local sources shall be kept in a separate fund and may be used by the district only for capital outlay projects approved by the Superintendent of Public Instruction in accordance with requirements of law, and based on a survey made in accordance with rules and regulations prescribed by the State Board of Education. These funds shall be used for the following purposes:

(a) For direct payment of construction costs;

(b) For debt service on bonds issued subsequent to July 1, 1954;

(c) For payment on lease-rental agreements under which the board eventually will acquire ownership of a school plant;

(d) For debt service on bonds issued prior to July 1, 1954, if it has been determined by the survey that this district has met all of its major capital outlay needs;

(e) For the retirement of any deficit in existence on June 30, 1956 if such deficit resulted from an emergency declared by the State Board of Education under KRS 160.550;

(f) As a reserve fund for the above named purposes, to be carried forward in ensuing budgets, if not needed for the current year; provided, however, if any district has a special levy for capital outlay or debt service that is equal to the capital outlay allotment or a proportionate fraction thereof, and spends the proceeds of that levy for the above named purposes, the Superintendent of Public Instruction, under regulations of the State Board of Education, may authorize the district to use all or a proportionate fraction of its capital outlay allotment for current expenses.

157.430 Procedure for percentage reduction of amounts distributable to districts in case of insufficient appropriations by General Assembly. (1) If, when the apportionments are being determined under the provisions of KRS 157.310 to 157.440, funds appropriated by the General Assembly to the public school foundation

program fund plus the funds required from local tax effort are insufficient to provide the amount of money required under subsection (1) of KRS 157.400, the Superintendent of Public Instruction shall make a percentage reduction in the amount included for the foundation program in each district to the extent necessary to reduce the cost of the foundation program to funds available, provided that no district shall receive less than the amount that it received in its per capita apportionment in 1955-56, provided further that it meets the requirements set forth in KRS 157.350 and subsections (2) and (3) of KRS 157.400. The revenue available after the provisions of KRS 157.400 subsection (1) have been met shall be apportioned to meet, in so far as possible, the provisions of KRS 157.400 subsection (2).

CHAPTER V

CONDUCT OF SCHOOLS

New KRS

| | |
|---------|---------|
| 158.300 | 158.330 |
| 158.310 | 158.340 |
| 158.320 | 158.350 |

158.300 Definitions. As used in KRS 158.300 to 158.350, unless the context requires otherwise:

(1) "Center" means any child care center, private day nursery, nursery school, boarding school, kindergarten or other like establishment which cares for not less than five children, between the ages of two and six years, in return for tuition, fees or other forms of compensation; provided, that "center" shall not include any school or college now operating a center authorized by law, any children's home, orphan asylum, children's aid society, public agency operated by a city or county, school district operating a center, or any other organization incorporated and regulated under the laws of the state;

(2) "Superintendent" means "Superintendent of Public Instruction";

(3) "Age" means the age attained at a child's last birthday;

(4) "Day" means any twenty-four hour period from twelve o'clock midnight through eleven-fifty-nine p. m.

(5) "Permit" includes both a "regular" and "provisional" permit. "Regular permits are those issued by the superintendent upon satisfactory proof of compliance with the provisions of KRS 158.300 to 158.350. "Provisional" permits are those issued by the superintendent, within the discretion of the superintendent, for the purpose of enabling centers to comply with the provisions of KRS 158.300 to 158.350; no such permits shall be issued for a period exceeding three years time from the date of issuance, and shall be subject to such rules and regulations providing for inspection, compliance, suspension or cancellation thereof as the superintendent may prescribe as a condition to the issuance thereof.

158.310 Permit; requirements. (1) No person, firm, corporation, association or organization shall conduct, operate, maintain or establish a center unless a permit therefor has been issued by the superintendent, and such permits shall not be transferable.

(2) Each center in operation as of the effective date of KRS 158.300 to 158.350 shall, within sixty days thereafter, make application to the superintendent, on a form provided for that purpose, for a permit. Permit application forms shall be as prescribed by the superintendent and shall include the following:

(a) The name and address of the center, its owners, operators,

instructors, assistants and personnel engaged in the operation of the center;

(b) Certificates from the local county health officer, fire marshal or, in his absence, the chief of the fire department, building inspector and such other inspecting personnel as may be designated by the superintendent showing that the applicant has complied with all conditions required by such officials.

(3) If a permit is not issued within three months from the date of application the applying center shall cease to operate. No center shall be established, or operate, after the effective date of KRS 158.300 to 158.350 except as herein provided.

(4) Each initial application for a permit hereunder shall be accompanied by the payment of a fee in the amount of thirty-five dollars and shall, excepting provisional permits, be renewable upon expiration and re-application when accompanied by payment of a fee in the amount of ten dollars, subject only to compliance with the provisions hereof. Regular permits, and renewals thereof, shall expire one year from their effective date. Each center shall post its permit in a conspicuous place. No change in address may be effected by any center without the approval of the superintendent.

(5) The superintendent shall, pursuant to regulations adopted by the State Board of Education under KRS 158.330, regulate the issuance of permits to established centers not meeting the requirements of KRS 158.300 to 158.350, and may revoke the permit of any center failing to meet such requirements within a reasonable period of time.

158.320 Centers, inspection of, records to be kept; reports to be made. Centers shall, at all times, be open to inspection by such persons and inspectors as are herein provided for and shall keep such records, furnish such information and reports, and comply with such rules and regulations as may be adopted and published pursuant to the provisions of KRS 158.330.

158.330 Board of Education to make rules and regulations. The State Board of Education shall promulgate reasonable rules and regulations, not inconsistent herewith, to properly administer the provisions of KRS 158.300 to 158.350.

158.340 Fees to be paid into State Treasury, credited to special fund. All fees collected under the provisions of KRS 158.300 to 158.350 shall be paid into the State Treasury, and credited to a special fund for the purpose of administering KRS 158.300 to 158.350.

158.350 Advisory committee, appointment of; duties. There shall be an advisory committee, consisting of five members appointed by the superintendent, to advise and consult with the superintendent in the development of rules and regulations, and the ensuring of compliance with the provisions of KRS 158.300 to 158.350.

CHAPTER VI

COMPULSORY ATTENDANCE

| Amended KRS | | Repealed KRS |
|-------------|---------|--------------|
| 159.080 | 159.120 | |
| 159.090 | 159.130 | 159.100 |
| 159.110 | 159.140 | |

159.080 Director of pupil personnel; appointment; qualifications. (1) Each board of education shall, upon the nomination and recommendation of the Superintendent, appoint a director of pupil personnel and such assistants as are deemed necessary. Salaries of directors and assistants shall be fixed by the Board of Education.

(2) Directors of pupil personnel and assistants shall have the general qualifications of teachers and, in addition, shall hold a valid certificate issued in accordance with the rules and regulations of the State Board of Education. Certificates valid on January 1, 1956, for attendance officer shall hereafter be valid for the positions of director of pupil personnel. Such certificates shall be reissued or renewed in accordance with the terms of the State Board regulations applying at the date of issue.

159.090 Director of pupil personnel for united districts. The boards of education of two or more contiguous school districts may unite to form one attendance district and shall appoint such directors of pupil personnel as are necessary. The superintendents of the districts concerned shall jointly make the nominations and recommendations relating to the directors of pupil personnel to the boards of education meeting jointly, and a majority vote of each board shall determine all questions. The salary of directors of pupil personnel in united districts shall be borne by the employing boards in the proportion that the average daily attendance of each district bears to the total average daily attendance of the united district.

159.110 Expenses of directors of pupil personnel. Directors of pupil personnel and assistants shall be allowed their necessary and authorized expenses incurred in the performance of their duties. Each board shall bear the expense of its directors of pupil personnel and assistants incurred in its district.

159.120 Office quarters of directors of pupil personnel. The office of the superintendent of schools shall be the office of the director of pupil personnel and suitable space shall be provided therein or adjacent thereto for him.

159.130 Powers of directors of pupil personnel. The director of pupil personnel and his assistants shall be vested with the powers

of peace officers, provided, however, that they shall not have the authority to serve warrants. They may investigate in their district any case of non attendance at school of any child of compulsory school age or suspected of being of that age. They may take such action in accordance with law as the superintendent directs. They may under the direction of the superintendent of schools and the board of education or the State Board of Education institute proceedings against any person violating any provisions of the laws relating to compulsory attendance and the employment of children. They may enter all places where children are employed and do whatever is necessary to enforce the laws relating to compulsory attendance and employment of children of compulsory school age. No person shall refuse to permit or in any way interfere with the entrance therein of a director of pupil personnel or in any way interfere with any investigation therein.

159.140 Duties of directors of pupil personnel. The director of pupil personnel shall:

- (1) Devote his entire time to the duties of his office;
- (2) Enforce the compulsory attendance and census laws in the attendance district which he serves;
- (3) Acquaint the school with the home conditions of the child, and the home with the work and advantages of the school;
- (4) Ascertain the causes of irregular attendance and truancy, and seek the elimination of these causes;
- (5) Secure the enrollment in school of all children who should be enrolled and keep all enrolled children in reasonably regular attendance;
- (6) Visit the homes of children who are absent from school or who are reported to be in need of books, clothing or parental care;
- (7) Ascertain and report to the superintendent of schools in the district in which the child resides the number and cost of books and school supplies needed by any child whose parent, guardian or custodian does not have sufficient income to furnish the child with the necessary books and school supplies;
- (8) Keep the records and make the reports that are required by law, by regulation of the State Board of Education and by the superintendent and board of education.

CHAPTER VII

SCHOOL DISTRICTS

| Amended KRS | New KRS | Repealed KRS | KRS |
|-------------|---------|--------------|---------|
| 160.045 | 160.330 | 160.050 | 160.100 |
| 160.210 | 160.531 | 160.060 | 160.110 |
| 160.470 | 160.532 | 160.070 | 160.120 |
| 160.560 | 160.533 | 160.080 | 160.130 |
| | 160.534 | 160.090 | 160.140 |

160.045 Transfer of adjacent territory to school districts other than that in which it is located; procedure; surplus physical plant or facilities. (1) If seventy-five per cent of either the registered voters or property owners in an area adjacent to either a county or independent school district petition the respective school boards for a transfer of said property to the school board district other than that in which it is located or if either board initiates such action, the school boards may affect such transfer by agreement, duly spread upon the minutes of their respective boards.

(2) In the event that the boards fail to agree within ninety days from the filing of petitions for such a transfer, either board may petition the Superintendent of Public Instruction for approval or disapproval of the transfer of the property involved. In his consideration for giving approval or disapproval, he shall be governed by any policies and rules and regulations of the State Board of Education which may be affected by the transfer of the property and shall give due consideration to the following: the ratio of the wealth of the territory involved in its relation to the total wealth of the district from which the territory will be annexed; the effect of the proposed territorial loss or gain on the educational programs of the respective districts; extent of and effect on the physical plant, facilities and equipment available in each of the affected districts; the indebtedness and bonded or rental obligations of the respective districts; any contemplated indebtedness or obligation arising out of the proposed transfer; and such other factors as may have a bearing upon the determination of the desirability of the proposed annexation from the vantage point of all interested persons.

(3) In those instances where the requested transfer will result in a surplus of physical plant, facilities or equipment in the transferring school district, the Superintendent of Public Instruction shall determine an equitable plan for the transfer of any such surplus to the annexing district as his plan may determine will be needed. His plan shall be based on the fair value of such property on a replacement basis, taking into consideration its age and condition. In any considerations and suggestions which he may propose for the settlement of the differences between the boards of education,

he shall be bound by any agreements outstanding between the boards of education of the school districts upon the effective date of this law.

(4) In the event the Superintendent of Public Instruction is unable to arrive at a satisfactory agreement with the two boards of education concerning the transfer of the involved property within one hundred twenty days from the time it is presented to him, either board may request that he bring the matter on for hearing before the State Board of Education at its next regularly scheduled meeting. In that event, he shall file with the State Board of Education all the facts which he has gathered, the recommendation he has made, and the basis for his recommendation, for their consideration.

(5) Within at least ten days before the holding of any hearing provided for in subsection two or subsection four of section 160.045 of the Kentucky Revised Statutes, the Superintendent of Public Instruction shall serve written notice thereof, by registered mail, on the respective boards fixing the time and place at which the hearing shall be conducted. All hearings provided for herein shall be open to the public, and any interested person may appear and be heard in accordance with such rules and regulations as the State Board of Education may prescribe with reference thereto.

160.210 Manner of election of school board members; changes in boundary lines of divisions of county school districts. (1) In independent school districts, the members of the school board shall be elected from the district at large. In county school districts, members shall be elected from divisions.

(2) The board of education of each county school district shall, not later than July 1, 1940, divide its district into five divisions as nearly equal in population and containing integral voting precincts in so far as is practicable. In first dividing the county district into divisions the board shall, if more than one of its members reside in one division, determine by lot which member from that division shall represent that division, and which members shall represent the division in which no member resides. The members so determined to represent divisions in which no member resides shall be considered the members from those divisions until their terms expire, and thereafter the members from those divisions shall be nominated and elected as provided in KRS 160.200 and KRS 160.220 and 160.250.

(3) No change shall be made in the boundary lines of the present divisions of the county school district until January 1, 1959, except in the case of merger of districts or change in territory due to annexation. Any changes made in division boundary lines shall be such as will make divisions as nearly equal in population and containing integral voting precincts in so far as is practical. No change may be made in division boundary lines more frequently than five years after the last change in any division line, except in case of merger of districts or change in territory due to annexation. A record of all changes in division lines shall be kept in the office of the county board of education, and shall be published in a news-

paper of general circulation. A copy of the newspaper in which the notice is published shall be filed with the Superintendent of Public Instruction within ten days following its publication. No change shall be made in the boundary of any division after January 1 prior to the date on which a member of the school board is to be elected from any division.

160.330 Free textbooks and school supplies, boards may furnish. Each board of education may furnish textbooks and other necessary school supplies free of charge to indigent children in its school district, including indigent children in high schools or lower grades, or to such other children as it deems advisable, under such rules and regulations as it may adopt. The superintendent shall report to the tax levying authority of the district the number and cost of textbooks and school supplies needed by the indigent school children of the district, and the tax levying authority shall appropriate a sum of money sufficient for the purchase of textbooks and school supplies for such children. The sum appropriated annually by the tax levying authority shall not be less than two hundred dollars in a county school district and fifty dollars in an independent school district.

160.470 School budgets. (1) Each district board of education shall prepare a general school budget on forms prescribed and furnished by the State Board of Education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the schools during the succeeding fiscal year, the estimated total amount that will be received from the common school fund and other sources, the assessed valuation of property subject to local taxation in the school district furnished as provided in subsection (3) of KRS 160.460, an estimate made by the Department of Revenue of franchise assessments and assessments of other property in the school district not furnished under the provisions of subsection (3) of KRS 160.460, and the amount that will be needed to be raised by local taxation, including the rate of levy necessary to raise such an amount. Three copies of the budget shall be filed with the clerk of the tax levying authority of the district within three days after the school district has received its assessment data. The clerk shall present the budget to the proper tax levying authority when the authority convenes to fix its school levy. The failure of the district board of education to furnish the budget within the time prescribed shall not invalidate any levy made thereafter. Within three days after the tax levying authority has fixed the tax rate, the district board of education shall forward two copies of the budget to the State Board of Education for its approval or disapproval. The budget shall be disapproved if it is financially unsound or fails to provide for (a) payment of maturing principal of and interest on any outstanding voted school improvement bonds of the school district authorized and issued pursuant to KRS 162.080 and 162.090, with the written approval of the State

Board of Education, or (b) payment of rentals in connection with any outstanding school building revenue bonds issued for the benefit of the independent school district or county school district, as the case may be, by the appropriate city or county as authorized and provided under the provisions of KRS 162.120 to 162.300, with the written approval of the State Board of Education, or fails to comply with the law; and the State Board of Education shall state its reason, or reasons, for such disapproval. In such event the district board of education shall amend its budget to obviate the reasons for disapproval. If the budget as amended specifies a tax levy different from that levied under the disapproved budget, the tax levying authority shall amend its levy in accordance therewith, so that the levy as amended shall comply with the provisions of subsection (1) of KRS 160.460. No general school budget shall become effective until approved by the State Board of Education.

(2) Each district board of education shall, if required by the State Board of Education, prepare and submit to it not later than September 15, a close estimate or working budget which shall conform to the rules and regulations prescribed by the State Board of Education, and which shall be consistent in its major divisions with the general school budget previously prepared.

160.531 Board of education in county containing a city of the first class may impose license fees on business, trade, occupation or profession; rates; approval of voters required; exemptions. (1) Any board of education in a county containing a city of the first class, in addition to ad valorem taxes, may by resolution impose license fees on any business, trade, occupation or profession for revenue purposes at a rate not to exceed one-half of one per cent of (a) salaries, wages, commissions and other compensations earned by every person within the school district of the board of education imposing the license fee, for work done, and services performed or rendered in said school district (all of such being hereinafter collectively referred to as "wages"), and (b) the net profits of all businesses, professions or occupations from activities conducted in said school district (hereinafter collectively referred to as "net profits"); provided however, that no such license fees may be imposed by any board unless a majority of those voting in such school district at an election called by said board approve of the authority of said board to levy license fees as above set out.

(2) No company which pays an ad valorem tax and a franchise tax shall be required to pay a license fee and no license fee shall be imposed upon or collected from any insurance company, bank, trust company, combined bank and trust company, or combined trust, banking and title business in this state, or in any other case where said board of education is now prohibited by statute from imposing such a license fee.

160.532 Election. The election in any school district shall be held not less than 15 nor more than 60 days from the time a

resolution calling the election is adopted by such board of education. The election may be held at the same time as the regular election in November or on any Saturday at any other time in the year except on the date of the Primary Election in August. The election shall be conducted and carried out in the school district in all respects as required by the general election laws and shall be held by the same officers as required by the general election laws. The expense of the election if held on the regular election day in November shall be borne by the fiscal court except where the election is held in a school district of a city, in which case the cost of the election shall be borne by the city. If the election is held at any time other than the regular election in November the cost of such election shall be borne by the board of education which calls such election.

160.533 Collection of license fees. The license fee imposed by any board of education may be collected by said board of education or under contract by the commissioners of the sinking fund of the city of the first class, the county sheriff of the county in which the school districts lie, or any other appropriate governmental collecting agency or officer, pursuant to such rules and regulations as said board of education may from time to time adopt. Under such rules and regulations such board of education shall have the right to require employers to withhold license fees at the source of the wages, to set license fee due dates, to provide for interest and penalties on overdue license fees, and to adopt all other provisions which will insure an efficient administration of the imposition and collection of the said license fees. Proceeds from said license fees shall not become a part of the funds belonging to such collecting agency or officer but shall be paid at the end of each month to the treasurer of the respective boards of education imposing the license fee. The board of education shall pay to the said collecting agency or officer for collecting said license fees an amount equal to that portion of the cost of collecting all the revenue which is collected by the said collecting agency or officer as the amount of revenue collected for said board of education bears to the total amount of all revenue collected by the said collecting agency or officer.

160.534 Provisions of KRS 160.460, 160.500, and 160.510 inapplicable to license fees. The provisions of KRS 160.460, 160.500 and 160.510 shall not apply to the license fees hereunder or any other provision of KRS 160.531 to 160.534.

160.560 Treasurer of board of education; appointment; bond; duties. (1) Each board of education shall elect a treasurer for the board. The board may elect its secretary to serve as treasurer. The board may remove the treasurer from office at any time for cause by a vote of three members of the board.

(2) The treasurer shall execute an official bond for the faithful performance of the duties of his office, to be approved by the local board and the State Board of Education. The bond shall be guaranteed by a surety company authorized to do business in this

state, and shall be in an amount determined by the board of education in accordance with the rules and regulations of the State Board of Education. The premium on the bond shall be paid by the board of education. A copy of the bond shall be filed with the board of education and with the State Board of Education. All treasurer's bond forms shall be prepared by the Superintendent of Public Instruction and approved by the State Board of Education.

(3) The treasurer shall receive all moneys to which the board is entitled by the Constitution or by the statutes, except as otherwise provided by law, or which may in any way come into its possession, and deposit such funds in the properly designated depository. He shall withdraw such funds from the depository only upon proper order of the board. He shall keep a full and complete account of all funds in such manner and make such reports concerning them as is required by the board of education or by the State Board of Education. He shall preserve all records relating to the transactions and duties of the office and turn them over to his successor along with all public funds in his hands and all accounts and records after due and proper audit is made by a competent outside agent when he is required to do so by the board of education.

(4) The treasurer shall issue his check on the depository for payment of all legal claims which have been authorized for payment in accordance with rules and regulations previously adopted by the local board of education and approved by the State Board of Education.

CHAPTER VIII

**SCHOOL EMPLOYES, TEACHERS' RETIREMENT
AND TENURE**

Corrected KRS

161.620 (3)

Repealed KRS

161.360

By House Bill No. 322, 1956 Regular Session of the Legislature, the faulty enacting clause of House Bill 319, passed at the 1954 Regular Session of the Legislature and which amended KRS 161.620, Subsection (3), was corrected.

CHAPTER IX

SCHOOL PROPERTY AND BUILDINGS

No change in this chapter.

CHAPTER X

VOCATIONAL EDUCATION AND REHABILITATION

| Amended KRS | New KRS | | Repealed KRS |
|-------------|---------|---------|--------------|
| 163.020 | 163.036 | 163.140 | 163.010 |
| 163.030 | 163.110 | 163.150 | 163.035 |
| 163.040 | 163.120 | 163.160 | 163.060 |
| 163.050 | 163.130 | 163.170 | 163.080 |
| | 163.180 | | |

163.020 Federal Acts relating to vocational education accepted.

This state accepts and agrees to comply with all the provisions of the Acts of Congress of the United States approved February 23, 1917, and all subsequent acts relating to Vocational Education as defined herein, the purpose of which is to provide training, develop skills, abilities, understanding, attitudes, work habits, and appreciation, and to impart knowledge and information needed by workers to enter into and make progress in their chosen vocations. These training opportunities should be provided for the young people who are enrolled in the regular day schools and, also, for out-of-school youth and adults, both employed and unemployed, who are in need of and can profit by vocational training.

163.030 State Board of Education authorized to carry out vocational education program. The State Board of Education is vested with the authority to carry out the purposes of the program of Vocational Education and the provisions of the Acts of Congress accepted by KRS 163.020, and is given all the necessary power and authority in administering Vocational Education and carrying out the provisions of the acts relating thereto.

163.036 Kentucky Industries for the Blind established; transfer of personnel, functions and assets of Workshop for the Blind.

(1) There is hereby established within the Bureau of Rehabilitation Services of the Department of Education the Kentucky Industries for the Blind which shall provide training and employment for adult blind persons.

(2) All personnel, functions, appropriations, assets, liabilities and property, both real and personal, of the Kentucky Workshop for the Blind are hereby transferred to the Kentucky Industries for the Blind.

163.040 Acceptance and expenditure of appropriations and other funds. The money appropriated by the General Assembly of the Commonwealth of Kentucky and by the Acts of Congress of the United States and any other available funds shall be accepted and expended in accordance with law, policies, and rules and regulations

of the State Board of Education and in accordance with Federal laws, rules and regulations.

163.050 Personnel; traveling expenses; rules and regulations.

(1) The Superintendent of Public Instruction shall have general supervision of all assistants, agents and employes. He shall appoint and set the salary of all division heads, assistants agents and employes, but the appointment and dismissal of all division heads and other professional staff members shall be with the approval of the State Board of Education.

(2) The division heads, assistants, agents and employes shall be reimbursed for necessary traveling expenses incurred in the performance of their official duties, and no part of the reimbursement shall be included in or accounted as a part of their salaries.

(3) The State Board of Education, on the recommendation of the Superintendent of Public Instruction, may make such rules and regulations as it deems necessary for the effective carrying out of the provisions of this chapter. The rules and regulations shall be published, and the State Board of Education, on the recommendation of the Superintendent of Public Instruction, may prepare and print such courses of study and make such reports as it deems necessary for the carrying out of the provisions of all Federal acts accepted by authority of KRS 163.020.

163.110 Declaration of intent for KRS 163.110 to 163.180. In enacting this legislation it is the intention of the General Assembly of Kentucky to provide for and improve the rehabilitation of the physically and mentally handicapped citizens of the Commonwealth of Kentucky in order that they may increase their social and economic well-being, and the productive capacity of the Commonwealth and Nation.

163.120 State Rehabilitation Agency. The Superintendent of Public Instruction is hereby authorized to establish within the Department of Education a State Rehabilitation Agency. This Agency shall have such powers and duties as contained in KRS 163.110 to 163.180 and such other functions as may be established by regulation of the State Board of Education.

163.130 Rehabilitation services, persons entitled to receive. Rehabilitation services shall be provided directly or through public or private instrumentalities to any handicapped individual (1) who is a citizen of the Commonwealth at the time of filing his application therefor, and whose rehabilitation the State Rehabilitation Agency determines after full investigation can be satisfactorily achieved, or (2) who is eligible therefor under the terms of an agreement with another state or with the federal government.

163.140 Authority of State Board of Education. The State Board of Education, upon recommendation of the Superintendent of Public Instruction, shall prescribe rules and regulations gov-

erning the services, personnel, and administration of the State Rehabilitation Agency; may enter into reciprocal agreements with other states to provide for the rehabilitation of residents of the states concerned; may establish and supervise the operation of vending stands operated by the blind, and vending stands and other small businesses established pursuant to KRS 163.110 to 163.180 to be conducted by severely handicapped persons.

163.150 Business enterprise program for the blind. The State Rehabilitation Agency in the Department of Education, with the approval of the Superintendent of Public Instruction and the State Board of Education, is authorized to establish a business enterprise program for the blind. In connection therewith, the State Rehabilitation Agency shall be authorized to own, lease, manage, supervise and operate vending stands and other business enterprises for the use or benefit of blind persons in federal, state, private and other buildings. The share of expenses of this program to be charged to each enterprise shall not exceed three percent of the gross receipts of such enterprise above the amount of one hundred and twenty-five dollars gross sales per week, the first one hundred and twenty-five dollars per week being exempt from any such fee.

163.160 Federal Acts relating to rehabilitation accepted. This State accepts and agrees to comply with all the provisions of the Acts of Congress of the United States approved June 2, 1920 (41 stat. 735) relating to Rehabilitation and all subsequent acts pertaining to Rehabilitation enacted prior to January 1, 1956. The Governor of the Commonwealth may, by executive order, accept such Acts of Congress enacted subsequent to January 1, 1956, as may be deemed desirable and necessary.

163.170 State Treasurer designated as custodian of fund; duties. The State Treasurer is hereby designated as the custodian of all funds. The State Treasurer shall make disbursements for rehabilitation purposes upon certification by the Superintendent of Public Instruction.

163.180 Gifts may be received. The Superintendent of Public Instruction is hereby authorized and empowered (with approval of the State Board of Education) to accept and use gifts made by will or otherwise for carrying out the purposes of KRS 163.110 to 163.180. Gifts made under such conditions as in the judgment of the Superintendent of Public Instruction are proper and consistent with the provisions of KRS 163.110 to 163.180 may be so accepted and shall be held, invested, reinvested, and used in accordance with the provisions of KRS 163.110 to 163.180.

CHAPTER XI

STATE UNIVERSITIES AND COLLEGES

| Amended KRS | New KRS | Repealed KRS | Proposed Amendment |
|-------------|---------|--------------|--|
| 164.020 | 164.025 | 164.040 | Paragraph Two of the Southern Regional Compact |
| 164.130 | 164.325 | 164.550 | |
| 164.320 | 164.505 | 164.555 | |
| 164.540 | | 164.560 | |
| | | 164.565 | |

164.020 Powers and duties of Council. The Council on Public Higher Education in Kentucky shall:

(1) Coordinate the work and determine the curricular offerings of the state institutions of higher learning in Kentucky, on the basis of efficiency and economy.

(2) Determine the amount of entrance fees and the qualifications for admission to each and such institutions.

(3) Consider the budgetary requirements of each of such institutions and, on the basis of the needs of the various institutions as indicated by the individual budgets submitted, recommend to the Department of Finance a budget covering the needs of the institutions.

(4) Require such reports from the executive officers of each of such institutions as it deems necessary for the effectual performance of its duties.

(5) Publish at least biennially a report of the educational and financial affairs of such institutions.

(6) Elect a secretary on the recommendation of the chairman. The Council shall elect such staff as may be necessary, limited to available appropriations, on recommendation of the chairman. The staff shall be employes of the Council; shall be responsible to the chairman as representative of the Council; and their salaries shall be determined in the same manner as other state employes.

164.025 Medical research and education program. The Council on Public Higher Education shall have authority to provide for a program of medical research and education in the Commonwealth. The program may be provided for by contract with any recognized and accredited school of medicine located within the Commonwealth of Kentucky. Such contract shall provide that the school of medicine shall admit to its course of instruction, up to such percentage of its full teaching capacity as may be fixed by contract, residents of the Commonwealth who make application to pursue the course of study of such school of medicine; provided, however, that such persons shall be certified to the Council as to status of residency by the Registrar of the University of Kentucky, and shall be eligible for admission to said school of medicine. The Council on Public Higher

Education shall pay to the school of medicine \$1,500 per school year for each such student enrolled. Such payments shall be additional to the annual tuition fees paid by each such student. The Council shall have authority to provide by contract that it pay the expense of specific medical research projects. The Council shall make an annual report of its medical research and education program after June 30 of each year, including an accounting of all moneys received and disbursed. The Council shall have no authority to incur any obligation in excess of the sums that have been appropriated to it.

164.130 Members of Board of Trustees of University; appointment; terms; vacancies. The government of the University of Kentucky is vested in a Board of Trustees consisting of the Governor, who shall be Chairman of the Board, the Superintendent of Public Instruction, the Commissioner of Agriculture, Labor and Statistics, and twelve competent citizens of Kentucky appointed by the Governor. The terms of appointed members shall be for four years and until their successors are appointed and qualify. Three of the twelve appointed members shall be appointed each year. Three of the appointed members shall be representative of agricultural interests, three shall be alumni of the University and six shall be other distinguished citizens of the state. The Governor shall so make the appointments as to divide the representation upon the Board, including the ex officio members, as nearly equally as possible between the two leading political parties of this state. Appointments to fill vacancies shall be made for the unexpired term in the same manner as provided for original appointments.

164.320 Members of Board of Regents; appointment; terms; vacancies; oath. (1) Beginning April 1, 1957, the Board of Regents for each of the state colleges shall consist of the Superintendent of Public Instruction, who shall be chairman of each Board, and six members appointed by the Governor. Each of the present members of the Board of Regents of each state college shall continue as a member of the Board until the expiration of the term for which he was appointed and qualified.

(2) The terms of each member, except the holdover members appointed under the provisions of this section shall begin on April 1, 1957, the Governor shall appoint two members to the Board of Regents for each of the four state colleges, except Kentucky State College, and shall appoint three members to the Board of Regents of Kentucky State College.

(3) One of the members of the Board of Regents of each state college, except Kentucky State College, shall be appointed for a term of two years, and one for a term of four years. As of April 1, 1957, the Governor shall appoint three members of the Board of Regents of Kentucky State College, one member for a term of two years, one member for a term of three years, one member for a term of four years.

(4) Thereafter, appointments for a term of four years shall be made by the Governor within thirty days after the expiration of the term of each member. If the Governor should fail to make any such appointment within thirty days after the expiration of the term of any member, the remaining members of the Board of Regents of the particular college, whose terms shall not have expired, shall make such appointment within sixty days after the expiration of such term.

(5) Not more than two appointed members of any Board shall be residents of one county; not more than three of the appointed members of any Board shall belong to the same political party. Membership on the Board shall not be incompatible with any other state office.

(6) Appointments to fill vacancies shall be made in the same manner and within the same time after the occurrence of the vacancy as regular appointments. The person appointed shall hold the position for the unexpired term only.

(7) Each appointed member of the Board shall at the first meeting following his appointment, take an oath to faithfully discharge his duties.

(8) Each member of the Board shall serve for the term for which he is appointed and until his successor is appointed and qualified.

164.325 KRS 63.080 (2) applicable to Board of Regents. Subsection two of Section 63.080 hereby is expressly made applicable to members of the Board of Regents of each of said colleges.

164.505 Persons whose father was killed while serving in armed forces or died as result of service connected disability not required to pay matriculation or tuition fees to state supported institutions of higher learning; conditions. (1) Any person whose father was a resident of the Commonwealth of Kentucky upon his entrance into military service and who was killed while serving in the armed forces of the United States during wars declared by Congress or actions of the United Nations or who died as a result of a service connected disability shall not be required to pay any matriculation or tuition fee upon his admission to any state supported institution of higher education.

(2) In order to obtain the benefits conferred by subsection (1), the applicant therefor must have resided in Kentucky for five years next preceding his application for admission, and the parent-child relationship must be shown by birth certificate, adoption papers or other documentary evidence. The father's service and the cause of death must be evidenced by certification of the Veteran's Administration, its successor or the Department of Defense of the United States. In event one so admitted to a state supported institution of higher education under the provisions of this section shall have obtained a cash scholarship paid or payable to such

institution, from whatever source, the amount of such scholarship shall be applied to the credit of such applicant in the payment of incidental expenses of his attendance at such institution, and any balance, if the terms of the scholarship permit, shall be returned to such applicant.

164.540 . Council on Public Higher Education designated agency of state for purposes of Regional Compact; restriction concerning Negroes. (1) The Council on Public Higher Education in Kentucky as defined in KRS 164.010 is hereby designated as the agency of the Commonwealth of Kentucky charged with the responsibility and vested with all necessary authority, subject to the conditions and restrictions set out in subsection (2) of this section, to carry out the obligations, participate in the planning and negotiations, and administer the rights, benefits and privileges, devolving upon the Commonwealth of Kentucky and its citizens pursuant to the regional compact referred to in KRS 164.530, and to do all such other acts and things as may be necessary or desirable to implement the provisions of said regional compact efficiently and impartially for the benefit of all citizens of the Commonwealth.

(2) In its participation in the regional compact, or in any other regional plan having a similar purpose, the Commonwealth of Kentucky shall not erect, acquire, develop or maintain in any manner any educational institution within its borders to which Negroes will not be admitted on an equal basis with other races, nor shall any Negro citizen of Kentucky be forced to attend any segregated regional institution to obtain instruction in a particular course of study if there is in operation within the Commonwealth at the time an institution that offers the same course of study to students of other races.

The Regional Compact

That part of paragraph two of the Southern Regional Education Compact which reads:

"The States do further hereby establish and create a joint agency which shall be known as the Board of Control for Southern Regional Education (hereinafter referred to as the "Board"), the members of which Board shall consist of the Governor of each state, **ex officio**, and three additional citizens of each State to be appointed by the Governor thereof, at least one of whom shall be selected from the field of education."

Shall be amended to read as follows:

"The States do further hereby establish and create a joint agency which shall be known as the Board of Control for Southern Regional Education (hereinafter referred to as the 'Board'), the members of which Board shall consist of the Governor of each State, **ex officio**, and four additional citizens of each State to be appointed by the Governor

thereof, at least one of whom shall be selected from the field of Education, and at least one of whom shall be a member of the Legislature of that State.”

Note: This amendment will take effect when eight or more of the states party to the Compact have given legislative approval to the amendment.

CHAPTER XII

CITY UNIVERSITIES AND COLLEGES

No change in this chapter.

CHAPTER XIII

NEGRO VOCATIONAL AND HIGHER EDUCATION

No change in this chapter.

CHAPTER XIV

EDUCATION OF THE DEAF, DUMB AND BLIND

Repealed KRS
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CHAPTER XV

EDUCATIONAL DECISIONS OF THE COURT OF APPEALS

(Beginning with Volume 268, Page 648, South Western Reporter, Second Series, and Including Volume 290, Page 491)

Volume 268

Board of Education of Pike County et al. v. Justice, 268 S. W. 2d 648, May 21, 1954. The Court of Appeals held that plaintiff who, after having had one year's service, was given successive one-year contracts, in violation of statute providing that, in such conditions, minimum contracts shall be for two years, would be deemed to have held a two-year contract, and, for the second year of the two-year term was entitled to compensation at the contract rate, but for subsequent years was entitled only to the compensation provided by the new contract.

Where school principal, who held under two-year contract, was transferred, after expiration of one year of contract term, to a position affording less compensation, he was entitled for the remainder of his contract term to the compensation attached to the former position, but for subsequent years was entitled only to compensation due in new position.

Adams v. Commonwealth ex rel. Buckman, Atty. Gen., 268 S. W. 2d 930, May 7, 1954. Where county school board member was appointed as county election commissioner, presented his appointment to county court clerk, executed bond, and performed certain duties as such commissioner, he had "accepted" office as county election commissioner though he had never taken oath.

Offices of county school board member and county election commissioner were incompatible, and county school board member's acceptance of office as county election commissioner constituted vacation of his membership on school board.

Volume 269

Board of Education of Caldwell County v. Lewis. Board of Education of City of Princeton v. Lewis, 269 S. W. 2d 193, June 4, 1954. Where sheriff withheld from school tax collections an amount which he felt compensated him for collection, but school boards obtained determination that a lesser amount was reasonable

and obtained judgment for the balance, sheriff would be charged with interest on the difference from the settlement date.

Sheriff was entitled, as compensation for cost of collecting school taxes, only to a share of the cost of collecting all taxes in proportion which school tax proceeds bore to total tax proceeds.

Pulaski County Board of Education v. Jasper's Adm'r., 269 S. W. 2d 247, June 11, 1954. Where total school taxes amounted to \$192,740.68, allowance to sheriff of \$4,693.54 as collection expense, representing that share of total tax collection expense in proportion that proceeds of school tax collections bore to proceeds of total tax collections, was proper.

Patterson et al. v. Board of Education of LaRue County School District, 269 S. W. 2d 739, June 25, 1954. In declaratory judgment action to test validity and obtain judicial approval of a proposed issue of funding bonds by a board of education, evidence sustained finding that the board had had a due and conservative regard for the finances of the district during the time in which the indebtedness was created.

Volume 271

Arliss Taylor et al. v. G. R. Hampton et al., 271 S. W. 2d 887, October 8, 1954. Under section of Teachers' Tenure Act providing for employment of teachers for first four years under limited contracts of one year each, followed by one additional limited contract of not more than two years, after which only continuing service contract could be used as basis of employment, tenure of teachers with seven years consecutive service extended beyond time that board had any authority to enter into limited contract, and that when after such time had elapsed, new contract was entered into, such new contract could only be continuing one.

Volume 273

Eric C. Pelfrey, Individually, etc., v. Board of Education of Jackson Independent School District et al., 273 S. W. 2d 353, December 3, 1954. We are of the opinion that reasonable notice of the election in question, within the meaning of the statute, was given to the voters and that they had ample opportunity to inform themselves on the question voted on. However, we would like to point out that, while the election received sufficient notoriety in this case despite the failure of the school board to give it proper publicity, the safer practice would be to comply with the orders of the fiscal court.

H. B. Rainer, etc., v. Board of Education of Prestonsburg Independent School District of Floyd County, Kentucky, et al., 273 S. W. 2d 577, December 10, 1954. Under statute permitting the levying of a special school building tax to raise funds for construction of a new school building, county school board would have authority, following merger of county school district with independent school district, which had approved a special school building tax for raising funds to erect an auditorium, to continue special levy within area formerly embraced by independent district, but proceeds of tax would have to be devoted to school facilities that could be used by people of independent school district.

Volume 275

Dave L. Craft, v. William B. Hall, Individually, et al., 275 S. W. 2d 410, March 4, 1955. Where county board of education had a meeting with four qualified members present, which constituted a quorum, and where only two members voted for plaintiff for county superintendent of schools with two abstaining, plaintiff's failure to receive a majority vote of qualified members present invalidated his alleged election.

W. W. McClain, Sheriff of Spencer County v. Board of Education of Spencer County, 275 S. W. 2d 795, February 18, 1955. The time spent and actual expense of collecting taxes by sheriff and not the per cent of collecting is basis for his fee.

Volume 279

Pike County Board of Education et al., v. Elzie Ford et al., 279 S. W. 2d 245, May 13, 1955. School board is vested with authority to select public school sites, subject only to limitation that it cannot act arbitrarily or beyond pale of sound discretion.

The court overruled the for objections of appellee, namely: (1) a resolution authorizing condemnations had not been passed by the board; (2) the board had not made a bona fide offer for the land; (3) the commissioners appointed by the county court were not qualified; and (4) the Superintendent of Public Instruction had not approved the site.

The court indicated its opinion should not be construed as preventing an appeal by the appellees on the question of the adequacy of the award.

Volume 280

Board of Education of Jefferson County v. James E. Tierney, 280 S. W. 2d 201, June 3, 1955. Under constitutional provision

that any sum produced for common school purposes shall be appropriated to no other purpose, school fund was entitled to surplus in county livestock fund, notwithstanding repeal of surplus to county school fund.

Hopson v. Board of Education of Louisville, 280 S. W. 2d 489, June 24, 1955. KRS 157.440 does not require the board of education, in its proposal to the voters of whether or not an additional tax should be levied, to fix a specific rate of tax, a minimum rate or a limited number of years for which the additional tax might be levied. It is only necessary to state a maximum rate in said proposal since the last phrase of the statute provides that the tax levying authority shall levy the rate requested by the board not to exceed the rate authorized by the voters.

Volume 281

Board of Education of Lawrence County v. Workman, 281 S. W. 2d 3, July 29, 1955. The school fund is chargeable only with the reasonable expenses actually incurred in collecting school taxes, and such expenses must actually be proved.

Where it was determined that sheriff had withheld an excessive amount from school taxes as compensation for collection, county board of education was entitled to recover such amount, with interest at six per cent from date of sheriff's last payment to board.

Volume 282

Howell v. Collier, 282 S. W. 2d 327, June 17, 1955. KRS 160.045 requires that territory designated as a separate unit in annexation proceedings be treated as an indivisible unit for purpose of incorporation into city school district. The purpose of this statute is to encourage the making of the city school district boundary coextensive with those of the city.

Casey County Board of Education v. Luster, 282 S. W. 2d 333, September 23, 1955. The rule promulgated by the principal of public school and which prohibited children from entering and patronizing cafe, which was adjacent to the school grounds, during school hours was not unreasonable or arbitrary, but appeared to be for common good of all children attending school.

Volume 284

Felty et al. v. Gay et al., 284 S. W. 2d 81, November 11, 1955. In action of taxpayers to recover a fee paid to the sheriff for

collecting school taxes for four fiscal years, the evidence was sufficient to sustain the trial court's findings that the fees were not improper for the first three years, but too high for the fourth year, and that the sheriff should be allowed value of the mother-in-law's, wife's, and brother's services as expenses for tax collecting, even though the sheriff was not actually paying them in money.

Commonwealth of Kentucky v. H. C. Mason et al., 284 S. W. 2d 825, December 9, 1955. Held that the statute providing that any office shall be deemed vacant if a member fails to attend three consecutive regular meetings without excuse contemplates a type of inaction revealing an intent to abandon the duties of the office and that evidence failed to sustain the implied finding of the trial court that the members whose offices were declared vacant by the board had failed to attend three consecutive regular meetings.

Office of county school board member is vacated automatically upon his becoming a candidate for nomination or election to any civil or political office.

Volume 285

Hazard Board of Education v. Persinger Supply Company, 285 S. W. 2d 494, April 29, 1955. Where supply company obtained judgment on claim against plumbing subcontractor and another supplier did not timely assert lien on claim against plumbing subcontractor for materials furnished subcontractor and used in school building, board of education which had withheld money on contract of building contractors, who appeared in litigation as stakeholders, was properly directed to pay to supply company the balance to which supply company was entitled on such judgment.

Volume 289

Wells v. Board of Education of Mercer County, 289 S. W. 2d 492, February 10, 1956. In taxpayer's action to enjoin board of education from closing an elementary school and assigning pupils to different schools, evidence supported finding that action of board was not an abuse of administrative discretion.

Volume 290

H. H. Holcomb et al. v. Jasper Mayes et al., 290 S. W. 2d 468, May 11, 1956. Statute providing for appeal to county court from an action of a board of education in making a change in division line, and for appeal from county court to circuit court, does not authorize a further appeal, nor could appeal be maintained

under statute vesting civil jurisdiction in Court of Appeals cases where amount in controversy exceeds \$200.

Gene Sims v. Board of Education of Jefferson County, Ky., a Corporation, et al., 290 S. W. 2d 491, May 11, 1956. Bill authorizing board of education in any county containing a city of the first class to impose occupational license fees on earnings of individuals and profits of business is not violative of the Constitution requiring sums produced by taxation for school education to be used for no other purpose on the ground that the act calls for an election before the tax can be imposed and provides that the expenses thereof shall be met out of school funds.

NOTE: The following decision is an interpretation of KRS 214.040, 214.050, 214.060 and 214.990, involving health, which were included in this compilation.

Mosier v. Barren County Board of Health; Stuart v. Barren County Board of Health, 308 Ky. 829, 215 S. W. 2d 967, December 17, 1948. Under statutes, school board can promulgate and enforce its own rules requiring compulsory vaccination of school children or can enforce, in its own right, such a rule promulgated by either county or State Board of Health.