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LEGISLATIVE RESEARCH COMMISSION
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MEMORANDUM

TO: Lisa Swiger
Finance and Administration Cabinet

FROM: Emily Caudill, Regulations Compiler

RE: Acknowledgement of Proposed Administrative Regulations and/or Amendments:
200 KAR 6:015

DATE: July 23, 2019

A copy of the administrative regulation listed above is enclosed for your files. The administrative regulation is **tentatively** scheduled for review by the Administrative Regulation Review Subcommittee at its **November 2019**, meeting. We will notify you of the date and time of this meeting when it has been scheduled.

Pursuant to KRS 13A.280, ***if*** a public hearing is held or you receive written comments on the ordinary administrative regulation, the Statement of Consideration for the ordinary administrative regulation is due **by noon** on **November 15, 2019**. Please reference KRS 13A.270 and 13A.280 for other requirements relating to public hearings and the Statement of Consideration.

If you have any questions, please do not hesitate to contact me at (502) 564-8100.

Enclosures

FILED WITH LRC
TIME: 1 pm
JUL 23 2019
Emily B Caudill
REGULATIONS COMPILER

1 FINANCE AND ADMINISTRATION CABINET

2 Office of the Secretary

3 (Amendment)

4 200 KAR 6:015. Real property inventories.

5 RELATES TO: KRS 45A.045(5)

6 STATUTORY AUTHORITY: KRS 45A.045

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 45A.045 authorizes the Finance and
8 Administration Cabinet to promulgate administrative regulations as necessary to serve as the
9 central procurement and contracting agency for the Commonwealth. KRS 45A.045(5) authorizes
10 the cabinet to promulgate an administrative regulation for the sale, transfer, or disposal of state
11 property. This administrative regulation provides for taking of inventories of real property and
12 buildings and the filing of inventories with the Division of Real Properties, Finance and
13 Administration Cabinet. [~~These amendments make several revisions to clarify the inventory~~
14 ~~reporting requirements of state-owned land and buildings by state agencies.~~]

15 Section 1. The Division of Real Properties of the Finance and Administration Cabinet shall be
16 responsible for maintenance of inventory records for all state-owned land and buildings.

17 Section 2. The inventory shall be supplied to the Division of Real Properties by each agency.
18 The report will be as of June 30th and received by the Division of Real Properties no later than
19 September 30th. All inventory records shall be kept current.

20 Section 3. Forms for reporting the inventory of both land and buildings shall be supplied by
21 the Division of Real Properties.

(1) Land: each installation shall require a separate inventory report Form B 117-6/FTR-10.[~~B 117-6.~~] For purposes of inventory reporting, an installation shall be state-owned land that completely encloses a definable area of land that is administered by a single state agency. If a tract of land is completely separated by privately owned land, then each tract of land shall be reported by the agency as a separate installation. Contiguous tracts of state-owned land administered by different state agencies shall be reported by these agencies as separate installations.

(2) Buildings.

(a) Each individual building valued at more than $5,000 shall be reported on a separate inventory report Form B 117-6/FTR-10.[~~B 117-6.~~]

(b) If acquisition costs are not known for the land or buildings, the current appraisal price as established by the Department of Insurance shall be used for the cost.

Section 4. Periodic inspections may[~~shall~~] be made by the Division of Real Properties to determine ac-curacy of reports. When changes in the state agency's inventory become necessary because of sales, purchases, demolitions, and modifications to the state-owned buildings, the state agency shall adjust their inventory records accordingly and shall provide a copy of the adjusted inventory record to the Division of Real Properties on Form B 117-6/FTR-10.[~~B 117-6.~~]

200 KAR 6:015

APPROVED BY THE AGENCY:

William M. Landrum III

WILLIAM M. LANDRUM III, SECRETARY
Finance and Administration Cabinet

17 July 2019
DATE APPROVED

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on October 24, 2019, at 10:00 a.m. in Room 382 of the Capitol Annex Building, 701 Capital Avenue, Frankfort, KY, 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through October 31, 2019. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Scott Aubrey, Division Director, Finance and Administration Cabinet, Department of Facilities and Support Services, 403 Wapping Street, Frankfort, KY 40601. (502)564-8108 (fax), (502) 564-2014 (telephone), Scott.Aubrey@ky.gov(email).

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation Number: 200 KAR 6:015

Contact Person: Scott Aubrey
Phone Number: (502)564-2014
Email: Scott.Aubrey@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This regulation updates 200 KAR 6:015 with the new form number and contact information to be used when filing an inventory report for state property.

(b) The necessity of this administrative regulation: This regulation is necessary to provide state agencies with the most up to date information for filing inventory reports.

(c) How this administrative regulation conforms to the content of the authorizing statutes: By providing the necessary instruction for the sale, trade, or disposal of state property.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: It will assist agencies looking to this administrative regulation for the most up to date guidance.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: See (1)(a).

(b) The necessity of the amendment to this administrative regulation: See (1)(b).

(c) How the amendment conforms to the content of the authorizing statutes: See (1)(c).

(d) How the amendment will assist in the effective administration of the statues: See (1)(d).

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This change will affect all state agencies that oversee and maintain property on behalf of the Commonwealth.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including: The impact to the agencies is minimal. The agencies will fill out one form that is used by Real Properties for inventory purposes and State Risk for insurance purposes instead of two forms with a lot of the same information required on both.

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: None, other than using the updated form.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): No new costs associated with this amendment.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Staff time in completing only one form instead of two in order to update the Commonwealth's real property inventory and provide insurance for any new real property asset.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: None.

(b) On a continuing basis: None.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Current agency funding.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change, if it is an amendment: No

increase in fees or change in funding will be needed to implement this change.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish or increase any fees.

(9) TIERING: Is tiering applied? Tiering is not applied, as all parties impacted by this administrative regulation will be treated the same.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 200 KAR 6:015

Contact Person: Scott Aubrey
Phone Number: (502)564-2014
Email: Scott.Aubrey@ky.gov

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The facilities offices of state agencies that oversee and maintain Commonwealth owned property.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS Chapters 45A.045

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? There will be no revenue generated for the state or local government in the first year.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None.

(c) How much will it cost to administer this program for the first year? None.

(d) How much will it cost to administer this program for subsequent years? None.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):
Expenditures (+/-):
Other Explanation: