

1 AN ACT relating to executive branch ethics and declaring an emergency.

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

3 ➔Section 1. KRS 230.230 is amended to read as follows:

4 (1) The Governor shall appoint an executive director who shall serve at the pleasure of
5 the Governor. The Governor shall set the qualifications and salary for the position
6 of executive director pursuant to KRS 64.640. The executive director shall possess
7 the powers and perform the duties imposed upon him by the Governor, and other
8 duties as the racing commission may direct or prescribe. The executive director
9 shall:

- 10 (a) Be responsible for the day-to-day operations of the racing commission;
11 (b) Set up appropriate organizational structures and personnel policies for
12 approval by the racing commission;
13 (c) Appoint all staff;
14 (d) Prepare annual reports of the racing commission's program of work;
15 (e) Carry out policy and program directives of the racing commission;
16 (f) Prepare and submit to the racing commission for its approval the proposed
17 biennial budget of the racing commission; and
18 (g) Perform all other duties and responsibilities assigned by law.

19 The executive director shall cause to be kept a full record of all proceedings before
20 the racing commission and shall preserve at its general office all books, maps,
21 records, documents, licenses, and other papers of the racing commission. All
22 records of the racing commission shall be open to inspection by the public during
23 regular office hours. With approval of the racing commission, the executive director
24 may enter into agreements with any state agency or political subdivision of the state,
25 any postsecondary education institution, or any other person or entity to enlist
26 assistance to implement the duties and responsibilities of the racing commission.

27 (2) The executive director of the racing commission may employ, dismiss, or take other

1 personnel action concerning an assistant executive director, stenographers, clerks,
2 and other personnel as he or she may deem necessary to efficiently operate the
3 racing commission's general office or any branch thereof. The executive director of
4 the racing commission shall fix the compensation of all employees. Any member of
5 the racing commission or any employee referred to in this section shall be
6 reimbursed for expenses paid or incurred in the discharge of official business when
7 approved by the executive director of the racing commission. The compensation of
8 the employees referred to in this section, except for the executive director, together
9 with reimbursement of expenses incurred by employees, a member of the racing
10 commission, or the executive director, shall be paid from racing commission funds.

11 **(3) Members appointed to the commission pursuant to KRS 230.225 shall be subject**
12 **to the following requirements:**

13 **(a) No member of the commission, through a business in which the member**
14 **owns or controls an interest of more than five percent (5%), or by any other**
15 **person for the member's use or benefit or on the member's account, shall**
16 **undertake, execute, hold, or enjoy, in whole or in part, any contract,**
17 **agreement, lease, sale, or purchase entered into, awarded, or granted by the**
18 **commission. This prohibition shall not apply to purchases that are available**
19 **on the same terms to the general public or which are made at public**
20 **auction;**

21 **(b) A member of the commission shall disclose to the other members of the**
22 **commission any direct or indirect interest in any undertaking that puts the**
23 **member's personal interest in conflict with that of the commission. This**
24 **disclosure shall be made in writing or shall be recorded in the minutes of a**
25 **formal meeting. A member who is required to publicly disclose a direct or**
26 **indirect interest shall abstain from all decisions concerning his or her**
27 **interest if the decision may affect him or her as a member of a business,**

1 profession, occupation, or group in a manner different from other members
2 of the business, profession, occupation, or group; and
3 (c) A member of the commission shall be subject to the gift rules for executive
4 branch public servants under KRS Chapter 11A.

5 ➔Section 2. Whereas, the importance of the horse racing industry in Kentucky
6 and its effect on the state's economy mandate that the public have complete confidence in
7 the dealings of the Kentucky Horse Racing Commission, an emergency is declared to
8 exist, and this Act takes effect upon its passage and approval by the Governor or upon its
9 otherwise becoming a law.