

2015 Kentucky Senate Bill No. 153, Kentucky 2015 Regular Session

KENTUCKY BILL TEXT

TITLE: AN ACT relating to motor carriers.

VERSION: Adopted

March 19, 2015

E. Harris

SUMMARY: AN ACT relating to motor carriers. Omnibus revision of the motor carrier statutes, KRS Chapter 281; repeal and reenact KRS 281.010 to consolidate various definition sections and set forth definitions for the chapter; amend KRS 281.590, regarding legislative intent, to eliminate references to competitive practices; amend KRS 281.600 to clarify references to federal laws; amend KRS 281.602 to give the Department of Vehicle Regulation the authority to file liens against motor carriers for fees administered under the chapter; amend KRS 281.605 and 281.610 to eliminate references to certificates of convenience and necessity and to hearings on certificates of convenience and necessity; amend KRS 281.6185 to clarify provisions and eliminate outdated grandfather language; repeal and reenact KRS 281.624 to enumerate the regulatory powers of the cabinet in relation to household goods carriers; amend KRS 281.626 to eliminate hearings for the issuance of U-Drive-It certificates; repeal and reenact KRS 281.630 to require motor carriers to obtain a certificate from the department prior to operation; establish that a certificate is to be granted to any applicant who conforms to the requirements of KRS Chapter 281; identify different certificates issued by the department; set forth application requirements and fees; require criminal background checks for certain officers and employees and establish disqualifying offenses; establish renewal procedures and fees; establish requirements for rate and time schedules; establish procedures for transfer of certificates; establish authority for hearing and penalties; grant the department the authority to promulgate administrative regulations to carry out the section; amend KRS 281.6301 to establish criminal background check requirements for passenger vehicle and household goods certificate holders; repeal and reenact KRS 281.631 to establish requirements for motor carrier vehicle licenses; establish initial application and renewal procedures and fees; allow cities and counties to impose annual license fees not to exceed \$30 per vehicle on taxicabs, limousines, transportation network company vehicles, and disabled persons vehicles; exempt nonresident motor carriers from fees under KRS Chapter 281 if reciprocal provisions are granted Kentucky carriers by the nonresident carrier's home state; grant the department the authority to promulgate administrative regulations to carry out the section; amend KRS 281.635 to eliminate finding of convenience and necessity for bus franchises; clarify references to concurrent authority of cities and the state over buses, taxicabs, limousines, disabled persons vehicles, and their drivers; amend KRS 281.640 to establish procedures for hearings involving certificate holders; amend KRS 281.655 to increase insurance requirements for motor carriers; amend KRS 281.656 to clarify provisions for the suspension of a certificate upon cancellation of insurance or bond; amend KRS 281.720 to require motor carrier vehicles to display a motor carrier license plate; amend KRS 281.728 to include limousines and disabled persons vehicles among the types of certificate holders that cannot advertise for a service not authorized by its certificate; amend KRS 281.730 to clarify rules on hours of operation; amend KRS 281.830 to prohibit local governments from imposing taxes or fees on commercial motor vehicle on property carrier operating under interstate commerce or under the United Carrier Registration System; amend 281.883 to require the cabinet to establish by regulation procedures for the administrative citation, assessment and appeal of penalties under KRS 281.990; amend KRS 281.990 to reduce the minimum fine for operating a motor carrier without a valid certificate or in violation of a certificate from \$2,000 to \$500; amend KRS 186.050 to set registration fees for motor carrier vehicles carrying up to 15 passengers at \$11.50 and the fee for motor carrier vehicles carrying more than 15 passengers at \$100; create a new section of KRS Chapter 189 to authorize the Transportation Cabinet to join compacts with other states regarding overdimensional permits; amend KRS 281.687, 281.735, 281.745, 281.752, 281.760, 281.775, 281.802, 281.820, 281.835, 281.838, 281.873, 96A.010, 96A.020, 138.446, 138.463, 186.164, 186.240, 186.991, and 381.770 to conform; repeal KRS 186.052, 186.281, 186.286, 281.011, 281.012, 281.013, 281.014, 281.015, 281.604, 281.607, 281.612, 281.615, 281.618, 281.619, 281.620, 281.625, 281.6251, 281.632, 281.633, 281.637, 281.641, 281.645, 281.650, 281.660, 281.6602, 281.670, 281.675, 281.680, 281.685, 281.690, 281.695, 281.700, 281.710, 281.780, 281.801, 281.804, 281.806, 281.850, 281.860,

281.910, 281.912, and 281.914; clarify that any existing certificate or permit in effect on the effective date of the Act shall remain valid until its expiration and that prior to expiration, the certificate holder must make initial application for a certificate under the provisions of the Act.

TEXT:

AN ACT relating to motor carriers.

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

SECTION 1. [KRS 281.010](#) IS REPEALED AND REENACTED TO READ AS FOLLOWS:

As used in this chapter:

- (1) “Automobile utility trailer” means any trailer or semitrailer designed for use with and towed behind a passenger motor vehicle;**
- (2) “Automobile utility trailer certificate” means a certificate authorizing a person to engage in the business of automobile utility trailer lessor;**
- (3) “Automobile utility trailer lessor” means any person operating under an automobile utility trailer certificate who is engaged in the business of leasing or renting automobile utility trailers, but shall not include the agents of such persons;**
- (4) “Broker” means a person selected by the cabinet through a request for proposal process to coordinate human service transportation delivery within a specific delivery area. A broker may also provide transportation services within the specific delivery area for which the broker is under contract with the cabinet;**
- (5) “Bus” means a motor vehicle operating under a bus certificate transporting passengers for hire between points over regular routes;**
- (6) “Bus certificate” means a certificate granting authority for the operation of one (1) or more buses;**
- (7) “Cabinet” means the Kentucky Transportation Cabinet;**
- (8) “Certificate” means a certificate of compliance issued under this chapter to motor carriers;**
- (9) “Charter bus” means a motor vehicle operating under a charter bus certificate providing for-hire intrastate transportation of a group of persons who pursuant to a common purpose, under a single contract, at a fixed charge for the motor vehicle, have acquired the exclusive use of the motor vehicle to travel together under an itinerary either specified in advance or modified after having left the place of origin;**
- (10) “Charter bus certificate” means a certificate granting authority for the operation of one (1) or more charter buses;**
- (11) “Commissioner” means the commissioner of the Department of Vehicle Regulation;**
- (12) “CTAC” means the Coordinated Transportation Advisory Committee created in KRS 281.870;**
- (13) “Department” means the Department of Vehicle Regulation;**
- (14) “Delivery area” means one (1) or more regions established by the cabinet in administrative regulations promulgated under KRS Chapter 13A for the purpose of providing human service transportation delivery in that region;**

(15) “Disabled persons vehicle carrier” means a motor carrier for hire, transporting passengers including the general public who require transportation in disabled persons vehicles;

(16) “Disabled persons vehicle” means a motor vehicle operating under a disabled persons vehicle certificate especially equipped for the transportation of passengers with disabilities in accordance with 49 C.F.R. Part 38, and is designed or constructed with not more than fifteen (15) regular seats. It shall not mean an ambulance as defined in KRS 311A.010. It shall not mean a motor vehicle equipped with a stretcher;

(17) “Disabled persons vehicle certificate” means a certificate granting authority for the operation of one (1) or more disabled persons vehicles transporting passengers for hire;

(18) “Driveaway” means the transporting and delivering of motor vehicles, except semitrailers and trailers, whether destined to be used in either a private or for-hire capacity, under their own power or by means of a full mount method, saddle mount method, the tow bar method, or any combination of them over the highways of this state from any point of origin to any point of destination for hire. “Driveaway” does not include the transportation of such vehicles by the full mount method on trailers or semitrailers;

(19) “Driveaway certificate” means a certificate granting authority for the operation of one (1) or more motor carrier vehicles operating as a driveaway;

(20) “Driver” means the person physically operating the motor vehicle;

(21) “Highway” means all public roads, highways, streets, and ways in this state, whether within a municipality or outside of a municipality;

(22) “Household goods” has the same meaning as in 49 C.F.R. sec. 375.103;

(23) “Household goods carrier” has the same meaning as “household goods motor carrier” in 49 C.F.R. sec. 375.103;

(24) “Household goods certificate” means a certificate granting authority for the operation of one (1) or more household goods vehicles;

(25) “Human service transportation delivery” means the provision of transportation services to any person that is an eligible recipient in one (1) of the following state programs:

(a) Nonemergency medical transportation under KRS Chapter 205;

(b) Mental health, intellectual disabilities, or comprehensive care under KRS Chapter 202A, 202B, 210, or 645;

(c) Work programs for public assistance recipients under KRS Chapter 205;

(d) Adult services under KRS Chapter 205, 209, 216, or 273;

(e) Vocational rehabilitation under KRS Chapter 151B or 157; or

(f) Blind industries or rehabilitation under KRS Chapter 151B or 163;

(26) “Interstate commerce” has the same meaning as in 49 C.F.R. sec. 390.5;

(27) “Intrastate commerce” has the same meaning as in 49 C.F.R. sec. 390.5;

(28) “Limousine” means a motor vehicle operating under a limousine certificate that is designed or constructed with not more than fifteen (15) regular seats;

(29) “Limousine certificate” means a certificate granting authority for the operation of one (1) or more limousines transporting passengers for hire;

(30) “Mobile application” means an application or a computer program designed to run on a smart phone, tablet computer, or other mobile device that is used by a TNC to connect drivers with potential passengers;

(31) “Motor carrier” means any person in either a private or for-hire capacity who owns, controls, operates, manages, or leases, except persons leasing to authorized motor carriers, any motor vehicle for the transportation of passengers or property upon any highway, and any person who engages in the business of automobile utility trailer lessor, driveaway, or U-Drive-It;

(32) “Motor carrier vehicle” means a motor vehicle used by a motor carrier to transport passengers or property;

(33) “Motor carrier vehicle license” means a license issued by the department for a motor carrier vehicle authorized to operate under a certificate;

(34) “Motor carrier license plate” means a license plate issued by the department to a motor carrier authorized to operate under a certificate other than a household goods, property, TNC, or U-Drive-It certificate;

(35) “Motor vehicle” means any motor-propelled vehicle used for the transportation of passengers or property on a public highway, including any such vehicle operated as a unit in combination with other vehicles;

(36) “Passenger” means an individual or group of people;

(37) “Permit” means a temporary permit of compliance issued under this chapter for a specified period not to exceed ten (10) days, and for a specific vehicle, to any motor carrier, including one who is a nonresident of the Commonwealth, who operates a motor vehicle and is not entitled to an exemption from the payment of fees imposed under Section 38 of this Act because of the terms of a reciprocal agreement between the Commonwealth and the state in which the vehicle is licensed;

(38) “Person” means any individual, firm, partnership, corporation, company, association, or joint stock association, and includes any trustee, assignee, or personal representative thereof;

(39) “Prearranged ride” means the period of time that begins when a transportation network company driver accepts a requested ride through a digital network or mobile application, continues while the driver transports the rider in a personal vehicle, and ends when the transportation network company services end;

(40) “Pre-trip acceptance liability policy” means the transportation network company liability insurance coverage for incidents involving the driver for a period of time when a driver is logged into a transportation network company’s digital network or mobile application but is not engaged in a prearranged ride;

(41) “Property” means general or specific commodities, including hazardous and nonhazardous materials;

(42) “Property certificate” means a certificate granting authority for the transportation of property, other than household goods, not exempt under Section 5 of this Act;

(43) “Regular route” means the scheduled transportation of passengers between designated points over designated routes under time schedules that provide a regularity of services;

(44) “Regular seat” means a seat ordinarily and customarily used by one (1) passenger and, in determining such seating capacity, the manufacturer’s rating may be considered;

(45) “Street hail” means a request for service made by a potential passenger using hand gestures or verbal statement;

(46) “Subcontractor” means a person who has signed a contract with a broker to provide human service transportation delivery within a specific delivery area and who meets human service transportation delivery requirements, including proper operating authority;

(47) “Tariff” means the listing of compensation received by a motor carrier for household goods that includes the manner in which and the amount of fares an authorized motor carrier may charge;

(48) “Taxicab” means a motor vehicle operating under a taxicab certificate that is designed or constructed with not more than eight (8) regular seats and may be equipped with a taximeter;

(49) “Taxicab certificate” means a certificate granting authority for the operation of one (1) or more taxicabs transporting passengers for hire;

(50) “Taximeter” means an instrument or device approved by the department that automatically calculates and plainly indicates the charge to a passenger for hire who is being charged on the basis of mileage;

(51) “Transportation network company” or “TNC” means a person or entity that connects passengers through its digital network or mobile application to its drivers for the provision of transportation network company services;

(52) “Transportation network company certificate” or “TNC certificate” means a certificate granting the authority for the operation of one (1) or more transportation network company vehicles transporting passengers for hire;

(53) “Transportation network company driver” or “TNC driver” means an individual who operates a motor vehicle that is owned or leased by the individual, or a motor vehicle for which the driver is an insured driver and has the permission of the owner or lessee of the motor vehicle, and used to provide transportation network company services;

(54) “Transportation network company service” or “TNC service” means a prearranged passenger transportation service offered or provided through the use of a transportation network company mobile application or digital network to connect potential passengers with transportation network company drivers;

(55) “Transportation network company vehicle” or “TNC vehicle” means a privately owned or leased motor vehicle, designed or constructed with not more than eight (8) regular seats, operating under a transportation network company certificate;

(56) “U-Drive-It” means any person operating under a U-Drive-It certificate who leases or rents a motor vehicle for consideration to be used for the transportation of persons or property, but for which no driver is furnished, and the use of which motor vehicle is not for the transportation of persons or property for hire by the lessee or rentee; and

(57) “U-Drive-It certificate” means a certificate granting authority for the operation of one (1) or more U-Drive-Its.

Section 2. [KRS 281.590](#) is amended to read as follows:

It is hereby declared to be the public policy of this Commonwealth:

(1) To provide for fair and impartial regulation of all transportation subject to the provisions of this chapter, so administered as to recognize and preserve the inherent advantages of each type of motor transportation; to promote safe, adequate, economical and efficient service and foster sound economic conditions in transportation and among the several carriers;

(2) To encourage the establishment and maintenance of reasonable charges for such transportation service, without unjust discriminations, or undue preferences or advantages, or unfair or destructive competitive practices; and

(3) To cooperate with the several states and the duly authorized officials thereof, all to the end of developing, coordinating and preserving a state transportation system by motor vehicles as defined in this chapter adequate to meet the needs of this

Commonwealth. All of the provisions of this chapter shall be administered and enforced with the view to carry out the ~~above~~ declaration of policy **in this section**.

Section 3. [KRS 281.600](#) is amended to read as follows:

(1) The Department of Vehicle Regulation shall exercise all administrative functions of the state in relation to motor carrier transportation as defined in this chapter, and shall apply, as far as practicable, the administrative and judicial interpretations of **acts administered by the Federal Motor Carrier Safety Administration and other federal agencies under the United States Department of Transportation**~~the Federal Motor Carrier Act~~. It shall have the right to regulate motor carriers as provided in this chapter and, to that end, may establish reasonable requirements with respect to continuous and adequate service of transportation, systems of accounts, records and reports, preservation of records, and safety of operation and equipment. It may issue subpoenas, subpoenas duces tecum and orders of personal attendance of witnesses, and production of pertinent records for any proceeding before it, and permit the taking of depositions, all in accord with the Rules of Civil Procedure, and it shall have the power to promulgate administrative regulations as it may deem necessary to carry out the provisions of this chapter. The department shall have the authority to promulgate regulations regarding safety requirements for motor vehicles and the method of operation, including the adoption of any of the federal motor carrier safety regulations and any motor vehicle operating contrary to safety regulations shall be in violation of this section.

(2) The provisions established by the Federal Highway Administration in Title 49, Part 393 of the United States Code of Federal Regulations shall not apply to:

(a) A motor vehicle or its towed unit having a fertilizer spreader attachment permanently mounted thereon, having a gross weight not to exceed thirty-six thousand (36,000) pounds, and used only for the transportation of bulk fertilizer; or

(b) A farm-wagon-type tank trailer of not more than two thousand (2,000) gallon capacity used during liquid fertilizer season as a field storage tank supplying fertilizer to a field applicator, and moved on a public highway for the purpose of bringing fertilizer from a local source of supply to a farm or field, or from one (1) farm or field to another, provided that the vehicle is being operated solely in intrastate transportation.

(3) The provisions established by the Federal Highway Administration in 49 C.F.R. sec. 390.21 and 49 C.F.R. pts. 391, 393, 395, and 396 shall not apply to a motor vehicle registered under KRS 186.050(4)(a)1., or its towed unit, if:

(a) The vehicle is not engaged in interstate commerce;

(b) The vehicle is engaged in farming or agricultural related activities; and

(c) The gross vehicle weight, gross vehicle weight rating, gross vehicle combination weight, or gross vehicle combination weight rating of the vehicle and its towed unit is twenty-six thousand (26,000) pounds or less.

(4) The provisions established by the Federal Highway Administration in 49 C.F.R. secs. 391.41 to 391.49 and 49 C.F.R. pt. 395 shall not apply to a motor vehicle registered under KRS 186.050(3)(b), or its towed unit, if:

(a) The vehicle is not engaged in interstate commerce;

(b) The vehicle is not transporting hazardous materials required to be placarded in accordance with 49 C.F.R. pt. 172;

(c) The vehicle is not designed or used to transport sixteen (16) or more passengers, including the driver; and

(d) The gross vehicle weight, gross vehicle weight rating, gross vehicle combination weight, or gross vehicle combination weight rating of the vehicle and its towed unit is twenty-six thousand (26,000) pounds or less.

(5) The Department of Kentucky State Police shall exercise all administrative functions of the state pertaining to the motor carrier safety management audit program. This program shall be administered according to the provisions of the Federal Motor Carriers Safety Act and the federal regulations promulgated under that Act.

Section 4. [KRS 281.602](#) is amended to read as follows:

The Department of Vehicle Regulation shall have the authority to file the notice of a lien with the county clerk prescribed in KRS 131.515 with respect to any license tax, excise tax, motor fuel tax, or other motor vehicular tax **or fee** administered by the department.

Section 5. [KRS 281.605](#) is amended to read as follows:

The provisions of this chapter shall not apply, except as to safety regulations, to:

- (1) Motor vehicles used as school buses and while engaged in the transportation of students, under the supervision and control and at the direction of school authorities;
- (2) Except as provided in paragraph (e) of this subsection, motor vehicles, regardless of ownership, used exclusively:
 - (a) For the transportation of agricultural and dairy products, including fruit, livestock, meats, fertilizer, wood, lumber, cotton, products of grove or orchard, poultry, and eggs, while owned by the producer of the products, including landlord where the relation of landlord and tenant or landlord and cropper is involved, from the farm to a market, warehouse, dairy, or mill, or from one (1) market, warehouse, dairy, or mill to another market, warehouse, dairy, or mill;
 - (b) For the transportation of agricultural and dairy products, livestock, farm machinery, feed, fertilizer, and other materials and supplies essential to farm operation, from market or shipping terminal to farm;
 - (c) For both the purposes described in paragraphs (a) and (b) of this subsection;
 - (d) For the transportation of agricultural and dairy products from farm to regularly organized fairs and exhibits and return; or
 - (e) Motor vehicles used for the transportation of fly ash, in bags, sacks, or other containers, the aggregate weight of which does not exceed ten thousand (10,000) pounds; or bottom ash, waste ash, sludge, and pozatec which is being removed from the premises of a power generator facility for the purpose of disposal;
- (3) Motor vehicles used exclusively as church buses and while operated in the transportation of persons to and from a church or place of worship or for other religious work under the supervision and control and at the direction of church authorities;
- (4) Motor vehicles used exclusively for the transportation of property belonging to a nonprofit cooperative association or its members where the vehicle is owned or leased exclusively by the association;
- (5) Motor vehicles owned in whole or in part by any person and used by such person to transport commodities of which such person is the bona fide owner, lessee, consignee, or bailee; provided, however, that such transportation is for the purpose of sale, lease, rent, or bailment, and is an incidental adjunct to an established private business owned and operated by such person within the scope and in furtherance of any primary commercial enterprise of such person other than the business of transportation of property for hire;
- (6) Motor vehicles used in pick-up or delivery service within a city or within a city and its commercial area for a carrier by rail;
- (7) Motor vehicles used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tipple where the railhead or tipple is located at a point not more than fifty (50) air miles from the point at which the coal is mined;
- (8) Motor vehicles used as ambulances in transporting wounded, injured, or sick animals or as ambulances as defined in KRS 311A.010;

(9) Motor vehicles used by transit authorities as created and defined in KRS Chapter 96A except as required by KRS 96A.170. Vehicles operated under the authority and direct responsibility of such transit authorities, through contractual agreement, shall be included within this exemption, without regard to the legal ownership of the vehicles, but only for such times as they are operated under the authority and responsibility of the transit authority;

(10) Motor vehicles having a seating capacity of fifteen (15) or fewer passengers and while transporting persons between their places of residence, on the one hand, and, on the other, their places of employment, provided the driver himself is on his way to or from his place of employment, and further provided that any person who operates or controls the operation of vehicles hereunder of which said person is the owner or lessee, and any spouse of said person and any partnership or corporation with said person or his spouse having an interest therein doing such, shall be eligible to so operate an aggregate number of not more than one (1) vehicle on other than a nonprofit basis;

(11) Motor vehicles used to transport cash letters, data processing material, instruments, or documents, regardless of the ownership of any of said cash letters, data processing material, instruments, or documents;

(12) Motor vehicles operated by integrated intermodal small package carriers who provide intermodal-air-and-ground-transportation. For the purposes of this section, “integrated intermodal small package carrier” shall mean an air carrier holding a certificate of public convenience and necessity or qualifying as an indirect air carrier that undertakes, by itself or through a company affiliated through common ownership, to provide intermodal-air-and-ground-transportation, and “intermodal-air-and-ground-transportation” shall mean transportation involving the carriage of articles weighing not more than one hundred fifty (150) pounds by aircraft or other forms of transportation, including by motor vehicle, wholly within the Commonwealth of Kentucky. The incidental or occasional use of aircraft in transporting packages or articles shall not constitute an integrated intermodal operation within the meaning of this section;

(13) Motor vehicles operated pursuant to a grant of funds in furtherance of and governed by 49 U.S.C. secs. 5310 or 5311, including all amendments, and whose operators have jurisdictions and services approved annually by the Transportation Cabinet in accordance with 49 C.F.R. Title VI;

(14) Motor vehicles used to transport children to educational events or conservation camps run by, or sponsored by, the Department of Fish and Wildlife;

(15) Motor vehicles used to transport children to events or camps run by, or sponsored by, the Kentucky Sheriffs Association; or

(16) (a) Motor vehicles used in the transportation of persons who are sixty (60) years of age or older or who are visually impaired, if the motor vehicles are owned by a nonprofit organization or being used on behalf of a nonprofit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

(b) Motor vehicles owned and operated by a nonprofit organization that are exempt under this subsection shall be subject to liability insurance coverage as established by KRS 281.655.

(c) Motor vehicles owned privately but operated on behalf of a nonprofit organization that are exempt under this subsection shall be subject to liability insurance coverage as established by KRS 304.39-110.

Section 6. [KRS 281.610](#) is amended to read as follows:

(1) The provisions of this chapter shall apply to interstate commerce, except insofar as such application is in conflict with any provision of the Constitution of the United States or the Acts of Congress.

(2) The commissioner may grant a certificate of convenience and necessity for the transportation of **passengers** persons or property for compensation in interstate commerce, and may regulate such interstate commerce under the authority of and in accordance with the provisions of any Act of Congress vesting in or delegating to the commissioner such authority as an

agency of the United States government. The commissioner may notify the proper department of the federal government of his assent to the requirements and conditions of such Act of Congress in regard to interstate commerce by motor vehicle.

Section 7. [KRS 281.6185](#) is amended to read as follows:

~~All~~(1) ~~For human service transportation delivery programs, Any disabled persons~~ **vehicle** ~~carrier transporting persons with disabilities requiring the use of specialized equipment shall~~ **be in compliance** ~~with the provisions of 49 C.F.R. Part 38 and this chapter~~ ~~KRS 281.014(5)(a).~~ A carrier operating under a disabled **persons vehicle** ~~person~~ certificate may provide service to any person not requiring the use of the specialized equipment. A person requiring the use of specialized equipment may be accompanied by a companion.

~~(2) Any person or his predecessor in interest engaged as of January 1, 1998, in the transportation of disabled persons, pursuant to a valid taxicab certificate or a taxicab certificate limited to wheelchair equipped vans issued by the department, authorizing this activity, shall, upon application, be issued a certificate as a disabled persons carrier to authorize a continuation of the same operation, except the origin of the trip may be anywhere in the authorized county rather than restricted to the city and its suburban area. Any person or the person's predecessor in interest with a pending taxicab application filed prior to January 1, 1998, may elect to amend the pending taxicab application so as to designate all or a portion of the application as an application for approval to operate disabled person vehicles.~~

SECTION 8. [KRS 281.624](#) IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The department shall promulgate administrative regulations pursuant to KRS Chapter 13A to establish requirements and to set forth standards for household goods carriers, including but not limited to the:

- (1) Determination of weights;**
- (2) Establishment of rates for accessorial services;**
- (3) Types of discounts prohibited;**
- (4) Prohibition against a carrier acting as an agent for another carrier;**
- (5) Insurance provisions;**
- (6) Information required on a receipt or bill of lading;**
- (7) Information required on a freight bill;**
- (8) Liability of carriers;**
- (9) Estimation of charges;**
- (10) Absorption or advancement of dock charges;**
- (11) Information for prospective shippers;**
- (12) Minimum weight shipments; and**
- (13) Filing of tariffs.**

Section 9. [KRS 281.626](#) is amended to read as follows:

~~(1) Any person who operates as a U-Drive-It and rents vehicles for less than sixty (60) days shall obtain a U-Drive-It certificate permit prior to beginning operations. Any person who operates as a U-Drive-It and rents or leases vehicles for sixty (60) days or more may obtain a U-Drive-It certificate permit.~~

~~(2) For any person seeking a U-Drive-It permit who is subject to a hearing to be held by the department upon his application pursuant to KRS 281.625, the question for determination shall be the fitness, willingness, and ability of the applicant, and whether the operation proposed is bona fide.~~

SECTION 10. [KRS 281.630](#) IS REPEALED AND REENACTED TO READ AS FOLLOWS:

(1) A person shall not act as a motor carrier without first obtaining a certificate from the department.

(2) A certificate for the intrastate transportation of passengers or property, including household goods, shall be issued to any qualified applicant authorizing operation covered by the application, if it is found that the applicant conforms to the provisions of this chapter and the requirements of the administrative regulations promulgated in accordance with this section.

(3) (a) The department shall issue the following certificates:

- 1. Taxicab certificate;**
- 2. Limousine certificate;**
- 3. Disabled persons vehicle certificate;**
- 4. Transportation network company certificate;**
- 5. Household goods certificate;**
- 6. Charter bus certificate;**
- 7. Bus certificate;**
- 8. U-Drive-It certificate;**
- 9. Property certificate;**
- 10. Driveaway certificate; and**
- 11. Automobile utility trailer certificate.**

(b) Application for a certificate shall be made in such form as the department may require. The department shall receive an application fee of two hundred fifty dollars (\$250) for all applications, except that the department shall receive an application fee of twenty-five dollars (\$25) for a property certificate.

(c) Before the department may issue a certificate, an applicant shall:

- 1. Pay the application fee established under paragraph (b) of this subsection;**
- 2. For entities other than TNCs, file a motor carrier vehicle license application for each motor carrier vehicle as required by Section 12 of this Act. The applicant shall file at least one (1) motor carrier vehicle license application before being eligible for a certificate;**
- 3. For TNCs, file a TNC authority application with the department pursuant to administrative regulations**

promulgated by the department;

4. File with the department one (1) or more approved indemnifying bonds or insurance policies as required by Section 15 of this Act;

5. For taxicab, limousine, disabled persons vehicle, TNC, household goods, charter bus, and bus certificates, obtain and retain for a period of at least three (3) years, a nationwide criminal background check, in compliance with Section 11 of this Act, of each owner, official, employee, independent contractor, or agent operating a passenger vehicle or household goods vehicle or entering a private residence or storage facility for the purpose of providing or facilitating the transportation of household goods;

6. For household goods certificates, file with the department a current tariff; and

7. For a bus certificate, file with the department authorization from a city as required by Section 13 of this Act.

(4) (a) Every certificate shall be renewed annually. Application for renewal shall be in such form as the department may require.

(b) A certificate not renewed within one (1) calendar year after the date for its renewal shall become null and void.

(c) The department shall not renew any certificate if it has been revoked or, if suspended, during the period of any suspension. A certificate shall not be considered revoked or suspended when an appeal of the revocation or suspension is pending in a court of competent jurisdiction.

(d) For the renewal of an intrastate certificate, the department shall receive a fee of two hundred fifty dollars (\$250), except for an application for renewal of a property certificate, for which the department shall receive a fee of twenty-five dollars (\$25).

(e) Before the department may renew a certificate, the certificate holder shall:

1. Pay the renewal fee established under paragraph (d) of this subsection;

2. For the entities other than TNCs, file a motor carrier vehicle license application or renewal for each motor carrier vehicle as required by Section 12 of this Act. The certificate holder shall file at least one (1) motor carrier vehicle license application or renewal before being eligible for renewal;

3. For TNCs, file a TNC authority application with the department pursuant to administrative regulations promulgated by the department;

4. File with the department one (1) or more approved indemnifying bonds or insurance policies as required by Section 15 of this Act;

5. Every three (3) years, for taxicab, limousine, disabled persons vehicle, TNC, household goods, charter bus, and bus certificates, obtain and retain for a period of at least three (3) years, a nationwide criminal background check in compliance with Section 11 of this Act, of each owner, official, employee, independent contractor, or agent operating a passenger vehicle or entering a private residence or storage facility for the purpose of providing or facilitating the transportation of household goods. However, within the three (3) year period:

a. If a new owner, official, employee, independent contractor, or agent joins the certificate holder and performs the aforementioned duties; or

b. If the certificate holder has knowledge that a current owner, official, employee, independent contractor, or agent who performs the aforementioned duties has been convicted of or pled guilty to any of the offenses listed in subsection (2) of Section 11 of this Act;

then the certificate holder shall obtain and retain for a period of at least three (3) years, a nationwide criminal background check for that owner, official, employee, independent contractor, or agent; and

6. For household goods certificates, have on file with the department a current tariff.

(5) (a) A motor carrier operating under a household goods certificate shall, at all times the certificate is in effect, maintain on file with the department a current tariff.

(b) Except for a household goods certificate holder that has had only an out-of-state address on file with the department prior to January 1, 2015, all certificate holders shall maintain on file with the department an address within the Commonwealth. The certificate holder shall keep open for public inspection at that address such information as the department may require.

(c) The certificate holder shall not charge, demand, collect, or receive a greater, less, or different compensation for the transportation of household goods or for any service in connection therewith, than the tariff filed with the department and in effect at the time would require. A certificate holder shall not make or give any unreasonable preference or advantage to any person, or subject any person to any unreasonable discrimination.

(6) A certificate shall not be transferred unless the transfer involves either the change of the legal name of the existing certificate holder or the incorporation of a sole proprietor certificate holder.

(7) A certificate authorizing a person to act as an automobile utility trailer lessor shall also authorize the agents of the person to act on his or her behalf during the period of their agency.

(8) A motor carrier vehicle shall not be operated after the expiration of the certificate under which it is operated.

(9) A person shall not knowingly employ the services of a motor carrier not authorized to perform such services.

(10) If the department, after a hearing held upon its own motion or upon complaint, finds any existing rate unjustly discriminatory, or finds the services rendered or facilities employed by any motor carrier to be unsafe, inadequate, inconvenient, or in violation of law or of the administrative regulations of the department, it may by final order do any or all of the following:

(a) Require the certificate holder to follow any rate or time schedule in effect at the time of service;

(b) Require the certificate holder to issue a refund to the complainant;

(c) Require the certificate holder to pay the fine set out in Section 33 of this Act to the department; and

(d) Determine the reasonable, safe, adequate, and convenient service to be thereafter furnished.

(11) Hearings conducted under authority of this section shall be conducted in the same manner as provided in Section 14 of this Act.

(12) The department shall have the power to promulgate administrative regulations as it may deem necessary to carry out the provisions of this section.

Section 11. [KRS 281.6301](#) is amended to read as follows:

(1) A person granted a **taxicab, limousine, disabled persons vehicle, transportation network company, household goods, charter bus, or bus** certificate ~~under KRS 281.624~~ shall obtain and retain for a period of at least three (3) years a nationwide criminal background check of each **certificate holder, owner, official, employee, independent contractor, or agent operating a passenger or household goods vehicle, or** whose duties may require **in person** contact with the public or

entry into a private residence or storage facility for the purpose of providing or facilitating the transportation of household goods.

(2) A ~~household goods~~ certificate holder shall not **engage, permit, or** employ any person, **including the certificate holder**, to perform any of the duties outlined in subsection (1) of this section if that person has been convicted of any of the following offenses:

(a) A Class A felony;

(b) A Class B felony; or

(c) A sex crime as defined in KRS 17.500.

(3) A certificate holder shall not engage, permit, or employ any person, including the certificate holder, to operate a motor carrier vehicle if that person has been convicted of any of the following offenses:

(a) Leaving the scene of a traffic accident;

(b) Causing a fatality or fatalities through negligent operation of a vehicle;

(c) Using a vehicle in the commission of a felony involving the manufacture or distribution of a controlled substance.

(4) A certificate holder shall not engage, permit, or employ any person, including the certificate holder, to operate a motor carrier vehicle if that person has been convicted of any of the following offenses in the past three (3) years:

(a) Operating a motor vehicle on a suspended license in violation of KRS 186.620(2);

(b) Operating a motor vehicle twenty-six (26) miles per hour or more in excess of the speed limit in violation of KRS 189.390; or

(c) Racing.

(5) A certificate holder shall not engage, permit, or employ any person, including the certificate holder, to operate a motor carrier vehicle if that person has four (4) convictions in the past three (3) years for operating a motor vehicle in excess of the speed limit in violation of KRS 189.390 or for any offense which requires the assessment of penalty points by the department.

(6) Criminal background checks under this section shall be:

(a) Performed at the expense of the ~~household goods~~ certificate holder;

(b) Completed prior to the employment of **or contracting with** an applicant; and

(c) Completed using an entity from an approved list issued by the ~~department~~ **department** cabinet.

(4) The ~~department~~ **department** cabinet shall promulgate administrative regulations pursuant to KRS Chapter 13A to implement the provisions of this section.

SECTION 12. **KRS 281.631** IS REPEALED AND REENACTED TO READ AS FOLLOWS:

(1) No person shall act as a motor carrier without first obtaining a motor carrier vehicle license from the department for each motor carrier vehicle.

(2) Application for and renewal of a motor carrier vehicle license shall be made in such form as the department may

require. Every motor carrier vehicle license shall be renewed annually.

(3) (a) Except as permitted under paragraph (b) of this subsection, an applicant or license holder shall pay to the department the following annual license fees:

1. Thirty dollars (\$30) for each taxicab, limousine, TNC, or disabled persons vehicle;
2. Ten dollars (\$10) for each motor carrier vehicle transporting household goods for hire;
3. One hundred dollars (\$100) for each charter bus or bus;
4. Fifteen dollars (\$15) for each motor carrier vehicle operating as a U-Drive-It;
5. Ten dollars (\$10) for each motor carrier vehicle transporting property other than household goods and those exempt under Section 5 of this Act;
6. Ten dollars (\$10) for each motor carrier vehicle operating as a driveway; and
7. Ten dollars (\$10) for each automobile utility trailer.

(b) The cabinet may promulgate administrative regulations to set forth an optional motor carrier vehicle license fee schedule under this subsection on a bulk basis for applicants who employ or contract with more than fifty (50) vehicles. Bulk application fees under these administrative regulations may use a tiered system based on the type of certificate and the number of vehicles.

(4) Before the department may issue or renew a motor carrier vehicle license, the applicant or license holder shall:

- (a) Pay the fee established under subsection (3) of this section;
 - (b) For a taxicab, limousine, disabled persons vehicle, TNC vehicle, charter bus, and bus, provide a copy of the vehicle registration for each out-of-state registered motor carrier vehicle being licensed, and if necessary, a statement showing that the driver is an insured driver of the vehicle, and that the registered owner or lessee authorizes the use of the vehicle for TNC services; and
 - (c) For a taxicab, limousine, disabled persons vehicle, TNC vehicle, charter bus, and bus, obtain and retain for a period of at least three (3) years, an inspection of the motor vehicle in the manner and form as the department may require.
- (5) No motor carrier vehicle shall be operated after the expiration of the motor carrier vehicle license under which it is operated.
- (6) All cities or counties of the Commonwealth may impose an annual license fee on an intrastate taxicab, limousine, or disabled persons vehicle operated from said city or county. The annual license fee shall not exceed thirty dollars (\$30) per vehicle.
- (7) Notwithstanding any other provisions of this section, nonresident motor carriers engaged in transporting passengers for hire in irregular route interstate charter or special operations shall be exempt from all fees prescribed in this chapter, if reciprocal privileges are granted to similar nonresident carriers by the laws and regulations of his or her state.
- (8) If any person required to pay a license fee under subsection (3) of this section, begins the operation of an additional motor carrier vehicle after the date of their certificate or renewal, the fee shall be as many twelfths of the annual fee as there are unexpired months in the certificate or renewal year.

(9) The department may promulgate administrative regulations as it deems necessary to carry out.

Section 13. **KRS 281.635** is amended to read as follows:

Notwithstanding anything contained in this chapter:

(1) All cities of the Commonwealth are vested with the power to ~~sell franchises or, where no franchise is sold, grant authorization~~authorizations for the operation of ~~city~~ buses over their streets and highways; ~~provided, however, no person shall apply for or obtain any such franchise or authorization from any city without a prior finding by the Department of Vehicle Regulation, after a hearing, conducted pursuant to KRS 281.625, that there is a demand and necessity for the service sought to be rendered, which finding shall be valid and effective for a period of one (1) year from and after the date thereof, exclusive of any delay due to the order of any court. Upon certification by the department to a city that there is a demand and necessity for the service sought to be rendered, any city may award any duly qualified person a franchise or authorization covering the proposed operation. Upon acquiring a franchise or authorization, the holder of the authorization~~thereof shall apply to the Department of Vehicle Regulation for a ~~city bus certificate which shall be issued to the holder of the franchise or authorization without a hearing. The governing body of any city which does not have a city bus service may determine that there is a demand and necessity for a city bus service, and may thereafter apply to the Department of Vehicle Regulation for a city bus certificate to be operated by the city which may be issued without a hearing, if the department determines that it will be in the public interest. Unless a certificate is exercised within one (1) year from the grant thereof, exclusive of any delay due to the order of any court, the authority conferred by the issuance of the certificate of convenience and necessity shall be void.~~

(2) ~~The applicant for a certificate or renewal of a certificate to operate a city bus shall at the time of application file with the department a map or maps showing the route or routes and territory proposed to be served, together with a time schedule, and shall thereafter, during the license year, file only those additional maps or time schedules that the commissioner may require.~~

~~(3)~~ The governing body of any city in the Commonwealth in which city buses operate shall have supervisory and regulatory power over ~~such~~city buses, while operating in the city, and shall have authority to enforce all ordinances or regulations pertaining to routes, services, time schedules, and operation of the ~~city~~ buses and the drivers thereof, but any interested party may appeal to the department from any action, finding, or order of any city within thirty (30) days after the entry of the action, finding, or order, and a hearing shall be held **in accordance with Section 14 of this Act**~~before the department in the same manner as other hearings are held as provided for in this chapter~~; however, any action, finding, or order of any city shall be sustained if there is substantial evidence or reason to support it; otherwise the department shall make the orders as it deems necessary and proper. However, where a carrier's entire operation is confined to intracity transportation within the corporate limits of a single city, there shall be no appeal to the department from the actions, findings, or orders of the city. Provided further, that where any city bus is subject to the regulatory powers of more than one (1) city and the regulations are in conflict or such as to impede the transportation facilities serving the cities, or the carrier is failing to furnish safe, adequate and convenient service to the public, the department may, upon complaint or on its own initiative, call a hearing and enter orders as are necessary and proper.

~~(3)~~**(4)** The governing body of any city **of the first class, a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census, and the city's suburban area, or the corporate limits of any city and its suburban area located in a county which contains a city of the first class, a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census, or an urban-county government,** in the Commonwealth in which **taxicabs, limousines, or disabled persons vehicles** operate shall have **concurrent** supervisory and regulatory power over **those certified carriers operating from**~~taxicabs certified to operate in the city, and while operating in the city, and shall have authority to enforce all ordinances or regulations pertaining to their~~the number and operation of ~~taxicabs~~, but any interested party may appeal to the department from any action, finding, or order of any city within thirty (30) days after the entry of the action, finding, or order, and a hearing shall be held **in accordance with Section 14 of this Act**~~before the department in the same manner as other hearings are held as provided for in this chapter~~; however, any action, finding, or order of any city shall be sustained if there is substantial evidence or reason to support it; otherwise, the department shall make any orders that it deems necessary and proper. **Where any taxicab, limousine, or disabled persons vehicle carrier is subject to the regulatory powers of more than one (1) city and the regulations of those cities are in conflict or impede serving the transportation needs of the**

Commonwealth, the department may, upon complaint or on its own initiative, call a hearing and enter orders as are necessary and proper, including establishing or requiring the establishment of uniform regulations. However, where a carrier's entire operation is confined to intracity transportation within the corporate limits of a single city, there shall be no appeal to the department from the actions, findings, or orders of the city.

(4)(5) The governing body of any city of the first class, a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census, and the city's suburban area, or the corporate limits of any city and its suburban area located in a county which contains a city of the first class, a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census, or an urban-county government, in the Commonwealth is hereby vested with the concurrent exclusive power to prescribe the qualifications with respect to the health, vision, sobriety, intelligence, ability, moral character, and experience of the drivers of taxicabs, limousines, or disabled persons vehicles operating from-certificated to operate in the city, and while operating in the city, and may issue permits for qualified drivers. However, any taxicab, limousine, disabled persons vehicle, or TNC vehicle driver must also possess a valid Kentucky operator's license from Kentucky or another jurisdiction.

(5)(6) Until any city of the Commonwealth enacts ordinances or prescribes rules and regulations as may be reasonably necessary to exercise the prior powers delegated in this section to the cities respecting the supervision and regulation of city buses, taxicabs, and taxicab drivers, the department shall possess the powers and may promulgate administrative regulations reasonably necessary to supervise and control city buses, taxicabs, and taxicab drivers, having regard for the public safety and the public need for service.

(7) If any city fails to exercise any of the authority granted it in this section, the authority shall be vested in the department.

(8) The department may, under the provisions of this chapter, originate, establish, change, promulgate, and enforce any rate that has or may be fixed by any contract, franchise, or agreement between the holder of any city bus certificate and any city, and all rights and obligations arising out of any contract regulating any rate shall be subject to the jurisdiction and supervision of the department, but no rate shall be changed nor any contract, franchise, or agreement affecting it be abrogated or changed until a hearing has been conducted.

(9) The governing body of a city shall not have authority over a motor vehicle that is being operated as a human service transportation delivery vehicle under a contract with the Transportation Cabinet in accordance with KRS 96A.095(4).

Section 14. [KRS 281.640](#) is amended to read as follows:

(1) Hearings before the department shall be conducted in accordance with the provisions of KRS Chapter 13B. ~~The hearing shall be conducted by an examiner, who shall be a practicing attorney in this state and who shall be a full-time employee of the department. The examiner shall be appointed by the commissioner of the department.~~

(2) After a hearing held upon the department's motion or upon complaint, in addition to the remedies outlined in subsection (10) of Section 10 of this Act, the department may suspend or revoke any certificate or license issued to a motor carrier if the department is satisfied the motor carrier or the motor carrier's drivers, other agents, or motor carrier vehicles:

(a) Violate the provisions of this chapter;

(b) Violate an order or administrative regulation promulgated by the department;

(c) Violate the laws of this state; or

(d) Are found to be unfit to carry out the duties, obligations, and responsibilities of a motor carrier.

(3) The commissioner or one (1) of the assistant commissioners with approval by the commissioner, shall have authority to issue a final order of the department. The recommended order shall not become the final order of the department through failure to file exceptions, but in the absence of exceptions ordinarily will be taken by the department as the basis of its final

order. However, nothing contained in this section shall prevent the commissioner from holding or conducting any hearing, referred to in this section, in regard to rates, fares, and charges, and his decision shall be the final order of the department

(4) The department shall have the right to withdraw, set aside, or amend any final order it has issued, except that such action upon the part of the department shall be taken between the date of the rendition of the final order and the expiration of the time for appeal or until an appeal has been taken.

(5) The renewal by the department of the certificate of a motor carrier shall not be construed to be a waiver of any violation that occurred prior to the renewal and shall not prevent subsequent proceedings against the motor carrier.

(6) An appeal to the Franklin Circuit Court may be taken from any final order of the department by anyone who was a party to the proceedings before it by filing a petition of appeal with the clerk of the Franklin Circuit Court in accordance with KRS Chapter 13B. In the case of an appeal in which a certificate has been revoked or suspended, the certificate shall remain in force until final disposition of the appeal.

Section 15. [KRS 281.655](#) is amended to read as follows:

(1) Before any certificate ~~or permit~~ will be issued or renewed, the applicant or holder of the certificate ~~or permit~~ shall file or shall have on file with the department **one (1) or more** approved indemnifying ~~bonds~~ or insurance ~~policies~~. The term of ~~each~~ the bond or policy shall be continuous and shall remain in full force until canceled under proper notice. ~~Each~~ **The** bond or policy shall have attached thereto the state insurance endorsement. All bonds or policies required **under this section** shall be issued in the name of the holder of the certificate ~~or permit~~. In lieu of the ~~bonds~~ or ~~policies~~, the department, under appropriate regulations, may require the filing of **one (1) or more** approved ~~certificates~~ **certificate** of insurance, the ~~term~~ **term** of which shall be continuous and shall remain in force and effect until canceled under proper notice.

(2) The ~~bonds~~ or ~~policies~~ required of a U-Drive-It or automobile utility trailer lessor shall provide public liability and property damage coverage when operated either by the lessee or lessor thereof or agents, servants, or employees of either.

(3) All bonds or policies shall provide blanket coverage for all equipment operated pursuant to the certificate or permit.

(4) ~~Except as provided in subsection (12) of this section,~~ The types and minimum amounts of insurance to be carried on each vehicle shall be as follows:

MOTOR VEHICLES FOR THE TRANSPORTATION OF PERSONS, INCLUDING U-DRIVE-ITS

Death of Total Liability or Injury for Death to Any One of or Injury Property Capacity Person to Persons Damage **7 regular seats \$100,000.00 \$300,000.00 \$50,000.00 8 or more regular seats \$100,000.00 \$600,000.00 \$50,000.00** ~~7 persons or less \$10,000.00 \$20,000.00 \$5,000.00 8 to 16 inclusive 10,000.00 30,000.00 5,000.00 17 to 25 inclusive 10,000.00 40,000.00 5,000.00 26 or more 10,000.00 50,000.00 5,000.00~~

MOTOR VEHICLES FOR THE TRANSPORTATION OF PROPERTY, INCLUDING U-DRIVE-ITS AND AUTOMOBILE UTILITY TRAILERS

Death of Total Liability or Injury for Death to Any One of or Injury Property Gross Weight Person to Persons Damage **18,000 lbs. or less \$100,000.00 \$300,000.00 \$50,000.00 More than 18,000 lbs. \$100,000.00 \$600,000.00 \$50,000.00** ~~18,000 lbs. or less \$10,000.00 \$20,000.00 \$5,000.00 More than 18,000 lbs. 100,000.00 300,000.00 50,000.00~~

(5) Any person, firm, or corporation operating or causing to be operated any vehicle for the transportation of petroleum or petroleum products in bulk in amounts less than ten thousand (10,000) pounds shall have the following types and minimum amount of insurance carried on each vehicle:

Death of Total Liability or Injury for Death to Any One of or Injury to Property Person Persons Damage \$100,000.00
\$300,000.00 \$50,000.00

(6) Any person, firm, or corporation operating or causing to be operated any vehicle for the transportation of hazardous material as defined in KRS 174.405, except petroleum or petroleum products in bulk in amounts less than ten thousand (10,000) pounds, shall have on each vehicle single limits liability insurance coverage of not less than one million dollars (\$1,000,000) for all damages whether arising out of bodily injury or damage to property as a result of any one (1) accident or occurrence.

(7) Before any **household goods certificate shall be issued or renewed, the applicant or certificate holder** Kentucky intrastate household goods motor carrier of property shall be issued a certificate or renewal of a certificate, the motor carrier shall file or have on file with the department an approved insurance policy or bond compensating shippers or consignees for loss or damage to property belonging to shippers or consignees and coming into possession of the carrier in connection with its transportation service **in the amounts required by 49 C.F.R. sec. 387.303(c) for interstate household goods motor carriers:**

(a) ~~For loss of or damage to property carried on any one (1) motor vehicle in the amount of five thousand dollars (\$5,000); and~~

(b) ~~For loss of or damage to or aggregate of losses or damages of or to property occurring at any one (1) time and place in the amount of ten thousand dollars (\$10,000).~~

The policy or bond shall have attached thereto the Kentucky cargo policy endorsement and shall be issued by some insurance or surety company authorized to transact business within the Commonwealth of Kentucky. The term of the bond or policy shall be continuous and shall remain in full force until canceled under proper notice. In lieu of the bond or policy, the department, under appropriate regulations, may require the filing of an approved certificate of insurance, the term of which shall be continuous and shall remain in force and effect until canceled under proper notice.

(8) ~~The department may by regulation require motor carriers for hire operating exclusively in interstate commerce to file proof of cargo insurance coverage in the form and in the amounts the commissioner deems advisable.~~

~~(9)~~ No insurance company or insurance carrier issuing any policy filed with the department, and no surety or obligor on any bond or contract filed with the department, shall be relieved from liability under the policy, bond, or contract until after the expiration of **thirty (30)** ~~fifteen (15)~~ days' notice to the department of an intention to cancel the policy, bond, or contract. A prior cancellation may be allowed in cases where one (1) policy, bond, or contract is substituted for another policy, bond, or contract if the substituted policy, bond, or contract is of force and effect at a time prior to the expiration of **thirty (30)** ~~fifteen (15)~~ days' notice to the department of an intention to cancel the policy, bond, or contract for which the additional policy, bond, or contract is being substituted. The acceptance of any notice of an intention to cancel any policy, bond, or contract or the cancellation of any policy, bond, or contract by the department, unless under the circumstances set forth, shall not relieve the insurance company, insurance carrier, surety, or obligor of any liability that accrued prior to the effective date of the cancellation.

~~(9)(10)~~ Upon the cancellation of any bond or insurance policy required by this section, all operating rights granted by the certificate ~~or permit~~ for which the bond or policy was filed, shall immediately cease, and the department may immediately require the cessation of all operations conducted under authority of the certificate ~~or permit~~, and may require the **immediate** surrender of all certificates, ~~permits~~, licenses, and other evidence of a right to act as a motor carrier.

~~(10)(11)~~ The department may exempt in whole or in part from the requirements of this section any person who applies for the exemption and shows to the satisfaction of the department that, by reason of the financial ability of the person applying, there is due assurance of the payment of all damages for which he **or she** may become liable as a result of the operation of any vehicle owned by him **or her** or operated under authority of his **or her** certificate ~~or permit~~.

~~(11)(12)~~ The minimum amounts of insurance to be carried on each taxicab shall be liability coverage of not less than twenty five thousand dollars (\$25,000) for all damages arising out of bodily injury sustained by any one (1) person, and not

less than fifty thousand dollars (\$50,000) for all damages arising out of bodily injury sustained by all persons injured as a result of any one (1) accident, plus liability coverage of not less than ten thousand dollars (\$10,000) for all damages arising out of damage to or destruction of property, including the loss of use thereof, as a result of any one (1) accident arising out of ownership, maintenance, use, loading, or unloading of the insured vehicle.

(13) The provisions of this section notwithstanding, the Secretary of Transportation may adopt, incorporate by reference, or set forth in its entirety the provisions of Title 49, United States Code of Federal Regulations, Part 387, relating to the levels of financial responsibility for motor carriers, in effect as of **the effective date of this Act** July 13, 1990, or as amended after that date, with respect to any motor carrier operating in Kentucky.

(12) The cabinet shall promulgate administrative regulations to set standards for pre-trip acceptance liability policies and prearranged ride liability insurance policies for transportation network company vehicles. The minimum amount of insurance for pre-trip acceptance liability policies shall be fifty thousand dollars (\$50,000) for death and personal injury to one (1) person, one hundred thousand dollars (\$100,000) for death and personal injury resulting from one (1) incident, and twenty-five thousand dollars (\$25,000) for property damage. The minimum amount of insurance for prearranged ride liability policies shall be the same as for motor vehicles for the transportation of persons under subsection (4) of this section. Pre-trip acceptance liability policies and prearranged ride liability policies may be issued by an eligible surplus lines insurer.

Section 16. [KRS 281.656](#) is amended to read as follows:

Upon the cancellation of any bond or insurance policy required by KRS 281.655, all operating rights granted by the certificate ~~or permit~~ for which said bond or insurance policy was filed shall immediately abate **and be suspended**; provided, however, that if the bond or insurance policy is reinstated within **one hundred eighty (180)** ~~thirty (30)~~ days from the date of cancellation the operating rights granted by the certificate ~~or permit~~ shall again be in force and effect, otherwise they shall become void. Upon the event of the cancellation of any bond or insurance policy or upon the event of any order of the department cancelling or suspending the operating rights granted by any certificate, ~~or permit the department is empowered to immediately require the cessation of~~ all operations conducted under authority of the affected certificate **shall cease** ~~or permit~~, and **the department may** ~~require, through its agents, the surrender of all certificates, permits, licenses, and other evidence of right to act as a motor carrier.~~

Section 17. [KRS 281.687](#) is amended to read as follows:

(1) As used in this section:

(a) "Motor vehicle renting company" means a holder of a **certificate** ~~permit~~ as required under **Section 10 of this Act** ~~KRS 281.615~~ to operate as a U-Drive-It ~~as defined in KRS 281.014~~, which regularly engages in renting or leasing motor vehicles to customers for less than a sixty (60) day term as part of an established business;

(b) "Vehicle license costs" means the costs incurred by a motor vehicle renting company for licensing, titling, registration, property tax, plating, and inspecting rental motor vehicles; and

(c) "Vehicle license cost recovery fee" means a charge on a vehicle rental transaction originating within the Commonwealth that is separately stated on the rental agreement to recover vehicle license costs.

(2) (a) If a motor vehicle renting company includes a vehicle license cost recovery fee as a separately stated charge in a rental transaction, the amount of the fee shall represent the company's good-faith estimate of the motor vehicle rental company's daily charge to recover its actual total annual vehicle license costs.

(b) If the total amount of the vehicle license cost recovery fees collected by a motor vehicle renting company under this section in any calendar year exceeds the company's actual vehicle license costs, the motor vehicle renting company shall:

1. Retain the excess amount; and

2. Adjust the vehicle cost recovery fee for the following calendar year by a corresponding amount.

(3) Nothing in this section shall prevent a motor vehicle renting company from including, or making adjustments during the calendar year to, separately stated surcharges, fees, or charges in the rental agreement, which may include but are not limited to vehicle license cost recovery fees, airport access fees, airport concession fees, consolidated facility charges, and all applicable taxes.

Section 18. [KRS 281.720](#) is amended to read as follows:

Except for vehicles operating under a TNC, household goods, property, or U-Drive-It certificate, the department shall prescribe and furnish a **motor carrier license plate**~~distinguishing plate or plates~~, which shall at all times be displayed on each motor **carrier** vehicle authorized to be operated under a certificate ~~of public convenience and necessity or permit~~. ~~Where a carrier is the holder of one or more city bus certificates, or the carrier holds both a city bus certificate or certificates and a suburban bus certificate or certificates, the department shall issue to it for each vehicle operated thereunder a city bus license plate which shall authorize the operation of said vehicle under either one or all the certificates so held.~~ ~~A~~ No person shall **not** transfer **a motor carrier license plate**~~such plates~~ from one **(1)** motor vehicle to another, except by the authority and with the consent of the department.

Section 19. [KRS 281.728](#) is amended to read as follows:

(1) ~~A~~ No airport shuttle certificate holder **of a**, taxicab, **limousine, disabled persons vehicle, transportation network company**~~certificate holder~~, or U-Drive-It certificate ~~holder~~ shall **not** advertise or hold itself out as supplying **any other services**,~~limousine service~~ unless the **service is authorized by the carrier's certificate and the motor carrier** vehicle in question meets the definition of **the particular vehicle type being advertised or offered**~~limousine in KRS 281.014~~.

(2) Nothing in this section shall preclude the holder of ~~a~~ an airport shuttle certificate, taxicab, **limousine, TNC, disabled persons vehicle**~~certificate~~, or U-Drive-It certificate from operating a motor vehicle which meets the definition of **more than one (1) type of motor carrier vehicle**~~a limousine under that certificate~~.

Section 20. [KRS 281.730](#) is amended to read as follows:

(1) ~~A~~ motor carrier shall not require or permit any driver or chauffeur operating a motor vehicle for hire under a certificate or permit to remain continuously on duty for a longer period than twelve (12) hours, and when any driver or chauffeur has been continuously on duty for twelve (12) hours he shall have at least eight (8) consecutive hours off duty. ~~A~~ motor carrier shall not require or permit any driver or chauffeur to remain on duty for a longer period than sixteen (16) hours in the aggregate in any twenty four (24) hour period, and when a driver or chauffeur has been on duty sixteen (16) hours in the aggregate in any twenty four (24) hour period he shall have at least ten (10) consecutive hours off duty. The period of release from duty required by this section shall be given at places and under circumstances that allow rest and relaxation from the strain of the duties of the employment to be obtained. A period off duty shall not be deemed to break the continuity of service unless it is for at least three (3) consecutive hours and is given at a place and under circumstances that allow rest and relaxation from the strain of the duties of the employment to be obtained. In case of an unforeseen emergency not resulting from the negligence of the carrier or his agents, servants, or employees, the driver or chauffeur may complete his run or tour of duty, if the run or tour of duty but for the delay caused by the emergency could reasonably have been completed without a violation of this section. The department may require reports as it deems necessary for the enforcement of this section.

(2) ~~The~~ provisions of this section shall not apply to matters relating to the wages, hours, working conditions, and conditions of employment of the employees of motor carriers when the employees are employed and working under and pursuant to a collective bargaining agreement entered into between their employer and the employees' collective bargaining agent or representative, for and on behalf of the employees; provided that the collective bargaining agent or representative is a bona fide labor organization.

~~(3)~~ Notwithstanding the above provisions, The secretary of the Transportation Cabinet may adopt by reference or set forth in its entirety the provisions of **49 C.F.R. secs. 350.341 and 49 C.F.R. sec. 395** in effect as of July 15, 1986, or as amended with respect to any motor vehicle registered in Kentucky.

~~(2)~~~~(4)~~ The provisions of **subsections (1) to (3)** of this section pertaining to the maximum driving and on-duty time shall not apply to transporters of agricultural commodities or farm supplies for agricultural purposes if the transportation is limited to an area within a one hundred (100) air mile radius from the source of the commodities or distribution point for the farm supplies and is during Kentucky's planting and harvesting seasons. For the purposes of this subsection, Kentucky's planting and harvesting seasons shall mean January 1 to December 31 of each year.

~~(3)~~~~(5)~~ The provisions of subsection ~~(2)~~~~(4)~~ of this section shall be void if the Secretary of the United States Department of Transportation determines through a rulemaking proceeding that Section 345(a)(1.) of the National Highway System Designation Act of 1995 presents a hazard to the traveling public.

Section 21. **KRS 281.735** is amended to read as follows:

(1) The department shall, in its safety regulations, prescribe rules prohibiting overcrowding in the various types of motor vehicles carrying passengers for hire.

(2) The owner or driver ~~or chauffeur~~ of any motor vehicle for the transportation of passengers shall not permit any passengers to ride upon the steps or running-board of any such motor vehicle, nor shall he permit any passenger to ride on the top of any such motor vehicle unless the top has been designed and equipped with seats constructed for such use and provided with protecting railing or protective enclosure on all four (4) sides of the top of the vehicle, and unless such use has been authorized by a certificate issued by the department.

(3) No motor carrier shall operate a motor vehicle for the transportation of persons for hire, ~~except city and suburban~~ buses, with an extreme width exceeding ninety-six (96) inches, except upon such highways which are a part of the state-maintained system upon which increased widths have been authorized by order of the commissioner of highways as provided by law. The extreme width of a ~~city or suburban~~ bus shall not exceed one hundred two (102) inches.

Section 22. **KRS 281.745** is amended to read as follows:

The driver ~~or chauffeur~~ of any motor vehicle used in the transportation of passengers for hire shall stop such motor vehicle before crossing at grade the main track of any railroad ~~or interurban electric railway~~, except where the crossing is a guarded crossing protected by gates or a flag controlled or operated by an employee of the railroad ~~or interurban~~ company. The stop shall be made at not less than ten (10) feet nor more than thirty (30) feet from the nearest track to be crossed. After making the stop, the ~~driver~~~~chauffeur~~ shall look carefully in each direction for approaching cars or trains, and shall not start his **or her** vehicle until he **or she** has ascertained that no cars or trains are approaching in each direction.

Section 23. **KRS 281.752** is amended to read as follows:

For motor carriers defined under KRS 138.655(5) and (7) and for the purposes of tax collection, the department ~~may~~~~shall~~ prescribe and charge a fee, of ten dollars (\$10) in each instance, for the issuance of such identifying plates, decals, cards, signs, or papers, for the identification of motor vehicles, **operated within the state** as defined in ~~KRS 281.011(3), (4) and (5) and KRS 138.655(5) and (7) which vehicles have been qualified for, and have been granted reciprocal privileges in Kentucky in regard to motor vehicle registration fees and highway use taxes. The commissioner may by reciprocal agreement with the proper officials of other jurisdictions waive such fees applicable to residents of such other jurisdictions which afford like privileges to residents of Kentucky.~~

Section 24. **KRS 281.760** is amended to read as follows:

Every **motor** carrier operating under a certificate or permit issued by the Department of Vehicle Regulation shall observe

traffic rules and regulations of each city and each urban-county while operating therein.

Section 25. [KRS 281.775](#) is amended to read as follows:

The department may conduct any investigation, inquiry, or hearing that it may deem proper in connection with the performance of its duties under this chapter with respect to motor carriers. The investigation and inquiry may be conducted by or before the commissioner or any of his assistants or any representative of the department designated by the commissioner. Any hearing shall be conducted in accordance with **Section 14 of this Act**~~KRS Chapter 13B~~.

Section 26. [KRS 281.802](#) is amended to read as follows:

- (1) ~~A~~ carrier who is the holder of a certificate ~~or permit~~ issued by this department **shall not** ~~may~~ advertise under any name other than that in which its certificate ~~or permit~~ is issued.
- (2) ~~A~~ person shall **not** advertise his **or her** services for the intrastate transportation of **passengers or** household goods, ~~as defined in KRS 281.624~~, without including in such advertisement the certificate ~~or permit~~ number issued to him **or her** by the department.

Section 27. [KRS 281.820](#) is amended to read as follows:

The department may require any motor carrier to keep within this state, subject to inspection at all reasonable times by the department, such books of account or **other** records as are reasonably necessary to enable the department to obtain full information at all times regarding the amounts due from such operator in fees or taxes **and in order to regulate the motor carrier's operation**. The books and records shall be at all times open to inspection by, **but shall not be kept or retained by**, the department.

Section 28. [KRS 281.830](#) is amended to read as follows:

- (1) Except as otherwise provided in KRS 138.470, 186.020 and 186.050 and in subsection (2) of this section, the fees and taxes prescribed by this chapter shall be in addition to the fees and taxes prescribed by any other law of this state.
- (2) ~~A~~ city or county **shall not** ~~may~~ impose a license fee or tax upon any **intrastate taxicab, limousine, disabled persons vehicle, or TNC** motor vehicle operated under a certificate ~~or permit~~, except that a city may impose **an annual** license fee ~~or tax upon a taxicab~~ as set out in subsection **(6) of Section 12 of this Act**~~(4) of KRS 186.281~~.
- (3) A city or county shall not impose or collect any fee or tax of any kind upon any interstate or intrastate commercial private or for-hire motor carrier vehicle for loading or unloading of property, including household goods.**

Section 29. [KRS 281.835](#) is amended to read as follows:

To carry out the declaration of policy provided for in **this chapter**~~KRS 281.590~~, the department may enter into **reciprocal reciprocity** agreements with other jurisdictions whereby motor vehicles, as defined in KRS 186.010 and **Section 1 of this Act**~~subsection (2) of KRS 281.011~~, while operating into or through the Commonwealth of Kentucky in interstate commerce and properly licensed in another state, shall be exempt in whole or in part from registration fees and seat and mileage taxes under KRS Chapter 186, provided like or similar privileges are granted motor vehicles, as defined in KRS 186.010 and **Section 1 of this Act**~~subsection (2) of KRS 281.011~~, properly licensed in this state.

Section 30. [KRS 281.838](#) is amended to read as follows:

Any person who is a nonresident of the Commonwealth of Kentucky and who operates any motor vehicle as defined in

Section 1 of this Act ~~subsection (2) of KRS 281.011~~ not entitled to exemption from the payment of the fees imposed by KRS 186.050 by reason of the terms of a reciprocal agreement existing between the Commonwealth of Kentucky and the state in which such vehicle is licensed, may, in lieu of the payment of the fees imposed by KRS 186.050, obtain from the Department of Vehicle Regulation a temporary permit. Under regulations adopted by the Department of Vehicle Regulation application for such a temporary permit shall be made and such permits shall be issued for a specified period not exceeding ten (10) days, and for a specific vehicle. The fee for each permit shall be twenty-five (\$25) dollars for any vehicle subject to the fees in KRS 186.050 for a vehicle and any towed unit with a declared gross weight of fifty-five thousand (55,000) pounds or less; or forty dollars (\$40) for any vehicle subject to the fees in KRS 186.050 for a vehicle and any towed unit with a declared gross weight of fifty-five thousand one (55,001) pounds or more.

Section 31. **KRS 281.873** is amended to read as follows:

(1) As used in this section and KRS 281.874, unless the context otherwise requires:

- (a) “Certificate Type 01” means a private automobile;
- (b) “Certificate Type 02” means a taxicab **or similar for-profit motor carrier vehicle** service;
- (c) “Certificate Type 03” means a bus service;
- (d) “Certificate Type 04” means a nonprofit transit system;
- (e) “Certificate Type 07” means a specialty carrier certified to transport nonemergency, ambulatory disoriented persons;
- (f) “Certificate Type 08” means a specialty carrier, using **ramp or** lift-equipped vehicles in compliance with the Americans with Disabilities Act, certified to transport nonemergency, nonambulatory persons;
- (g) “Level of eligibility” means the specialty transport classification a person is designated based upon the written recommendation of the person’s personal physician, physician assistant, advanced practice registered nurse, or qualified mental health professional that is used to establish the type of specialty transport needed for the person; and
- (h) “Qualified mental health professional” shall have the same meaning as in KRS 202A.011.

(2) Except for members of the general public, the level of eligibility shall dictate both the necessity and the type of special carrier transport for a person participating in the human service transportation delivery program and shall ensure the person shall be transported in the appropriate vehicle designed to accommodate the person’s level of eligibility. The broker shall, upon request by a recipient, provide specialty carrier transportation for a period up to thirty (30) days without written recommendation of the recipient’s personal physician, physician assistant, advanced practice registered nurse, or qualified mental health professional. A broker shall be prohibited from changing or altering a person’s level of eligibility and the accompanying certificate type. A broker shall report questionable specialty classifications to the cabinet.

(3) A parent, guardian, or designee of the parent or guardian shall accompany any minor under the age of thirteen (13) who is receiving human service transportation delivery program services. A parent, guardian, or designee of the parent or guardian may accompany a minor between the ages of thirteen (13) and seventeen (17) who is receiving human service transportation delivery program services.

(4) An escort shall not be required for any person aged thirteen (13) or older, unless the person’s physician, physician assistant, advanced practice registered nurse, or qualified mental health professional has recommended that the person be transported with an escort based upon one (1) of the following criteria:

- (a) A history of a behavior that has resulted in harm to the person or to others while receiving human service transportation delivery program services;
- (b) A medical history of a behavior that indicates that the person may be a danger to himself or herself or others; or

(c) Information that the person may become violent in a transportation setting from the person's support coordinator, who is providing services under 907 KAR 1:145 or any other Medicaid program, and also from the person's parent or guardian.

(5) A requirement for an escort under subsection (4) of this section shall be removed upon the recommendation of the physician, physician assistant, advanced practice registered nurse, or qualified mental health professional.

(6) If an escort is required under subsection (4) of this section, the transportation provider shall provide one (1) escort per vehicle to pick up each individual at his or her designated location, remain with the person during transport, and escort the person to the designated health care provider or other covered service.

(7) If a person receiving transportation delivery services under a Certificate Type 07 or 08 is not required to have an escort under the provisions of subsection (4) of this section, but needs assistance to and from the transportation vehicle, the transportation provider shall provide that service if the following conditions exist:

(a) It would take less than five (5) minutes to accompany the person to and from the transportation vehicle; and

(b) The transportation provider can maintain visual contact with his or her vehicle if there are other persons receiving transportation delivery services remaining in the vehicle.

(8) Any transportation provider that leaves a vehicle to accompany a person to or from the transportation vehicle shall:

(a) Turn off the vehicle engine and retain the key in his or her possession; or

(b) Enable a transmission locking device that prohibits unauthorized use of the vehicle and retain the key in his or her possession.

(9) If a person receiving human service transportation services does not require an escort under the provisions of subsection (4) of this section, but needs assistance to and from the vehicle, the transportation provider shall provide one (1) escort per vehicle if the conditions of paragraphs (a) and (b) of subsection (7) of this section do not exist.

(10) If a state agency has been appointed as the guardian of a person receiving human service transportation program services, the state shall ensure that the transportation provider provides an escort when the person meets the criteria under subsection (4) of this section.

(11) A parent, guardian, or designee of the parent or guardian accompanying a minor shall not be charged a fare.

Section 32. [KRS 281.883](#) is amended to read as follows:

(1) The Department of Kentucky State Police shall by administrative regulation establish a system of administrative penalties for safety violations. These penalties shall be compatible with those set forth in United States Code Title 49, Section 521(b), as amended, and any federal regulations adopted pursuant thereto. The Department of Kentucky State Police shall by administrative regulation provide an administrative process for appealing a citation of a safety violation or the penalty imposed because of the violation.

(2) The department shall promulgate administrative regulations to establish a procedure for administrative citation, assessment, and appeal of the penalties in Section 33 of this Act for any violation of the provisions of this chapter, or any order, rule, or administrative regulation lawfully issued pursuant to authority granted by this chapter. Any hearing pursuant to this subsection shall be conducted in accordance with KRS Chapter 13B.

Section 33. [KRS 281.990](#) is amended to read as follows:

(1) Except as provided in subsection (5) of this section, a person shall be fined not less than twenty-five dollars (\$25) and no

more than two hundred dollars (\$200), if the person:

- (a) Violates, causes, aids, or abets any violation of the provisions of this chapter, or any order, rule, or administrative regulation lawfully issued pursuant to authority granted by this chapter;
- (b) Knowingly makes any false or erroneous statement, report, or representation to the Department of Vehicle Regulation with respect to any matter placed under the jurisdiction of the department by this chapter;
- (c) Knowingly makes any false entry in the accounts or records required to be kept pursuant to the authority granted by this chapter; or
- (d) Knowingly fails to keep, or knowingly destroys or mutilates, any accounts or records.

Every device to evade or to prevent the application of any provision of this chapter, or any lawful order, rule or administrative regulation of the department issued pursuant thereto, shall constitute a violation thereof.

(2) (a) Any person who violates **subsection (1) of Section 10 of this Act or subsection (1) of Section 12 of this Act** KRS 281.615(1) shall be fined not less than **five hundredtwo thousand** dollars (**\$500**)(~~\$2,000~~) nor more than three thousand five hundred dollars (\$3,500).

(b) Any person who operates as a motor carrier in violation of the terms of his or her certificate or **motor carrier vehicle license** permit shall be fined not less than **five hundredtwo thousand** dollars (**\$500**)(~~\$2,000~~) nor more than three thousand five hundred dollars (\$3,500).

(3) ~~In addition to the penalties prescribed in subsection (1) of this section, in case of violation by any person in whose name an industrial bus is licensed, the person shall forfeit all certificates and permits held by him, and shall not be eligible to hold any certificate or permit for a period of five (5) years thereafter.~~

(4) A person who violates **subsection (9) of Section 10 of this Act** KRS 281.615(2) shall not be subject to a penalty under this section.

(4)(5) (a) Except as provided in this subsection, any person who violates KRS 281.757 shall be fined two hundred fifty dollars (\$250) for each offense.

(b) A person who is cited for a violation of KRS 281.757 in which the lights were inoperable or the reflectors were missing may, within thirty (30) days from the date of the citation, provide proof to the county attorney of the county in which the offense occurred that the mechanical problem has been repaired and that the lights are in working order or that the required reflectors have been placed on the vehicle. If such proof is shown, the citation shall be dismissed.

(c) A law enforcement officer and the **department** ~~Transportation Cabinet~~ shall not issue a citation to a person as violating KRS 281.757 if the atmospheric conditions all motorists were subjected to at the time the person is stopped reasonably limit the ability of a person to keep the vehicle's lights or reflectors from being obscured by dirt, mud, or debris.

Section 34. **KRS 96A.010** is amended to read as follows:

As used in this chapter, unless the context otherwise requires, the following words or terms shall mean as follows:

- (1) "City" means any incorporated city in the Commonwealth;
- (2) "County" means any county in the Commonwealth wherein there is located an incorporated city and for the purpose of this chapter shall also mean a county which has adopted an urban-county government or consolidated local government;
- (3) "State" means the Commonwealth;

- (4) “Transit authority” or “authority” means a transit authority created pursuant to this chapter;
- (5) “Board” means the board of a transit authority;
- (6) “Public body” means any city or county of the Commonwealth;
- (7) “Governing body” means, as to a county, the fiscal court thereof; as to a consolidated local government, the legislative council thereof; and as to a city, the legislative body thereof, howsoever the same may be denominated according to law;
- (8) “Proceedings” means, in the case of a county, a resolution of its fiscal court; and in the case of a city or consolidated local government, an ordinance adopted and made effective according to law by its governing body;
- (9) “Joint proceedings” relates only to the establishment of a transit authority by two (2) or more public bodies acting in concert or by agreement, and means the proceedings, taken collectively, by the governing bodies of the public bodies participating in the creation and establishment of a transit authority;
- (10) “Appointing authority” means, as to a county, the county judge/executive thereof; and as to any city or consolidated local government, the elected chief executive officer, whether designated as its mayor or otherwise;
- (11) “Area” or “transit area” means the geographical area which may be encompassed from time to time within the lawful boundaries of such cities and counties as may be involved in the creation and establishment of an authority; and of any cities or counties within any single unified metropolitan area which may subsequently become participants as provided in this chapter;
- (12) “Mass transit” or “mass transportation” means the transportation of persons and their baggage within or without a transit area, but shall not include the for-hire operation of a taxicab, or ~~industrial~~ bus as defined by KRS Chapter 281;
- (13) “Human service transportation delivery” means the same as defined in **Section 1 of this Act** ~~KRS 281.014~~;
- (14) “Delivery area” means the same as defined in **Section 1 of this Act** ~~KRS 281.014~~; and
- (15) “Broker” means the same as defined in **Section 1 of this Act** ~~KRS 281.014~~.

Section 35. [KRS 96A.020](#) is amended to read as follows:

(1) A transit authority may be created and established under the provisions of this chapter by proceedings or joint proceedings, and the name thereof shall be “Transit Authority of” If established by a city alone, or by a county alone, the name shall be completed by identification of the city or county. If created and established by joint proceedings, the name may be completed by inserting words generally identifying the area intended to be served, in such manner as the public bodies may determine by concert or agreement in their joint proceedings. Such transit authority shall constitute an agency and instrumentality for accomplishing essential governmental functions of the public body or public bodies creating and establishing the same, and shall be a political subdivision and a public body corporate, with power to contract and be contracted with, to sue and be sued, to establish, alter and enforce rules and regulations in furtherance of the purposes of its creation, to adopt, use and alter a corporate seal, and to have and exercise, generally, all of the powers of private corporations, as enumerated in KRS 271B.3-020, except to the extent the same may be inconsistent with this chapter. An authority shall be authorized to promote and develop mass transportation in its transit area and adjoining areas, including acquisition, operation and extension of existing mass transit systems; and an authority shall have and may exercise such powers as may be necessary or desirable to carry out such purposes. ~~Subject to proof of public convenience and necessity as required by KRS Chapter 281, it may provide service outside its transit area and its adjoining areas.~~

(2) Subsequent to the creation and establishment of a transit authority, one (1) or more additional public bodies may be permitted to join therein, in such manner and subject to such conditions as may be prescribed by the board of the authority with the concurrence and approval of all public bodies which have theretofore participated in the establishment or previous enlargement of the authority.

Section 36. [KRS 138.446](#) is amended to read as follows:

(1) ~~City and suburban~~ Bus companies and taxicab companies operating under a certificate of convenience and necessity issued pursuant to KRS Chapter 281, ~~taxicab companies regulated by a consolidated local government organized under KRS Chapter 67C or by an urban county government organized under KRS Chapter 67A,~~ holders of a nonprofit bus certificate as provided by ~~KRS 281.619,~~ and senior citizen programs which utilize Title III funds of the Older Americans Act in the provision of transportation services shall be entitled to a refund of seven-ninths (7/9) of the amount of KRS Chapter 138 taxes paid on motor fuels used in their regularly scheduled operations in Kentucky.

(2) No person shall be entitled to a refund pursuant to this section unless he shall have first filed with the department a bond issued by a surety company authorized to do business in Kentucky in an amount of not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) to be determined by the department, conditioned upon faithful compliance with this section and upon the payment to the Commonwealth of any refunds to which he was not entitled.

(3) Applications for refund shall be filed with the department on a calendar quarter or calendar year basis on forms and in the manner prescribed by it for refund of tax paid on motor fuel used by buses or taxicabs. Each application for a refund shall show the number of gallons of motor fuel purchased during the quarter for use in buses or taxicabs; the date and quantity of each purchase; the vendor from whom the fuel was purchased; the number of gallons on which refund is claimed; and other information the department may require. Invoices shall be attached to applications from taxicab companies.

(4) The department may require any gasoline dealer or any dealer's authorized agent to identify gasoline sold by him for taxicab use by adding any chemical or substance, which shall be furnished by the department and used in the manner as prescribed by the department. The department also may require that the dealer keep a complete record of all the gasoline sold by him, which records shall give the date of each sale, the number of gallons sold, the name of the person to whom sold, and the sale price.

(5) The department shall audit the application and make any other investigation it deems necessary to determine whether it constitutes a proper claim. When the department is satisfied that a refund is proper, it shall authorize seven-ninths (7/9) of the amount of the tax paid to be refunded as other refunds are made and the amount refunded shall be deducted from current motor fuel tax receipts. The tax shall be refunded with interest at the tax interest rate as defined in KRS 131.010(6).

(6) When the department finds that an application for a refund contains a false or fraudulent statement or that a refund has been fraudulently obtained, the department shall refuse to grant any refunds to the person making the false or fraudulent statement or fraudulently obtaining a refund for a period of two (2) years from the date of the findings.

(7) The department may prescribe, promulgate and enforce administrative regulations relating to the administration and enforcement of this section.

(8) The refund provided for in this section shall be effective on motor fuel purchased on or after July 1, 1978.

Section 37. [KRS 138.463](#) is amended to read as follows:

(1) A holder of a **certificate permit** as required under **Section 10 of this Act** ~~KRS 281.615~~ to operate as a U-Drive-It as defined in **Section 1 of this Act** ~~KRS 281.014~~ may pay the usage tax as provided in KRS 138.460 or, subject to the provisions of this section, may pay a usage tax of six percent (6%) levied upon the amount of the gross rental or lease charges paid by a customer or lessee renting or leasing a motor vehicle from such holder of the **certificate permit**.

(2) The provisions of KRS 138.462 and this section shall apply to all rental and leasehold contracts entered into after March 9, 1990.

(3) A holder of a **certificate permit** shall pay the usage tax as provided in KRS 138.460 unless he shows to the satisfaction of the cabinet that he is regularly engaged in the renting or leasing of motor vehicles to retail customers as a part of an

established business. The issuance of a U-Drive-It **certificate** permit under the provisions of KRS Chapter 281 shall create a rebuttable presumption that the holder of a **certificate** permit is regularly engaged in renting or leasing. Persons first engaging in the renting or leasing of motor vehicles to retail customers shall, in addition to obtaining a **certificate** permit required under **Section 10 of this Act** ~~KRS 281.615~~, demonstrate to the satisfaction of the cabinet that they are prepared to qualify under the standards set forth in this subsection.

(4) In the event the holder of such **certificate** permit qualifies under subsection (3) of this section and elects to pay the usage tax by the alternate method as provided in subsection (1) of this section, or is required by subsection (8) of this section to pay by the alternate method, he shall pay the ~~fee~~ **seat tax** imposed by **subsection (3) of Section 12 of this Act** ~~KRS 186.281(3)~~ and in addition shall pay the monthly tax authorized by subsection (1) of this section.

(5) The tax authorized by subsection (1) of this section shall be the direct obligation of the holder of the **certificate** permit but it may be charged to and collected from the customer in addition to the rental or lease charges. The tax due shall be remitted to the cabinet each month on forms and pursuant to regulations promulgated by the cabinet.

(6) (a) As soon as practicable after each return is received, the cabinet shall examine and audit it. If the amount of tax computed by the cabinet is greater than the amount returned by the taxpayer, the excess shall be assessed by the cabinet within four (4) years from the date the return was filed, except as provided in paragraph (c) of this subsection, and except that in the case of a failure to file a return or of a fraudulent return the excess may be assessed at any time. A notice of such assessment shall be mailed to the taxpayer. The time herein provided may be extended by agreement between the taxpayer and the cabinet.

(b) For the purpose of paragraphs (a) and (c) of this subsection, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day.

(c) Notwithstanding the four (4) year time limitation of paragraph (a) of this subsection, in the case of a return where the tax computed by the cabinet is greater by twenty-five percent (25%) or more than the amount returned by the taxpayer, the excess shall be assessed by the cabinet within six (6) years from the date the return was filed.

(7) Failure of the holder of the **certificate** permit to remit the taxes applicable to the rental charges as provided herein shall be sufficient cause for the Department of Vehicle Regulation to void the **certificate** permit issued to such holder and the usage tax on each of the motor vehicles which had been registered by the holder under the **certificate** permit shall be due and payable on the retail price of each such motor vehicle when it was first purchased by the holder.

(8) Notwithstanding the provisions of KRS 138.460 and subsection (1) of this section, a holder of a **certificate** permit operating a fleet of rental passenger cars which has been registered pursuant to an allocation formula approved by the cabinet shall pay the tax by the method provided in this section. The provisions of this section shall apply to all vehicles rented by the holder in this state.

(9) The usage tax reported and paid on every rental or lease of a vehicle registered pursuant to this section shall be based on the fair market rental or lease value of the vehicle. Fair market rental or lease value shall be based on standards established by administrative regulation promulgated by the cabinet. The cabinet may remove a vehicle from the U-Drive-It program without a hearing if it is determined by the cabinet that no taxes have been remitted on that vehicle during the registration period. However, the tax reported and paid to the Transportation Cabinet shall not be less than the amount due based on the actual terms of a rental or lease agreement. The burden of proving that the consideration charged by the holder satisfies this subsection is on the holder.

Section 38. **KRS 186.050** is amended to read as follows:

(1) The annual registration fee **shall be eleven dollars fifty cents (\$11.50)** for:

(a) Motor vehicles, including pickup trucks and passenger vans; and

(b) Motor carrier vehicles, as defined in Section 1 of this Act ~~taxicabs, airport limousines, and U-Drive-Its, primarily~~

designed for carrying passengers **or passengers for hire** and having **been designed or constructed to transport** provisions for not more than **fifteen (15)** ~~nine (9)~~ passengers, including the operator, ~~and pickup trucks and passenger vans which are not being used on a for hire basis shall be eleven dollars fifty cents (\$11.50).~~

(2) Except as provided in KRS 186.041 and 186.162, the annual registration fee for each motorcycle shall be nine dollars (\$9).

(3) (a) All motor vehicles having a declared gross weight of vehicle and any towed unit of ten thousand (10,000) pounds or less, except those mentioned in subsections (1) and (2) of this section ~~and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity,~~ are classified as commercial vehicles and the annual registration fee, except as provided in subsections (4) to (14) of this section, shall be eleven dollars and fifty cents (\$11.50).

(b) All motor vehicles, ~~except those mentioned in subsections (1) and (2) of this section, and those engaged in hauling passengers for hire~~ **which are designed or constructed to transport more than fifteen (15) passengers including the operator, whose registration fee shall be one hundred dollars (\$100),** ~~operating under certificates of convenience and necessity,~~ are classified as commercial vehicles and the annual registration fee, except as provided in subsections (3)(a) and (4) to (14) of this section, shall be as follows:

Declared Gross Weight of Vehicle	Registration and Any Towed Unit Fee	10,001-14,000	30.00	14,001-18,000	50.00
18,001-22,000	132.00	22,001-26,000	160.00	26,001-32,000	216.00
32,001-38,000	300.00	38,001-44,000	474.00	44,001-55,000	669.00
55,001-62,000	1,007.00	62,001-73,280	1,250.00	73,281-80,000	1,410.00

(4) (a) 1. Any farmer owning a truck having a gross weight of twenty-six thousand (26,000) pounds or less may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents (\$11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged in the production of crops, livestock, or dairy products, that he owns a truck of the gross weight of twenty-six thousand (26,000) pounds or less, and that during the next twelve (12) months the truck shall not be used in for-hire transportation and may be used in transporting persons, food, provender, feed, machinery, livestock, material, and supplies necessary for his farming operation, and the products grown on his farm.

2. Any farmer owning a truck having a gross weight of twenty-six thousand one (26,001) pounds to thirty-eight thousand (38,000) pounds may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents (\$11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged in the production of crops, livestock, or dairy products, that he owns a truck of the gross weight between twenty-six thousand one (26,001) pounds and thirty-eight thousand (38,000) pounds, and that during the next twelve (12) months the truck shall not be used in for-hire transportation and may be used in transporting persons, food, provender, feed, machinery, livestock, material, and supplies necessary for his farming operation and the products grown on his farm.

(b) Any farmer owning a truck having a declared gross weight in excess of thirty-eight thousand (38,000) pounds shall not be required to pay the fee set out in subsection (3) of this section and, in lieu thereof, shall pay forty percent (40%) of the fee set out in subsection (3) of this section and shall be exempt from any fee charged under the provisions of KRS 281.752. The applicant's signature upon the registration receipt shall be considered to be a certification that he is a farmer engaged solely in the production of crops, livestock, or dairy products, and that during the current registration year the truck will be used only in transporting persons, food, provender, feed, and machinery used in operating his farm and the products grown on his farm.

(c) An initial applicant for, or an applicant renewing, his or her registration pursuant to this subsection, may at the time of application make a voluntary contribution to be deposited into the agricultural program trust fund established in KRS 246.247. The recommended voluntary contribution shall be set at ten dollars (\$10) and automatically added to the cost of registration or renewal unless the individual registering or renewing the vehicle opts out of contributing the recommended amount. The county clerk shall collect and forward the voluntary contribution to the cabinet for distribution to the Department of Agriculture.

(5) Any person owning a truck or bus used solely in transporting school children and school employees may have the truck or

bus registered as a school bus and obtain a license for eleven dollars fifty cents (\$11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus is used solely in the transportation of school children and persons employed in the schools of the district, that he has caused to be printed on each side of the truck or bus and on the rear door the words "School Bus" in letters at least six (6) inches high, and of a conspicuous color, and the truck or bus will be used during the next twelve (12) months only for the purpose stated.

(6) Any church or religious organization owning a truck or bus used solely in transporting persons to and from a place of worship or for other religious work may have the truck or bus registered as a church bus and obtain a license for eleven dollars and fifty cents (\$11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus will be used only for the transporting of persons to and from a place of worship, or for other religious work, and that there has been printed on the truck or bus in large letters the words "Church Bus," with the name of the church or religious organization owning and using the truck or bus, and that during the next twelve (12) months the truck or bus will be used only for the purpose stated.

(7) Any person owning a motor vehicle with a gross weight of fourteen thousand (14,000) pounds or less on which a wrecker crane or other equipment suitable for wrecker service has been permanently mounted may register the vehicle and obtain a license for eleven dollars fifty cents (\$11.50) by filing with the county clerk, in addition to other information required, an affidavit that a wrecker crane or other equipment suitable for wrecker service has been permanently mounted on such vehicle and that during the next twelve (12) months the vehicle will be used only in wrecker service. If the gross weight of the vehicle exceeds fourteen thousand (14,000) pounds, the vehicle shall be registered in accordance with subsection (3) of this section. The gross weight of a vehicle used in wrecker service shall not include the weight of the vehicle being towed by the wrecker.

(8) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which when operated in this state are used exclusively for the transportation of property within the limits of the city named in the affidavit hereinafter required to be filed, or within ten (10) miles of the city limits of the city if it is a city with a population equal to or greater than three thousand (3,000) based upon the most recent federal decennial census, or within five (5) miles of its limits if it is a city with a population of less than three thousand (3,000) based upon the most recent federal decennial census, or anywhere within a county containing an urban-county government, shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay seventy-five percent (75%) of the fee set forth in subsection (3) of this section and shall be exempt from any fee charged under the provisions of KRS 281.752. Nothing in this section shall be construed to limit any right of nonresidents to exemption from registration under any other provisions of the laws granting reciprocity to nonresidents. Operations outside of this state shall not be considered in determining whether or not the foregoing mileage limitations have been observed. When claiming the right to the reduced fee, the applicant's signature on the certificate of registration and ownership shall constitute a certification or affidavit stating that the motor vehicle when used within this state is used only for the transportation of property within the city to be named in the affidavit and the area above set out and that the vehicle will not be used outside of a city and the area above set out during the current registration period.

(9) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which are used exclusively for the transportation of primary forest products from the harvest area to a mill or other processing facility, where such mill or processing facility is located at a point not more than fifty (50) air miles from the harvest area or which are used exclusively for the transportation of concrete blocks or ready-mixed concrete from the point at which such concrete blocks or ready-mixed concrete is produced to a construction site where such concrete blocks or ready-mixed concrete is to be used, where such construction site is located at a point not more than thirty (30) air miles from the point at which such concrete blocks or ready-mixed concrete is produced shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof, shall pay seventy-five percent (75%) of the fee set out in subsection (3) of this section and shall be exempt from any fee charged under the provisions of KRS 281.752. The applicant's signature upon the certificate of registration and ownership shall constitute a certification that the motor vehicle will not be used during the current registration period in any manner other than that for which the reduced fee is provided in this section.

(10) Any owner of a commercial vehicle registered for a declared gross weight in excess of eighteen thousand (18,000) pounds, intending to transfer same and desiring to take advantage of the refund provisions of KRS 186.056(2), may reregister such vehicle and obtain a "For Sale" certificate of registration and ownership for one dollar (\$1). Title to a vehicle so registered may be transferred, but such registration shall not authorize the operation or use of the vehicle on any public

highway. No refund may be made under the provisions of KRS 186.056(2) until such time as the title to such vehicle has been transferred to the purchaser thereof. Provided, however, that nothing herein shall be so construed as to prevent the seller of a commercial vehicle from transferring the registration of such vehicle to any purchaser thereof.

(11) The annual registration fee for self-propelled vehicles containing sleeping or eating facilities shall be twenty dollars (\$20) and the multiyear license plate issued shall be designated "Recreational vehicle." The foregoing shall not include any motor vehicle primarily designed for commercial or farm use having temporarily attached thereto any sleeping or eating facilities, or any commercial vehicle having sleeping facilities.

(12) The registration fee on any vehicle registered under this section shall be increased fifty percent (50%) when the vehicle is not equipped wholly with pneumatic tires.

(13) (a) The Department of Vehicle Regulation is authorized to negotiate and execute an agreement or agreements for the purpose of developing and instituting proportional registration of motor vehicles engaged in interstate commerce, or in a combination of interstate and intrastate commerce, and operating into, through, or within the Commonwealth of Kentucky. The agreement or agreements may be made on a basis commensurate with, and determined by, the miles traveled on, and use made of, the highways of this Commonwealth as compared with the miles traveled on and use made of highways of other states, or upon any other equitable basis of proportional registration. Notwithstanding the provisions of KRS 186.020, the cabinet shall promulgate administrative regulations concerning the registration of motor vehicles under any agreement or agreements made under this section and shall provide for direct issuance by it of evidence of payment of any registration fee required under such agreement or agreements. Any proportional registration fee required to be collected under any proportional registration agreement or agreements shall be in accordance with the taxes established in this section.

(b) Any owner of a commercial vehicle who is required to title his motor vehicle under this section shall first title such vehicle with the county clerk pursuant to KRS 186.020 for a state fee of one dollar (\$1). Title to such vehicle may be transferred; however title without proper registration shall not authorize the operation or use of the vehicle on any public highway. Any commercial vehicle properly titled in Kentucky may also be registered in Kentucky, and, upon payment of the required fees, the department may issue an apportioned registration plate to such commercial vehicle.

(c) Any commercial vehicle that is properly titled in a foreign jurisdiction, which vehicle is subject to apportioned registration, as provided in paragraph (a) of this subsection, may be registered in Kentucky, and, upon proof of proper title and payment of the required fees, the department may issue an apportioned registration plate to the commercial vehicle. The department shall promulgate administrative regulations in accordance with this section.

(14) Any person seeking to obtain a special license plate for an automobile that has been provided to him pursuant to an occupation shall meet both of the following requirements:

(a) The automobile shall be provided for the full-time exclusive use of the applicant; and

(b) The applicant shall obtain permission in writing from the vehicle owner or lessee on a form provided by the cabinet to use the vehicle and for the vehicle to bear the special license plate.

(15) An applicant for any motor vehicle registration issued pursuant to this section shall have the opportunity to make a donation of two dollars (\$2) to promote a hunger relief program through specific wildlife management and conservation efforts by the Department of Fish and Wildlife Resources in accordance with KRS 150.015. If an applicant elects to make a contribution under this subsection, the two dollar (\$2) donation shall be added to the regular fee for any motor vehicle registration issued pursuant to this section. One (1) donation may be made per issuance of each registration. The fee shall be paid to the county clerk and shall be transmitted by the State Treasurer to the Department of Fish and Wildlife Resources to be used exclusively for the purpose of wildlife management and conservation activities in support of hunger relief. The county clerk may retain up to five percent (5%) of the fees collected under this subsection for administrative costs associated with the collection of this donation. Any donation requested under this subsection shall be voluntary and may be refused by the applicant at the time of issuance or renewal of a license plate.

Section 39. [KRS 186.164](#) is amended to read as follows:

(1) The SF portion of the fee required under KRS 186.162 shall include the fee to reflectorize all license plates under KRS 186.240. All EF fees required under KRS 186.162 shall be collected at the time of an initial or renewal application by the county clerk who shall forward the EF fee to the cabinet. The cabinet shall remit EF fees to the group or organization identified in KRS 186.162 on a quarterly basis. The cabinet may retain any investment income earned from holding EF fees designated to be remitted under this subsection to offset administrative costs incurred by the cabinet in the administration of EF fees.

(2) A special license plate shall be the color and design selected by the group or organization identified in subsection (13) of this section, contingent upon the approval of the Transportation Cabinet. In addition to the design selected for a special license plate, the name "Kentucky," an annual renewal decal, and any combination of letters or numerals required by the cabinet in the design shall also appear on the plate.

(3) Except as provided in KRS 186.162, the total initial fee for a special license plate created under this chapter shall be twenty-eight dollars (\$28), of which the Transportation Cabinet shall receive twenty-five dollars (\$25) and the county clerk shall receive three dollars (\$3), and the total renewal fee shall be fifteen dollars (\$15), of which the Transportation Cabinet shall receive twelve dollars (\$12) and the county clerk shall receive three dollars (\$3). The twenty-five dollar (\$25) initial fee and twelve dollar (\$12) renewal fee received by the Transportation Cabinet under this subsection shall include an applicant's registration fee required under KRS 186.050.

(4) An actual metal special license plate shall be issued on the same schedule as regular license plates are issued under KRS 186.240. The cabinet shall have the discretion to extend the time period that will exist between the date a metal special license plate is issued and the date that regular plates are issued under KRS 186.240. A renewal registration decal shall be issued all other years during the owner's or lessee's birth month, except as provided in KRS 186.041(2), 186.042(5), and 186.174(2). A person seeking a special license plate for a vehicle provided as part of the person's occupation shall conform to the requirements of KRS 186.050(14).

(5) (a) If a special license plate issued under this chapter deteriorates to the point that the lettering, numbering, or images on the face of the plate are not legible, the plate shall be replaced free of charge, if the owner or lessee has not transferred the vehicle to which the plate was issued during the current licensing period.

(b) If a special license plate issued under this chapter is lost, stolen, or damaged in an accident, the county clerk shall issue a new plate upon payment of a three dollar (\$3) county clerk fee, if the owner or lessee has not transferred the vehicle to which the plate was issued during the current licensing period.

(6) Upon the sale, transfer, or termination of a lease of a vehicle with any special license plate issued under this chapter, the owner or lessee shall remove the special plate and return it and the certificate of registration to the county clerk. The county clerk shall reissue the owner or lessee a regular license plate and a certificate of registration upon payment of a three dollar (\$3) county clerk fee. If the owner or lessee requests, the county clerk shall reissue the special plate upon payment of a three dollar (\$3) county clerk fee for use on any other vehicle of the same classification and category owned, leased, or acquired by the person during the current licensing period. If the owner or lessee has the special plate reissued to a vehicle which has been previously registered in this state, the regular license plate that is being replaced shall be returned to the county clerk who shall forward the plate to the Transportation Cabinet.

(7) A special license plate may be issued to the owner or lessee of a motor vehicle that is required to be registered under KRS 186.050(1), (3)(a), or (4)(a), except a special license plate shall not be issued to a taxicab, ~~airport~~ limousine, or U-Drive-It registered and licensed under this chapter or KRS Chapter 281. A person applying for a special license plate shall apply in the office of the county clerk in the county of the person's residence, except as provided in KRS 186.168(3). All special license plates issued under this chapter may be combined with a personalized license plate under the provisions of KRS 186.174. The fee to combine a special license plate with a personalized license plate shall be as established in KRS 186.162(3).

(8) Within thirty (30) days of termination from election to, appointment to, or membership with any group or organization, an applicant to whom a special license plate was issued under this chapter shall return the special license plate to the county clerk of the county of his or her residence, unless the person is merely changing his or her status with the group or organization to retired.

(9) A group wanting to create a special license plate that is not authorized under this chapter on June 20, 2005, shall comply with the following conditions before being eligible to apply for a special license plate:

(a) The group shall be nonprofit and based, headquartered, or have a chapter in Kentucky;

(b) The group may be organized for, but shall not be restricted to, social, civic, or entertainment purposes;

(c) The group, or the group's lettering, logo, image, or message to be placed on the license plate, if created, shall not discriminate against any race, color, religion, sex, or national origin, and shall not be construed, as determined by the cabinet, as an attempt to victimize or intimidate any person due to the person's race, color, religion, sex, or national origin;

(d) The group shall not be a political party and shall not have been created primarily to promote a specific political belief;

(e) The group shall not have as its primary purpose the promotion of any specific faith, religion, or antireligion;

(f) The name of the group shall not be the name of a special product or brand name, and shall not be construed, as determined by the cabinet, as promoting a product or brand name; and

(g) The group's lettering, logo, image, or message to be placed on the license plate, if created, shall not be obscene, as determined by the cabinet.

(10) If the cabinet denies to issue a group a special license plate based upon the conditions specified in subsection (9) of this section, the cabinet shall, immediately upon denying to issue a group a special license plate, notify in writing the chairperson of both the House and Senate standing committees on transportation of the denial and the reasons upon which the cabinet based the denial. A person seeking a personalized license plate under KRS 186.174 shall be subject to the conditions specified in subsection (9)(c) to (g) of this section.

(11) If the cabinet approves a request for a special license plate, the cabinet shall begin designing and printing the plate after the group collects a minimum of nine hundred (900) applications with each application being accompanied by a twenty-five dollar (\$25) state fee. The applications and accompanying fee shall be submitted to the cabinet at one (1) time as a whole and shall not be submitted individually or intermittently.

(12) An initial applicant for, or an applicant renewing, his or her registration for a special license plate may, at the time of application, make a voluntary contribution that the county clerk shall forward to the cabinet. The entity that sponsors a special plate established by the process outlined in this section may set a requested donation amount, not to exceed ten dollars (\$10), that will automatically be added to the cost of registration or renewal, unless the individual registering or renewing the vehicle registration opts out of contributing that recommended amount. The cabinet shall, on an annual basis, remit the voluntary contributions to the appropriate group identified to be used for the declared purpose stated under subsection (13) of this section. The cabinet may retain any investment income earned from holding voluntary contributions designated to be remitted under this subsection to offset administrative costs incurred by the cabinet in the administration of the contributions. Any group or organization that receives a mandatory EF fee under KRS 186.162 shall submit the information required under subsection (13)(a) and (c) of this section to the Transportation Cabinet within thirty (30) days of June 20, 2005.

(13) If a group wants to receive a donation when the group or organization's special license plate is initially purchased or renewed under subsection (12) of this section, the group shall, at the time the nine hundred (900) applications are submitted to the Transportation Cabinet, also submit a notarized affidavit to the cabinet attesting to:

(a) The name, address, and telephone number for the group or organization. If the group or organization does not have its headquarters in the Commonwealth, then the name, address, and telephone number for the group or organization's Kentucky state chapter shall be required. The names of the officers of the group or organization shall also be required. If the entity receiving funds under subsection (12) of this section is not a state governmental agency, a program unit within a state governmental agency, or is a group or organization that does not have a statewide chapter, then an extra donation for use by the group or organization shall be prohibited;

(b) The amount of the monetary donation the group wants to receive when a person purchases the group or organization's special license plate; and

(c) The purpose for which the donated funds will be used by the group or organization. Donated funds shall not be limited for use by members of the group or organization, and shall not be used for administrative or personnel costs of the group or organization.

(14) All funds received by a group or organization under subsection (12) of this section shall be deposited into an account separate from all other accounts the group or organization may have, and the account shall be audited yearly at the expense of the group or organization. The completed audit shall be forwarded to the Transportation Cabinet in Frankfort. One hundred percent (100%) of the funds received by a group or organization under subsection (12) of this section shall be used for the express purpose identified by the group in subsection (13) of this section. Any group or organization that receives a mandatory EF fee under KRS 186.162 shall comply with the provisions of this subsection.

(15) The secretary of the Transportation Cabinet shall promulgate administrative regulations under KRS Chapter 13A to establish additional rules to implement the issuance of special license plates issued under this chapter, including but not limited to:

(a) Documentation that will be required to accompany an application for a special license plate to provide proof of:

1. Election to the United States Congress or the Kentucky General Assembly;
2. Election or appointment to the Kentucky Court of Justice;
3. Membership in a Masonic Order, Fraternal Order of Police, or emergency management organization;
4. Eligibility for membership in the Gold Star Mothers of America;
5. Eligibility as a father for associate membership in the Gold Star Mothers of America;
6. Eligibility for membership in the Gold Star Wives of America;
7. Ownership of an amateur radio operator license;
8. Receipt of the Silver Star Medal; or
9. Receipt of the Bronze Star Medal awarded for valor.

(b) The time schedule permissible for a group or organization to request a design change for the special license plate; and

(c) The procedures for review of proposed license plates and the standards by which proposed special license plates are approved or rejected in accordance with subsection (9) of this section.

(16) Any individual, group, or organization that fails to audit any funds received under this chapter, or that intentionally uses any funds received in any way other than attested to under subsection (13) of this section or for administrative or personnel costs in violation of subsection (13) of this section, shall be guilty of a Class D felony and upon conviction shall, in addition to being subject to criminal penalties, be assessed a mandatory five thousand dollar (\$5,000) fine.

Section 40. [KRS 186.240](#) is amended to read as follows:

(1) It shall be the duty of the cabinet to carry out the provisions of KRS 186.005 to 186.260, and:

(a) Prepare and furnish to the clerk in each county a sufficient supply of all forms and blanks provided for in KRS 186.005 to

186.260. The forms for receipts shall be designated for the writing of not less than triplicate copies, the originals of which shall be numbered consecutively for each county, the second and third copies bearing the same number as the original. Receipts to be used as duplicates for lost receipts, as provided in KRS 186.180(1), shall be in duplicate only, and shall not be numbered;

(b) Keep a numerical record of all registration numbers issued in the state, for which they may use the second copy of receipts forwarded by the clerk of each county, and also keep a record of motor or vehicle identification numbers required by KRS 186.160; and

(c) Furnish to each clerk, originally each year upon estimate, and thereafter upon requisition at all times, a sufficient supply of plates and other insignia evidencing registration for all classes of vehicles required to be registered. The cabinet shall prescribe a plate of practical form and size for police identification purposes that shall contain:

1. The registration number;

2. The word "Kentucky;" and

3. The name of the county in which the plate is issued, or in lieu thereof the words "Official," "Transportation," "Executive," or "Farm." Plates for commercial vehicles, shall contain the year the license expires and words or information the Department of Vehicle Regulation may prescribe by administrative regulation, pursuant to KRS Chapter 13A. Numerals indicating a year shall not be placed upon any license plate issued pursuant to KRS 186.060, relating to the licensing of vehicles owned exclusively by the state and KRS 186.061, relating to the licensing of vehicles owned exclusively by a nonprofit volunteer fire department, volunteer fire prevention unit, and volunteer fire protection unit. A state slogan may be placed upon the plate.

(2) License plates issued pursuant to KRS 186.050(1) shall conform to the provisions of subsection (1)(c) of this section except:

(a) The word "Kentucky" shall be centered above the county name in which the plate is issued;

(b) The words "Bluegrass State" shall be centered at the top of the plate above the registration number; and

(c) The name of the county in which the plate is issued shall be centered in the lower portion of the plate below the registration number and shall be printed in letters that are the same size as those used to print the word "Kentucky." Beginning January 1, 1993, the Transportation Cabinet shall provide for the issuance of reflectorized plates for all motor vehicles, and shall collect a fee, in addition to the fee set out in KRS Chapter 186 and **Section 12 of this Act** ~~KRS 281.860~~, of fifty cents (\$0.50). The fifty cents (\$0.50) fee to reflectorize license plates shall be used by the cabinet as provided in subsection (3) of this section;

(3) The reflectorized license plate program fund is established in the state road fund and appropriated on a continual basis to the cabinet to administer the moneys as provided in this subsection. The fifty cents (\$0.50) fee collected by the cabinet to reflectorize license plates shall be deposited into the program fund and used to issue reflectorized license plates. If at the end of a fiscal year, money remains in the program fund, it shall be retained in the fund and shall not revert to the state road fund. The interest and income earned on money in the program fund shall also be retained in the program fund to carry out the provisions of this subsection. The Transportation Cabinet shall begin issuing the new reflectorized license plate under the provisions of this subsection on January 1, 2003, and shall continue to issue a new reflectorized license plate on a schedule to be determined at the discretion of the cabinet in the years thereafter;

(4) Except as directed under subsection (3) of this section, the Transportation Cabinet shall receive all moneys forwarded by the clerk in each county and turn it over to the State Treasurer for the benefit of the state road fund;

(5) The Transportation Cabinet shall require an accounting by the clerk in each county for any moneys received by him under the provisions of this chapter, after the deduction of his fees under this chapter, and for all receipts, forms, plates, and insignia consigned to him. The Auditor of Public Accounts, pursuant to KRS 43.071, shall annually audit each county clerk

concerning his responsibilities for the collection of various fees and taxes associated with motor vehicles. The secretary of the Transportation Cabinet, with the advice, consultation, and approval of the Auditor, shall develop and implement an inventory and accounting system which shall insure that the audits mandated in KRS 43.071 are performed in accordance with generally accepted auditing standards. The Transportation Cabinet shall pay for the audits mandated by KRS 43.071; and

(6) When applied for under KRS 186.160, motor or vehicle numbers assigned shall be distinctive to show that they were designated by the cabinet.

Section 41. [KRS 186.991](#) is amended to read as follows:

Any person who violates, or causes, aids, or abets any violation of ~~KRS 186.052~~, 186.053, ~~186.281~~ and ~~186.286~~ or of any order, rule, or regulation lawfully issued pursuant thereto, shall be fined not less than twenty-five dollars (\$25) nor more than two hundred dollars (\$200) or imprisoned for not more than thirty (30) days, or both.

SECTION 42. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO READ AS FOLLOWS:

The secretary of the Transportation Cabinet, or his or her designee, is hereby authorized to join and negotiate with other states a compact for overdimensional permits. If the secretary joins a compact pursuant to this section, the cabinet shall promulgate administrative regulations pursuant to KRS Chapter 13A governing the administration and enforcement of a compact on overdimensional permits.

Section 43. [KRS 381.770](#) is amended to read as follows:

(1) As used in this section:

(a) "Automobile collector" means a person who collects and restores motor vehicles; and

(b) "Ordinary public view" means a sight line within normal visual range by a person on a public street or sidewalk adjacent to real property;

(c) "Parts car" means an automobile that is not intended to be operated along streets and roads, but is used to provide parts for the restoration of other automobiles; and

(d) "Imminent danger" means a condition which could cause serious or life-threatening injury or death at any time.

(2) Except as provided in subsection (3) of this section, it shall be unlawful for the owner, occupant or person having control or management of any land within a city, county, consolidated local government, urban-county, or unincorporated area to permit a public nuisance, health hazard, or source of filth to develop thereon through the accumulation of:

(a) Junked or wrecked automobiles, vehicles, machines, or other similar scrap or salvage materials, excluding inoperative farm equipment;

(b) One (1) or more mobile or manufactured homes as defined in KRS 227.550 that are junked, wrecked, or nonoperative and which are not inhabited;

(c) Rubbish; or

(d) The excessive growth of weeds or grass.

(3) The provisions of paragraph (a) of subsection (2) of this section shall not apply to:

(a) Junked, wrecked, or nonoperative automobiles, vehicles, machines, or other similar scrap or salvage materials located on

the business premises of a licensed automotive recycling dealer as defined under the provisions of KRS 190.010(8);

(b) Junked, wrecked, or nonoperative motor vehicles, including parts cars, stored on private real property by automobile collectors, whether as a hobby or a profession, if these motor vehicles and parts cars are stored out of ordinary public view by means of suitable fencing, trees, shrubbery, or other means; and

(c) Any motor vehicle as defined in **Section 1 of this Act**~~KRS 281.011~~ that is owned, controlled, operated, managed, or leased by a motor carrier.

(4) It shall be unlawful in any city, county, consolidated local government, or urban-county for the owner of a property to permit any structure upon the property to become unfit and unsafe for human habitation, occupancy, or use or to permit conditions to exist in the structure which are dangerous or injurious to the health or safety of the occupants of the structure, the occupants of neighboring structures, or other residents of the city, county, consolidated local government, or urban-county.

(5) Any city, county, consolidated local government, or urban-county may establish by ordinance reasonable standards and procedures for the enforcement of this section. The procedures shall comply with all applicable statutes, administrative regulations, or codes. Proper notice shall be given to property owners before any action is taken pursuant to this section; and, prior to the demolition of any unfit or unsafe structure, the right to a hearing shall be afforded the property owner.

(6) Unless imminent danger exists on the subject property that necessitates immediate action, the city, county, consolidated local government, or urban-county government shall send, within fourteen (14) days of a final determination after hearing or waiver of hearing by the property owner, a copy of the determination to any lien holder of record of the subject property by first-class mail with proof of mailing. The lien holder of record may, within forty-five (45) days from receipt of that notice, correct the violations cited or elect to pay all fines, penalty charges, and costs incurred in remedying the situation as permitted by subsection (7) of this section.

(7) A city, county, consolidated local government, or urban-county shall have a lien against the property for the reasonable value of labor and materials used in remedying the situation. The affidavit of the responsible officer shall constitute prima facie evidence of the amount of the lien and the regularity of the proceedings pursuant to this statute, and shall be recorded in the office of the county clerk. The lien shall be notice to all persons from the time of its recording and shall bear interest thereafter until paid. The lien created shall take precedence over all other liens, except state, county, school board, and city taxes, except as provided in subsection (8) of this section. The lien may be enforced by judicial proceeding.

(8) The lien provided in subsection (7) of this section shall not take precedence or priority over a previously recorded lien if:

(a) The city, county, consolidated local government, or urban-county government failed to provide the lien holder a copy of the determination in accordance with subsection (6) of this section; or

(b) The lien holder received a copy of the determination as required by subsection (6) of this section, and the lien holder corrected the violations or paid the fines, penalty charges, and costs incurred in remedying the violation.

(9) In addition to the remedy prescribed in subsection (5) of this section or any other remedy authorized by law, the owner of a property upon which a lien has been attached pursuant to this section shall be personally liable for the amount of the lien, including all interest, civil penalties, and other charges and the city, county, or urban-county may bring a civil action against the owner and shall have the same remedies as provided for the recovery of a debt owed. The failure of a city, county, consolidated local government, or urban-county government to comply with subsection (6) of this section, and the failure of a lien to take precedence over previously filed liens as provided in subsection (8) of this section, shall not limit or restrict any remedies that the city, county, consolidated local government, or urban-county government has against the owner of the property.

(10) The provisions of subsections (5), (7), and (9) of this section shall not apply to an owner, occupant, or person having control or management of any land located in an unincorporated area if the owner, occupant, or person is not the generator of the rubbish or is not dumping or knowingly allowing the dumping of the rubbish and has made reasonable efforts to prevent

the dumping of rubbish by other persons onto the property.

Section 44. [KRS 281.905](#) is amended to read as follows:

(1) The duties of the committee shall be :

~~(a) to advise the executive and legislative branches of government of the Commonwealth on issues regarding industrial expansion, promotion of motor carrier development, safety training, and improvement of motor carrier taxation and regulation methods; and~~

~~(b) To coordinate and monitor educational training courses on motor carrier operations and safety regulation pursuant to KRS 281.907.~~

(2) The committee may request information and data from agencies of state government and may conduct studies to assist in the performance of its functions and duties.

(3) The committee shall meet no less than quarterly during each calendar year, but may meet more frequently, if required. Meetings may be held at any place within the Commonwealth as determined by the committee. The Transportation Cabinet shall provide meeting facilities and administrative assistance and support to the committee and the expense of operations of the committee shall be paid from the budget of the Department of Vehicle Regulation.

(4) The chairman of the committee shall be the secretary of the Transportation Cabinet, or his designee. The vice chairman shall be elected from the nine (9) appointed members of the committee. A majority of the membership of the committee shall constitute a quorum for the conduct of business.

(5) The meetings of the committee shall be public and the board shall file annual reports of its activities, findings, and recommendations with the office of the Secretary of State and the Legislative Research Commission. The reports shall be a matter of public record.

Section 45. The following KRS sections are repealed:

[186.052](#) License fee for driveaway operations -- Tags.

[186.281](#) Seat and other vehicle taxes.

[186.286](#) Apportionment of seat taxes.

[281.011](#) Definitions for chapter.

[281.012](#) Definitions.

[281.013](#) Definitions for chapter.

[281.014](#) Definitions for chapter.

[281.015](#) Definitions.

281.604 Assessment of AVIS reprogramming costs required due to KRS 186.072 and 186.073.

281.607 Recognition of corporate limits and population of city government units prior to merger into urban-county government -- Recognition of boundaries of service districts.

281.612 Authorization for joining interstate compact for overdimensional permits.

281.615 Permit for motor carrier required -- Employment illegal, when.

281.618 Construction of certificates authorizing transportation of persons.

281.619 Nonprofit bus certificate.

281.620 Application for certificate, permit, or change therein -- Fee.

281.625 Hearing on application -- Notice -- Protest -- Exceptions.

281.6251 Notice of intention to apply for certificate.

281.632 Temporary authority for service -- Renewal of temporary authority period.

281.633 Personal representative's power over decedent's certificate -- Transferring certificate when holder incorporates.

281.637 Charter bus certificate.

281.641 Department may withdraw, set aside or amend final order -- Time.

281.645 New application after denial of previous application.

281.650 Renewal of certificate or permit.

281.660 Taxicab permits to be renewed as certificates.

281.6602 County taxicab and limousine certificates.

281.670 Suspension, revocation, or alteration of certificate or permit -- Notice to carrier of license holder's failure to appear -- Suspension for carrier's driver's failure to satisfy citation or summons.

281.675 Standards of certificate holder's rates and services.

281.680 Filing and public inspection of rate and service schedules and contracts -- Collective ratemaking procedures.

281.685 Adherence to rates, fares, charges, and schedules -- Prohibition against discrimination.

281.690 Changes in rates.

281.695 Powers of Department of Vehicle Regulation to regulate rates and service.

281.700 Abandonment or change of route, service or schedule.

281.710 Nonresident carrier to have agent for service of process.

281.780 Right of appeal -- How taken.

281.801 Application determined on basis of affidavits when no protest filed.

281.804 Operation of taxicab in competition with common carrier.

281.806 Chapter not to be construed to prohibit department from granting certificate authorizing operation of taxicabs from unincorporated community.

281.850 Automobile utility trailer lessor's permit.

281.860 Annual tax on utility trailer.

281.907 Educational training courses for motor carriers -- Certification of providers -- Fees -- Records.

281.910 Local government authority over regulation of taxicabs -- Adoption -- Ordinance -- Review by cabinet -- Revocation of authority.

281.912 Safety inspection -- Proof -- Safety and out-of-service criteria -- Revocation for fraudulent inspection record.

281.914 Existing certificate holders.

Section 46. Any certificate or permit issued by the Department of Vehicle Regulation under the provisions of KRS Chapter 281 or by a local government under the provisions of KRS 281.910 that is valid on the effective date of this Act shall continue to be valid until the renewal date of the permit or certificate. Existing certificate or permit holders shall make initial application to the department for the appropriate certificate under the provisions of Section 10 of this Act prior to the holder's renewal date.

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