

96.740 Election to operate under KRS 96.550 to 96.900 -- Creation of board of public utilities -- Appointment -- Qualifications -- Incompatibility with other offices -- Bond -- Oath -- Not to hire relatives.

- (1) Any municipality desiring to acquire and operate an electric plant under the provisions of KRS 96.550 to 96.900 or any municipality now owning and operating an electric plant may elect to operate under the provisions of KRS 96.550 to 96.900 by enacting an ordinance declaring therein the desire and intention of the municipality to accept and operate under the provisions of KRS 96.550 to 96.900 and by providing in the ordinance that the municipality accepts and agrees to all of the provisions of KRS 96.550 to 96.900, and to all of the provisions as they may be from time to time amended by the acts of the General Assembly of Kentucky. The ordinance shall further authorize the mayor or chief executive to appoint a board, subject to the approval of the appointments by the governing body of the municipality as hereinafter in KRS 96.750 to 96.900 provided. Upon the passage of the ordinance the mayor or chief executive of any municipality may, with the approval of the governing body of the municipality, appoint a board of public utilities, consisting of four (4) residents of the municipality who have resided therein for not less than one (1) year next preceding the date of the appointment. However, one (1) board member may be appointed who lives in a portion of the utility's service area that is not within the city if that portion contains ten percent (10%) or more of the utility's customers and that member is a customer of the utility for not less than one (1) year. The board must be appointed and qualified before the municipality shall have any authority to proceed further under the provisions of KRS 96.550 to 96.900. The board, when so appointed and qualified, shall be and hereby is declared to be a body politic and corporate, with perpetual succession; and may contract and be contracted with, sue and be sued, in and by its corporate name, and have and use a corporate seal. The name of the board shall be "Electric Plant Board of the City of _____" (The name of the municipality to be inserted.)
- (2) No person shall be appointed a member of the board who has, within the last two (2) years next before his or her appointment, held any public office, or who is related within the third degree to the mayor or any member of the governing body of the municipality.
- (3) Neither the board nor the superintendent appointed by the board shall appoint to any subordinate office which it may create nor employ in any capacity any person who is related within the third degree to any member of the board or to the mayor of the municipality or to any member of the governing body of that municipality. No officer or employee of a municipality shall be eligible for such appointment until at least one (1) year after the expiration of the term of his or her public office, or employment, except that the one (1) year waiting period after the expiration of the term of public office or employment shall not apply to an employee of a municipality that is not related within the third degree to the mayor or any member of the governing body of the municipality, at the time of appointment or employment by the board.
- (4) Except as provided in subsection (1) of this section, the members of the board shall

be citizens, taxpayers, and legal voters of the municipality and shall not at the time of the appointment be indebted to the municipality either directly or indirectly or be surety on the official bond of any officer of the municipality.

- (5) If at any time during his or her term of office a member of the board becomes a candidate for or is elected or appointed to any public office, he or she shall automatically vacate his or her membership from the board, and another person shall be appointed to his or her place.
- (6) The municipality shall pay the cost of securing bonds for board members from a surety company qualified to do business in Kentucky, and members shall execute bond in an amount required by resolution of the governing body, and conditioned upon the faithful performance of their official duties.
- (7) Each member of the board shall qualify by taking the oath required by Section 228 of the Constitution.

Effective: July 15, 2016

History: Amended 2016 Ky. Acts ch. 61, sec. 2, effective July 15, 2016. -- Amended 2000 Ky. Acts ch. 486, sec. 1, effective July 14, 2000. -- Created 1942 Ky. Acts ch. 18, sec. 15.