

45A.877 Reimbursement of underwriters for counsel retained by them for bond issuance -- Prohibition against state employee's recommending selection.

- (1) The office shall establish and maintain a schedule of rates at which underwriters will be reimbursed for fees and expenses of counsel they retain for a bond issuance.
- (2) Employees of the Commonwealth shall be prohibited from directly or indirectly recommending the selection of the underwriter's counsel. This section shall not be deemed to prohibit the creation of a list of qualified firms to assist underwriters in the selection of their counsel or from otherwise making general information regarding law firms available to underwriters.
- (3) For each bond issuance, the secretary of the Finance and Administration Cabinet and the executive director shall certify to the Capital Projects and Bond Oversight Committee that neither they, or, to the best of their knowledge, anyone involved in the selection process, attempted to recommend the hiring of any law firm by an underwriter.
- (4) If the Capital Projects and Bond Oversight Committee determines that an employee of the Commonwealth has, at the request of a law firm, recommended the selection of an underwriter's counsel relating to a bond issuance in an attempt to exercise influence on the selection process, the committee shall recommend to the secretary of the Finance and Administration Cabinet that the firm be prohibited from serving as bond counsel or underwriter's counsel for a bond issuance for a period of two (2) years, commencing on the date of the determination. The secretary shall follow the recommendation or submit the reasons for not following the recommendation in writing to the committee.

Effective: July 15, 1994

History: Created 1994 Ky. Acts ch. 409, sec. 12, effective July 15, 1994.