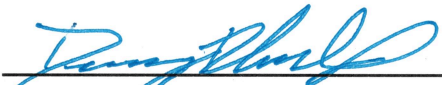




Name of Standard Operating Procedure:	PROCEDURE PROHIBITING THE LEASING OF REAL PROPERTY FROM KCOJ APPOINTED OR ELECTED OFFICIALS, EMPLOYEES, OR THEIR FAMILY MEMBERS
Relevant Law:	AP Part V
Effective Date:	August 19, 2019
Date of Next Scheduled Review:	August 19, 2020
Please Check One:	<input checked="" type="checkbox"/> New Standard Operating Procedure <input type="checkbox"/> Revision of existing Standard Operating Procedure <input type="checkbox"/> No revisions from last Effective Date

Responsible manager or executive officer:	 <hr/> DANNY RHOADES, Executive Officer	<u>8/26/19</u> Date
Reviewed by:	 <hr/> JUSTIN CAPPS, Office of General Counsel	<u>8/26/19</u> Date
Approved by:	 <hr/> LAURIE DUDGEON, AOC Director	<u>8/26/19</u> Date

PROCEDURE PROHIBITING THE LEASING OF REAL PROPERTY FROM KCOJ APPOINTED OR ELECTED OFFICIALS, EMPLOYEES, OR THEIR FAMILY MEMBERS

EFFECTIVE DATE: August 19, 2019

NEXT SCHEDULED REVIEW: August 19, 2020

RESPONSIBLE MANAGER OR EXECUTIVE OFFICER: Executive Officer of the Department of Court Facilities

1. PURPOSE

The purpose of this Standard Operating Procedure (SOP) is to prohibit the Administrative Office of the Courts (AOC) from leasing real property from Kentucky Court of Justice (KCOJ) officials, employees, and their family members. This SOP is intended to ensure that all leasing transactions are conducted impartially and at arms-length, thereby safeguarding the integrity of the leasing process and avoiding the appearance of conflict or impropriety.

2. SCOPE

This SOP applies to all real property leases entered into by the AOC after the effective date.

3. DEFINITIONS

- 3.1 **"AOC"** means the Administrative Office of the Courts and all offices, departments, divisions, and units therein.
- 3.2 **"Appointed official"** means an individual who is appointed as a trial commissioner, domestic relations commissioner, or master commissioner in the KCOJ. This does not include an appointed Judge or Circuit Court Clerk.
- 3.3 **"Elected official"** means an individual who is elected or appointed to a constitutional office in the KCOJ.
- 3.4 **"Employee"** means an individual hired into a position in the KCOJ, whether tenured or non-tenured (at-will), for which he or she is compensated on a full-time or part-time basis.
- 3.5 **"Entity"** means any business entity organized under the laws of the Commonwealth of Kentucky or foreign entity organized under the laws of another state.
- 3.6 **"Facilities"** means the Administrative Office of the Courts, Office of Finance and Administration, Department of Court Facilities.
- 3.7 **"Facilities Coordinator"** means an employee of the Office of Finance and Administration, Department of Court Facilities, Division of Real Property, whose primary job responsibilities include managing real property leases and other facilities-related matters.
- 3.8 **"Family member"** means an individual's spouse, child, parent, grandparent, brother, or sister, or a person of similarly close relationship defined as: (a) an intimate partner who has resided with the individual for at least one year; or (b) one for whom the individual is legally responsible.
- 3.9 **"KCOJ"** means the Kentucky Court of Justice.

4. Restrictions on Leasing Property

- 4.1 The AOC must not enter into a lease for real property that is owned by:
 - 4.1.1 An appointed official;
 - 4.1.2 An elected official;
 - 4.1.3 An employee;
 - 4.1.4 A family member of an appointed or elected official or an employee; or
 - 4.1.5 An entity in which an individual identified in subsections 4.1.1 - 4.1.4 has an ownership interest greater than or equal to 5%.
- 4.2 Leasing real property for the operation of courts and related KCOJ programs and personnel is the responsibility of Facilities. In accordance with all applicable Administrative Procedures of the Court of Justice (APs), AOC SOPs and other applicable law, Facilities Coordinators manage the leasing process on behalf of the KCOJ.
- 4.3 All real property owners who respond to a public advertisement for space to be occupied by the KCOJ must fully and accurately complete a Disclosure of Ownership Form and return it to the Facilities Coordinator.
- 4.4 The responsible Facilities Coordinator must thoroughly review all Disclosure of Ownership forms and disqualify any property owned by an individual or entity identified in subsections 4.1.1. – 4.1.5.
- 4.5 If at any point during the real property leasing process a Facilities Coordinator determines that real property owned by an individual or entity identified in subsections 4.1.1 - 4.1.5 has been offered in response to an advertisement for space, the Facilities Coordinator must disqualify the property from consideration and document the disqualification due to ownership in the leasing file.
- 4.6 If a property is disqualified pursuant to section 4.4 or 4.5, the Facilities Coordinator must:
 - 4.6.1 Notify the Manager of the Real Property Division and the Executive Officer of Facilities of the disqualification via email; and
 - 4.6.2 Upload the Disclosure of Ownership form into SharePoint.
- 4.7 If any Facilities employee who knows or has reason to believe that real property being considered for lease or leased by the AOC on or after the effective date of this SOP is owned by an individual or entity identified in subsections 4.1.1-4.1.5, the employee must notify the Manager of the Real Property Division and the Executive Officer of Facilities of such ownership. Notification must occur as soon as practicable via email.
- 4.8 Once notified pursuant to section 4.6 or 4.7, the Manager of the Real Property Division must:
 - 4.8.1 Notify any disqualified offeror of the disqualification in writing; or
 - 4.8.2 Cancel any lease entered into on or after the effective date of this SOP if the property is owned by an individual or entity identified in subsections 4.1.1 - 4.1.5.
- 4.9 The Manager of the Real Property Division must notify any offeror or lessor affected by an action taken pursuant to section 4.8 that he or she has the right to request reconsideration within five business days. An offeror or lessor must include additional information relevant to making a determination of ownership with his or her request for reconsideration.
- 4.10 Nothing in this SOP shall prohibit the AOC from entering into a zero-dollar lease for office space for an elected or appointed official when the leased premises are owned by an individual or entity identified in subsections 4.1.1-4.1.5. The AOC may reimburse such individual or entity for utilities and pay for fit-up costs, but must not pay rent to the individual or entity.

5 PERIODIC REVIEW

This SOP will be reviewed annually.