



COMMONWEALTH OF KENTUCKY  
FINANCE AND ADMINISTRATION CABINET  
**DEPARTMENT OF REVENUE**  
**AND**  
COMMONWEALTH OF KENTUCKY  
**LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT**

**EXCHANGE OF INFORMATION AGREEMENT**

This agreement is entered into between the Department of Revenue, Finance & Administration Cabinet, Commonwealth of Kentucky (hereinafter referred to as "Revenue", formerly Kentucky Revenue Cabinet) and the **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT**, (hereinafter referred to as "**LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT**") pursuant to their respective lawful duties and activities.

Pursuant to the authority vested in the Commissioner by KRS 205.7695 and KRS 131.190(2), the Commissioner of Revenue directs that there shall be made available to **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT** or its duly authorized representatives, any information acquired from any records of Revenue, which, in the discretion of Revenue, will provide material assistance to **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT** in the pursuance of its lawful duties and responsibilities. As consideration for the exchange of information the parties agree as follows:

1. It is understood by **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT** that any information acquired from records of Revenue pursuant to the terms of this agreement is subject to strict limitations, among which are the following:
  - a. In performance of this agreement, the **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT** agrees to comply with KRS 131.190. Revenue shall require the **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT** and each of its employees who use Revenue Data and information to sign an Acknowledgement of Confidentiality, a copy of which is attached to this Agreement. The **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT** shall also assume compliance by its officers, employees and agents. All work shall be performed under the supervision of the **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT**.
  - b. **Restricted Use of Revenue Documents.** Any tax return or business tax data related documents made available in any format by Revenue to the **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT** shall be used only for the purpose of carrying out the provisions of this Agreement. Information contained in such material is to be treated as confidential and shall not be inspected, divulged or made known in any manner to any person except as may be necessary in the performance of this Agreement. Procedures shall be in place to ensure that employees of the **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT** are not allowed to perform work on or inspect their own information, or information of an immediate family member.
  - c. **Purging Requirements.** At the completion of this Agreement, the **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT** guarantees complete purging of data made available to it by Revenue during the performance of this Agreement from all data storage components of its computer facility. All output shall be retained by the **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT** for 90 days from the date work is completed. If immediate purging of all data storage components is not possible, the **LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT** guarantees the safeguarding of any such data remaining in any storage component to prevent unauthorized inspection or disclosures.

- d. **Spoilage and Intermediate Hard Copy Data.** Any spoilage or any intermediate hard copy printout which may result during the processing or collection of any data supplied by Revenue shall be given to Revenue. When this is not possible, the LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT shall be responsible for the appropriate secure destruction, as specified by Revenue, of the spoilage or any intermediate hard copy printouts. The LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT shall also provide Revenue with a statement containing the date of destruction, description of material destroyed, and the method used.
  - e. **Subcontracting Approval.** Work to be performed under this Agreement shall not be subcontracted without the specific written approval of Revenue.
  - f. **List of Employees and Agents with Access Authority.** The LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT shall maintain a list of employees and agents with authorized access to Revenue data. The LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT shall provide Revenue with a list of those employees and agents and shall update the list as necessary.
  - g. **Right to Void Agreement for Safeguard Failure.** Revenue reserves the right to void this Agreement if the LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT fails to provide the safeguards described above.
  - h. **Written Security Plan.** The LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT shall outline and provide in writing a protection and security plan for the confidential information it will obtain from Revenue.
  - i. **Internal Network Security Requirements.** The LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT shall not transmit data electronically to Revenue over the wide-area network due to confidentiality requirements. The internal network must be secure and separate from jobs not related to the purpose of carrying out the provisions of this Agreement.
  - j. **Written Backup Plan and Recovery Procedure.** The LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT shall provide to Revenue, in writing, a copy of their backup plan and recovery procedures for securing and restoring electronically formatted confidential data as it pertains to data received from Revenue.
  - k. **Federal Tax Returns or Information,** Pursuant to KRS 131.190(4), no information received by Revenue from the Internal Revenue Service shall be made available.
  - l. **Revenue Security and Confidentiality Agent.** Revenue's contact person for data request, security and confidentiality is the **Disclosure Officer, 501 High Street, P.O. Box 1229, Frankfort, KY 40602-1229 (502) 564-2551 or (502)564-2552.**
2. LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT agrees to comply with the above limitations and any others, which may be pertinent to the acquisition of information, acquired from Revenue pursuant to this agreement. Also, except as provided in KRS 205.7695, it is understood that LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT, its employees and agents, shall be subject to such penalties as provided in KRS 131.990(2), for unauthorized disclosure or inspection of any information received under this agreement. These penalties include a fine or imprisonment, or both, and disqualification and removal from office or employment.
  3. Upon signing of this agreement, and annually thereafter, if this agreement is in effect, LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT agrees to provide Revenue with a list of its representatives who are authorized to contact Revenue in writing to request and receive information pursuant to this agreement.

4. LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT agrees to inform each of its personnel authorized to request and receive Revenue information of the confidential nature of the information, and agrees to obtain the signature of each authorized employee on the provided Acknowledgement of Confidentiality form. The signed Acknowledgement of Confidentiality form will be forwarded to Revenue's Disclosure Officer.
5. LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT agrees to notify Revenue immediately of any authorized employee who terminates their employment with LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT or whose job duties no longer require access to information provided by Revenue under this agreement.
6. LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT agrees that in return for the use of such information it will furnish Revenue information acquired by it, which could be used by Revenue in the enforcement and collection of taxes. Such information will be furnished Revenue upon written request.
7. For purposes of maintaining and utilizing tax information obtained from Revenue under this agreement, LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT, its employees and agents, are hereby appointed and deemed agents of Revenue.
8. In the event that LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT, its employees or agents, are sued or held liable in a claim or lawsuit arising from any disclosure of information received under this agreement by its employees or agents, LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT hereby agrees to notify Revenue and to defend such claim or lawsuit, and assume responsibility for any and all expenses, costs, or liabilities arising therefrom.
9. In the event that Revenue, its employees or agents, are sued or held liable in a claim or lawsuit arising from LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT, its employees' or agents', disclosure of information received under this agreement, LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT hereby agrees to indemnify Revenue for any and all liability, loss or damage Revenue may suffer as a result of claims, demands, costs, or judgments against Revenue. Revenue will notify LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT of any such claim or lawsuit and provide LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT an opportunity to defend and settle any such claim or lawsuit.
10. It is understood that in the event of any improper or unauthorized inspection or disclosure of any information received from Revenue under this agreement, Revenue may terminate this agreement and deny LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT access to information.
11. The parties to this agreement agree that the exchange of information is subject to the limitations in this agreement.
12. Termination may occur in writing at any time by either party or its duly appointed or elected successors in office.
13. This agreement shall remain in affect unless terminated in writing by either party.
14. The terms and conditions of this agreement may be amended at any time by mutual agreement of the parties in writing.
15. This agreement is effective and binding upon execution by the parties.
16. This agreement supersedes any prior Exchange of Information Agreement between the parties.

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**THOMAS B. MILLER**  
**COMMISSIONER**  
**KENTUCKY DEPARTMENT OF REVENUE**

\_\_\_\_\_  
**Jim Gray**  
**MAYOR**  
**LEXINGTON/FAYETTE URBAN COUNTY GOVERNMENT**

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**DATE**

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**DATE**