

1 AN ACT relating to economic relief for local communities of the Commonwealth
2 and making an appropriation therefor.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
5 READ AS FOLLOWS:

6 *(1) The General Assembly finds and declares that the purpose of Sections 1 to 9 of*
7 *this Act is to support the priority communities in the Commonwealth designated*
8 *by the Interagency Working Group on Coal and Power Plant Communities and*
9 *Economic Revitalization established by Presidential Executive Order 14008,*
10 *issued on January 27, 2021.*

11 *(2) In enacting Sections 1 to 9 of this Act, it is the intention of the General Assembly*
12 *to create and establish the Government Resources Accelerating Needed*
13 *Transformation Program within the Department for Local Government to enable*
14 *priority communities to access federal funding for projects that are in the public*
15 *interest and for a public purpose.*

16 *(3) The General Assembly further finds and declares that priority communities*
17 *would benefit from the assistance of their local universities and encourages those*
18 *entities to assist their priority communities in applying for Government Resources*
19 *Accelerating Needed Transformation Program funds.*

20 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
21 READ AS FOLLOWS:

22 *As used in Sections 1 to 9 of this Act:*

23 *(1) "Department" means the Department for Local Government;*

24 *(2) "Eligible grant recipient" means a grant applicant that is a public agency as*
25 *defined in KRS 61.805 or nonprofit entity engaged in public benefit*
26 *improvements to priority communities;*

27 *(3) "Eligible project" means a public benefit project in a priority community or*

1 benefiting a priority community with available matching funds that satisfies the
 2 evaluation criteria in Section 6 of this Act and that is initiated on:

3 (a) Publicly owned property;

4 (b) Property to be acquired, which comes with either a:

5 1. Legally binding letter of intent or option for the sale to an eligible
 6 grant recipient; or

7 2. Sale agreement for the sale to an eligible grant recipient; or

8 (c) Private property on which a project is located that is in the public interest
 9 and for a public purpose and that benefits a priority community;

10 (4) "Eligible use" means the authorized purpose for which an awarded grant may be
 11 used depending on the source of funds from the Commonwealth. "Eligible use"
 12 may include but is not limited to any of the categories in Section 6 of this Act;

13 (5) "Interagency Working Group" means the Interagency Working Group on Coal
 14 and Power Plant Communities and Economic Revitalization established by
 15 Presidential Executive Order 14008, issued on January 27, 2021;

16 (6) "Priority community" means the areas impacted by concentrated, direct coal-
 17 related job losses from mine and power plant closures in recent years as
 18 designated by the Interagency Working Group; and

19 (7) "Regional project" means an eligible project that is proposed by eligible grant
 20 recipients residing in different counties in this Commonwealth who submit a
 21 single grant application.

22 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
 23 READ AS FOLLOWS:

24 (1) The Government Resources Accelerating Needed Transformation Program is
 25 hereby established under the department. The department's administration of the
 26 program includes but is not limited to the following:

27 (a) Creating and making available a standardized grant application and a

- 1 regional grant application;
- 2 (b) Developing a standardized scoring system pursuant to Section 7 of this Act;
- 3 (c) Reviewing and processing the applications and proposals submitted by the
- 4 proposed grant recipients;
- 5 (d) Verifying and determining whether a grant applicant is an eligible grant
- 6 recipient and seeking a grant for an eligible project;
- 7 (e) Evaluating the project proposed by the grant application in accordance with
- 8 the evaluation criteria set forth in Section 6 of this Act;
- 9 (f) Scoring each grant application project pursuant to the scoring system
- 10 described in Section 7 of this Act;
- 11 (g) Ranking each grant application:
- 12 1. To prioritize the greatest return on investment and relative positive
- 13 impact on the priority community; and
- 14 2. Based on the project evaluation and the project score described in
- 15 Sections 6 and 7 of this Act;
- 16 (h) Compiling a list of proposed grant recipients whose eligible project
- 17 demonstrates a high level of investment potential if a grant is made, as
- 18 revealed by the evaluation, scoring, and ranking process described in this
- 19 section and Sections 6 and 7 of this Act;
- 20 (i) Providing detailed feedback to the grant applicants after the project
- 21 evaluation and project score are completed;
- 22 (j) Awarding matching grants to selected eligible grant recipients; and
- 23 (k) Compiling for the annual report submitted under Section 8 of this Act the
- 24 following information about the project:
- 25 1. A list of all program applicants;
- 26 2. The identity of applicants who were not selected for recommendation;
- 27 3. Trends found in feedback given to applicants who were not selected

1 for recommendation;

2 4. Eligible uses of the projects cited in the grant applications; and

3 5. Any other information requested by the department.

4 (2) The department shall determine the terms, conditions, and requirements of
5 application for grant funds awarded from the Government Resources
6 Accelerating Needed Transformation Program fund. The department may
7 establish procedures and standards for the review and approval of eligible grant
8 awards through the promulgation of administrative regulations in accordance
9 with KRS Chapter 13A.

10 (3) The commissioner of the department shall have the authority to hire staff,
11 contract for services, expend funds, and operate the normal business activities of
12 the Government Resources Accelerating Needed Transformation Program.

13 (4) The Government Resources Accelerating Needed Transformation Program shall
14 sunset on December 31, 2026, unless authorized by the General Assembly to
15 continue its work for a specified period of time.

16 (5) The Kentucky Council of Area Development Districts and local area development
17 districts shall assist priority communities in identifying available grant
18 opportunities and preparing Government Resources Accelerating Needed
19 Transformation Program applications. Nothing in this subsection prevents any
20 public agency or nonprofit entity from assisting priority communities in
21 identifying and preparing Government Resources Accelerating Needed
22 Transformation Program applications.

23 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
24 READ AS FOLLOWS:

25 (1) To participate in the Government Resources Accelerating Needed
26 Transformation Program, grant applicants shall submit either a standardized or a
27 regional application to the department.

1 (2) If a grant application is selected as an eligible grant recipient approved under
 2 Section 6 of this Act, it shall comply with any grant agreement and reporting
 3 requirements deemed necessary by the department to verify that the awarded
 4 grant goes toward an eligible use.

5 (3) If the selected grant recipient fails to comply with subsection (2) of this section or
 6 uses the awarded grant money for any purpose other than an eligible use, the
 7 selected eligible grant recipient shall forfeit and be liable to the department for
 8 the full award amount.

9 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
 10 READ AS FOLLOWS:

11 (1) There is hereby established in the State Treasury a trust and agency account to be
 12 known as the Government Resources Accelerating Needed Transformation
 13 Program fund. The fund shall consist of moneys received from state
 14 appropriations, gifts, grants, and federal funds.

15 (2) The fund shall be administered and maintained by the department.

16 (3) Amounts deposited in the fund shall be used for:

17 (a) Awarding matching fund grants to applicants of the Government Resources
 18 Accelerating Needed Transformation Program upon notification of award
 19 of the federal grant requiring matching funds; and

20 (b) Administration of the program.

21 (4) Notwithstanding KRS 45.229, moneys in the account not expended at the close of
 22 a fiscal year shall not lapse but shall be carried forward into the next fiscal year.

23 (5) Any interest earnings of the fund shall become a part of the fund and shall not
 24 lapse.

25 (6) Moneys deposited in the fund are hereby appropriated for the purposes set forth
 26 in this section and shall not be appropriated or transferred by the General
 27 Assembly for any other purposes.

1 (7) Any amounts obligated under subsection (3)(a) of this section shall be canceled
 2 upon denial of the federal award.

3 (8) By December 1, 2023, and annually thereafter until December 1, 2026, the
 4 department shall prepare an annual report detailing the expenditures for the
 5 administration of the program from the fund, which shall be included in the
 6 annual report submitted under Section 8 of this Act.

7 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
 8 READ AS FOLLOWS:

9 (1) The department shall identify and certify the locations for grant funding
 10 assistance by utilizing the designation of priority communities established by the
 11 Interagency Working Group. The department shall not approve a project unless it
 12 finds that the project is in the public interest and the grant funds will be used for
 13 a public purpose. For purposes of this subsection, projects that are in the public
 14 interest and for a public purpose can provide private benefit, if the department
 15 finds the following:

16 (a) 1. The project will enhance a priority community or region;

17 2. The granting entity for which the department's matching grant is
 18 being used requires a public purpose for grant eligibility; and

19 3. The department in its judgment concludes the proposal will enhance
 20 the quality of life or services in a priority community or region; and

21 (b) A public purpose includes but is not limited to projects that:

22 1. Enhance economic vitality, including revitalization of structures that
 23 have a public purpose or benefit;

24 2. Promote or develop an artistic or philanthropic purpose;

25 3. Improve traditional infrastructure, such as water and wastewater
 26 treatment facilities, transmission lines, transportation facilities, and
 27 flood and wastewater management;

- 1 4. Create or enhance telecommunications infrastructure, including
2 cellular towers, fiber optic expansion, and technology infrastructure;
- 3 5. Promote agricultural activities and development;
- 4 6. Enhance development of previously mined areas or areas previously
5 used by the coal industry and other industrial activities into uses that
6 diversify the local economy;
- 7 7. Create or expand recreational facilities, such as walking, hiking, all-
8 terrain vehicle, bike trails, picnic facilities, restrooms, boat docking
9 and fishing piers, and athletic facilities;
- 10 8. Acquire private property that promotes local economic vitality and
11 housing development and enhancement;
- 12 9. Preserve or enhance buildings that are of local historic or economic
13 interest;
- 14 10. Restore or create retail facilities, including related service, parking,
15 and transportation facilities, to revitalize decaying downtown areas;
- 16 11. Construct or expand other facilities that promote or enhance
17 economic development or tourism opportunities, thereby promoting
18 the general welfare of local residents;
- 19 12. Provide facilities and activities for local residences that enhance
20 quality of life, including but not limited to childcare access and public
21 transportation;
- 22 13. Provide vocational and entrepreneurial training for displaced miners
23 and other persons that have lost jobs or have been unable to find
24 employment or business opportunities in the region;
- 25 14. Invest in priority communities housing stock removal and remediation
26 to facilitate community preservation and aesthetics; or
- 27 15. Create drug and substance abuse rehabilitation programs and

1 facilities.

2 (2) The department shall evaluate each applicant's eligible project according to the
 3 criteria described in this section and Section 7 of this Act for the purpose of
 4 compiling a recommendation and score for the eligible project pursuant to
 5 Section 7 of this Act.

6 (3) As part of the evaluation criteria of this section, the department shall consider the
 7 following:

8 (a) Applicant's eligibility when evaluated against the requirements of the
 9 federal grant;

10 (b) Application completeness when evaluated against the requirements of the
 11 grant;

12 (c) Application content when evaluated against the federal grant program's
 13 publicly available scoring rubric or evaluation criteria, if any;

14 (d) Evidence that the project will provide a direct and public benefit to one (1)
 15 or more of the priority communities;

16 (e) Evidence of community support for the project;

17 (f) Likelihood that the applicant can successfully implement the grant-funded
 18 project;

19 (g) Likelihood that the applicant can successfully manage the federal grant's
 20 administration requirements; and

21 (h) Overall positive impact for the surrounding community as evidenced by
 22 clear and feasible projected outcomes of the grant-funded project.

23 (4) If a grant applicant is selected as an eligible grant recipient approved under the
 24 Government Resources Accelerating Needed Transformation Program, it shall
 25 comply with any incentive agreements and reporting requirements deemed
 26 necessary by the department to verify that the awarded grant shall go toward an
 27 eligible use.

1 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
2 READ AS FOLLOWS:

3 *(1) In the administration of the Government Resources Accelerating Needed*
4 *Transformation Program, the department shall develop a scoring system for the*
5 *project proposed by each grant applicant based on the total projected return on*
6 *investment and the relative positive impact in the priority community.*

7 *(2) The scoring system shall include a:*

8 *(a) Score in each category as specified in subsection (3) of this section; and*

9 *(b) Total weighted score, which is the average of the scores in each category.*

10 *(3) The scoring categories shall include but are not limited to:*

11 *(a) Projected return on investment the project will yield, which includes an*
12 *assessment of the:*

13 *1. Likelihood of project completion both with the department's funding*
14 *and without;*

15 *2. Projected gross economic impact of the proposed project on the*
16 *priority community;*

17 *3. Projected number of jobs created by the proposed project and*
18 *subsequent impact on the priority community; and*

19 *4. A determination of the cost of the project based on the cost expended*
20 *by the department if it awards the requested grant amount to the*
21 *applicant; and*

22 *(b) Relative positive impact the project will have on the surrounding*
23 *community.*

24 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
25 READ AS FOLLOWS:

26 *By December 1, 2023, and annually thereafter until December 1, 2026, the Department*
27 *for Local Government shall prepare an annual report of the Government Resources*

1 Accelerating Needed Transformation Program to be submitted to the Governor and the
 2 Interim Joint Committee on Economic Development and Workforce Investment and
 3 make it available on the Department for Local Government's website. The annual
 4 report shall include but not be limited to the following:

5 (1) A summary of grant applications received and relevant statistics relating to
 6 actions taken by the department and grants awarded, including the applicant,
 7 award amount, and the purpose of the funding;

8 (3) The detailed report of expenditures for the administration of the program
 9 prepared under subsection (8) of Section 5 of this Act;

10 (4) The current balance of the Government Resources Accelerating Needed
 11 Transformation Program fund;

12 (5) Recommendations regarding appropriations to the Government Resources
 13 Accelerating Needed Transformation Program fund for the upcoming fiscal year;
 14 and

15 (6) Recommendations for legislation or policy actions needed to facilitate greater
 16 receipt of grant funding to priority communities.

17 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO
 18 READ AS FOLLOWS:

19 Sections 1 to 9 of this Act shall be known as the Government Resources Accelerating
 20 Needed Transformation Act.

21 ➔Section 10. There is hereby appropriated General Fund moneys in the amount
 22 of \$2,000,000 in fiscal year 2023-2024 to the Government Resources Accelerating
 23 Needed Transformation Program fund created in Section 5 of this Act for the
 24 administration of the program in accordance with Sections 1 to 9 of this Act.