

1 AN ACT relating to the establishment of a tax credit to promote investments in
2 Kentucky businesses.

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

4 ➔SECTION 1. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
5 154 IS CREATED TO READ AS FOLLOWS:

6 *The General Assembly hereby finds and declares that:*

7 *(1) Businesses in the rural areas of this state have found it difficult to attract capital*
8 *necessary to make investments that would stimulate economic development*
9 *activity and create new jobs for the residents of the rural areas; therefore, a need*
10 *exists to attract capital to rural areas that promotes the retention and expansion*
11 *of existing jobs, stimulates the creation of new jobs, attracts new business and*
12 *industry to the state, stimulates growth in businesses, and fosters job creation in*
13 *this state; and*

14 *(2) Through the establishment of a rural growth fund program under Sections 1 to 8*
15 *of this Act, the Commonwealth will attract capital to stimulate business*
16 *development in rural areas, retain and attract new business and industry to the*
17 *rural areas, create high-paying jobs for residents of rural areas, and stimulate*
18 *growth in businesses in rural areas.*

19 ➔SECTION 2. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
20 154 IS CREATED TO READ AS FOLLOWS:

21 *As used in Sections 1 to 8 of this Act:*

22 *(1) (a) "Affiliate" means a person or entity that directly, or indirectly through one*
23 *(1) or more intermediaries, controls, is controlled by, or is under common*
24 *control with another person or entity.*

25 *(b) For the purposes of this subsection, an entity is controlled by another entity*
26 *if the controlling person holds, directly or indirectly, the majority voting or*
27 *ownership interest in the controlled person or has control over the day-to-*

1 day operations of the controlled person by contract or by law;

2 (2) "Allocation agreement" means a written agreement between this state and an
 3 approved growth fund setting forth the requirements of the cabinet, the
 4 Commonwealth, and the growth fund;

5 (3) "Closing date" means the date on which a growth fund has collected all of the
 6 amounts specified by subsection (8)(b) of Section 3 of this Act;

7 (4) "Department" means the Department of Revenue;

8 (5) "Growth business" means a business that, at the time of the initial investment in
 9 the business by a growth fund:

10 (a) 1. Has fewer than two hundred fifty (250) employees;

11 2. Has its principal business operations in one (1) or more growth zones
 12 in this state; and

13 3. a. Is engaged in the industries described in North American
 14 Industry Classification System codes 11, 21, 22, 23, 31-33, 48-49,
 15 54, or 62; or

16 b. If not engaged in those industries, the cabinet determines that
 17 the industry within which the business is engaged will be
 18 beneficial to the growth zone and the economic growth of this
 19 state; or

20 (b) Has its principal business operations in one (1) or more counties in west
 21 Kentucky named in the Presidential Declaration of Emergency related to
 22 the storms in December 2021;

23 (6) "Growth fund" means an entity that:

24 (a) Has applied to the cabinet and received an application determination
 25 granting the application under subsection (2) of Section 3 of this Act; and

26 (b) Is licensed, or is an affiliate of an entity that is licensed, as a rural business
 27 investment company under 7 U.S.C. sec. 2009cc-3 or as a small business

1 investment company under 15 U.S.C. sec. 681, provided that an affiliate of
 2 the entity used to meet this requirement has been an affiliate of the entity
 3 for at least four (4) years, and that the entity or affiliate of the entity have at
 4 least one (1) principal who is, or has been for at least four (4) years, an
 5 employee or officer of the entity or its affiliates;

6 (7) (a) "Growth investment" means any capital or equity investment in a growth
 7 business or any loan to a growth business with a stated maturity at least one
 8 (1) year after the date of issuance. A secured loan or the provision of a
 9 revolving line of credit to a growth business shall only qualify as a rural
 10 growth investment if the growth fund obtains an affidavit from an officer of
 11 the growth business attesting that the growth business applied for and was
 12 denied similar financing from a commercial bank prior to the date of
 13 issuance of the secured loan or revolving line of credit.

14 (b) "Growth investment" excludes any amount of any investment or loan
 15 which is also designated as an investment under:

- 16 1. The Kentucky New Markets Development Program, under KRS
 17 141.432 to 141.434;
- 18 2. The Kentucky Angel Investment Act, under KRS 154.20-230 to
 19 154.20-240; or
- 20 3. The Kentucky Investment Fund Act, under KRS 154.20-250 to 154.20-
 21 284;

22 (8) "Growth zone" means the following geographic areas within this state:

23 (a) A rural county;

24 (b) An underemployment zone; or

25 (c) An opportunity zone;

26 (9) "High wage" means a wage that is at least one hundred percent (100%) of the
 27 county average as calculated by the United States Department of Labor, Bureau

1 of Labor Statistics;

2 (10) "Investment authority" means the amount stated on the notice issued under
 3 subsection (7) of Section 3 of this Act certifying the growth fund, fifty percent
 4 (50%) of which shall be composed of state matching capital;

5 (11) "Jobs retained" means the number of employment positions at a growth business
 6 paying a high wage and requiring at least thirty-five (35) hours of work each
 7 week, or any other period of time generally accepted by custom, industry, or
 8 practice as full-time employment, that existed before the initial growth investment
 9 and for which the growth business's chief executive officer or similar officer
 10 certifies that the employment position would have been eliminated but for the
 11 initial growth investment. The retained jobs of a growth business shall be
 12 calculated each year based on the monthly average of high wage employment
 13 positions. The reported number of retained jobs may not exceed the number
 14 reported on the initial report under subsection (1) of Section 8 of this Act;

15 (12) "New annual jobs" means the difference between:

16 (a) 1. The monthly average of employment positions at a growth business
 17 paying a high wage and requiring at least thirty-five (35) hours of
 18 work each week for the preceding calendar year, or any other period
 19 of time generally accepted by custom, industry, or practice as full-time
 20 employment; or

21 2. If the preceding calendar year contains the initial growth investment,
 22 the monthly average of employment positions at a growth business
 23 paying a high wage and requiring at least thirty-five (35) hours of
 24 work each week, or any other period of time generally accepted by
 25 custom, industry, or practice as full-time employment, for the months
 26 including and after the initial growth investment and before the end of
 27 the preceding calendar year; and

1 (b) The number of full-time high wage employment positions at the growth
 2 business on the date of the initial growth investment.

3 If, however, the amount calculated in paragraph (a)1. of this subsection is less
 4 than zero, the new annual jobs amount is equal to zero;

5 (13) "Opportunity zone" means a qualified opportunity zone as defined by 26 U.S.C.
 6 sec. 1400Z-1;

7 (14) "Principal business operations" means the location where:

8 (a) At least sixty percent (60%) of a business entity's employees work; or

9 (b) Employees receiving at least sixty percent (60%) of the business entity's
 10 payroll work.

11 A business that has agreed to relocate employees using the proceeds of a growth
 12 investment to establish its principal business operations in a new location shall be
 13 deemed to have its principal business operations in this new location if it satisfies
 14 those requirements no later than one hundred eighty (180) days after receiving
 15 the growth investment;

16 (15) "Rural county" means a Kentucky county with:

17 (a) A population of less than fifty thousand (50,000) based upon the most
 18 recent federal decennial census; or

19 (b) More than twenty-two percent (22%) of the population at or below the
 20 poverty level based upon the most recent federal decennial census.

21 The cabinet shall publish a list of rural counties;

22 (16) "State matching capital" means moneys from the Rural Jobs Development Fund
 23 established under Section 9 of this Act; and

24 (17) "Underemployment zone" means a county with a labor force participation rate,
 25 as calculated by the United States Department of Labor, Bureau of Labor
 26 Statistics, below the national average for six (6) of the twelve (12) months prior to
 27 a growth fund's closing date.

1 ➔SECTION 3. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
2 154 IS CREATED TO READ AS FOLLOWS:

3 *(1) Beginning October 1, 2022, the cabinet shall accept applications from entities*
4 *seeking approval as a growth fund. The application shall be made on standard*
5 *forms prescribed by the cabinet and shall include:*

6 *(a) The total investment authority sought by the applicant as part of its business*
7 *plan;*

8 *(b) Documents and other evidence sufficient to prove, to the satisfaction of the*
9 *cabinet, that the applicant meets all of the following criteria:*

10 *1. The applicant or an affiliate of the applicant, has at least one (1)*
11 *principal in a rural business investment company under 7 U.S.C. sec.*
12 *2009cc-3, or a small business investment company under 15 U.S.C.*
13 *sec. 681, who is, and has been for at least four (4) years, an officer or*
14 *employee of the applicant or the affiliate, and in the case of an*
15 *affiliate, the affiliate has been an affiliate of the applicant for at least*
16 *four (4) years;*

17 *2. As of the date the application is submitted, the applicant or an affiliate*
18 *of the applicant has invested:*

19 *a. More than one hundred million dollars (\$100,000,000) in*
20 *nonpublic companies located in non-metropolitan counties as*
21 *defined by the Office of Management and Budget within the*
22 *Executive Office of the President of the United States on the*
23 *basis of county or county-equivalent units; and*

24 *b. At least one hundred million dollars (\$100,000,000) in nonpublic*
25 *companies located in low-income communities as defined in 26*
26 *U.S.C. sec. 45D; and*

27 *3. The applicant and all affiliates of the applicant are, as of the date the*

1 application is submitted, in compliance with applicable state and
 2 federal securities laws and regulations and are current and in good
 3 standing on all taxes owed to the Commonwealth;

4 (c) An estimate of the number of aggregate new annual jobs and jobs retained
 5 in this state as a result of the applicant's proposed growth investments;

6 (d) A business plan that describes in detail the applicant's investment strategy
 7 and includes a revenue impact assessment that projects state and local tax
 8 revenue to be generated by the applicant's proposed growth investments, as
 9 well as reduced state expenditures prepared by a nationally recognized
 10 third-party independent economic forecasting firm using a dynamic
 11 economic forecasting model that analyzes the applicant's business plan over
 12 the ten (10) years following the date the application is submitted to the
 13 cabinet;

14 (e) A representation that the applicant shall remain in compliance with
 15 applicable state and federal securities laws and regulations;

16 (f) An education and marketing plan to educate growth businesses regarding
 17 the availability of funds and requirements for participation; and

18 (g) A nonrefundable application fee of five thousand dollars (\$5,000).

19 (2) (a) The cabinet shall:

20 1. Review applications on a first-come, first-served basis; and

21 2. Make an application determination granting or denying an
 22 application within sixty (60) days of receipt.

23 (b) The cabinet shall deem applications received on the same day to have been
 24 received simultaneously.

25 (3) (a) The cabinet shall not approve investment authority that would allow more
 26 than fifty million dollars (\$50,000,000) in state matching capital and one
 27 hundred million dollars (\$100,000,000) in investment authority.

1 (b) If applications for investment authority being reviewed by the cabinet
2 exceed the limitations provided in paragraph (a) of this subsection, the
3 cabinet shall proportionally reduce the investment authority and the state
4 matching capital for each approved application as necessary to avoid
5 exceeding the limits.

6 (c) The cabinet shall not issue approval for any amount of investment
7 authority, or any amount of state matching capital, on or after October 1,
8 2023.

9 (4) The cabinet shall deny an application submitted under this section if the:

10 (a) Application is incomplete, or the application fee is not paid in full;

11 (b) Applicant does not satisfy all the criteria provided in subsection (1)(b) of
12 this section;

13 (c) Revenue impact assessment submitted with the application does not
14 demonstrate that the applicant's business plan will result in a positive
15 economic impact on this state's revenues over a ten (10) year period that
16 exceeds the state matching capital that would be issued to the applicant if
17 the application were approved;

18 (d) Cabinet has already approved the maximum amount of investment
19 authority and state matching capital allowed under subsection (3)(a) of this
20 section; or

21 (e) Application is received by the cabinet on or after August 1, 2023, in which
22 case the cabinet would not have the full sixty (60) day period allowed for
23 review of applications prior to reaching the sunset date limitation provided
24 in subsection (3)(c) of this section.

25 (5) If the cabinet denies an application, the applicant may provide additional
26 information to the cabinet to complete, clarify, or cure defects in the application
27 identified by the cabinet, except for a denial under subsection (4)(e) of this

1 section, within fifteen (15) days of the notice of denial and resubmit the
2 application for reconsideration, and if the applicant provides additional
3 information required by the cabinet, or otherwise completes the application
4 within the time period, the application shall be considered completed as of the
5 original date of submission. The cabinet shall review resubmitted applications
6 within thirty (30) days, and prior to reviewing any pending application submitted
7 after the original submission date of the reconsidered application.

8 (6) The cabinet shall not deny a growth fund application or reduce the requested
9 investment authority and state matching capital for reasons other than those
10 provided in subsections (1) and (4) of this section.

11 (7) Upon approval of an application, the cabinet shall issue a:

12 (a) Written approval to the applicant certifying it as a growth fund and
13 specifying the amount of the applicant's investment authority and state
14 matching capital; and

15 (b) Draft of the allocation agreement.

16 (8) After a growth fund is approved under subsection (7) of this section:

17 (a) Within thirty (30) days, the cabinet, the Commonwealth, and the growth
18 fund shall execute the allocation agreement, and the cabinet shall fund the
19 state matching capital as a conditional grant within three (3) business days
20 after receipts of the notice set forth in paragraph (c) of this subsection;

21 (b) Within sixty (60) days, the growth fund shall collect one (1) or more
22 investments of cash that, when added to the state matching capital, equal
23 the growth fund's entire approved investment authority. At least ten percent
24 (10%) of the growth fund's investment authority shall be composed of
25 equity investments contributed, directly or indirectly, by affiliates of the
26 growth fund, including employees, officers, and directors of those affiliates;

27 (c) Within sixty-five (65) days, the growth fund shall submit to the cabinet

1 written documentation sufficient to prove that the amounts described in
 2 paragraph (a) of this subsection have been collected; and

3 (d) Within two (2) years of the closing date, invest one hundred percent (100%)
 4 of its investment authority in growth investments in this state, including at
 5 least seventy-five percent (75%) of its investment authority in growth
 6 businesses located in rural counties, and maintain that level of investment
 7 until the sixth anniversary of the closing date.

8 (9) (a) If the growth fund fails to fully comply with subsection (8)(b) and (c) of this
 9 section, the growth fund's approval shall lapse and the corresponding
 10 investment authority and state matching capital shall not count toward the
 11 limits on total investment authority and state matching capital prescribed by
 12 subsection (3) of this section.

13 (b) The cabinet shall first award lapsed investment authority and state
 14 matching capital amounts pro rata to each growth fund that was awarded
 15 less than its requested investment authority and state matching capital
 16 amounts under subsection (3)(b) of this section.

17 (c) Any remaining investment authority and state matching capital may be
 18 awarded by the cabinet to new applications submitted under subsection (1)
 19 of this section, subject to the sunset date limitation provided in subsection
 20 (3)(c) of this section.

21 (10) Following the making of each growth investment, the growth fund shall within
 22 sixty (60) days submit to the cabinet written documentation listing the following
 23 information:

24 (a) The name, address, and industry of the business entity receiving the growth
 25 investment;

26 (b) The amount of the growth investment;

27 (c) A detailed description of the business activities engaged in by the business

1 entity; and

2 (d) Any other information required by the cabinet.

3 (11) Nonrefundable application fees submitted to the cabinet under subsection (1)(g)
 4 of this section shall be retained by the cabinet to offset the costs of administering
 5 Sections 1 to 8 of this Act.

6 (12) The cabinet shall review the applications received under subsection (1) of this
 7 section and documents received under subsections (8) and (10) of this section to
 8 ensure compliance with Sections 1 to 8 of this Act.

9 (13) The cabinet may promulgate administrative regulations pursuant to KRS Chapter
 10 13A as necessary to administer Sections 1 to 8 of this Act.

11 ➔SECTION 4. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
 12 154 IS CREATED TO READ AS FOLLOWS:

13 (1) A growth fund shall forfeit its state matching capital and shall immediately repay
 14 its state matching capital if any of the following occur with respect to a growth
 15 fund before it exits the program under subsection (5) of this section:

16 (a) The growth fund does not invest one hundred percent (100%) of its
 17 investment authority in growth investments in this state within two (2) years
 18 of the closing date.

19 (b) 1. The growth fund, after investing one hundred percent (100%) of its
 20 investment authority in growth investments in this state, fails to
 21 maintain that investment until the sixth anniversary of the closing
 22 date.

23 2. For the purposes of this paragraph, a growth investment shall be
 24 considered to have been maintained even if the investment is sold or
 25 repaid if the growth fund reinvests an amount equal to the capital
 26 returned or recovered by the growth fund from the original
 27 investment, exclusive of any profits realized, in other growth

1 investments in this state within twelve (12) months of the receipt of the
 2 returned capital. Amounts received periodically by a growth fund shall
 3 be treated as continually invested in growth investments if the
 4 amounts are reinvested in one (1) or more rural growth investments by
 5 the end of the following calendar year.

6 3. A growth fund shall not be required to reinvest capital returned from
 7 growth investments after the fifth anniversary of the closing date, and
 8 those amounts shall be considered to be held continuously by the
 9 growth fund through the sixth anniversary of the closing date;

10 (c) The growth fund, before exiting the program under subsection (5) of this
 11 section, makes a distribution or payment that results in the growth fund
 12 having less than one hundred percent (100%) of its investment authority
 13 invested in growth investments in this state or available for investment in
 14 growth investments and held in cash and other marketable securities; or

15 (d) 1. The growth fund makes a growth investment in a growth business that
 16 directly, or indirectly through an affiliate owns, has the right to
 17 acquire an ownership interest in, makes a loan to, or makes an
 18 investment in the growth fund, an affiliate of the growth fund, or an
 19 investor in the growth fund.

20 2. This paragraph shall not apply to investments in publicly traded
 21 securities made by a growth business or an owner or affiliate of that
 22 growth business.

23 3. For purposes of this paragraph, a growth fund shall not be considered
 24 an affiliate of a growth business solely as a result of its growth
 25 investment.

26 (2) The amount by which a growth fund's investment in a growth business exceeds
 27 five million dollars (\$5,000,000) shall not count towards the satisfaction required

1 by subsection (1)(a) and (b) of this section.

2 (3) Before implicating subsection (1) of this section, the cabinet shall notify the
3 growth fund of the reasons for the pending revocation. The growth fund shall
4 have ninety (90) days from the date of the notice to correct any violation outlined
5 in the notice to the satisfaction of the cabinet and to avoid implicating subsection
6 (1).

7 (4) (a) If subsection (1) of this section is implicated with respect to a growth fund,
8 the corresponding investment authority and state matching capital shall not
9 count toward the limits under subsection (3)(a) of Section 3 of this Act.

10 (b) The cabinet shall first award reverted investment authority and state
11 matching capital amounts pro rata to each growth fund that was awarded
12 less than its requested investment authority and state matching capital
13 amounts under subsection (3)(b) of Section 3 of this Act.

14 (c) The cabinet may award any remaining investment authority and state
15 matching capital to new applications submitted under subsection (1) of
16 Section 3 of this Act, subject to the sunset date limitation provided in
17 subsection (3)(c) of Section 3 of this Act.

18 (5) (a) On or after the sixth anniversary of the closing date, a growth fund that has
19 not committed any of the acts described in subsection (1) of this section may
20 submit a written request to the cabinet to exit the program and to no longer
21 be subject to regulation under Sections 1 to 8 of this Act.

22 (b) The cabinet shall respond to the request within sixty (60) days. In
23 evaluating the request, the fact that subsection (1) of this section has not
24 been implicated and that the growth fund has not received a notice of
25 revocation, which has not been cured under subsection (3) of this section,
26 shall be sufficient evidence to prove that the growth fund is eligible for exit.

27 (c) The cabinet shall not unreasonably deny a request submitted under this

1 subsection. If the request is denied, the notice of denial shall include the
 2 reasons for the determination.

3 (6) After its exit from the program in accordance with of subsection (5)(a) of this
 4 section, a growth fund shall not be permitted to make distributions to its equity
 5 holders unless and until it has made growth investments equal to at least one
 6 hundred fifty percent (150%) of its investment authority. Each growth fund shall
 7 continue to report the amount of growth investments made to the cabinet
 8 annually until it has made growth investments equal to at least one hundred fifty
 9 percent (150%) of its investment authority.

10 (7) After exiting the program under subsection (5) of this section, at any time the
 11 growth fund proposes to make a distribution to its equity holders or payment that,
 12 when added to all previous distributions to its equity holders and payments, would
 13 be in excess of its investment authority, the growth fund shall remit to the
 14 cabinet, if applicable, all future distributions or payments until the cabinet is
 15 repaid an amount equal to the product of the growth fund's state matching
 16 capital and a fraction, the numerator of which is the aggregate number of new
 17 annual jobs and jobs retained reported to the cabinet under subsection (1) of
 18 Section 8 of this Act and the denominator of which is the number of new annual
 19 jobs and jobs retained projected in the growth fund's application, as prorated
 20 based on the amount of investment authority received by the growth fund. No
 21 payment shall be due if the aggregate number of new annual jobs and jobs
 22 retained as of the date of the proposed distribution equal or exceed the number of
 23 new annual jobs and jobs retained projected in the growth fund's application, as
 24 prorated based on the amount of investment authority received.

25 ➔SECTION 5. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
 26 154 IS CREATED TO READ AS FOLLOWS:

27 (1) A growth fund may, prior to making a growth investment, request from the

1 cabinet a written determination as to whether the business entity in which it
 2 proposes to invest qualifies as a growth business. Each request for a written
 3 opinion shall be accompanied by a five hundred dollar (\$500) opinion fee
 4 submitted to the cabinet and made payable to the Kentucky State Treasurer.

5 (2) Within twenty (20) days after receiving a request under this section, the cabinet
 6 shall notify the growth fund of its determination.

7 (3) To enable the cabinet to make a determination under this section, the growth
 8 fund shall supply information concerning the business entity and the proposed
 9 investment as requested by the cabinet. If the growth fund does not, or is unable
 10 to, supply information requested by the cabinet, the cabinet may refuse to issue a
 11 determination under this section, in which case subsection (2) of this section
 12 shall not apply.

13 (4) If the cabinet fails to notify the growth fund of its determination within twenty
 14 (20) days, the business in which the growth fund proposes to invest shall be
 15 considered a growth business.

16 ➔SECTION 6. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
 17 154 IS CREATED TO READ AS FOLLOWS:

18 (1) The cabinet or the department may examine, under oath, the growth fund
 19 manager regarding the affairs and business of the growth fund. The cabinet or
 20 the department may issue subpoenas and subpoenas duces tecum and administer
 21 oaths. Refusal to obey a subpoena or subpoena duces tecum may be reported to
 22 the Franklin Circuit Court, which shall enforce the subpoena or subpoena duces
 23 tecum according to the rules of civil or criminal procedure, as applicable.

24 (2) The department may audit one (1) or more growth funds in any year on a random
 25 basis or for cause. The department may also audit, for cause, any business entity
 26 in which a growth fund has made a growth investment. Nothing in this section
 27 shall be construed to prohibit the department from conducting any audit relating

1 to the administration or enforcement of the tax laws of the Commonwealth which
 2 the department determines to be appropriate.

3 ➔SECTION 7. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
 4 154 IS CREATED TO READ AS FOLLOWS:

5 The Commonwealth, or any officer, director, official, employee, or agent of the
 6 Commonwealth, shall not be liable to any growth fund or any investor making an
 7 investor contribution to a growth fund. This limitation of liability includes without
 8 limitation:

9 (1) Losses or damages investors incur in connection with any committed or
 10 contributed investor contributions made to a growth fund or any growth
 11 investments made by a growth fund in any business entity; and

12 (2) Any claim, liability, obligation, loss, damage, assessment, judgment, cost, and
 13 expense of any kind or character relating to federal or state securities laws, rules,
 14 regulations, or orders.

15 ➔SECTION 8. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
 16 154 IS CREATED TO READ AS FOLLOWS:

17 To enable the General Assembly to evaluate and measure the effectiveness of the Rural
 18 Jobs Development Fund in addressing the needs and achieving the goals as stated in
 19 Section 1 of this Act, the following reporting requirements shall apply:

20 (1) Each growth fund shall submit a written report to the cabinet and the Interim
 21 Joint Committee on Appropriations and Revenue on or before the fifth business
 22 day following the anniversary of the closing date and on or before the fifth
 23 business day following each subsequent anniversary of the closing date prior to
 24 the growth fund's exit from the program as set forth in subsection (5) of Section
 25 4 of this Act. The report shall provide detailed documentation as to the growth
 26 fund's growth investments made to date and shall include:

27 (a) A bank statement evidencing each growth investment;

- 1 **(b) 1. The name, address, and industry of each growth business receiving a**
2 **growth investment;**
3 **2. Either a determination letter issued by the cabinet under subsection**
4 **(7) of Section 3 of this Act relating to the growth business, or evidence**
5 **that it qualified as a growth business at the time the investment was**
6 **made; and**
7 **3. A detailed description of the business activities engaged in by the**
8 **growth business;**
9 **(c) The location, by county, of each growth business;**
10 **(d) The number of employment positions at each growth business on the date of**
11 **the growth fund's initial growth investment;**
12 **(e) The number of new annual jobs created or jobs retained during the year by**
13 **the growth business;**
14 **(f) The average annual salary of new annual jobs and jobs retained at each**
15 **growth business during the year;**
16 **(g) The cumulative amount of growth investments made in each growth**
17 **business;**
18 **(h) Whether subsection (1) of Section 4 of this Act has been implicated; and**
19 **(i) Any other information required by the cabinet to provide evidence that the**
20 **program is valuable to the Commonwealth and meeting the goals of the**
21 **program; and**
22 **(2) If the information is available, the growth fund shall provide the annual report**
23 **set forth in subsection (1) of this section for growth investments that have been**
24 **redeemed or repaid.**

25 ➔SECTION 9. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
26 154 IS CREATED TO READ AS FOLLOWS:

- 27 **(1) There is hereby established in the State Treasury a trust and agency account to be**

1 *known as the Rural Jobs Development Fund. The fund shall consist of moneys*
 2 *received from state appropriations, gifts, grants, and federal funds.*

3 *(2) The fund shall be administered by the cabinet.*

4 *(3) Moneys deposited in the fund shall be used for state matching capital as defined*
 5 *in Section 2 of this Act.*

6 *(4) Notwithstanding KRS 45.229, moneys in the fund not expended at the close of a*
 7 *fiscal year shall not lapse but shall be carried forward into the next fiscal year.*

8 *(5) Any interest earnings of the fund shall become a part of the fund and shall not*
 9 *lapse.*

10 *(6) Moneys deposited in the fund are hereby appropriated for the purposes in*
 11 *Sections 1 to 8 of this Act*

12 ➔Section 10. Sections 1 to 8 of this Act may be cited as the Kentucky Rural Jobs
 13 Act of 2022.

14 ➔Section 11. There is hereby appropriated General Fund moneys in the amount of
 15 \$25,000,000 in fiscal year 2021-2022 and \$25,000,000 in fiscal year 2022-2023 to the
 16 Rural Jobs Development Fund for the purposes set forth in Sections 1 to 8 of this Act.

17 ➔Section 12. Whereas the growth in businesses in the rural areas of this state is
 18 paramount to the economic well-being of the Commonwealth, an emergency is declared
 19 to exist, and this Act takes effect upon its passage and approval by the Governor or upon
 20 its otherwise becoming a law.