

154.21-020 Kentucky Product Development Initiative of 2022 -- Establishment -- Funds -- Maximum amount.

- (1) The Kentucky Product Development Initiative of 2022 is hereby established under the cabinet. The cabinet shall partner with the Kentucky Association for Economic Development to administer the program. The cabinet's administration of the program includes but is not limited to the following:
 - (a) Creating and making available a standardized grant application and regional grant application;
 - (b) Adopting a standardized scoring system pursuant to KRS 154.21-040;
 - (c) Reviewing the applications and proposals submitted by the proposed grant recipients;
 - (d) Verifying the eligibility of the proposed grant recipients;
 - (e) Verifying that the proposed grant recipient seeks grant money for an eligible project prior to prioritizing and recommending the eligible grant recipient and eligible project to the cabinet;
 - (f) Awarding grants to selected eligible grant recipients in two (2) rounds of funding; and
 - (g) Compiling and submitting the following information, no later than November 1, 2024, and annually thereafter until the authorized appropriation is spent or returned, for each application approved by the Kentucky Economic Development Finance Authority related to the Kentucky Product Development Initiative of 2022 to the Legislative Research Commission and the Interim Joint Committee on Appropriations and Revenue:
 1. The name of the applicant, a description of the eligible project, and the location of each proposed project for which an application was received;
 2. The date the application was approved by the Kentucky Economic Development Finance Authority;
 3. The amount of funding authorized for each project approved;
 4. The total amount of funding disbursed for each project approved; and
 5. The round of funding for which each project received approval.
- (2) Upon receipt of eligible grant recipients and eligible project recommendations and prioritization from the Kentucky Association for Economic Development and the third-party independent site selection consultant, the cabinet shall verify and process the eligible grant recipients and eligible project recommendations with the intent to approve and award grants matching the selected grant recipient's contribution to its eligible project on a dollar-for-dollar basis, under the economic development fund program pursuant to KRS 154.12-100.
- (3) (a) Prior to the first round of grant awards, the cabinet shall allocate a percentage of the total funds appropriated to this program by the General Assembly to each county in the Commonwealth. When awarding grants in the first round of funding, the cabinet shall not award grants to an eligible grant recipient or a group of eligible grant recipients in excess of the amount allocated to the county in which it or they are located, except when pooled pursuant to

subsection (4) of this section. The allocation shall be made according to the following calculations:

1. For all counties except Jefferson County, the percentage of the fund each county is eligible to receive shall be determined by each county's proportion of the state's population based on the most recent federal decennial census;
 2. For Jefferson County, the percentage of the fund it shall be eligible to receive shall be determined by the county's proportion of the state's population based on the most recent federal decennial census, which shall be discounted by fifty percent (50%); and
 3. The maximum funding available for an approved development project is two million dollars (\$2,000,000) per county except as permitted by subsection (4) of this section.
- (b) If there are funds available after the first round of grant awards, the cabinet shall initiate a second round of grant awards through the Kentucky Product Development Initiative. Any remaining funds available for program use shall be pooled and available to eligible grant recipients from all counties on a first-come, first-served basis, but each county's eligible allocation shall not exceed two million dollars (\$2,000,000) except as permitted by subsection (4) of this section.
- (4) For selected eligible grant recipients that are involved in a regional project, the cabinet may pool the potential allocation of funds available for each county represented by the eligible grant recipients for the grant amount awarded. For example, if a county that is eligible for up to ten percent (10%) of the program funds based on the calculations in subsection (3) of this section partners with a county that is eligible for five percent (5%) of the program funds based on the calculations in subsection (3) of this section, then the total allocation for the regional project that the cabinet may award is fifteen percent (15%).
- (5) Grant applicants that have received discretionary mega-development project funding shall be disqualified from participation in the Kentucky Product Development Initiative.

Effective: July 1, 2024

History: Amended 2024 Ky. Acts ch. 191, sec. 2, effective July 1, 2024. -- Amended 2023 Ky. Acts ch. 12, sec. 4, effective June 29, 2023. -- Created 2022 Ky. Acts ch. 176, sec. 3, effective July 14, 2022.

Legislative Research Commission Note (7/1/2024). In subsection (1)(g)2. of this statute, a reference to "Kentucky Economic Development Authority" has been changed in codification to read "Kentucky Economic Development Finance Authority." The reviser of statutes has made this correction of a manifest clerical or typographical error under the authority of KRS 7.136.

Legislative Research Commission Note (7/14/2022). See State/Executive Branch Budget, 2022 Ky. Acts ch. 199, Pt. I, B, 1, (12)(b) at 1655, which appropriated funds in fiscal years 2021-2022 and 2022-2023 to support the creation and implementation of the Kentucky Product Development Initiative and established an alternate allocation method for the 2022-2024 fiscal biennium.