

154.21-017 Kentucky Product Development Initiative of 2024 -- Establishment -- Grant criteria -- County population ranking and local match for eligible projects -- Limitations -- Maximum amount -- Pooling of funds -- Report.

- (1) The Kentucky Product Development Initiative of 2024 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:
 - (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 all eligible projects;
 - (f) Determining the county's population ranking under subsection (3) of this section;
 - (g) Awarding grants to selected eligible grant recipients in multiple rounds of funding; and
 - (h) Compiling and submitting the reports required by subsections (3) and (5) of this section.
- (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 under the economic development fund program pursuant to KRS 154.12-100 and based on the following criteria:
 - (a) Consideration of whether the eligible grant recipient had received a grant award from the Kentucky Product Development Initiative of 2022 under KRS 154.21-020; and
 - (b) The matching funds for the selected grant recipient's contribution to its eligible project based on the county population ranking determined under subsection (3) of this section.
- (3)
 - (a) On or before June 1, 2024, and no later than June 1 every two (2) years thereafter, the cabinet shall determine a county population ranking for each county by adding the following two (2) factors:
 1. The population density ranking; and
 2. The ten (10) year percentage change in population ranking.
 - (b) The required local match for each county shall be as follows:
 1. Eligible projects in counties where the county population ranking is greater than or equal to one hundred ninety-three (193) shall provide a minimum amount of local matching funds equal to ten percent (10%) of the project cost;

2. Eligible projects in counties where the county population ranking is less than one hundred ninety-three (193) but greater than or equal to one hundred forty-five (145) shall provide a minimum amount of local matching funds equal to twelve and one-half percent (12.5%) of the project cost;
 3. Eligible projects in counties where the county population ranking is less than one hundred forty-five (145) but greater than or equal to ninety-seven (97) shall provide a minimum amount of local matching funds equal to fifteen percent (15%) of the project cost;
 4. Eligible projects in counties where the county population ranking is less than ninety-seven (97) but greater than or equal to forty-nine (49) shall provide a minimum amount of local matching funds equal to seventeen and one-half percent (17.5%) of the project cost;
 5. Eligible projects in counties where the county population ranking is less than forty-nine (49) shall provide a minimum amount of local matching funds equal to twenty percent (20%) of the project cost; and
 6. For eligible projects requesting due diligence as an eligible use, the due diligence must be completed prior to acquisition of the site. If the due diligence result leads to the decision to not purchase the site, then the cabinet may expend up to two hundred thousand dollars (\$200,000) with no local matching funds required. If the amount to be reimbursed by the cabinet exceeds two hundred thousand dollars (\$200,000), the cabinet shall report to the Interim Joint Committee on Appropriations and Revenue, or the Senate Standing Committee on Appropriations and Revenue and the House Standing Committee on Appropriations and Revenue, within five (5) days of the disbursement. The report shall include the name and county location of the eligible project approved, the amount of the grant awarded, the amount of the funding disbursed for due diligence and the extenuating circumstances related to the due diligence study.
- (c) On or before July 1, 2024, and no later than July 1 every two (2) years thereafter, the cabinet shall report to the Legislative Research Commission and the Interim Joint Committee on Appropriation and Revenue the following information for each county:
1. The county name;
 2. The population density ranking for that county;
 3. The ten (10) year percentage change in population ranking for that county; and
 4. The county population ranking for that county.
- (d) When awarding grants in this initiative, the cabinet shall not award grants to:
1. An eligible grant recipient or a group of eligible grant recipients in excess of the amount allocated to the county in which the county is located, except when pooled pursuant to subsection (4) of this section; or

2. An eligible grant recipient that received a grant award from the Kentucky Product Development Initiative of 2022 prior to all other eligible grant recipients receiving a grant award from the Kentucky Product Development Initiative of 2024 if the eligible project scores are equal to or above the score of an eligible project from an eligible grant recipient who received a grant award from the Kentucky Product Development Initiative of 2022 under KRS 154.21-040, and in the case where the scores are equal, discretion by the Kentucky Association for Economic Development and the cabinet shall be used.
 - (e) 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.
 - (f) If there are funds available after the first round of grant awards of the Kentucky Product Development Initiative of 2024, the cabinet shall initiate additional rounds of grant awards.
- (4)
 - (a) 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.
 - (b) A county that is an eligible grant recipient involved in a regional project shall provide that county's local matching funds based on the county population ranking determined under subsection (3) of this section and each county's local matching funds may be pooled as described in paragraph (a) of this subsection.
- (5) Beginning no later than November 1, 2024, and annually thereafter until the authorized appropriation is spent or returned, the cabinet shall compile and submit a report for each application approved by the Kentucky Economic Development Finance Authority for the Kentucky Product Development Initiative of 2024. The report shall be electronically delivered to the Legislative Research Commission and the Interim Joint Committee on Appropriations and Revenue and contain the following information:
 - (a) The name of the applicant, a description of the eligible project, and the location of each proposed project for which an application was approved;
 - (b) The date the application was approved by the Kentucky Economic Development Finance Authority;
 - (c) The amount of funding authorized for each project approved;
 - (d) The total amount of funding disbursed for each project approved; and
 - (e) The round of funding for which each project received approval.
- (6) The Kentucky Product Development Initiative of 2024 shall begin July 1, 2024.

Effective: July 1, 2024

History: Created 2024 Ky. Acts ch. 191, sec. 3, effective July 1, 2024.