

65.494 KRS 65.490 to 65.499 limited to development areas established by county containing city of the first class or a city of the first class before March 23, 2007, or certain new development areas -- Definitions for section.

- (1) As used in this section:
 - (a) "Existing development area" means a development area established by a county containing a city of the first class or by a city of the first class prior to March 23, 2007, that is subject to the provisions of a grant contract, Interlocal Cooperation Agreement, or Master Agreement executed prior to March 23, 2007; and
 - (b) "New development area" means a development area that:
 1. Is created within an existing development area; and
 2. Exists independent of the existing development area.
- (2) The provisions of KRS 65.490 to 65.499 shall apply only to:
 - (a) Existing development areas; and
 - (b) New development areas, provided that:
 1. The project for the existing development area is amended to remove the new development area from the existing development area;
 2. All contracts regarding the application of increment derived from the new development area require not less than:
 - a. Ten percent (10%) of the increment be paid to the agency for which the existing development area was established;
 - b. Eighty percent (80%) of the increment be paid to the developer of the new development area; and
 - c. Ten percent (10%) shall be retained by the Commonwealth or local government, as applicable;
 3. Notwithstanding KRS 65.495 to the contrary, the payment to the agency under subparagraph 2. of this paragraph shall not be taken into account in determining whether thresholds within the contract have been met;
 4. The amendment of the project for an existing development area is approved by:
 - a. i. The county containing a city of the first class; or
 - ii. The city of the first class;in which the existing development area is located;
 - b. The Kentucky Economic Development Finance Authority;
 - c. The agency for which the existing development area was established; and
 - d. If applicable, the insurer of any bonds issued for the benefit of the agency for which the existing development area was established; and
 5. Any negotiation or agreement made related to an existing development area or a new development area shall be approved by the Kentucky Economic Development Finance Authority.

Effective: July 15, 2026

History: Amended 2026 Ky. Acts ch. 161, sec. 118, effective July 15, 2026; and ch. 198, sec. 50, effective July 15, 2026. -- Amended 2025 Ky. Acts ch. 98, sec. 2, effective June 27, 2025. -- Created 2007 Ky. Acts ch. 95, sec. 23, effective March 23, 2007.

Legislative Research Commission Note (7/15/2026). This statute was amended by 2026 RS HB 757 (2026 Ky. Acts ch. 161, sec. 118), which was subsequently amended by 2026 RS HB 869 (2026 Ky. Acts ch. 198, sec. 50), and the amendments have been codified together.