

CHAPTER 115**(HB 20)**

AN ACT relating to investment of the Local Government Economic Assistance Fund balances.

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

➔Section 1. KRS 42.450 is amended to read as follows:

- (1) There is hereby established in the State Treasury a fund entitled "Local Government Economic Assistance Fund." The fund may receive state appropriations, gifts, grants, and federal funds and shall be disbursed by the State Treasurer upon the warrant of the secretary of the Finance and Administration Cabinet. Any unallotted or unencumbered balances in the fund shall be invested *pursuant to KRS 42.500*~~[in United States Government Securities maturing not later than one (1) year from the date of investment]~~ and the income earned from the investment shall be prorated for expenditure in coal producing and coal impact counties according to each county's allocable part in the fund.
- (2) Effective July 1, 1981, an amount equal to one-half (1/2) of the tax collected annually on the sale of minerals, exclusive of coal, shall be transferred from the general fund into this fund. The transfers shall be made quarterly, based upon the revenue estimates prevailing at the time each quarterly transfer is due, except that the last quarterly transfer shall be made after the close of the fiscal year accounting records, and shall be adjusted to provide the balance of the annual transfer required by this subsection.

Signed by Governor April 12, 2010