

CHAPTER 112**(HB 27)**

AN ACT relating to the local government economic development fund.

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

➔Section 1. (1) Notwithstanding KRS 42.4588(2) and (4), and the specific appropriations for identified projects made in 2012 Ky. Acts ch. 144, sec. 1, Part II Capital Projects Budget, M. Coal Severance Tax Projects, a coal-producing county that experiences a shortfall in fiscal year 2012-2013 of 25 percent or greater in anticipated and budgeted distributions from the Local Government Economic Assistance Fund established by KRS 42.450, may, during fiscal year 2013-2014, petition the Department for Local Government in writing to request a reallocation of funds to the individual county's Local Government Economic Assistance Fund distribution as provided in this section.

(2) Upon receipt of a written request for a reallocation of funds as provided in subsection (1) of this section, the Department for Local Government shall verify that the requesting coal-producing county experienced a shortfall in fiscal year 2012-2013 of 25 percent or greater from the amount anticipated and budgeted by the coal-producing county. If the shortfall is verified, the Department for Local Government shall:

(a) Approve the reallocation of funds from the individual county account of the requesting county under KRS 42.4592(1)(a) or (b);

(b) Authorize the reallocation of funds specifically appropriated for identified projects in the county by 2012 Ky. Acts ch. 144, sec. 1, Part II Capital Projects Budget, M. Coal Severance Tax Projects; or

(c) Approve a reallocation under both paragraphs (a) and (b) of this subsection.

Amounts reallocated shall be distributed to requesting county as part of the county's individual distribution from the Local Government Economic Assistance Fund, to be used for the purposes set forth in KRS 42.455.

(3) Any approval under this section shall:

(a) Not exceed the amount of the demonstrated budget shortfall;

(b) Be made in writing, and

(c) Be reported to the State Budget Director and the Interim Joint Committee on Appropriations and Revenue within 30 days of the approval being made.

Signed by Governor April 4, 2013.