

## **10 KAR 2:020. Disbursement of monies from the Kentucky Agricultural Development Fund.**

RELATES TO: KRS 248.707, 248.709, 248.711, 248.713, 248.721

STATUTORY AUTHORITY: KRS 248.709(8)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 248.709(8) requires the Kentucky Agricultural Development Board to promulgate administrative regulations relating to the Tobacco Master Settlement Agreement. This administrative regulation provides for the investment of a certain portion of the Agricultural Development Fund by establishing procedures for the submission of proposals to the Agricultural Development Board or to a county agricultural development council for grants from the Agricultural Development Fund.

Section 1. Definitions. (1) "Board" is defined in KRS 248.701(1).

(2) "County council" means a county agricultural development council.

(3) "Fund" is defined in KRS 248.701(2).

Section 2. Application for State Agricultural Development Funds. (1) To apply for agricultural development funds earmarked for state projects, an applicant shall submit a completed Application of Agricultural Development Funds to the Kentucky Agricultural Development Board. Upon receipt, the board shall review and consider the applications on a monthly basis using the criteria established in KRS 248.711.

(2) The board may make final funding determinations or refer applications for further review during each of its monthly meetings. The board may award funds on a disbursement schedule negotiated between the board and the project applicants.

Section 3. Application for County Agricultural Development Funds. (1) To apply for agricultural development funds earmarked for individual counties, an applicant shall submit a completed Application of Agricultural Development Funds to the particular county agricultural development council in the same manner in which applications for agricultural development funds earmarked for state projects are submitted to the Kentucky Agricultural Development Board.

(2) County councils shall review applications for funds earmarked for individual counties to determine if the application conforms to the priorities established in the particular county council's comprehensive plan as defined in KRS 248.709(5). A county council electing to review an application shall prioritize the application and then submit the application to the board for review and consideration. County councils shall submit applications to the board no later than the first day of each month in order to be reviewed by the board at its regularly-scheduled monthly meeting following submission of the proposal by a county council.

(3) The board may make final funding determinations or refer applications for further review during each of its monthly meetings. The board may award funds on a disbursement schedule negotiated between the board and the project applicants.

Section 4. Combined Grants. If a proposed project makes a regional investment appropriate, applicants may simultaneously submit applications for funds to more than one (1) county council, or to a county council or councils and the board. Applications for combined grants shall follow the procedure applicable to each particular county council or to the board. The final determination regarding the project shall be made by the board. Applications for combined grants submitted to the board no later than the first day of each month shall be reviewed by the board at its regularly-scheduled monthly meeting following submission of the proposal.

Section 5. Grant Award. (1) Determinations on project proposals submitted to the board shall be communicated to project applicants within thirty (30) days of the board's determination.

(2) Determinations on county council recommendations submitted to the board shall be communicated to project applicants and the county council or councils involved within thirty (30) days of the board's determination.

(3) Following determination and notification, the board shall require successful applicants to enter into negotiated legal agreements in order to ensure proper measures of accountability for use of the public funds held in the Agricultural Development Fund.

Section 6. Reporting. (1) All successful applicants shall be required to provide an annual Programmatic Update Report on project progress to the board. The first annual report shall be due twelve (12) months from the date the grant is first issued.

(2) The board shall require the successful applicant, as part of the negotiated terms of the legal agreement, to provide quarterly or monthly progress reports, financial reports, or both, to the board.

Section 7. Incorporation by Reference. (1) The following material is incorporated by reference:

(a) Application for Agricultural Development Funds, edition 4/01; and

(b) Programmatic Update Report, February 2007.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. (27 Ky.R. 2939; 3233; eff. 6-8-2001; 33 Ky.R. 1621; 2926; eff. 4-6-2007.)