

42.350 Area development fund for capital projects.

- (1) The area development fund in the State Treasury shall be administered by the Department for Local Government. The fund may receive state appropriations, gifts, grants, and federal funds and shall be disbursed by the State Treasurer upon the warrant of the commissioner of the Department for Local Government. Any unallotted or unencumbered balances in the fund shall be invested in United States government securities maturing not later than one (1) year from the date of investment, and the income from the investments shall be prorated for expenditure for capital projects in area development districts according to the formula provided in KRS 42.370.
- (2) Money in the fund shall be used only for capital projects which contribute to community or industrial development in the Commonwealth, KRS 48.300 and 48.500 notwithstanding. Capital projects eligible for financing out of the fund include and shall be limited to:
 - (a) The construction, reconstruction, renovation, and maintenance of buildings and other improvements to real estate;
 - (b) The acquisition of real property and interests in real property;
 - (c) The purchase of major items of equipment;
 - (d) Industrial site development projects, including land reclamation, clearing, grading, draining, landscaping, and the construction of walkways and fences;
 - (e) The extension and installation of water, gas, sewer, and electrical utilities lines to public facilities and industrial sites;
 - (f) The provision of solid waste management or disposal systems bringing counties into compliance with state or federal law. All expenses incurred in connection with or incidental to the construction or acquisition of a capital project under this section, including architectural, engineering, legal, and other expenses required for the projects may be paid out of the fund. Money in the fund may be used to retire a mortgage or other indebtedness encumbering an eligible capital project made within the preceding five (5) calendar years to secure the repayment of moneys loaned or advanced to finance the construction or acquisition of the project and may be used in match or in combination with funds obtained from other sources for an eligible capital project. No money shall be expended out of the fund, directly or indirectly, to pay or reimburse the cost of any feasibility study, master plan for any capital improvement development or redevelopment project, the purchase of consumable supplies or any administrative salary, or other operating or capital expense of any area development district or for the acquisition, construction, reconstruction, renovation, or maintenance of any building or property of schools, state institutions of higher learning, or any road, street, bridge, or highway.
- (3) The board of directors of each area development district shall determine from among the capital project proposals submitted by eligible beneficiary agencies, the capital projects to be proposed to be constructed or acquired out of the fund. The area development districts shall submit to the commissioner of the Department for

Local Government the capital projects selected for construction or acquisition within the districts. Each project proposal shall include: a detailed description of the project; a statement of the public benefit to be derived from the project; if available, design plans and specifications for the project; an itemized estimate of the cost of the project; a statement of the sources and amounts of funds available from any other source for the construction or acquisition of the project; and other information relating to the proposed capital project as the Department for Local Government may require.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 117, sec. 21, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 47, sec. 15, effective June 26, 2007. -- Amended 1998 Ky. Acts ch. 69, sec. 7, effective July 15, 1998. -- Amended 1984 Ky. Acts ch. 111, sec. 35, effective July 13, 1984; and ch. 404, sec. 42, effective July 13, 1984. -- Amended 1978 Ky. Acts ch. 187, sec. 2, effective June 17, 1978. -- Created 1976 Ky. Acts ch. 339, sec. 1.

2024-2026 Budget Reference. See State/Executive Branch Budget, 2024 Ky. Acts ch. 175, Pt. I, A, 12, (1) at 1811.

2024-2026 Budget Reference. See State/Executive Branch Budget, 2024 Ky. Acts ch. 175, Pt. I, A, 12, (2) at 1811.