

65.504 Local participation agreement to pledge percentage of incremental revenues to West End Opportunity Partnership.

- (1) Notwithstanding KRS 6.945, beginning in the calendar year following the full receipt of the initial funds statutorily required to be invested by private sector investors, a consolidated local government, and the Commonwealth to the West End Opportunity Partnership and continuing for twenty (20) years, eighty percent (80%) of the incremental revenues shall be pledged to the West End Opportunity Partnership by a consolidated local government and the Commonwealth.
- (2) A local participation agreement shall be executed between the West End Opportunity Partnership and the governing body involved in providing financing or pledging incremental revenues to support the implementation of a development plan in a development area.
- (3) The local participation agreement shall be adopted by the governing body by ordinance and shall include but not be limited to the following provisions:
 - (a) Identification of the parties to the local participation agreement and the duties and responsibilities of each entity under the agreement;
 - (b) Specific identification of the incremental revenues released or pledged by type of tax by each taxing district;
 - (c) The anticipated benefit to be received by each taxing district for the release or pledge, including a detailed summary of old revenues collected;
 - (d) A requirement that pledged incremental revenues shall be accounted for within a separate account under KRS 65.505;
 - (e) Terms of default and remedies, provided that no remedy shall permit the withholding by any party to the local participation agreement of any incremental revenues pledged to the special fund if increment bonds are outstanding that are secured by a pledge of those incremental revenues;
 - (f) The commencement date, activation date, and termination date; and
 - (g) Any other provisions not inconsistent with KRS 65.500 to 65.506.
- (4) Any pledge of incremental revenues in a local participation agreement shall be superior to any other pledge of revenues for any other purpose and shall, from the activation date to the termination date set forth in the local participation agreement, supersede any statute, ordinance, or resolution regarding the application or use of incremental revenues. An ordinance in conflict with a local participation agreement shall not be adopted while any increment bonds secured by that pledge remain outstanding. Ordinances or resolutions pledging incremental revenues on a subordinate basis to any existing pledges may be adopted.
- (5) The local participation agreement established under this section and the development area established under KRS 65.501 shall not be included in the percentage calculation established by KRS 65.7049(2).
- (6) Notwithstanding KRS 65.7049(2), the local participation agreement shall permit residential property located within the development area to be eligible for participation in a program granting property assessment or reassessment

moratoriums pursuant to KRS 99.600 when the incremental revenues related to that residential property have not been pledged to support a tax increment financing project established under KRS 65.490 to 65.499, 65.680 to 65.699, or 65.7041 to 65.7083 or an economic development project within the development area.

Effective: June 29, 2021

History: Created 2021 Ky. Acts ch. 203, sec. 5, effective June 29, 2021.