

**154.20-190 Rural hospital operations and facilities revolving loan fund.**

- (1) As used in this section:
  - (a) "Authority" means the Kentucky Economic Development Finance Authority;
  - (b) "Qualifying former hospital" means a hospital facility:
    1. At a location that closed within thirty-six (36) months prior to an application for a loan; and
    2. For which the former owner or new owner has obtained a certificate of need to open a new hospital or other health facility as defined in KRS 216B.015 that provides inpatient care at the closed location; and
  - (c) "Rural hospital" means any hospital or qualifying former hospital located within a county of the Commonwealth having a population of less than fifty thousand (50,000) according to the most recent annual estimates of the resident population issued by the United States Census Bureau.
- (2)
  - (a) The rural hospital operations and facilities revolving loan fund is established. The authority shall provide loans to a rural hospital not to exceed one million dollars (\$1,000,000) for any project within a rural hospital and shall not exceed more than two million dollars (\$2,000,000) every five (5) years.
  - (b) Any loan issued by the authority shall not exceed a twenty (20) year term and shall be utilized by the Cabinet for Economic Development to assist a rural hospital in providing needed direct health care services for the citizens of the Commonwealth by:
    1. Maintaining or upgrading the hospital's facilities;
    2. Maintaining or increasing the current staff of the rural hospital;
    3. Reopening a qualifying former hospital; or
    4. Providing health care services that are not currently available to citizens.
  - (c) The authority shall consider a group with multiple locations eligible under this section as if each separate location is a separate entity for purposes of determining eligibility and applicable loan limits.
- (3) The Cabinet for Economic Development shall:
  - (a) Determine the terms and conditions of each loan, including the repayment to be deposited back in the revolving loan fund for issuance of future loans to other rural hospitals;
  - (b) Monitor the performance of the rural hospital; and
  - (c) By November 1, 2023, and by each November 1 thereafter, report to the Interim Joint Committee on Appropriations and Revenue information about each outstanding loan issued, including:
    1. The name and location of the rural hospital;
    2. The amount of principal originally loaned;
    3. The terms of the loan and whether the rural hospital is currently meeting those terms; and
    4. How the rural hospital used the loan related to facilities, staff, or additional services.

- (4) (a) The fund created in subsection (2) of this section shall be a trust and agency account.
- (b) The Cabinet for Economic Development shall administer the fund.
- (c) The fund shall consist of appropriations, contributions, donations, gifts, or federal funds.
- (d) Notwithstanding KRS 45.229, any moneys remaining in the fund at the close of the fiscal year shall not lapse but shall be carried forward into the succeeding fiscal year.
- (e) Any interest earnings of the fund shall become a part of the fund and shall not lapse.
- (f) Moneys deposited in the fund are hereby appropriated for the sole purpose of providing loans to rural hospitals.

**Effective:** June 29, 2023

**History:** Amended 2023 Ky. Acts ch. 75, sec. 15, effective June 29, 2023. -- Amended 2022 Ky. Acts ch. 134, sec. 1, effective April 8, 2022. -- Created 2020 Ky. Acts ch. 128, sec. 1, effective April 24, 2020.