

164.6023 Authority of the science and technology organization to review applications, qualify companies, and certify qualified companies. (Effective July 15, 2026)

- (1) The science and technology organization shall have the authority, upon approval by the cabinet, to review applications, qualify companies, and certify qualified companies to receive funding from the Kentucky enterprise fund.
- (2) The science and technology organization shall develop application criteria and an application process subject to the following limitations. The proposed project shall be likely to:
 - (a) Produce a measurable result and be technically sound;
 - (b) Lead to innovative technology or new knowledge;
 - (c) Lead to commercially successful products, processes, or services within a reasonable period of time; or
 - (d) Show significant potential for stimulating economic growth and a reasonable probability to enhance employment opportunities within the Commonwealth.
- (3) The applicant shall provide to the science and technology organization an application that shall include but not be limited to the following information:
 - (a) Verification that the applicant is an eligible company that:
 1. Meets the definition of a Kentucky-based company, or has demonstrated potential to become a Kentucky-based company within one hundred eighty (180) days after certification authorizing funding under subsection (5) of this section, or within a timeframe determined by the executive director of the Office of Entrepreneurship and Innovation; and
 2. Is an early-stage or high-growth company;
 - (b) A technology description and plan that is sufficient for outside expert review;
 - (c) A detailed financial analysis that includes the commitment of resources by the applicant and others;
 - (d) Sufficient detail concerning proposed project partners, type and amount of work to be performed and financing to be contributed by each partner, and expected product or service with estimated costs to be reflected in the negotiated contract or agreement; and
 - (e) A statement of the economic development potential of the project.
- (4) The science and technology organization shall conduct an independent review with the use of outside experts to evaluate each application. Following the application review, the science and technology organization shall make a determination of the application and may determine that the applicant is a qualified company as defined in KRS 164.6011.
- (5) Upon a qualified company's presentation of a legal agreement or contract meeting the conditions under subsection (6) of this section, the science and technology organization shall present the qualified company, the project partners, if any, and the college or university in the Commonwealth, if any, with a certification authorizing funding.
- (6) Prior to receiving certification authorizing funding from the science and technology

organization, the qualified company shall:

- (a) Negotiate an agreement and funding contract with a college or university in the Commonwealth, if any, and with a project partner, if any, that is satisfactory to the science and technology organization, to undertake the commercialization work; and
- (b) Provide assurance to the science and technology organization that the college or university and the qualified company have negotiated the ownership and disposition of patents, royalties, all other intellectual property rights, and equity or related position relating to the contract between the qualifying company and the college or university;

unless the requirement to partner with a college or university is recommended to be waived by the science and technology organization.

- (7) Prior to certifying a qualified company, the science and technology organization may negotiate with the qualified company the ownership and disposition of patents, royalties, all other intellectual property rights, and an equity, near equity such as a simple agreement for future equity or "SAFE agreement," convertible debt, or similar investment format that is approved by the executive director of the Office of Entrepreneurship and Innovation on behalf of the Kentucky enterprise fund for the sole purpose of reinvesting and sustaining a revolving fund to carry out the provisions of KRS 164.6021 and 164.6023.
- (8) The science and technology organization, upon approval by the cabinet, shall set forth guidelines as to when and how all areas of the state will be notified about the program's availability and a program schedule, including but not limited to the following:
 - (a) A review cycle including:
 - 1. A deadline for submission of applications at least biannually; and
 - 2. A deadline for reviewing applications of no more than one hundred twenty (120) days after the application submission deadline; and
 - (b) A deadline, from the date an applicant is determined to be a qualified company, by which certification shall be made. If certification is not made by that deadline the funding voucher award is made void.

Effective: July 15, 2026

History: Amended 2026 Ky. Acts ch. 114, sec. 7, effective July 15, 2026. -- Amended 2023 Ky. Acts ch. 75, sec. 35, effective June 29, 2023. -- Amended 2021 Ky. Acts ch. 185, sec. 136, effective June 29, 2021. -- Amended 2008 Ky. Acts ch. 98, sec. 4, effective July 15, 2008. -- Amended 2002 Ky. Acts ch. 230, sec. 39, effective July 15, 2002. -- Created 2000 Ky. Acts ch. 522, sec. 7, effective July 14, 2000.

Legislative Research Commission Note (11/5/2021). Under the authority of KRS 7.136, the Reviser of Statutes has corrected a manifest clerical or typographical error in subsection (7) of this statute.

Legislative Research Commission Note (7/15/2008). A manifest clerical or typographical error in 2008 Ky. Acts ch. 98, sec. 4 (this statute), amending this statute has been corrected in codification pursuant to KRS 7.136. The waiver referred to at the end of subsection (6) of that Acts chapter and section appears in subsection (4) of Section 3 of that Act, not as incorrectly cited as "subsection (4) [of] Section 4 of this Act."