

AN ACT relating to taxation.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "entrepreneurship education organization" means a not-for-profit organization that has:

(a) Received tax exempt status from the United States Internal Revenue Service;

(b) Registered with the Office of the Kentucky Secretary of State;

(c) A statewide mission to generate interest and knowledge in entrepreneurship; and

(d) A history of operating education programs focused on entrepreneurship.

(2) The Governor's School for Entrepreneurs is established to implement an experiential education program for creative and enterprising students in order to enhance the next generation of business and economic leaders and enrich future economic development across the Commonwealth. The Governor's School for Entrepreneurs shall be attached to the Office of the Secretary of the Education and Workforce Development Cabinet for administrative purposes.

(3) The cabinet shall contract with an entrepreneurship education organization to administer and operate the school created in this section. The cabinet shall approve the contract application criteria, the process for submission of a contract application, and the structure and type of evaluation criteria used in the contract application review process.

(4) The annual appropriation for the Governor's School for Entrepreneurs from the general fund shall be transmitted to an entrepreneurship education organization on July 1 of each year to facilitate the school's operation. Funds shall be used only for the purposes of the Governor's School for Entrepreneurs and,

notwithstanding KRS 45.229, shall not lapse at the end of the fiscal year.

(5) (a) The entrepreneurship education organization shall follow standard accounting practices and shall submit the following financial reports to the Office of the Secretary of the Education and Workforce Development Cabinet, the Finance and Administration Cabinet, and the Legislative Research Commission:

1. Quarterly reports of expenditures of state funds for the Governor's School for Entrepreneurs, submitted on or before the thirtieth day after the end of each quarter in the organization's fiscal year;
2. Annual reports of receipts and expenditures for the Governor's School for Entrepreneurs, submitted on or before the sixtieth day after the end of the fiscal year of the organization; and
3. The report of a financial compilation or review conducted by an independent accounting firm, submitted on or before September 1 of each year.

(b) On or before March 1 of each year, the entrepreneurship education organization shall file with the Office of the Secretary of the Education and Workforce Development Cabinet, the Finance and Administration Cabinet, and the Legislative Research Commission a report detailing the operations of the Governor's School for Entrepreneurs for the preceding year. The report shall include information concerning the experiential education program, student and faculty demographics, and program outcomes according to such measures of success as the Cabinet for Education and Workforce Development, in collaboration with the entrepreneurship education organization, may develop.

(c) Nothing in this section shall prevent the entrepreneurship education organization from soliciting program support, cooperation, and funds from

private businesses, foundations, industries, and government agencies with an interest in technological innovations, economic development, and entrepreneurial education. Funds may be solicited, accepted, received, and expended from public and private sources for the purpose of implementing this section.

(6) The entrepreneurship education organization may perform other programs and initiatives pertaining to its mission so long as all funds appropriated for the Governor's School for Entrepreneurs are restricted solely for the design, development, and operation of the Governor's School for Entrepreneurs.