

1 AN ACT amending the 2018-2020 executive branch biennial budget, making an
2 appropriation therefor, and declaring an emergency.

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

4 ➔Section 1. Notwithstanding KRS 157.618, the School Facilities Construction
5 Commission is authorized to make loans from the Emergency and Targeted Investment
6 Fund in fiscal year 2018-2019 and fiscal year 2019-2020 to a school district that meets
7 the following criteria:

8 (1) The school district has levied a tax rate subject to recall by January 1, 2014, in
9 addition to the five cents levied pursuant to KRS 157.440(1)(b) and committed the
10 receipts to debt service, new facilities, or major renovations of existing facilities;

11 (2) The school district has levied the tax rate subject to recall under the provisions
12 of KRS 157.621(2) on or after January 1, 2018;

13 (3) Funds collected under the provisions of KRS 157.360, 157.440, 157.621, and
14 160.613 and restricted for capital needs, including any state funds appropriated for the
15 same purpose, are insufficient to meet the school district's debt service obligations in the
16 fiscal year in which the loan is requested; and

17 (4) The school district has presented a financial plan to the Commission that
18 shows sufficient excess funds in its capital accounts in future fiscal years to repay the
19 loan during the term set by the Commission.

20 Loans made under the provisions of this section shall be limited to an amount no
21 greater than \$150,000 in any single fiscal year, with a cumulative total of \$200,000, shall
22 be repaid over a term of no greater than five years, and shall be repaid at a rate of interest
23 to be set by the Commission, except that the rate of interest shall not be higher than the
24 highest rate of interest paid by the Commission on any bond issued in the previous fiscal
25 year. No loan proceeds shall be used by the district for a purpose other than paying its
26 debt service obligations. Loan payments by the school district, including interest, shall be
27 made to the credit of the Emergency and Targeted Investment Fund.

1 ➔Section 2. Whereas the provisions of this Act provide ongoing support for
2 programs funded in the 2018-2020 executive branch biennial budget, an emergency is
3 declared to exist, and this Act takes effect upon its passage and approval by the Governor
4 or upon its otherwise becoming law.