

1 AN ACT relating to school safety and making an appropriation therefor.

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

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

- 5 *(1) The school resource officer and school counselor fund is hereby established in*  
6 *the State Treasury as a separate trust account.*
- 7 *(2) The fund shall receive amounts collected from the state ad valorem tax*  
8 *established in subsection (1)(a)2. of Section 2 of this Act, and any other proceeds*  
9 *from grants, contributions, appropriations, or other moneys made available for*  
10 *the purpose of the fund.*
- 11 *(3) Any interest earned on moneys in the fund shall become a part of the fund and*  
12 *shall not lapse.*
- 13 *(4) Notwithstanding KRS 45.229, fund amounts not expended at the close of the*  
14 *fiscal year shall not lapse but shall be carried forward to the next fiscal year.*
- 15 *(5) Moneys in the fund shall be used to support employment by local school boards*  
16 *of school resource officers and school counselors at schools located in the state.*  
17 *Moneys in the fund shall be appropriated solely for this purpose and shall not be*  
18 *appropriated or transferred by the General Assembly for any other purpose.*
- 19 *(6) The Kentucky Board of Education shall promulgate administrative regulations*  
20 *for the administration of the school resource officer and school counselor fund to*  
21 *include:*
- 22 *(a) Procedures to be used until June 30, 2022, to request funds from the school*  
23 *resource officer and school counselor fund by local school boards that did*  
24 *not employ at least one (1) school resource officer and one (1) guidance*  
25 *counselor in each school at the end of the 2019-2020 school year and are*  
26 *financially unable to meet the goals of KRS 158.4414(1) and 158.4416(3)(a)*  
27 *for the 2020-2021 and 2021-2022 school years; and*

1       **(b) Procedures to be used beginning July 1, 2022, for equitable distribution of**  
 2       **funds from the school resource officer and school counselor fund to all**  
 3       **local school districts to assist with meeting the goals of KRS 158.4414(1)**  
 4       **and 158.4416(3)(a).**

5       **(7) The department shall administer the fund, approve recipients, and distribute the**  
 6       **funds to local school districts.**

7       ➔Section 2. KRS 132.020 is amended to read as follows:

- 8       (1) The owner or person assessed shall pay an annual ad valorem tax for state purposes  
 9       at the rate of:
- 10       (a) **1.** Thirty-one and one-half cents (\$0.315) upon each one hundred dollars  
 11       (\$100) of value of all real property directed to be assessed for taxation  
 12       **and moneys derived from this rate shall be deposited into the general**  
 13       **fund; and**
- 14       **2.** **Five and three-tenth cents (\$0.053) upon each one hundred dollars**  
 15       **(\$100) of value of all real property directed to be assessed for taxation**  
 16       **and moneys derived from this rate shall be deposited into the school**  
 17       **resource officer and school counselor fund established by Section 1 of**  
 18       **this Act;**
- 19       (b) Twenty-five cents (\$0.25) upon each one hundred dollars (\$100) of value of  
 20       all motor vehicles qualifying for permanent registration as historic motor  
 21       vehicles under KRS 186.043;
- 22       (c) Fifteen cents (\$0.15) upon each one hundred dollars (\$100) of value of all:
- 23       1. Machinery actually engaged in manufacturing;
- 24       2. Commercial radio and television equipment used to receive, capture,  
 25       produce, edit, enhance, modify, process, store, convey, or transmit audio  
 26       or video content or electronic signals which are broadcast over the air to  
 27       an antenna, including radio and television towers used to transmit or

- 1 facilitate the transmission of the signal broadcast and equipment used to  
2 gather or transmit weather information, but excluding telephone and  
3 cellular communication towers; and
- 4 3. Tangible personal property which has been certified as a pollution  
5 control facility as defined in KRS 224.1-300. In the case of tangible  
6 personal property certified as a pollution control facility which is  
7 incorporated into a landfill facility, the tangible personal property shall  
8 be presumed to remain tangible personal property for purposes of this  
9 paragraph if the tangible personal property is being used for its intended  
10 purposes;
- 11 (d) Ten cents (\$0.10) upon each one hundred dollars (\$100) of value on the  
12 operating property of railroads or railway companies that operate solely within  
13 the Commonwealth;
- 14 (e) Five cents (\$0.05) upon each one hundred dollars (\$100) of value of goods  
15 held for sale in the regular course of business, which includes:
- 16 1. Machinery and equipment held in a retailer's inventory for sale or lease  
17 originating under a floor plan financing arrangement;
- 18 2. Motor vehicles:
- 19 a. Held for sale in the inventory of a licensed motor vehicle dealer,  
20 including licensed motor vehicle auction dealers, which are not  
21 currently titled and registered in Kentucky and are held on an  
22 assignment pursuant to KRS 186A.230; or
- 23 b. That are in the possession of a licensed motor vehicle dealer,  
24 including licensed motor vehicle auction dealers, for sale, although  
25 ownership has not been transferred to the dealer;
- 26 3. Raw materials, which includes distilled spirits and distilled spirits  
27 inventory;

- 1           4. In-process materials, which includes distilled spirits and distilled spirits  
2           inventory, held for incorporation in finished goods held for sale in the  
3           regular course of business; and
- 4           5. Qualified heavy equipment;
- 5       (f) One and one-half cents (\$0.015) upon each one hundred dollars (\$100) of  
6       value of all:
- 7           1. Privately owned leasehold interests in industrial buildings, as defined  
8           under KRS 103.200, owned and financed by a tax-exempt governmental  
9           unit, or tax-exempt statutory authority under the provisions of KRS  
10          Chapter 103, upon the prior approval of the Kentucky Economic  
11          Development Finance Authority, except that the rate shall not apply to  
12          the proportion of value of the leasehold interest created through any  
13          private financing;
- 14          2. Qualifying voluntary environmental remediation property, provided the  
15          property owner has corrected the effect of all known releases of  
16          hazardous substances, pollutants, contaminants, petroleum, or petroleum  
17          products located on the property consistent with a corrective action plan  
18          approved by the Energy and Environment Cabinet pursuant to KRS  
19          224.1-400, 224.1-405, or 224.60-135, and provided the cleanup was not  
20          financed through a public grant or the petroleum storage tank  
21          environmental assurance fund. This rate shall apply for a period of three  
22          (3) years following the Energy and Environment Cabinet's issuance of a  
23          No Further Action Letter or its equivalent, after which the regular tax  
24          rate shall apply;
- 25          3. Tobacco directed to be assessed for taxation;
- 26          4. Unmanufactured agricultural products;
- 27          5. Aircraft not used in the business of transporting persons or property for

1 compensation or hire; and

2 6. Federally documented vessels not used in the business of transporting  
3 persons or property for compensation or hire, or for other commercial  
4 purposes;

5 (g) One-tenth of one cent (\$0.001) upon each one hundred dollars (\$100) of value  
6 of all:

7 1. Farm implements and farm machinery owned by or leased to a person  
8 actually engaged in farming and used in his farm operations;

9 2. Livestock and domestic fowl;

10 3. Tangible personal property located in a foreign trade zone established  
11 pursuant to 19 U.S.C. sec. 81, provided that the zone is activated in  
12 accordance with the regulations of the United States Customs Service  
13 and the Foreign Trade Zones Board; and

14 4. Property which has been certified as an alcohol production facility as  
15 defined in KRS 247.910, or as a fluidized bed energy production facility  
16 as defined in KRS 211.390; and

17 (h) Forty-five cents (\$0.45) upon each one hundred dollars (\$100) of value of all  
18 other property directed to be assessed for taxation shall be paid by the owner  
19 or person assessed, except as provided in KRS 132.030, 132.200, 136.300,  
20 and 136.320, providing a different tax rate for particular property.

21 (2) Notwithstanding subsection (1)(a)I. of this section, the state tax rate on real  
22 property **established by subsection (1)(a)I. of this section** shall be reduced to  
23 compensate for any increase in the aggregate assessed value of real property to the  
24 extent that the increase exceeds the preceding year's assessment by more than four  
25 percent (4%), excluding:

26 (a) The assessment of new property as defined in KRS 132.010(8);

27 (b) The assessment from property which is subject to tax increment financing

- 1           pursuant to KRS Chapter 65; and
- 2           (c) The assessment from leasehold property which is owned and financed by a
- 3           tax-exempt governmental unit, or tax-exempt statutory authority under the
- 4           provisions of KRS Chapter 103 and entitled to the reduced rate of one and
- 5           one-half cents (\$0.015) pursuant to subsection (1)(f) of this section. In any
- 6           year in which the aggregate assessed value of real property is less than the
- 7           preceding year, the state tax rate established by subsection (1)(a)1. of this
- 8           section shall be increased to the extent necessary to produce the approximate
- 9           amount of revenue that was produced in the preceding year from real property.
- 10          (3) By July 1 each year, the department shall compute the state tax rate established by
- 11          subsection (1)(a)1. of this section and applicable to real property for the current
- 12          year in accordance with the provisions of subsection (2) of this section and certify
- 13          the rate to the county clerks for their use in preparing the tax bills. If the
- 14          assessments for all counties have not been certified by July 1, the department shall,
- 15          when either real property assessments of at least seventy-five percent (75%) of the
- 16          total number of counties of the Commonwealth have been determined to be
- 17          acceptable by the department, or when the number of counties having at least
- 18          seventy-five percent (75%) of the total real property assessment for the previous
- 19          year have been determined to be acceptable by the department, make an estimate of
- 20          the real property assessments of the uncertified counties and compute the state tax
- 21          rate.
- 22          (4) If the state tax rate set by the department as provided in subsection (2) of this
- 23          section produces more than a four percent (4%) increase in real property tax
- 24          revenues, excluding:
- 25                  (a) The revenue resulting from new property as defined in KRS 132.010(8);
- 26                  (b) The revenue from property which is subject to tax increment financing
- 27          pursuant to KRS Chapter 65; and

1 (c) The revenue from leasehold property which is owned and financed by a tax-  
2 exempt governmental unit, or tax-exempt statutory authority under the  
3 provisions of KRS Chapter 103 and entitled to the reduced rate of one and  
4 one-half cents (\$0.015) pursuant to subsection (1) of this section;

5 the rate shall be adjusted in the succeeding year so that the cumulative total of each  
6 year's property tax revenue increase shall not exceed four percent (4%) per year.

7 (5) The provisions of subsection (2) of this section notwithstanding, the assessed value  
8 of unmined coal certified by the department after July 1, 1994, shall not be included  
9 with the assessed value of other real property in determining the state real property  
10 tax rate *established by subsection (1)(a)1. of this section.* All omitted unmined coal  
11 assessments made after July 1, 1994, shall also be excluded from the provisions of  
12 subsection (2) of this section. The calculated rate shall, however, be applied to  
13 unmined coal property, and the state revenue shall be devoted to the program  
14 described in KRS 146.550 to 146.570, except that four hundred thousand dollars  
15 (\$400,000) of the state revenue shall be paid annually to the State Treasury and  
16 credited to the Office of Energy Policy for the purpose of public education of coal-  
17 related issues.

18 ➔Section 3. KRS 154.30-010 is amended to read as follows:

19 As used in this subchapter:

20 (1) "Activation date" means:

21 (a) For all projects except those described in paragraph (b) of this subsection, the  
22 date established any time within a two (2) year period after the  
23 commencement date. The Commonwealth may extend the two (2) year period  
24 to no more than four (4) years upon written application by the agency  
25 requesting the extension; and

26 (b) For signature projects approved under KRS 154.30-050(2)(a), the date  
27 established any time within a ten (10) year period after the commencement

1 date.

2 For all projects established after July 14, 2018, the activation date is the date on  
3 which the time period for the pledge of incremental revenues shall commence. To  
4 implement the activation date, the minimum capital investment must be met and the  
5 agency that is a party to the tax incentive agreement shall notify the office;

6 (2) "Agency" means:

- 7 (a) An urban renewal and community development agency established under  
8 KRS Chapter 99;
- 9 (b) A development authority established under KRS Chapter 99;
- 10 (c) A nonprofit corporation;
- 11 (d) A housing authority established under KRS Chapter 80;
- 12 (e) An air board established under KRS 183.132 to 183.160;
- 13 (f) A local industrial development authority established under KRS 154.50-301  
14 to 154.50-346;
- 15 (g) A riverport authority established under KRS 65.510 to 65.650; or
- 16 (h) A designated department, division, or office of a city or county;

17 (3) "Approved public infrastructure costs" means costs associated with the acquisition,  
18 installation, construction, or reconstruction of public works, public improvements,  
19 and public buildings, including planning and design costs associated with the  
20 development of such public amenities. "Approved public infrastructure costs"  
21 includes but is not limited to costs incurred for the following:

- 22 (a) Land preparation, including demolition and clearance work;
- 23 (b) Buildings;
- 24 (c) Sewers and storm drainage;
- 25 (d) Curbs, sidewalks, promenades, and pedways;
- 26 (e) Roads;
- 27 (f) Street lighting;



- 1 (g) The provision of utilities;
- 2 (h) Environmental remediation;
- 3 (i) Floodwalls and floodgates;
- 4 (j) Public spaces or parks;
- 5 (k) Parking;
- 6 (l) Easements and rights-of-way;
- 7 (m) Transportation facilities;
- 8 (n) Public landings;
- 9 (o) Amenities, such as fountains, benches, and sculptures; and
- 10 (p) Riverbank modifications and improvements;
- 11 (4) "Approved signature project costs" means:
- 12 (a) The acquisition of land for portions of the project that are for infrastructure;
- 13 and
- 14 (b) Costs associated with the acquisition, installation, development, construction,
- 15 improvement, or reconstruction of infrastructure, including planning and
- 16 design costs associated with the development of infrastructure, including but
- 17 not limited to parking structures, including portions of parking structures that
- 18 serve as platforms to support development above;
- 19 that have been determined by the commission to represent a unique challenge in the
- 20 financing of a project such that the project could not be developed without
- 21 incentives intended by this chapter to foster economic development;
- 22 (5) "Authority" means the Kentucky Economic Development Finance Authority
- 23 established by KRS 154.20-010;
- 24 (6) "Capital investment" means:
- 25 (a) Obligations incurred for labor and to contractors, subcontractors, builders, and
- 26 materialmen in connection with the acquisition, construction, installation,
- 27 equipping, and rehabilitation of a project;

- 1 (b) The cost of acquiring land or rights in land within the development area on the  
2 footprint of the project, and any cost incident thereto, including recording  
3 fees;
- 4 (c) The cost of contract bonds and of insurance of all kinds that may be required  
5 or necessary during the course of acquisition, construction, installation,  
6 equipping, and rehabilitation of a project which is not paid by the contractor  
7 or contractors or otherwise provided;
- 8 (d) All costs of architectural and engineering services, including test borings,  
9 surveys, estimates, plans, specifications, preliminary investigations,  
10 supervision of construction, and the performance of all the duties required by  
11 or consequent upon the acquisition, construction, installation, equipping, and  
12 rehabilitation of a project;
- 13 (e) All costs that are required to be paid under the terms of any contract for the  
14 acquisition, construction, installation, equipping, and rehabilitation of a  
15 project; and
- 16 (f) All other costs of a nature comparable to those described in this subsection  
17 that occur after preliminary approval;
- 18 (7) "City" means any city, consolidated local government, or urban-county government;
- 19 (8) "Commencement date" means the final approval date or the date on which a tax  
20 incentive agreement is executed;
- 21 (9) "Commonwealth" means the Commonwealth of Kentucky;
- 22 (10) "County" means any county, consolidated local government, charter county, unified  
23 local government, or urban-county government;
- 24 (11) "CPI" means the nonseasonally adjusted Consumer Price Index for all urban  
25 consumers, all items, base year computed for 1982 to 1984 equals one hundred  
26 (100), published by the United States Department of Labor, Bureau of Labor  
27 Statistics;

- 1 (12) "Department" means the Department of Revenue;
- 2 (13) "Development area" means an area established under KRS 65.7049, 65.7051, and  
3 65.7053;
- 4 (14) "Economic development projects" means projects which are approved for tax  
5 credits under Subchapter 20, 22, 23, 24, 25, 26, 27, 28, 34, or 48 of KRS Chapter  
6 154;
- 7 (15) "Financing costs" means principal, interest, costs of issuance, debt service reserve  
8 requirements, underwriting discount, costs of credit enhancement or liquidity  
9 instruments, and other costs directly related to the issuance of bonds or debt for  
10 approved public infrastructure costs or approved signature project costs for projects  
11 approved pursuant to KRS 154.30-050;
- 12 (16) "Footprint" means the actual perimeter of a discrete, identified project within a  
13 development area. The footprint shall not include any portion of a development area  
14 outside the area for which actual capital investments are made and must be  
15 contiguous;
- 16 (17) "Governing body" means the body possessing legislative authority in a city or  
17 county;
- 18 (18) "Increment bonds" means bonds and notes issued for the purpose of paying the costs  
19 of one (1) or more projects;
- 20 (19) "Incremental revenues" means:
- 21 (a) The amount of revenues received by a taxing district, as determined by  
22 subtracting old revenues from new revenues in a calendar year with respect to  
23 a development area, or a project within a development area; or
- 24 (b) The amount of revenues received by the Commonwealth as determined by  
25 subtracting old revenues from new revenues in a calendar year with respect to  
26 the footprint;
- 27 (20) "Local participation agreement" means the agreement entered into under KRS

1           65.7063;

2       (21) "Local tax revenues" has the same meaning as in KRS 65.7045;

3       (22) "New revenues" means:

4           (a) The amount of local tax revenues received by a taxing district with respect to  
5                a development area in any calendar year beginning with the year in which the  
6                activation date occurred;

7           (b) The amount of state tax revenues received by the Commonwealth with respect  
8                to the footprint in any calendar year beginning with the year in which the  
9                activation date occurred;

10       (23) "Old revenues" means:

11           (a) The amount of local tax revenues received by a taxing district with respect to  
12                a development area as of December 31 of the year of preliminary approval; or

13           (b) 1. The amount of state tax revenues received by the Commonwealth within  
14                the footprint as of December 31 of the year of preliminary approval. If  
15                the authority determines that the amount of state tax revenues received  
16                as of December 31 of the last calendar year prior to the commencement  
17                of preliminary approval does not represent a true and accurate depiction  
18                of revenues, the authority may consider revenues for a period of no  
19                longer than three (3) calendar years prior to the year of preliminary  
20                approval, so as to determine a fair representation of state tax revenues.  
21                The amount determined by the authority shall be specified in the tax  
22                incentive agreement. If state tax revenues were derived from the  
23                footprint prior to the year of preliminary approval, old revenues shall  
24                increase each calendar year by:

25                a. The percentage increase, if any, of the CPI or a comparable index;  
26                or

27                b. An alternative percentage increase that is determined to be

1 appropriate by the authority.

2 The method for increasing old revenues shall be set forth in the tax  
3 incentive agreement;

4 2. If state revenues were derived from the footprint prior to the year of  
5 preliminary approval, the calculation of incremental revenues shall be  
6 based on the value of old revenues as increased using the method  
7 prescribed in subparagraph 1. of this paragraph to reflect the same  
8 calendar year as is used in the determination of new revenues;

9 (24) "Outstanding" means increment bonds that have been issued, delivered, and paid for  
10 by the purchaser, except any of the following:

11 (a) Increment bonds canceled upon surrender, exchange, or transfer, or upon  
12 payment or redemption;

13 (b) Increment bonds in replacement of which or in exchange for which other  
14 increment bonds have been issued; or

15 (c) Increment bonds for the payment, redemption, or purchase for cancellation  
16 prior to maturity, of which sufficient moneys or investments, in accordance  
17 with the ordinance or other proceedings or any applicable law, by mandatory  
18 sinking fund redemption requirements, or otherwise, have been deposited, and  
19 credited in a sinking fund or with a trustee or paying or escrow agent, whether  
20 at or prior to their maturity or redemption, and, in the case of increment bonds  
21 to be redeemed prior to their stated maturity, notice of redemption has been  
22 given or satisfactory arrangements have been made for giving notice of that  
23 redemption, or waiver of that notice by or on behalf of the affected bond  
24 holders has been filed with the issuer or its agent;

25 (25) "Preliminary approval" means the action taken by the authority preliminarily  
26 approving an eligible project for incentives under this subchapter;

27 (26) "Project" means any property, asset, or improvement located in a development area

- 1 and certified by the governing body as:
- 2 (a) Being for a public purpose; and
- 3 (b) Being for the development of facilities for residential, commercial, industrial,
- 4 public, recreational, or other uses, or for open space, including the
- 5 development, rehabilitation, renovation, installation, improvement,
- 6 enlargement, or extension of real estate and buildings; and
- 7 (c) Contributing to economic development or tourism; and
- 8 (d) Meeting the additional requirements established by KRS 154.30-040, 154.30-
- 9 050, or 154.30-060;
- 10 (27) "Signature project" means a project approved under KRS 154.30-050;
- 11 (28) "State real property ad valorem tax" means real property ad valorem taxes levied
- 12 under KRS 132.020(1)(a)L;
- 13 (29) "State tax revenues" means revenues received by the Commonwealth from one (1)
- 14 or more of the following sources:
- 15 (a) State real property ad valorem taxes;
- 16 (b) Individual income taxes levied under KRS 141.020, other than individual
- 17 income taxes that have already been pledged to support an economic
- 18 development project within the development area;
- 19 (c) Corporation income taxes levied under KRS 141.040, other than corporation
- 20 income taxes that have already been pledged to support an economic
- 21 development project within the development area;
- 22 (d) Limited liability entity taxes levied under KRS 141.0401, other than limited
- 23 liability entity taxes that have already been pledged to support an economic
- 24 development project within the development area; and
- 25 (e) Sales taxes levied under KRS 139.200, excluding sales taxes already pledged
- 26 for:
- 27 1. Approved tourism attraction projects, as defined in KRS 148.851, within

- 1                   the development area; and
- 2                   2.    Projects which are approved for sales tax refunds under Subchapter 20
- 3                   of KRS Chapter 154 within the development area;
- 4   (30) "Tax incentive agreement" means an agreement entered into in accordance with
- 5       KRS 154.30-070; and
- 6   (31) "Termination date" means:
- 7       (a)   For a tax incentive agreement satisfying the requirements of KRS 154.30-040
- 8           or 154.30-060, a date established by the tax incentive agreement that is no
- 9           more than twenty (20) years from the activation date. However, the
- 10          termination date for a tax incentive agreement shall in no event be more than
- 11          forty (40) years from the establishment date of the development area to which
- 12          the tax incentive agreement relates; and
- 13       (b)   For a project grant agreement satisfying the requirements of KRS 154.30-050,
- 14           a date established by the tax incentive agreement that is no more than thirty
- 15           (30) years from the activation date. However, the termination date for a tax
- 16           incentive agreement shall in no event be more than forty (40) years from the
- 17           establishment date of the development area to which the tax incentive
- 18           agreement relates.