

1 AN ACT relating to the rural hospital operations and facilities revolving loan fund
2 and making an appropriation therefor.

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

4 ➔SECTION 1. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER
5 154 IS CREATED TO READ AS FOLLOWS:

6 *(1) As used in this section:*

7 *(a) "Authority" means the Kentucky Economic Development Finance*
8 *Authority; and*

9 *(b) "Rural hospital" means any hospital located within a county of the*
10 *Commonwealth having a population of less than fifty thousand (50,000)*
11 *according to the most recent annual estimates of the resident population*
12 *issued by the United States Census Bureau.*

13 *(2) (a) The rural hospital operations and facilities revolving loan fund is*
14 *established for the authority to provide loans to a rural hospital.*

15 *(b) Any loan issued by the authority shall not exceed a twenty (20) year term*
16 *and shall be utilized by the Cabinet for Economic Development to assist a*
17 *rural hospital in providing needed direct health care services for the citizens*
18 *of the Commonwealth by:*

19 *1. Maintaining or upgrading the hospital's facilities;*

20 *2. Maintaining or increasing the current staff of the rural hospital; or*

21 *3. Providing health care services that are not currently available to*
22 *citizens.*

23 *(3) The Cabinet for Economic Development shall:*

24 *(a) Determine the terms and conditions of each loan, including the repayment*
25 *to be deposited back in the revolving loan fund for issuance of future loans*
26 *to other rural hospitals;*

27 *(b) Monitor the performance of the rural hospital; and*

- 1 (c) By October 1, 2020, and by each October 1 thereafter, report to the Interim
2 Joint Committee on Appropriations and Revenue information about each
3 outstanding loan issued, including:
4 1. The name and location of the rural hospital;
5 2. The amount of principal originally loaned;
6 3. The terms of the loan and whether the rural hospital is currently
7 meeting those terms; and
8 4. How the rural hospital used the loan related to facilities, staff, or
9 additional services.
- 10 (4) (a) The fund created in subsection (2) of this section shall be a trust and agency
11 account.
- 12 (b) The Cabinet for Economic Development shall administer the fund.
- 13 (c) The fund shall consist of appropriations, contributions, donations, gifts, or
14 federal funds.
- 15 (d) Notwithstanding KRS 45.229, any moneys remaining in the fund at the
16 close of the fiscal year shall not lapse but shall be carried forward into the
17 succeeding fiscal year.
- 18 (e) Any interest earnings of the fund shall become a part of the fund and shall
19 not lapse.
- 20 (f) Moneys deposited in the fund are hereby appropriated for the sole purpose
21 of providing loans to rural hospitals.