

1 AN ACT relating to economic development.

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

3 ➔Section 1. KRS 154.10-010 is amended to read as follows:

- 4 (1) (a) The Kentucky Economic Development Partnership, a board governing the
5 Cabinet for Economic Development, is created and established, performing
6 essential governmental and public functions and purposes essential to
7 improving and promoting the health and general welfare of the people of the
8 Commonwealth through sustainable economic development, as prescribed in
9 KRS 154.1-020.
- 10 (b) The board shall have reorganization powers and authority as prescribed in
11 KRS 12.028 and shall constitute an administrative body as defined in KRS
12 12.010, but it and the cabinet shall not be subject to reorganization by the
13 Governor, KRS Chapter 12 notwithstanding.
- 14 (c) The board shall serve as the governing body of the cabinet and shall exercise
15 all powers and authorities conferred upon it by statute, including, but not
16 limited to, the following functions:
- 17 1. Strategic planning;
 - 18 2. Finance;
 - 19 3. Business assistance;
 - 20 4. Marketing and promotion;
 - 21 5. Community development;
 - 22 6. Workforce development;
 - 23 7. Innovation; and
 - 24 8. All economic development powers and authorities not specifically
25 conferred by statute to another agency or authority of state government.
- 26 (2) The board shall consist of ***fourteen (14)***~~thirteen (13)~~ voting members and two (2)
27 nonvoting members. The ***fourteen (14)***~~thirteen (13)~~ voting members shall consist

1 of the Governor, the secretary of the Finance and Administration Cabinet, the
2 secretary of the Public Protection Cabinet, the secretary of the Energy and
3 Environment Cabinet, the secretary of the Labor Cabinet, the Commissioner of
4 Agriculture or his or her designee, and eight (8) private sector members who shall
5 be appointed by the Governor. The secretary of the Governor's Executive Cabinet
6 shall serve as a voting member upon the absence of the Governor. The secretary of
7 the Cabinet for Economic Development and the secretary of the Tourism, Arts and
8 Heritage Cabinet shall serve as nonvoting members.

9 (3) The governing bodies of each of the following organizations shall nominate two (2)
10 persons from each of the six (6) Congressional districts of the Commonwealth and
11 two (2) persons from the state at large, as candidates for appointment as private
12 sector members to the board:

- 13 (a) The Kentucky Association for Economic Development;
- 14 (b) The Kentucky Association of Manufacturers;
- 15 (c) The Kentucky State AFL-CIO;
- 16 (d) The Kentucky Farm Bureau Federation;
- 17 (e) The Kentucky Chamber of Commerce; and
- 18 (f) The National Federation of Independent Businesses/Kentucky.

19 (4) The Governor shall select the original eight (8) private sector members from the
20 aggregation of the lists provided pursuant to subsection (3) of this section, with at
21 least one (1) appointment being chosen from each organization's list and at least one
22 (1) appointment being chosen from each Congressional district. Appointments to
23 vacancies shall be made in the same manner as prescribed in this subsection and
24 subsection (3) of this section, except that there is no requirement that the vacancy be
25 filled from the same organization's list as the original appointment.

26 (5) All appointments shall be for four (4) years.

27 (6) In making appointments to the board, the Governor shall assure broad geographical

1 representation, as well as representation from the major sectors of Kentucky's
2 economy by leading executives with a knowledge of the problems of large and
3 small businesses, local economic development, and the transfer of research and
4 development from the laboratory to the marketplace. In filling vacancies, the
5 Governor shall assure the continuous~~continuing~~ representation on the board of
6 broad constituencies of Kentucky's economy, including manufacturing and
7 agriculture.

8 (7) Vacancies on the board which may occur from time to time shall be filled as
9 follows:

10 (a) Any vacancy which occurs shall be filled for the unexpired term in accordance
11 with the procedures established in subsections (3) and (4) of this section.

12 (b) If any private sector member misses more than two (2) consecutive meetings
13 of the board, then that position shall be declared vacant and filled in
14 accordance with this section.

15 (8) The board shall meet semiannually and at other times upon call of the chairman or a
16 majority of the board.

17 (9) A quorum shall be a majority of the voting membership of the board.

18 (10) A quorum shall be required to organize and conduct the business of the board,
19 except that an affirmative vote of eight (8)~~seven (7)~~ or more members of the entire
20 board shall be required to terminate the employment of the cabinet's secretary, and
21 to adopt or amend the strategic plan.

22 (11) Private sector members shall serve without compensation but shall be reimbursed
23 for all reasonable, necessary, and actual expenses.

24 (12) All existing duties, responsibilities, functions, personnel, programs, funds,
25 obligations, records, and real and personal property of the Cabinet for Economic
26 Development, as of July 14, 1992, shall be under the authority and control of the
27 board.

1 **(13) The Cabinet for Economic Development shall give prompt notice to the**
2 **Commissioner of Agriculture when the cabinet receives information about an**
3 **agriculture-related economic development opportunity, including but not limited**
4 **to the following:**

5 **(a) Agricultural production;**

6 **(b) Food or beverage processing; or**

7 **(c) An economic activity that uses agricultural products as inputs.**

8 ➔Section 2. KRS 154.20-010 is amended to read as follows:

9 (1) There is created and established within the cabinet, subject to the authority of the
10 board, the Kentucky Economic Development Finance Authority as an agency,
11 instrumentality, and political subdivision of the Commonwealth and a public body
12 corporate and politic with all powers, duties, and responsibilities delegated to it by
13 the board or as otherwise provided by law, including all programs, powers, duties,
14 rights, and obligations of the Kentucky Development Finance Authority and the
15 Kentucky Rural Economic Development Authority.

16 (2) Any interest, right, or cause of action held in whole or in part by any person,
17 corporation, limited liability company, partnership, limited partnership, government
18 agency, or other entity under any agreement, contract, lease, mortgage, guarantee,
19 bond, note, refund bond, or other financial transaction or obligation, made, issued,
20 or otherwise entered into by any of the authorities, programs, or funds specified in
21 subsection (1) of this section or that may be delegated to the authority by the board,
22 shall not be impaired or otherwise diminished.

23 (3) Any interest, right, or cause of action held in whole or in part by any of the
24 authorities, programs, or funds specified in subsection (1) of this section shall not
25 be impaired or otherwise diminished, but shall be assumed by the authority, for and
26 on behalf of the cabinet.

27 (4) The authority shall consist of a committee of seven (7) persons, including six (6)

- 1 persons appointed by the board who shall be private citizens of the Commonwealth,
2 and the secretary of the Finance and Administration Cabinet who shall serve ex
3 officio. Any person appointed to the committee shall have experience and expertise
4 in business or finance, and at least one (1) appointee shall have experience and
5 expertise in agriculture.
- 6 (5) Two (2) members initially appointed to the committee shall have a term of one (1)
7 year each, two (2) members initially appointed to the committee shall have a term of
8 two (2) years each, and two (2) members initially appointed to the committee shall
9 have a term of three (3) years each, except that any person appointed to fill a
10 vacancy shall serve only for the remainder of the unexpired term. All subsequent
11 appointments shall be for a term of three (3) years.
- 12 (6) Any person appointed to the committee shall be eligible for reappointment,
13 including any member of the committee appointed prior to July 15, 1994.
- 14 (7) The members of the committee shall elect biennially from the committee's private
15 citizen membership the following officers: chairman, vice chairman, secretary-
16 treasurer, and any assistant secretaries and assistant treasurers the committee deems
17 necessary.
- 18 (8) A majority of the members of the committee, determined by excluding any existing
19 vacancies from the total number of members, shall constitute a quorum. A majority
20 vote of the members present at a duly called meeting of the committee shall be
21 required for the purposes of conducting its business and exercising its powers and
22 for all other purposes.
- 23 (9) The committee shall prepare bylaws and procedures applicable to the operations of
24 the authority and submit them to the board to be promulgated as administrative
25 regulations in accordance with KRS Chapter 13A.
- 26 (10) Members of the committee shall be entitled to compensation for their services in an
27 amount of one hundred dollars (\$100) for each regular meeting of the committee

- 1 and shall be entitled to reimbursement for all necessary expenses in connection with
- 2 the performance of their duties.