

1 AN ACT relating to incentive programs and declaring an emergency.

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

3 ➔Section 1. KRS 154.20-258 is amended to read as follows:

- 4 (1) (a) For ***investment funds approved by the authority***~~[qualified investments made]~~
5 prior to January 1, ***2023***~~[2022]~~, an investor shall be entitled to a
6 nonrefundable credit equal to forty percent (40%) of the investor's
7 proportional ownership share of all qualified investments made by its
8 investment fund and verified by the authority. The aggregate tax credit
9 available to any investor shall not exceed forty percent (40%) of the cash
10 contribution made by the investor to its investment fund.
- 11 (b) For ***investment funds approved by the authority***~~[qualified investments made]~~
12 on or after January 1, ***2023***~~[2022]~~, an investor shall be entitled to a
13 nonrefundable credit not to exceed twenty-five percent (25%) of the investor's
14 proportional ownership share of all qualified investments made by its
15 investment fund and verified by the authority.
- 16 (c) The credit may be applied against:
- 17 1. Both the income tax imposed by KRS 141.020 or 141.040, and the
18 limited liability entity tax imposed by KRS 141.0401, with the ordering
19 of the credits as provided in KRS 141.0205;
 - 20 2. The insurance taxes imposed by KRS 136.320, 136.330, and 304.3-270;
21 and
 - 22 3. The taxes on financial institutions imposed by KRS 136.300, 136.310,
23 and 136.505.
- 24 (2) The tax credit amount that may be claimed by an investor in any tax year shall not
25 exceed fifty percent (50%) of the initial aggregate credit amount approved by the
26 authority for the investment fund which would be proportionally available to the
27 investor. ***For qualified investments approved on or after January 1, 2022,*** an

1 investor may first claim the credit granted in subsection (1) of this section ~~on~~ⁱⁿ the
2 tax return filed for the taxable year in which the qualified investment is made by
3 the investment fund. No tax credit shall become effective until the authority
4 notifies the Department of Revenue in accordance with subsection (6) of this
5 section~~[following the year in which the credit is granted].~~

6 (3) If the credit amount that may be claimed in any tax year, as determined under
7 subsections (1) and (2) of this section, exceeds the investor's combined tax
8 liabilities against which the credit may be claimed for that year, the investor may
9 carry the excess tax credit forward until the tax credit is used, but the carry-forward
10 of any excess tax credit shall not increase the fifty percent (50%) limitation
11 established by subsection (2) of this section. Any tax credits not used within fifteen
12 (15) years of the approval by the authority of the aggregate tax credit amount
13 available to the investor shall be lost.

14 (4) The tax credits allowed by this section shall not apply to any liability an investor
15 may have for interest, penalties, past due taxes, or any other additions to the
16 investor's tax liability. The holder of the tax credit shall assume any and all
17 liabilities and responsibilities of the credit.

18 (5) The tax credits allowed by this section are not transferable, except that:

19 (a) A nonprofit entity may transfer, for some or no consideration, any or all of the
20 credits it receives under this section and any related benefits, rights,
21 responsibilities, and liabilities. Within thirty (30) days of the date of any
22 transfer of credits pursuant to this subsection, the nonprofit entity shall notify
23 the authority and the Department of Revenue of:

24 1. The name, address, and Social Security number or employer
25 identification number, as may be applicable, of the party to which the
26 nonprofit entity transferred its credits;

27 2. The amount of credits transferred; and

1 3. Any additional information the authority or the Department of Revenue
2 deems necessary.

3 (b) If an investor is an entity and is a party to a merger, acquisition, consolidation,
4 dissolution, liquidation, or similar corporate reorganization, the tax credits
5 shall pass through to the investor's successor.

6 (c) If an individual investor dies, the tax credits shall pass to the investor's estate
7 or beneficiaries in a manner consistent with the transfer of ownership of the
8 investor's interest in the investment fund.

9 (6) The tax credit amount that may be claimed by an investor shall reflect only the
10 investor's participation in qualified investments properly reported to the authority by
11 the investment fund manager. No tax credit authorized by this section shall become
12 effective until the Department of Revenue receives notification from the authority
13 that includes:

14 (a) A statement that a qualified investment has been made that is in compliance
15 with KRS 154.20-250 to 154.20-284 and all applicable regulations; and

16 (b) A list of each investor in the investment fund that owns a portion of the small
17 business in which a qualified investment has been made by virtue of an
18 investment in the investment fund, and each investor's amount of credit
19 granted to the investor for each qualified investment.

20 The authority shall, within sixty (60) days of approval of credits, notify the
21 Department of Revenue of the information required pursuant to this subsection and
22 notify each investor of the amount of credits granted to that investor, and the year
23 the credits may first be claimed.

24 (7) After the date on which investors in an investment fund have cumulatively received
25 an amount of credits equal to the amount of credits allocated to the investment fund
26 by the authority, no investor shall receive additional credits by virtue of its
27 investment in that investment fund unless the investment fund's allocation of credits

1 is increased by the authority pursuant to an amended application.

2 ➔Section 2. KRS 65.7047 is amended to read as follows:

- 3 (1) Any city or county may establish a local development area pursuant to this section,
 4 subject to the following conditions:
- 5 (a) A local development area shall be on previously undeveloped land;
 - 6 (b) No more than one thousand (1,000) acres shall be approved for a local
 7 development area in any twelve (12) month period in any county;
 - 8 (c) The establishment or expansion of the local development area shall not cause
 9 the assessed value of taxable real property within all local development areas
 10 and development areas of the city or county establishing the local
 11 development area to exceed twenty percent (20%) of the assessed value of all
 12 taxable real property within its jurisdiction. For the purpose of determining
 13 whether the twenty percent (20%) threshold has been met, the assessed value
 14 of taxable real property within all of the local development areas and
 15 development areas shall be valued as of the establishment date; and
 - 16 (d) Unless the ordinance establishing a local development area requires an earlier
 17 termination date, a local development area shall cease to exist on the
 18 termination date.
- 19 (2) A city or county shall take the following steps to establish or modify a local
 20 development area:
- 21 (a) *If the city or county intends to pledge occupational license taxes or the*
 22 *occupational license fee permitted by KRS 65.7056 as part of the local tax*
 23 *revenues to support the local development area,* the city or county ~~may~~ shall
 24 ~~engage~~ *or contract for* the services of a qualified independent outside
 25 consultant or financial adviser to analyze the data related to the project and the
 26 development area and prepare a report. The report shall include the following:
 27 1. The estimated approved public infrastructure costs for the project ~~and,~~

- 1 ~~if relevant, project costs, financing costs, and costs associated with land~~
2 ~~preparation, demolition, and clearance];~~
- 3 2. The feasibility of the project, taking into account the scope and location
4 of the project;
- 5 3. The estimated amount of local tax revenues, as applicable, that would be
6 generated by the project over the period, which may be up to forty (40)
7 years, as applicable, from the development area's established date;
- 8 4. The estimated amount of local tax revenues, as applicable, that would be
9 displaced within the city or county, for the purpose of quantifying
10 economic activity which is being shifted over the same period as that set
11 forth in subparagraph 3. of this paragraph. The projections for displaced
12 activity shall include economic activity that is lost to the local
13 jurisdiction as a result of the project, as well as economic activity that is
14 diverted to the project that formerly took place at existing establishments
15 within the local jurisdiction prior to the commencement date of the
16 project;
- 17 5. The estimated amount of old revenues that would have been generated
18 in the development area of the project in the absence of the project,
19 computed over the same time period as set forth in subparagraph 3. of
20 this paragraph;
- 21 6. In the process of estimating the revenues and impacts prescribed in
22 subparagraphs 3. and 4. of this paragraph, the independent outside
23 consultant shall not consider any of the following:
- 24 a. **Local tax** revenues or economic impacts associated with any
25 projects within the development area where the new project will be
26 located; or
- 27 b. **Local tax** revenues or economic impacts associated with economic

1 development projects and approved Kentucky Tourism
2 Development Act projects under KRS Chapter 148;

- 3 7. The relationship of the estimated incremental revenues to the financing
4 needs, including any increment bonds, of the project;
- 5 8. When estimating the fiscal impact of the project, the consultant shall
6 evaluate the amount of revenue estimated in subparagraph 3. of this
7 paragraph and shall deduct the amounts estimated in subparagraphs 4.
8 and 5. of this paragraph. The resulting difference shall be compared to
9 the estimated incremental revenues to determine the presence or absence
10 of a positive fiscal impact; and
- 11 9. A determination that the project will not occur if not for the designation
12 of the development area, the granting of incremental revenues by the
13 taxing district or districts, and the granting of the local tax incremental
14 revenues.
- 15 (b) The city or county shall hold a public hearing to solicit input from the public
16 regarding the local development area. The city or county shall advertise the
17 hearing by causing to be published, in accordance with KRS 424.130, notice
18 of the time, place, and purpose of the hearing and a general description of the
19 boundaries of the proposed local development area. The notice shall include a
20 summary of the projects proposed for the local development area;
- 21 (c) After the public hearing, the city or county shall adopt an ordinance which
22 shall include the following provisions:
- 23 1. A description of the boundaries of the local development area;
- 24 2. The establishment date and the termination date;
- 25 3. A name for the local development area for identification purposes;
- 26 4. Approval of any agreements relating to the local development area;
- 27 5. A provision establishing a special fund for the local development area or

- 1 any project within the local development area;
- 2 6. A requirement that any entity other than the governing body that
- 3 receives financial assistance under the local development area ordinance,
- 4 whether in the form of a grant, loan, or loan guarantee, shall make
- 5 periodic accounting to the governing body;
- 6 7. A provision for periodic analysis and review by the governing body of
- 7 the development activity in the local development area;
- 8 8. Designation of the agency or agencies responsible for oversight,
- 9 administration, and implementation of the local development ordinance;
- 10 9. **If applicable**, the estimated net positive fiscal impact as calculated in
- 11 paragraph (a)8. of this subsection in the ~~required~~ independent
- 12 consultant report; and
- 13 10. Any other provisions, findings, limitations, rules, or procedures
- 14 regarding the proposed local development area or a project within the
- 15 local development area and its establishment or maintenance deemed
- 16 necessary by the city or county;~~and~~
- 17 (d) If incremental revenues or other resources are to be pledged from taxing
- 18 districts other than the city or county establishing the local development area,
- 19 a local development area agreement shall be executed in accordance with the
- 20 provisions of subsection (4) of this section;
- 21 **(e) If the city or county elects to use an independent consultant or financial**
- 22 **advisor, as set forth in paragraph (a) of this subsection, the independent**
- 23 **consultant or financial advisor shall:**
- 24 **1. Consult with the city's or county's budget office in the development of**
- 25 **the report; and**
- 26 **2. Collaborate with the city's or county's budget office, and agree on a**
- 27 **methodology to be used and assumptions to be made in preparing its**

1 report; and

2 (f) The developer requesting the city or county to establish the local
3 development area shall pay all costs associated with the independent
4 consultant's or financial advisor's report.

- 5 (3) Funding for projects in a local development area shall be provided in accordance
6 with KRS 65.7057.
- 7 (4) A local development area agreement shall be executed among the agencies and
8 taxing districts involved in administering, providing financing, or pledging
9 incremental revenues within the local development area. The local development
10 area agreement shall be adopted by a city or county by ordinance and by any other
11 taxing district or agency by resolution, and shall include but not be limited to the
12 following provisions:
- 13 (a) Identification of the parties to the local development area agreement and the
14 duties and responsibilities of each entity under the agreement;
- 15 (b) Specific identification of the tax increments released or pledged by type of tax
16 by each taxing district;
- 17 (c) The anticipated benefit to be received by each taxing district for the release or
18 pledge, including:
- 19 1. A detailed summary of old revenues collected and projected new
20 revenues for each taxing district on an annual basis for the term of the
21 local development area agreement; and
- 22 2. The maximum amount of incremental revenue to be paid by each taxing
23 district and the maximum number of years the payment will be effective;
- 24 (d) A detailed description of the local development area;
- 25 (e) A description of each proposed project, including an estimate of the costs of
26 construction, acquisition, and development;
- 27 (f) A requirement that pledged incremental revenues will be deposited in a

1 special fund pursuant to KRS 65.7061, including the timing and procedure for
2 depositing incremental revenues and other pledged amounts into the special
3 fund;

4 (g) Terms of default and remedies, provided that no remedy shall permit the
5 withholding by any party to the local development area agreement of any
6 incremental revenues pledged to the special fund if increment bonds are
7 outstanding that are secured by a pledge of those incremental revenues;

8 (h) The commencement date, activation date, and termination date; and

9 (i) Any other provisions not inconsistent with KRS 65.7041 to 65.7083 deemed
10 necessary or appropriate by the parties to the agreement.

11 (5) Any pledge of incremental revenues in a local development area agreement shall be
12 superior to any other pledge of revenues for any other purpose and shall, from the
13 activation date to the termination date set forth in the local area development
14 agreement, supersede any statute, ordinance, or resolution regarding the application
15 or use of incremental revenues. No ordinance in conflict with a local development
16 area agreement shall be adopted while any increment bonds secured by that pledge
17 remain outstanding. Ordinances or resolutions pledging incremental revenues on a
18 subordinate basis to any existing pledges may be adopted.

19 ➔Section 3. KRS 65.7049 is amended to read as follows:

20 Any city or county may establish a development area pursuant to this section, KRS
21 65.7051, and 65.7053 to encourage investment and reinvestment in and development, use,
22 and reuse of areas of the city or county under the following conditions:

23 (1) The area shall be contiguous and shall be no more than three (3) square miles;

24 (2) The establishment or expansion of the development area shall not cause the
25 assessed value of taxable real property within all development areas and local
26 development areas of the city or county establishing the development area to exceed
27 twenty percent (20%) of the assessed value of all taxable real property within its

1 jurisdiction. For the purpose of determining whether the twenty percent (20%)
2 threshold has been met, the assessed value of taxable real property within all of the
3 development areas and local development areas shall be valued as of the
4 establishment date;

5 (3) The governing body of the city or county shall determine that the development area
6 either:

7 (a) Has two (2) or more of the following conditions:

- 8 1. Substantial loss of residential, commercial, or industrial activity or use;
- 9 2. Forty percent (40%) or more of the households are low-income
10 households;
- 11 3. More than fifty percent (50%) of residential, commercial, or industrial
12 structures are deteriorating or deteriorated;
- 13 4. Substantial abandonment of residential, commercial, or industrial
14 structures;
- 15 5. Substantial presence of environmentally contaminated land;
- 16 6. Inadequate public improvements or substantial deterioration in public
17 infrastructure; or
- 18 7. Any combination of factors that substantially impairs or arrests the
19 growth and economic development of the city or county; impedes the
20 provision of adequate housing; impedes the development of commercial
21 or industrial property; or adversely affects public health, safety, or
22 general welfare due to the development area's present condition and use;
23 or

24 (b) The project meets the requirements of KRS 65.7043(2)(a)1.b.; and

25 (4) The governing body of the city or county shall find that all of the following are true
26 for projects meeting the requirements of paragraph (a) of subsection (3) of this
27 section:

- 1 (a) That the development area is not reasonably expected to be developed without
2 public assistance. This finding shall be supported by specific reasons and
3 supporting facts, including a clear demonstration of the financial need for
4 public assistance; and
- 5 (b) That the public benefits of the development area justify the public costs
6 proposed. This finding shall be supported by specific data and figures
7 demonstrating that the projected benefits outweigh the anticipated costs and
8 shall take into account the positive and negative effects of investment in the
9 development on existing businesses and residents within the community as a
10 whole; and
- 11 (c) 1. That the area immediately surrounding the development area has not
12 been subject to growth and development through investment by private
13 enterprise; or
- 14 2. If the area immediately surrounding the development area has been
15 subject to growth and development through investment by private
16 enterprise, the identification of special circumstances within the
17 development area that would prevent its development without public
18 assistance.

19 **(5) If the city or county intends to apply for either the Signature Projects Program as**
20 **set forth in KRS 154.30-050 or the Commonwealth Participation Program for**
21 **Mixed-use Redevelopment in Blighted Areas set forth in KRS 154.30-060, the city**
22 **or county shall engage or contract for the services of a qualified independent**
23 **outside consultant or financial advisor to analyze the data related to the project**
24 **and the development area and prepare a report which shall include:**

25 **(a) The estimated approved public infrastructure costs for the project, and if**
26 **applicable, project costs, financing costs, and costs associated with land**
27 **preparation, development, and clearance;**

1 (b) The feasibility of the project, taking into account the scope and location of
2 the project;

3 (c) The estimated amount of local tax revenues, as applicable, that would be
4 generated by the project over the period, which may be up to forty (40)
5 years, as applicable, from the development area's established date;

6 (d) The estimated amount of local tax revenues that would be displaced within
7 the city or county, for the purpose of quantifying economic activity which is
8 being shifted over the same period as set forth in paragraph (c) of this
9 subsection. The projections for displaced activity shall include economic
10 activity that is diverted to the project that formerly took place at existing
11 establishments within the local jurisdiction prior to the commencement date
12 of the project;

13 (e) The estimated amount of old revenues that would have been generated in
14 the development area of the project in the absence of the project, computed
15 over the same time period in accordance with paragraph (c) of this
16 subsection;

17 (f) In the process of estimating the revenues and impacts prescribed in
18 paragraphs (c) and (d) of this subsection, the independent outside
19 consultant shall not consider:

20 1. Local tax revenues or economic impacts associated with any projects
21 within the development where the new project will be located; or

22 2. Local tax revenues or economic impacts associated with economic
23 development projects and approved Kentucky Tourism Development
24 Act projects under KRS Chapter 148;

25 (g) The relationship of the estimated incremental revenues to the financing
26 needs, including any increment bonds, of the project;

27 (h) When estimating the fiscal impact of the project, the consultant shall

- 1 evaluate the amount of revenue estimated in paragraph (c) of this
2 subsection and shall deduct the amounts estimated in paragraphs (d) and
3 (e) of this subsection. The result shall be compared to the estimated
4 incremental revenues to determine the presence or absence of a positive
5 fiscal impact; and
- 6 (i) A determination that the project will not occur if not for the designation of
7 the development area, the granting of incremental revenues by the taxing
8 district or districts, and the granting of the local tax incremental revenues.
- 9 (6) If the city or county intends to pledge occupational license taxes or the
10 occupational license fee permitted under KRS 65.7056 as part of the local tax
11 revenues to support the local development area, the city or county may engage or
12 contract for the services of a qualified independent outside consultant or
13 financial advisor to analyze the data related to the project and the development
14 area and prepare a report. The report shall include:
- 15 (a) The estimated approved public infrastructure costs for the project;
16 (b) The feasibility of the project, taking into account the scope and location of
17 the project;
18 (c) The estimated amount of local tax revenues, as applicable, that would be
19 generated by the project over the period, which may be up to forty (40) years
20 from the development area's established date;
21 (d) The estimated amount of local tax revenues that would be displaced within
22 the city or county, for the purpose of quantifying economic activity which is
23 being shifted over the same period as set forth in paragraph (c) of this
24 subsection. The projections for displaced activity shall include economic
25 activity that is diverted to the project that formerly took place at existing
26 establishments within the local jurisdiction prior to the commencement date
27 of the project;

1 (e) The estimated amount of old revenues that would have been generated in
2 the development area of the project in the absence of the project, computed
3 over the same time period as set forth in paragraph (c) of this subsection;

4 (f) In the process of estimating the revenues and impacts prescribed in
5 paragraphs (c) and (d) of this subsection, the independent outside
6 consultant shall not consider:

7 1. Local tax revenues or economic impacts associated with any projects
8 within the development where the new project will be located; or

9 2. Local tax revenues or economic impacts associated with economic
10 development projects and approved Kentucky Tourism Development
11 Act projects under KRS Chapter 148;

12 (g) The relationship of the estimated incremental revenues to the financing
13 needs, including any increment bonds, of the project;

14 (h) When estimating the fiscal impact of the project, the consultant shall
15 evaluate the amount of revenue estimated in paragraph (c) of this
16 subsection and shall deduct the amounts estimated in paragraphs (d) and
17 (e) of this subsection. The resulting difference shall be compared to the
18 estimated incremental revenues to determine the presence or absence of a
19 positive fiscal impact; and

20 (i) A determination that the project will not occur if not for the designation of
21 the development area, the granting of incremental revenues by the taxing
22 district or districts, and the granting of the local tax incremental revenues.

23 (7) If the city or county uses an independent consultant or financial advisor, as set
24 forth in subsection (5) or (6) of this section, the independent consultant or
25 financial adviser shall:

26 (a) Consult with the city's or county's budget office in the development of the
27 report;

- 1 **(b) Collaborate with the city's or county's budget office to determine**
2 **methodology to be used and assumptions to be made in preparing its report,**
3 **and all costs associated shall be paid by the developer requesting the city or**
4 **county to establish the local development area; and**
- 5 **(d) Assist with the analysis performed in accordance with KRS 154.30-030 if**
6 **the city or county is applying for the Signature Projects Program as set**
7 **forth in KRS 154.30-050 or the Commonwealth Participation Program for**
8 **Mixed-use Redevelopment in Blighted Areas set forth in KRS 154.30-060.**

9 ➔Section 4. KRS 65.7053 is amended to read as follows:

- 10 (1) An ordinance establishing a development area shall include the following
11 provisions:
- 12 (a) A legal description of the boundaries of the development area, and geographic
13 reference points;
- 14 (b) The establishment date;
- 15 (c) The termination date, including a provision that allows the termination date to
16 be extended as provided in KRS 65.7045(35);
- 17 (d) A name for the development area for identification purposes;
- 18 (e) A finding that the conditions in the development area meet the criteria
19 described in KRS 65.7049;
- 20 (f) A finding supporting the need to employ redevelopment assistance in the
21 development area;
- 22 (g) A provision adopting the development plan required by KRS 65.7051(1);
- 23 (h) Approval of any agreements relating to the development area, including any
24 local participation agreements;
- 25 (i) A provision establishing a special fund for the development area or any
26 project within the development area;
- 27 (j) A requirement that any entity other than the governing body that receives

1 financial assistance under the development area ordinance, whether in the
2 form of a grant, loan, or loan guarantee, shall make periodic accounting to the
3 governing body;

4 (k) A provision for periodic analysis and review by the governing body of the
5 development activity in the development area, a review of the progress in
6 meeting the stated goals of the development area, and a requirement that the
7 review and analysis be forwarded to the authority if the development activity
8 includes projects subject to a tax incentive agreement;

9 (l) Designation of the agency or agencies responsible for oversight,
10 administration, and implementation of the development ordinance;~~and~~

11 (m) **If applicable, the estimated net positive fiscal impact as calculated in**
12 **subsection (5) or (6) of this section in the independent consultant's report;**
13 **and**

14 **(n)** Any other provisions, findings, limitations, rules, or procedures regarding the
15 proposed development area or a project within the development area and its
16 establishment or maintenance deemed necessary by the city or county.

17 (2) An ordinance establishing a development area may designate an existing agency to
18 oversee and administer implementation of a development area ordinance or a
19 portion thereof.

20 (3) Unless the ordinance establishing a development area requires an earlier date, a
21 development area shall cease to exist on the termination date.

22 ➔Section 5. KRS 154.20-410 is amended to read as follows:

23 **On July 1, 2022, the Kentucky alternative fuel and renewable energy fund shall cease**
24 **making any further investments and shall be suspended. All funds, grants,**
25 **investments, unallocated or unencumbered balances, rights, contractual rights and**
26 **obligations, and earned income retained by the Kentucky alternative fuel and**
27 **renewable energy fund as of June 30, 2022, shall be transferred to the Kentucky**

1 enterprise fund and allocated and invested pursuant to the Kentucky enterprise fund's
 2 statutory mandate as provided in Section 6 of this Act and KRS 164.6021. To the extent
 3 any costs are incurred in the transfer of such interests, those costs may be paid from
 4 the funds or from the general fund appropriation to the cabinet, as determined by the
 5 cabinet.

6 ~~[(1) There is created in the State Treasury the "Kentucky alternative fuel and renewable~~
 7 ~~energy fund" for the purpose of enabling Kentucky-based companies to undertake~~
 8 ~~research and development and commercialization in the area of alternative fuels or~~
 9 ~~renewable energy.~~

10 ~~(2) The fund may receive state appropriations, gifts, grants, federal funds, revolving~~
 11 ~~funds, and any other funds both public and private. Moneys deposited in the fund~~
 12 ~~shall be disbursed by the State Treasurer upon the warrant of the secretary of the~~
 13 ~~Finance and Administration Cabinet. Any unallocated or unencumbered balances in~~
 14 ~~the fund shall be invested as provided in KRS 42.500(9).~~

15 ~~(3) Notwithstanding KRS 45.229, any income earned from the investments along with~~
 16 ~~the unallotted or unencumbered balances in the fund shall not lapse, and shall be~~
 17 ~~deemed a trust and agency account and made available solely for the purposes and~~
 18 ~~benefits of the Kentucky Alternative Fuel and Renewable Energy Fund Program.]~~

19 ➔Section 6. KRS 164.6019 is amended to read as follows:

20 (1) There is established and created a trust and agency account entitled the "Kentucky
 21 enterprise fund" for the purpose of enabling small or medium-size, Kentucky-based
 22 companies to undertake feasibility, concept development, research and
 23 development, or commercialization work.

24 (2) The Kentucky enterprise fund may receive moneys from any public or private
 25 source, including but not limited to general fund appropriations of the
 26 Commonwealth, grants, or contributions of money, property, labor, or other things
 27 of value to be used to carry out the fund's operations, functions, and responsibilities,

1 and to otherwise make investments.

2 (3) The Kentucky enterprise fund shall also receive moneys transferred from the
3 Kentucky rural innovation fund under KRS 164.6027, ~~and~~ the Kentucky
4 commercialization fund under KRS 164.6035, **and the Kentucky alternative fuel**
5 **and renewable energy fund under KRS Section 5 of this Act.**

6 (4) Any unallocated or unencumbered balances in the fund shall be invested as
7 provided in KRS 42.500(9), and any income earned from the investments along
8 with the unallotted or unencumbered balances in the fund shall not lapse, and shall
9 be made available solely for the purposes and benefits of the Kentucky enterprise
10 fund.

11 ➔Section 7. The following KRS section is repealed: 154.20-405 Powers of
12 cabinet under KRS 154.20-400 to 154.20-400

13 ➔Section 8. Whereas the elimination of the Kentucky alternative fuel and
14 renewable energy fund is required to be accomplished on the first day of a fiscal year, an
15 emergency is declared to exist, and this Act takes effect upon its passage and approval by
16 the Governor or upon its otherwise becoming a law.