

1 AN ACT relating to economic relief for local communities of the Commonwealth
2 and declaring an emergency.

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

4 ➔Section 1. KRS 147A.150 is amended to read as follows:

5 (1) The General Assembly finds and declares that the purpose of KRS 147A.150 to
6 147A.166 is to support the eligible~~priority~~ communities in the Commonwealth
7 designated by the Interagency Working Group on Coal and Power Plant
8 Communities and Economic Revitalization established by Presidential Executive
9 Order 14008, issued on January 27, 2021.

10 (2) In enacting KRS 147A.150 to 147A.166, it is the intention of the General Assembly
11 to create and establish the Government Resources Accelerating Needed
12 Transformation Program within the Department for Local Government to enable
13 eligible~~priority~~ communities to access federal funding for projects that are in the
14 public interest and for a public purpose.

15 (3) The General Assembly further finds and declares that eligible~~priority~~
16 ~~communities~~ would benefit from the assistance of their local public universities ~~and encourages those entities~~
17 to assist their eligible~~priority~~ communities in
18 applying for Government Resources Accelerating Needed Transformation Program
19 funds.

20 ➔Section 2. KRS 147A.152 is amended to read as follows:

21 As used in KRS 147A.150 to 147A.166:

22 (1) "Department" means the Department for Local Government;

23 (2) **"Eligible community" means:**

24 **(a) An area impacted by unemployment rates at or above the national average**
25 **or coal-related job losses from mine and power plant closures in recent**
26 **years that is designated by the Interagency Working Group as a priority for**
27 **federal grant resources, or**

1 (b) An area that is eligible for the obligation of state funds under Section 3 of
 2 this Act, but is not an Interagency Working Group designated community;

3 (3) "Eligible grant recipient":

4 (a) Means a grant applicant that is a county or city governing body~~[public agency~~
 5 ~~as defined in KRS 61.805]~~ or nonprofit charitable organization organized
 6 under 26 U.S.C. sec. 501(c)(3) and~~[entity]~~ engaged in public benefit
 7 improvements to eligible~~[priority]~~ communities; and

8 (b) Does not include area development districts created under KRS 147A.050;

9 ~~(4)~~~~(3)~~ "Eligible project" means a public benefit project in a eligible~~[priority]~~
 10 ~~]~~community or benefiting an eligible~~[a priority]~~ community with available
 11 matching funds that satisfies the evaluation criteria in Section 6 of this Act~~[KRS~~
 12 ~~147A.160]~~ and that is initiated on:

13 (a) Publicly owned property;

14 (b) Property to be acquired, which comes with either a:

15 1. Legally binding letter of intent or option for the sale to an eligible grant
 16 recipient; or

17 2. Legally binding sale agreement for the sale to an eligible grant
 18 recipient; or

19 (c) Private property on which a project is located that is in the public interest and
 20 for a public purpose and that benefits an eligible~~[a priority]~~ community;

21 ~~(5)~~~~(4)~~ "Eligible use" means the authorized purpose for which an awarded grant may
 22 be used depending on the source of funds from the Commonwealth~~[- "Eligible use"~~
 23 ~~may include but is not limited to any of the categories in KRS 147A.160];~~

24 ~~(6)~~~~(5)~~ "Interagency Working Group" means the Interagency Working Group on Coal
 25 and Power Plant Communities and Economic Revitalization established by
 26 Presidential Executive Order 14008, issued on January 27, 2021;{

27 ~~(6)~~ "Priority community" means the areas impacted by concentrated, direct coal-related

1 ~~job losses from mine and power plant closures in recent years as designated by the~~
 2 ~~Interagency Working Group;~~ and

3 (7) "Regional project" means an eligible project that is proposed by eligible grant
 4 recipients residing in different counties in this Commonwealth who submit a single
 5 grant application.

6 ➔Section 3. KRS 147A.154 is amended to read as follows:

7 (1) The Government Resources Accelerating Needed Transformation Program is
 8 hereby established under the department. The department's administration of the
 9 program includes but is not limited to the following:

10 (a) Creating and making available a standardized grant application and a regional
 11 grant application for the obligation of state funds under KRS 147A.150 to
 12 147.166 to apply for matching federal funds;

13 (b) Developing a standardized scoring system pursuant to KRS 147A.162;

14 (c) Reviewing and processing the applications ~~and proposals~~ submitted by the
 15 proposed eligible grant recipients to the department;

16 (d) Verifying and determining whether a match~~[grant]~~ applicant is an eligible
 17 grant recipient and seeking a federal grant for an eligible project;

18 (e) Evaluating the project proposed by the match~~[grant]~~ application in
 19 accordance with the evaluation criteria set forth in Section 6 of this Act~~[KRS~~
 20 ~~147A.160]~~;

21 (f) Scoring each match~~[grant]~~ application ~~[project]~~ pursuant to the scoring
 22 system described in KRS 147A.162;

23 (g) Ranking each match~~[grant]~~ application:

24 1. To prioritize the greatest return on investment and relative positive
 25 impact on the eligible~~[priority]~~ community; and

26 2. Based on the project evaluation and the project score described in
 27 Section 6 of this Act~~[KRS 147A.160 and 147A.162]~~;

- 1 (h) Compiling a list of proposed match applicants~~[grant recipients]~~ whose
 2 eligible project demonstrates a high level of investment potential if a
 3 match~~[grant]~~ is provided~~[made]~~, as revealed by the evaluation, scoring, and
 4 ranking process described in this section and Section 6 of this Act~~[KRS~~
 5 ~~147A.160 and 147A.162]~~;
- 6 (i) Providing detailed feedback to the match~~[grant]~~ applicants after the project
 7 evaluation and project score are completed and the match application is
 8 approved or denied by the department, unless otherwise prohibited by
 9 federal or state law;
- 10 (j) Obligating~~[Awarding]~~ matching funds~~[grants]~~ to selected eligible grant
 11 recipients;~~[and]~~
- 12 (k) Compiling ~~[for]~~ the monthly~~[annual]~~ report to be submitted under KRS
 13 147A.164 the following information about the project:
- 14 1. A list of all match~~[program]~~ applicants;
 - 15 2. The identity of applicants who were not selected for obligation of match
 16 funds~~[recommendation]~~;
 - 17 3. Trends found in feedback given to applicants who were not selected for
 18 obligation of match funds~~[recommendation]~~;
 - 19 4. Eligible uses of the projects cited in the match~~[grant]~~ applications; and
 - 20 5. Any other information requested by the department; and
- 21 (l) Compiling the annual report to be submitted under Section 7 of this Act.
- 22 (2) The department shall determine the terms, conditions, and requirements of
 23 application for match~~[grant]~~ funds awarded from the Government Resources
 24 Accelerating Needed Transformation Program fund. The department may establish
 25 procedures and standards for the review and approval of obligation of match
 26 funds~~[eligible grant awards]~~ through the promulgation of administrative regulations
 27 in accordance with KRS Chapter 13A, By June 1, 2024, the department shall

1 submit recommended legislative changes to the Legislative Research Commission
 2 for referral to and for consideration by the Interim Joint Committee on
 3 Appropriations and Revenue.

4 (3) The commissioner of the department shall have the authority to hire staff, contract
 5 for services, expend funds, and operate the normal business activities of the
 6 Government Resources Accelerating Needed Transformation Program.

7 (4) The Government Resources Accelerating Needed Transformation Program shall
 8 sunset on December 31, 2026, unless authorized by the General Assembly to
 9 continue its work for a specified period of time.

10 (5) The Kentucky Council of Area Development Districts and local area development
 11 districts shall assist eligible~~priority~~ communities in identifying available federal
 12 grant opportunities and preparing federal grant applications and Government
 13 Resources Accelerating Needed Transformation Program applications. Nothing in
 14 this subsection shall prevent~~prevents~~ any public agency or nonprofit entity from
 15 assisting eligible~~priority~~ communities in identifying available federal grant
 16 opportunities and preparing federal grant applications Government Resources
 17 Accelerating Needed Transformation Program applications.

18 (6) Upon request of the local area development districts, local public universities
 19 shall assist the eligible communities in their area by including but not limited to:

20 (a) Identifying opportunities for federal grants;

21 (b) Applying for federal grants on behalf of the communities including
 22 providing data analysis and writing the federal grant application; and

23 (c) Providing a contact person to the Kentucky Council of Area Development
 24 Districts and to the area development district in which the university is
 25 located.

26 ➔Section 4. KRS 147A.156 is amended to read as follows:

27 (1) (a) To participate in the Government Resources Accelerating Needed

1 Transformation Program, grant applicants shall submit either a standardized
2 or a regional application to the department.

3 **(b) The department shall provide a preliminary evaluation of the application**
4 **within five (5) business days of receipt of the application. As part of the**
5 **preliminary evaluation, the department shall consider the following:**

6 **1. Applicant's eligibility when evaluated against the requirements of the**
7 **federal grant; and**

8 **2. Application completeness when evaluated against the requirements of**
9 **the federal grant.**

10 **(c) The department shall provide a final decision of approval or denial on the**
11 **application within twenty-one (21) calendar days of receipt of the**
12 **application.**

13 (2) If a grant application is selected as an eligible **match**~~[grant]~~ recipient approved
14 under **Section 6 of this Act**~~[KRS 147A.160]~~, it shall comply with any **match**~~[grant]~~
15 agreement and reporting requirements deemed necessary by the department to
16 verify that the awarded **match**~~[grant]~~ goes toward an eligible use.

17 (3) If the selected **match**~~[grant]~~ recipient fails to comply with subsection (2) of this
18 section or uses the awarded **match**~~[grant]~~ money for any purpose other than an
19 eligible use, the selected eligible **match**~~[grant]~~ recipient shall forfeit and be liable to
20 the department for the full award amount.

21 ➔Section 5. KRS 147A.158 is amended to read as follows:

22 (1) There is hereby established in the State Treasury a trust and agency account to be
23 known as the Government Resources Accelerating Needed Transformation Program
24 fund. The fund shall consist of moneys received from state appropriations, gifts,
25 grants, and federal funds.

26 (2) The fund shall be administered and maintained by the department.

27 (3) Amounts deposited in the fund shall be used for **awarding:**

- 1 (a) ~~[Awarding]~~Matching **funds**~~[fund grants]~~ to applicants of the Government
 2 Resources Accelerating Needed Transformation Program upon notification of
 3 award of the federal grant requiring matching funds. **Up to ten percent (10%)**
 4 **of the amounts deposited in the fund shall be used for match awards for**
 5 **nonprofit charitable organizations organized under 26 U.S.C. sec.**
 6 **501(c)(3); and**
- 7 (b) **Matching funds to applicants of the Government Resources Accelerating**
 8 **Needed Transformation Program upon notification of award of the federal**
 9 **grant requiring matching funds. Up to ninety percent (90%) of the amounts**
 10 **deposited in the fund shall be used for match awards to county or city**
 11 **governing bodies**~~[Administration of the program].~~
- 12 (4) Notwithstanding KRS 45.229, moneys in the account not expended at the close of a
 13 fiscal year shall not lapse but shall be carried forward into the next fiscal year.
- 14 (5) Any interest earnings of the fund shall become a part of the fund and shall not
 15 lapse.
- 16 (6) Moneys deposited in the fund are hereby appropriated for the purposes set forth in
 17 this section and shall not be appropriated or transferred by the General Assembly
 18 for any other purposes.
- 19 (7) Any **match obligations**~~[amounts obligated]~~ under subsection (3)~~[(a)]~~ of this section
 20 shall be canceled upon denial of the federal award~~[-]~~.
- 21 ~~(8) By December 1, 2023, and annually thereafter until December 1, 2026, the~~
 22 ~~department shall prepare an annual report detailing the expenditures for the~~
 23 ~~administration of the program from the fund, which shall be included in the annual~~
 24 ~~report submitted under KRS 147A.164].~~
- 25 ➔Section 6. KRS 147A.162 is amended to read as follows:
- 26 (1) **The department shall identify and certify the areas for grant funding to eligible**
 27 **communities designated by the Interagency Working Group as a priority for**

1 *federal grant resources. The department shall not approve a project unless it*
 2 *finds that the project is in the public interest and the grant funds will be used for*
 3 *a public purpose. For purposes of this subsection, projects that are in the public*
 4 *interest and for a public purpose can provide private benefit, if the department*
 5 *finds the following:*

6 *(a) The project will enhance an eligible community or region;*

7 *(b) The granting entity for which the department's matching grant is being*
 8 *used requires a public purpose for grant eligibility; or*

9 *(c) The department in its judgment concludes the proposal will enhance the*
 10 *quality of life or services in an eligible community or region.*

11 *(2) The department shall evaluate each applicant's eligible project according to the*
 12 *criteria described in this section for the purpose of compiling a recommendation*
 13 *and score for the eligible project pursuant to this section.*

14 *(3) If a match applicant is selected as an eligible grant recipient approved under the*
 15 *Government Resources Accelerating Needed Transformation Program, it shall*
 16 *comply with any incentive agreements and reporting requirements deemed*
 17 *necessary by the department to verify that the awarded grant shall go toward an*
 18 *eligible use.*

19 *(4)* In the administration of the Government Resources Accelerating Needed
 20 Transformation Program, the department shall develop a scoring system for the
 21 project proposed by each *match*~~[grant]~~ applicant based on the total projected return
 22 on investment and the relative positive impact in the *eligible*~~[priority]~~ community.

23 ~~(5)~~~~(2)~~ The scoring system shall include a:

24 (a) Score in each category as specified in subsection ~~(6)~~~~(3)~~ of this section; and

25 (b) Total weighted score, which is the average of the scores in each category.

26 ~~(6)~~~~(3)~~ The scoring categories shall include but are not limited to:

27 (a) Projected return on investment the project will yield, which includes an

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assessment of the:

- 1. Likelihood of project completion both with the department's funding and without;
 - 2. Application content when evaluated against the federal grant program's publicly available scoring rubric or evaluation criteria, if any;
 - 3. Projected gross economic impact of the proposed project on the eligible~~[priority]~~ community;
 - 4.~~[3.]~~ Projected number of jobs created by the proposed project and subsequent impact on the eligible~~[priority]~~ community;~~[and]~~
 - 5.~~[4.]~~ Determination of the cost of the project based on the cost expended by the department if it obligates~~[awards]~~ the requested grant amount to the applicant;
 - 6. Evidence of community support for the project; and
 - 7. Likelihood that the applicant can successfully manage the federal grant's administration requirements; and
- (b) Overall~~[Relative]~~ positive impact the project will have on the surrounding community as evidenced by clear and feasible projected outcomes of the grant-funded project.

➔Section 7. KRS 147A.164 is amended to read as follows:

- (1) (a) The department shall submit a monthly report on eligible project applications to the Governor and the Senate Standing Committee on Appropriations and Revenue and the House Standing Committee on Appropriations and Revenue, or the Interim Joint Committee on Appropriations and Revenue, and make the reports available on the department's website.
- (b) The monthly report shall be a summary of the eligible project applications

- 1 **and shall include but not be limited to the following;**
- 2 **1. The date of the application;**
- 3 **2. The date of receipt of the application by the department;**
- 4 **3. A description of the federal grant funds applied for by the applicant;**
- 5 **4. A description of the title, subject matter, preliminary evaluation, and**
- 6 **scoring tally of the eligible project;**
- 7 **5. The date of the department's preliminary evaluation; and**
- 8 **6. The date of the department's final decision on obligation of the match**
- 9 **funds, the date of the federal grant approval or denial, and whether**
- 10 **the eligible project was approved or denied.**

11 **(2)** By December 1, 2023, and annually thereafter until December 1, 2026, the

12 **department**~~[Department for Local Government]~~ shall prepare an annual report of

13 the Government Resources Accelerating Needed Transformation Program to be

14 submitted to the Governor and the Interim Joint Committee on **Appropriations and**

15 **Revenue**~~[Economic Development and Workforce Investment]~~ and make it available

16 on the **department's**~~[Department for Local Government's]~~website. The annual

17 report shall include but not be limited to the following:

- 18 **(a)**~~[(1)]~~ A summary of **the monthly reports and the match**~~[grant]~~ applications
- 19 received and relevant statistics relating to actions taken by the department and
- 20 grants awarded, including the applicant, award amount, and the purpose of the
- 21 funding;
- 22 **(b)**~~[(2)]~~ ~~The detailed report of expenditures for the administration of the program~~
- 23 ~~prepared under KRS 147A.158(8);~~
- 24 ~~(3)~~ The current balance of the Government Resources Accelerating Needed
- 25 Transformation Program fund;
- 26 **(c)**~~[(4)]~~ Recommendations regarding appropriations to the Government
- 27 Resources Accelerating Needed Transformation Program fund for the

1 upcoming fiscal year; and
2 ~~(d)(5)~~ Recommendations for legislation or policy actions needed to facilitate
3 greater receipt of grant funding to eligible~~[priority]~~ communities.

4 ➔Section 8. The following KRS section is repealed:

5 147A.160 Designation of priority communities -- Public interest and public purpose --
6 Evaluation of projects -- Duties of grant recipients.

7 ➔Section 9. Whereas local areas of Kentucky have been impacted by
8 unemployment rates at or above the national average or coal-related job losses from mine
9 and power plant closures in recent years, an emergency is declared to exist, and this Act
10 takes effect upon its passage and approval by the Governor or upon its otherwise
11 becoming a law.