

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 154.14-020 is amended to read as follows:

5 As used in this subchapter:

6 (1) "Cabinet" means the Cabinet for Economic Development;

7 (2) "County population ranking" means the score of each county determined by the
8 cabinet under KRS 154.14-050(7);

9 (3) "Eligible grant applicant" means a county or city governing body, any entity
10 organized in Kentucky providing public services through law enforcement, fire,
11 emergency medical, rescue, waterfront development, a water utility, or a waste
12 water utility to persons domiciled in Kentucky, or a nonprofit charitable
13 organization organized under 26 U.S.C. sec. 501(c)(3) and engaged in public
14 benefit improvements;

15 (4) "Eligible project" means a project that:

16 (a) Meets the requirements for a federal grant offered or administered by a
17 qualifying federal entity that:

18 1. Requires a local match; or

19 2. Is a Delta Regional Authority project that includes language explicitly
20 stating that a local match will make an application more competitive;

21 (b) Benefits the public or substantially benefits the public and satisfies the
22 evaluation criteria in KRS 154.14-050 and that is initiated on:

23 1. Publicly owned property;

24 2. Property to be acquired, which comes with either a:

25 a. Legally binding letter of intent or option for the sale to an eligible
26 grant applicant; or

27 b. Legally binding sale agreement for the sale to an eligible grant

1 applicant; or

2 3. Private property on which a project is located that is in the public
3 interest and for a public purpose and that benefits an eligible
4 community; and

5 (c) Requires local matching funds based on the county population ranking as
6 provided in KRS 154.14-050;

7 (5) "Eligible use" means the authorized purpose for which an awarded grant may be
8 used depending on the source of funds from the federal government;

9 (6) "GRANT Program" means the Government Resources Accelerating Needed
10 Transformation Program established in KRS 154.14-030;

11 (7) "GRANT Program fund" means the fund established in KRS 154.14-060;

12 (8) "Population density":

13 (a) Means the number of persons per square mile of a county;

14 (b) Is calculated by dividing the total county population by the square miles in the
15 county;

16 (c) Is determined by using the population estimate from the most recent available
17 five (5) year American Community Survey as published by the United States
18 Census Bureau; and

19 (d) Is used to rank each county in descending order, with the county having the
20 largest population density receiving a rank of one (1) and the county with the
21 smallest population density receiving a rank of one hundred twenty (120);

22 (9) "Qualifying federal entity" includes the following:

23 (a) The Domestic Policy Council;

24 (b) The Office of Management and Budget;

25 (c) The United States Department of Energy;

26 (d) The United States Department of the Treasury;

27 (e) The United States Department of the Interior;

- 1 (f) The United States Department of Agriculture;
- 2 (g) The United States Department of Commerce;
- 3 (h) The United States Department of Labor;
- 4 (i) The United States Department of Health and Human Services;
- 5 (j) The United States Department of Housing and Urban Development;
- 6 (k) The United States Department of Transportation;
- 7 (l) The United States Department of Education;
- 8 (m) The United States Department of Homeland Security;
- 9 **(n) The United States Department of Justice;**
- 10 **(o) The United States Department of Defense;**
- 11 **(p)** ~~[(n)]~~ The United States Environmental Protection Agency;
- 12 ~~(o) The United States Department of the Army;~~
- 13 **(q)** ~~[(p)]~~ The Appalachian Regional Commission;
- 14 **(r)** ~~[(q)]~~ The Delta Regional Authority;
- 15 **(s)** ~~[(r)]~~ The National Science Foundation; and
- 16 **(t)** ~~[(s)]~~ Any federal agency, department, or entity that is the successor of an
- 17 entity listed in paragraphs (a) to **(s)** ~~[(r)]~~ of this subsection;
- 18 (10) "Regional project" means an eligible project that is proposed by eligible grant
- 19 applicants residing or having a primary business address in different counties in this
- 20 Commonwealth or by eligible grant subrecipients as part of a multistate project who
- 21 submit a regional grant application; and
- 22 (11) "Ten (10) year percentage change in population":
- 23 (a) Means the percentage change in population within a county;
- 24 (b) Is determined by comparing the population estimate from the most recent
- 25 available five (5) year American Community Survey as published by the
- 26 United States Census Bureau to the same survey ten (10) years prior to the
- 27 most recent available survey; and

- 1 (c) Is used to rank each county in descending order, with the county having the
2 largest positive percentage change in population receiving a rank of one (1)
3 and the county with the largest negative percentage change receiving a rank of
4 one hundred twenty (120).

5 ➔Section 2. KRS 154.14-030 is amended to read as follows:

- 6 (1) The Government Resources Accelerating Needed Transformation Program is
7 hereby established under the cabinet. The cabinet's administration of the program
8 includes but is not limited to the following:
- 9 (a) Creating and making available a standardized grant application and a regional
10 grant application for the obligation of state funds under this subchapter to
11 apply for matching federal funds;
- 12 (b) Developing a standardized scoring system pursuant to this section and KRS
13 154.14-050;
- 14 (c) Reviewing and processing applications submitted to the cabinet by eligible
15 grant applicants;
- 16 (d) Verifying that an eligible grant applicant is seeking a federal grant for an
17 eligible project;
- 18 (e) Evaluating the project proposed by the match application in accordance with
19 the evaluation criteria set forth in this section and KRS 154.14-050;
- 20 (f) Scoring each application pursuant to the scoring system described in KRS
21 154.14-050;
- 22 (g) Ranking each match application:
- 23 1. To prioritize the greatest return on investment and relative positive
24 impact of the eligible project; and
- 25 2. Based on the project evaluation and the project score described in this
26 section and KRS 154.14-050;
- 27 (h) Identifying eligible grant applicants whose eligible project demonstrates a

- 1 high level of investment potential if a match is provided, as revealed by the
2 evaluation, scoring, and county population ranking process described in this
3 section and KRS 154.14-050;
- 4 (i) Providing detailed feedback to the eligible grant applicants after the project
5 evaluation and project score are completed and the application is approved or
6 denied by the cabinet, unless otherwise prohibited by federal or state law;
- 7 (j) Obligating matching funds to selected eligible grant applicants; and
- 8 (k) Compiling the monthly and annual reports to be submitted under KRS 154.14-
9 070.
- 10 (2) The cabinet shall determine the terms, conditions, and requirements of grant awards
11 from the GRANT Program fund. The cabinet may establish procedures and
12 standards for the review and approval of the obligation of match funds through the
13 promulgation of administrative regulations in accordance with KRS Chapter 13A.
- 14 (3) The secretary of the cabinet shall have the authority to hire staff, contract for
15 services, expend funds, and operate the normal business activities of the GRANT
16 Program. Notwithstanding KRS Chapter 45A, the cabinet may contract with a third
17 party for implementation and administration of the program.
- 18 (4) The GRANT Program shall sunset on December 31, 2028~~[2026]~~, unless authorized
19 by the General Assembly to continue its work for a specified period of time.
- 20 (5) The Kentucky Council of Area Development Districts and local area development
21 districts shall assist eligible grant applicants in identifying available federal grant
22 opportunities and preparing federal grant applications and GRANT Program
23 applications. This subsection shall not prevent any public agency or nonprofit entity
24 from assisting eligible grant applicants in identifying available federal grant
25 opportunities and preparing federal grant applications and GRANT Program
26 applications.
- 27 (6) Upon request of the local area development districts, a local public institution in the

1 postsecondary education system as defined in KRS 164.001 shall assist the eligible
2 grant applicants in their area by including but not limited to:

- 3 (a) Identifying opportunities for federal grants;
- 4 (b) Rendering supplemental support for federal grant applications on behalf of the
5 communities including but not limited to providing data and analysis for the
6 federal grant application; or
- 7 (c) Acting as the contact person for the local public institution to the Kentucky
8 Council of Area Development Districts and to the area development district in
9 which the local public institution is located and updating the contact person
10 information.

11 ➔Section 3. KRS 154.14-040 is amended to read as follows:

- 12 (1) (a) To participate in the GRANT Program, eligible grant applicants shall submit
13 either a standardized or a regional grant application to the cabinet.
- 14 (b) The cabinet shall review applications monthly. Each monthly review shall
15 include all applications submitted but not yet reviewed by the first day of each
16 month.
- 17 (c) The cabinet shall provide a preliminary evaluation of each application
18 submitted by the first day of the month within fourteen (14) calendar days of
19 the first day of the month. As part of the preliminary evaluation, the cabinet
20 shall consider the applicant's eligibility and the application completeness
21 when evaluated against the requirements of the federal grant.
- 22 (d) The cabinet shall provide a final decision of approval or denial on the
23 application by the last day of the month in which the application was
24 preliminarily reviewed. If an application is denied, the cabinet may provide
25 feedback about any possible corrective action, in which case the applicant
26 may resubmit the application for reconsideration after taking the
27 recommended corrective action.

1 (2) If a grant application is approved, the recipient shall comply with any match and
2 reporting requirements established by the cabinet to verify that the awarded funds
3 will be or have been expended on an eligible use.

4 (3) The obligation of funds for an approved project shall not remain obligated longer
5 than twelve (12) months for that project. An approved project may receive a twelve
6 (12)~~[six (6)]~~ month extension of this deadline from the cabinet.

7 (4) If the grant recipient fails to comply with subsection (2) of this section or uses the
8 awarded funds for any purpose other than an eligible use, the grant recipient shall
9 forfeit and be liable to the cabinet for the full award amount.

10 ➔Section 4. KRS 154.14-070 is amended to read as follows:

11 (1) (a) By June 1, 2024, and the first day of each month thereafter, the cabinet shall
12 submit a report on eligible project applications to the Governor and the Senate
13 Standing Committee on Appropriations and Revenue and the House Standing
14 Committee on Appropriations and Revenue, or the Interim Joint Committee
15 on Appropriations and Revenue, and make the reports available on the
16 cabinet's website.

17 (b) The monthly report shall be a summary of the eligible project applications and
18 shall include but not be limited to the following:

- 19 1. A list of all eligible grant applications received;
- 20 2. The identity of applicants who were not selected for the obligation of
21 funds;
- 22 3. Trends found in feedback given to applicants who were not selected for
23 the obligation of funds; and
- 24 4. For each submitted eligible grant application:
 - 25 a. The eligible use of funds and project for which funds are
26 requested;
 - 27 b. The date of submission;

- 1 c. A description of the federal grant funds applied for by the
- 2 applicant;
- 3 d. A description of the title, subject matter, preliminary evaluation,
- 4 and scoring tally of the eligible grant application;
- 5 e. The date of the cabinet's preliminary evaluation;
- 6 f. The amount requested, and the amount approved or denied; and
- 7 g. The date of the cabinet's final decision on obligation of the match
- 8 funds, the date of the federal grant approval or denial, and whether
- 9 the eligible project was approved or denied.

10 (2) By November 1, 2024, and annually thereafter until November 1, ~~2028~~²⁰²⁶, the

11 cabinet shall prepare an annual report of the GRANT Program to be submitted to

12 the Governor and the Interim Joint Committee on Appropriations and Revenue and

13 made available on the cabinet's website. The annual report shall include but not be

14 limited to the following:

- 15 (a) A summary of the monthly reports and the eligible grant applications received
- 16 and relevant statistics relating to actions taken by the cabinet and grants
- 17 awarded, including the applicant, award amount, and the purpose of the
- 18 funding;
- 19 (b) The current balance of the GRANT Program fund;
- 20 (c) Recommendations regarding appropriations to the GRANT Program fund for
- 21 the upcoming fiscal year; and
- 22 (d) Recommendations for legislation or policy actions needed to facilitate greater
- 23 receipt of grant funding to eligible grant applicants.

24 ➔Section 5. Whereas the GRANT program is available for a limited time period

25 and administrative efficiency requires that funding be allocated immediately, an

26 emergency is declared to exist, and this Act takes effect upon its passage and approval by

27 the Governor or upon its otherwise becoming a law.