

1 AN ACT relating to economic development.

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

3 ➔Section 1. KRS 154.12-100 is amended to read as follows:

- 4 (1) "Economic development fund" means the fund authorized by the General Assembly
5 for the purpose of promoting economic development within the state.
- 6 (2) The economic development fund shall be funded through the issuance of bonds by
7 the State Property and Buildings Commission or other appropriation by the General
8 Assembly.
- 9 (3) The economic development fund shall be administered by the secretary of the
10 Cabinet for Economic Development. The authority shall promulgate administrative
11 regulations in accordance with KRS Chapter 13A for project selection criteria and
12 administration of the economic development fund. The project selection criteria
13 shall include but not be limited to the following:
- 14 (a) Potential job creation or job retention;
 - 15 (b) Degree of public or private and local involvement;
 - 16 (c) Degree and conditions of project payback; and
 - 17 (d) Amount of investment.
- 18 (4) Prior to submission of an economic development fund project to the authority, the
19 secretary of the Cabinet for Economic Development shall receive a written
20 commitment from the public or private organization which has requested funds
21 outlining projected job creation and retention, an investment breakdown, and
22 overall project description. This shall be submitted by the secretary to the authority.
23 Subsequently, the secretary of the Cabinet for Economic Development shall execute
24 a written agreement with the public or private organizations involved expressing in
25 detail the respective obligations on the parties.
- 26 (5) Projects of state agencies as defined in KRS 42.005 shall not be eligible for funding
27 from the economic development fund program, unless expressly provided in a

1 branch budget bill. Airport construction and renovation projects shall be eligible for
2 funding under this section. The secretary of the Cabinet for Economic Development
3 shall consult with the secretary of the Finance and Administration Cabinet on the
4 terms and conditions relating to the use of funds pursuant to this section before any
5 commitment is made on any project to any public or private organization.

6 (6) Following the approval by the authority, the project shall be presented by the
7 secretary of the Cabinet for Economic Development or his or her designee with
8 supporting documentation for review and approval at the next regularly scheduled
9 meeting of:

10 (a) The Capital Projects and Bond Oversight Committee pursuant to KRS 45.810;
11 and

12 (b) ~~[at the next regularly scheduled meeting of]~~The State Property and Buildings
13 Commission pursuant to KRS 56.450.

14 (7) Notwithstanding the provisions of KRS 56.872(3), the amount of economic
15 development funds issued during any biennium shall not exceed the balance of the
16 fund, and any funds authorized in the biennial budget shall carry forward and shall
17 not lapse.

18 (8) By November 1 of each year, the Cabinet for Economic Development shall prepare
19 and post an annual report to the cabinet's Web site as required in KRS 154.12-2035,
20 showing the economic development funds issued during the previous fiscal year,
21 funds disbursed, the amounts paid back, and the balance still owing with respect to
22 grants or loans made by the Cabinet for Economic Development with proceeds of
23 economic development funds during the previous five (5) fiscal years.