

1 AN ACT relating to economic development.

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

3 ➔Section 1. KRS 154.12-280 is amended to read as follows:

4 (1) There is created the Kentucky **Entertainment Commission**~~[Film Office]~~, which
5 shall be attached to the Cabinet for Economic Development for administrative
6 purposes only. The **commission**~~[office]~~ shall be headed by an executive director
7 selected and compensated as provided in KRS 154.12-282(2)(e). The executive
8 director shall have the authority to hire staff, including a marketing and
9 development director, contract for services, expend funds, and operate the normal
10 business activities of the council.

11 (2) **The commission shall promote and coordinate:**

12 **(a) Film and television production;**

13 **(b) Music recording and production;**

14 **(c) Live performance recording and venue development;**

15 **(d) Workforce development; and**

16 **(e) Regional entertainment industry economic incentives.**

17 **(3)** The duties of the **commission**~~[Kentucky Film Office]~~ shall include but not be
18 limited to:

19 (a) Coordinating with local and regional film offices or local tourism
20 commissions on issues impacting the film industry in Kentucky, including
21 streamlining local permitting processes;

22 (b) Marketing Kentucky as a location for film production;

23 (c) Providing assistance to production companies for compliance with Subchapter
24 61 of KRS Chapter 154;

25 (d) Assisting film studios and workforce training programs to increase the film
26 production workforce;

27 (e) Coordinating with the Kentucky **Entertainment**~~[Film]~~ Leadership Council

- 1 established in KRS 154.12-282 to develop marketing strategies to promote
2 and grow the film production industry in Kentucky;
- 3 (f) Creating a Kentucky Entertainment Commission~~[Film Office]~~ website and a
4 one-stop portal to provide information to film producers regarding studios,
5 local and regional commissions, personnel, filming locations, permitting, and
6 other matters relevant to the film industry; and
- 7 (g) Adopting the recommendations of the council created pursuant to KRS
8 154.12-282 and promulgating regulations in accordance with KRS Chapter
9 13A necessary to conduct the operations of the commission~~[office]~~.
- 10 (3) The commission~~[office]~~ shall receive and retain all tax incentive application fees
11 collected pursuant to KRS 154.61-030. The nonrefundable application fee that's
12 currently payable to the commission~~[office]~~ upon submission of a tax incentive
13 application shall be determined by the total amount of qualifying expenditures and
14 qualifying payroll expenditures, as defined in KRS 154.61-010. If the total is:
- 15 (a) Less than fifty thousand dollars (\$50,000), the application fee shall be two
16 hundred fifty dollars (\$250);
- 17 (b) Between fifty thousand dollars (\$50,000) and one hundred thousand dollars
18 (\$100,000), the application fee shall be five hundred dollars (\$500); or
- 19 (c) More than one hundred thousand dollars (\$100,000), the application fee shall
20 be one thousand dollars (\$1,000).
- 21 (4) The commission~~[office]~~ may accept contributions, grants, and other property of
22 value to hold and apply to projects for which the commission~~[office]~~ is created.
23 Any funds not expended at the close of a fiscal year shall not lapse but shall be
24 carried forward into the next fiscal year. Notwithstanding KRS 142.406, for the
25 period beginning July 1, 2025, and ending June 30, 2027, two and one-half percent
26 (2.5%) of the transient room tax collected pursuant to KRS 142.400, up to the
27 maximum amount of five hundred thousand dollars (\$500,000), shall be transferred

1 to the commission~~[office]~~ and dedicated to staff and operational costs.

2 ➔Section 2. KRS 154.12-282 is amended to read as follows:

3 (1) There is hereby established the Kentucky Entertainment~~[Film]~~ Leadership Council.

4 The council shall be administratively attached to the Kentucky Entertainment
5 Commission~~[Film Office]~~ established in KRS 154.12-280.

6 (2) The functions and purposes of the council shall be to:

- 7 (a) Review all applications for tax incentives under KRS 141.383 and Subchapter
8 61 of KRS Chapter 154 to determine eligibility within twenty (20) days of
9 receipt and forward each eligible application to the cabinet for an economic
10 analysis of the project. Notwithstanding KRS 154.61-020, if the analysis
11 supports the project, the application and all related documents shall be
12 submitted back to the council to make the final decision at a meeting held at
13 the call of the chair regarding whether to authorize a tax incentive agreement.
14 The cabinet shall be responsible for negotiating, preparing, and executing tax
15 incentive agreements under this section;
- 16 (b) Recommend policies and standards for the Kentucky Entertainment
17 Commission~~[Film Office]~~ created in KRS 154.12-280;
- 18 (c) Develop comprehensive film industry strategies in partnership with the
19 Cabinet for Economic Development, the Tourism, Arts and Heritage Cabinet,
20 and the Education and Labor Cabinet;
- 21 (d) Partner with local and regional film offices, production studios, and relevant
22 workforce training programs in Kentucky; and
- 23 (e) Conduct a nationwide search for the executive director of the Kentucky
24 Entertainment Commission~~[Film Office]~~ and make decisions regarding
25 hiring and compensation. The salary of the executive director of the
26 commission~~[Kentucky Film Office]~~ shall not exceed two hundred twenty-five
27 thousand dollars (\$225,000) and shall be exempt from KRS 64.640.

- 1 (3) (a) The council shall consist of the following eleven (11)~~seven (7)~~ voting
 2 members:
- 3 1. The secretary of the Cabinet for Economic Development or his or her
 4 designee;
 - 5 2. The secretary of the Tourism, Arts and Heritage Cabinet or his or her
 6 designee;
 - 7 3. The secretary of the Education and Labor Cabinet or his or her designee;
 8 ~~and~~
 - 9 4. *The President of the Senate or his or her designee, who shall serve as*
 10 *an ex officio, nonvoting member for the duration of his or her service*
 11 *as President of the Senate;*
 - 12 5. *The Speaker of the House of Representatives or his or her designee,*
 13 *who shall serve as an ex officio, nonvoting member for the duration of*
 14 *his or her service as Speaker of the House of Representatives;*
 - 15 6. *Three (3)*~~Four (4)~~ members who shall be appointed by the Governor as
 16 follows:
 - 17 a. *One (1) representative*~~Two (2) representatives~~ from *a* Kentucky
 18 film production *company*~~companies~~;
 - 19 b. One (1) representative from a *music production or recording*
 20 *company*~~film profession, including but not limited to producers,~~
 21 ~~actors, production accountants with film industry experience, or~~
 22 ~~film financiers~~; and
 - 23 c. One (1) representative *from live event production, promotion, or*
 24 *venue operation company*~~who is the head of a local or regional~~
 25 ~~film commission~~; *and*
 - 26 7. *Three (3) citizen members from the state at large who are involved in*
 27 *film, music, or other entertainment companies and appointed by*

1 *agreement of the President of the Senate and the Speaker of the*
2 *House of Representatives.*

3 (b) All members appointed by the Governor under paragraph (a)~~6.~~[4.] of this
4 subsection shall have knowledge of or experience in the Kentucky film
5 industry. After the expiration of their initial terms, the appointed members
6 shall serve a term of four (4) years and until a successor is appointed and
7 qualified in accordance with paragraph (a)~~6.~~[4.] of this subsection. Any
8 vacancy that occurs shall be filled for the unexpired term in the same manner
9 as the original appointment. All members appointed by the Governor shall be
10 subject to confirmation by the Senate as provided in KRS 11.160.

11 (c) A majority of the members shall appoint the chair from among the members
12 of the council.

13 (d) Members shall serve without compensation but shall be reimbursed for
14 necessary travel expenses.

15 (e) The council shall meet at the call of the chair.

16 (f) A quorum shall be a majority of the membership of the council.

17 ➔Section 3. KRS 12.020 is amended to read as follows:

18 Departments, program cabinets and their departments, and the respective major
19 administrative bodies that they include are enumerated in this section. It is not intended
20 that this enumeration of administrative bodies be all-inclusive. Every authority, board,
21 bureau, interstate compact, commission, committee, conference, council, office, or any
22 other form of organization shall be included in or attached to the department or program
23 cabinet in which they are included or to which they are attached by statute or statutorily
24 authorized executive order; except in the case of the Personnel Board and where the
25 attached department or administrative body is headed by a constitutionally elected
26 officer, the attachment shall be solely for the purpose of dissemination of information and
27 coordination of activities and shall not include any authority over the functions,

1 personnel, funds, equipment, facilities, or records of the department or administrative
2 body.

3 I. Cabinet for General Government - Departments headed by elected officers:

4 (1) The Governor.

5 (2) Lieutenant Governor.

6 (3) Department of State.

7 (a) Secretary of State.

8 (b) Board of Elections.

9 (c) Registry of Election Finance.

10 (4) Department of Law.

11 (a) Attorney General.

12 (5) Department of the Treasury.

13 (a) Treasurer.

14 (6) Department of Agriculture.

15 (a) Commissioner of Agriculture.

16 (b) Agricultural Development Board.

17 (c) Kentucky Agricultural Finance Corporation.

18 (7) Auditor of Public Accounts.

19 (a) Commonwealth Office of the Ombudsman.

20 II. Program cabinets headed by appointed officers:

21 (1) Justice and Public Safety Cabinet:

22 (a) Department of Kentucky State Police.

23 1. Office of Administrative Services.

24 a. Division of Operational Support.

25 b. Division of Management Services.

26 2. Office of Operations.

27 a. Division of West Troops.

- 1 b. Division of East Troops.
- 2 c. Division of Special Enforcement.
- 3 d. Division of Commercial Vehicle Enforcement.
- 4 3. Office of Technical Services.
- 5 a. Division of Forensic Sciences.
- 6 b. Division of Electronic Services.
- 7 c. Division of Records Management.
- 8 (b) Department of Criminal Justice Training.
- 9 (c) Department of Corrections.
- 10 (d) Department of Juvenile Justice.
- 11 (e) Office of the Secretary.
- 12 (f) Office of Drug Control Policy.
- 13 (g) Office of Legal Services.
- 14 (h) Office of the Kentucky State Medical Examiner.
- 15 (i) Parole Board.
- 16 (j) Kentucky State Corrections Commission.
- 17 (k) Office of Legislative and Intergovernmental Services.
- 18 (l) Office of Human Resource Management.
- 19 1. Division of Human Resource Administration.
- 20 2. Division of Employee Management.
- 21 (m) Department of Public Advocacy.
- 22 (n) Office of Communications.
- 23 1. Information Technology Services Division.
- 24 (o) Office of Financial Management Services.
- 25 1. Division of Financial Management.
- 26 (p) Grants Management Division.
- 27 (2) Energy and Environment Cabinet:

- 1 (a) Office of the Secretary.
- 2 1. Office of Legislative and Intergovernmental Affairs.
- 3 2. Office of Legal Services.
- 4 a. Legal Division I.
- 5 b. Legal Division II.
- 6 3. Office of Administrative Hearings.
- 7 4. Office of Communication.
- 8 5. Mine Safety Review Commission.
- 9 6. Office of Kentucky Nature Preserves.
- 10 7. Kentucky Public Service Commission.
- 11 (b) Department for Environmental Protection.
- 12 1. Office of the Commissioner.
- 13 2. Division for Air Quality.
- 14 3. Division of Water.
- 15 4. Division of Environmental Program Support.
- 16 5. Division of Waste Management.
- 17 6. Division of Enforcement.
- 18 7. Division of Compliance Assistance.
- 19 (c) Department for Natural Resources.
- 20 1. Office of the Commissioner.
- 21 2. Division of Mine Permits.
- 22 3. Division of Mine Reclamation and Enforcement.
- 23 4. Division of Abandoned Mine Lands.
- 24 5. Division of Oil and Gas.
- 25 6. Division of Mine Safety.
- 26 7. Division of Forestry.
- 27 8. Division of Conservation.

- 1 9. Office of the Reclamation Guaranty Fund.
- 2 (d) Office of Energy Policy.
- 3 1. Division of Energy Assistance.
- 4 (e) Office of Administrative Services.
- 5 1. Division of Human Resources Management.
- 6 2. Division of Financial Management.
- 7 3. Division of Information Services.
- 8 (3) Public Protection Cabinet.
- 9 (a) Office of the Secretary.
- 10 1. Office of Communications and Public Outreach.
- 11 2. Office of Legal Services.
- 12 a. Insurance Legal Division.
- 13 b. Alcoholic Beverage Control Legal Division.
- 14 c. Housing, Buildings and Construction Legal Division.
- 15 d. Financial Institutions Legal Division.
- 16 e. Professional Licensing Legal Division.
- 17 3. Office of Administrative Hearings.
- 18 4. Office of Administrative Services.
- 19 a. Division of Human Resources.
- 20 b. Division of Fiscal Responsibility.
- 21 (b) Office of Claims and Appeals.
- 22 1. Board of Tax Appeals.
- 23 2. Board of Claims.
- 24 3. Crime Victims Compensation Board.
- 25 (c) Kentucky Boxing and Wrestling Commission.
- 26 (d) Department of Alcoholic Beverage Control.
- 27 1. Division of Distilled Spirits.

- 1 2. Division of Malt Beverages.
- 2 3. Division of Enforcement.
- 3 4. Division of Tobacco, Nicotine, and Vapor Product Licensing.
- 4 (e) Department of Financial Institutions.
- 5 1. Division of Depository Institutions.
- 6 2. Division of Non-Depository Institutions.
- 7 3. Division of Securities.
- 8 (f) Department of Housing, Buildings and Construction.
- 9 1. Division of Fire Prevention.
- 10 2. Division of Plumbing.
- 11 3. Division of Heating, Ventilation, and Air Conditioning.
- 12 4. Division of Building Code Enforcement.
- 13 (g) Department of Insurance.
- 14 1. Division of Health and Life Insurance and Managed Care.
- 15 2. Division of Property and Casualty Insurance.
- 16 3. Division of Administrative Services.
- 17 4. Division of Financial Standards and Examination.
- 18 5. Division of Licensing.
- 19 6. Division of Insurance Fraud Investigation.
- 20 7. Division of Consumer Protection.
- 21 (h) Department of Professional Licensing.
- 22 1. Real Estate Authority.
- 23 2. Division of Real Property Boards.
- 24 (4) Transportation Cabinet:
- 25 (a) Department of Highways.
- 26 1. Office of Project Development.
- 27 2. Office of Project Delivery and Preservation.

- 1 3. Office of Highway Safety.
- 2 4. Highway District Offices One through Twelve.
- 3 (b) Department of Vehicle Regulation.
- 4 (c) Department of Aviation.
- 5 (d) Department of Rural and Municipal Aid.
 - 6 1. Office of Local Programs.
 - 7 2. Office of Rural and Secondary Roads.
 - 8 (e) Office of the Secretary.
 - 9 1. Office of Public Affairs.
 - 10 2. Office for Civil Rights and Small Business Development.
 - 11 3. Office of Budget and Fiscal Management.
 - 12 4. Office of Inspector General.
 - 13 5. Secretary's Office of Safety.
 - 14 (f) Office of Support Services.
 - 15 (g) Office of Transportation Delivery.
 - 16 (h) Office of Audits.
 - 17 (i) Office of Human Resource Management.
 - 18 (j) Office of Information Technology.
 - 19 (k) Office of Legal Services.
 - 20 (5) Cabinet for Economic Development:
 - 21 (a) Office of the Secretary.
 - 22 1. Office of Legal Services.
 - 23 2. Department for Business and Community Development.
 - 24 a. Development and Retention Division – West Kentucky.
 - 25 b. Development, Retention, and Administrative Division –
 - 26 Central and East Kentucky.
 - 27 c. Community and Workforce Development Division.

- 1 3. Department for Financial Services.
- 2 a. Kentucky Economic Development Finance Authority.
- 3 b. Finance and Personnel Division.
- 4 c. IT and Resource Management Division.
- 5 d. Compliance Division.
- 6 e. Program Administration Division.
- 7 f. Bluegrass State Skills Corporation.
- 8 g. The GRANT Commission.
- 9 4. Office of Strategy and Public Affairs.
- 10 a. Marketing and Communications Division.
- 11 b. Research and Strategy Division.
- 12 5. Office of Entrepreneurship and Innovation.
- 13 a. Commission on Small Business Innovation and Advocacy.
- 14 6. Kentucky Entertainment Commission~~[Film Office]~~.
- 15 a. Kentucky Entertainment~~[Film]~~ Leadership Council.
- 16 (6) Cabinet for Health and Family Services:
- 17 (a) Office of the Secretary.
- 18 1. Office of Public Affairs.
- 19 2. Office of Legal Services.
- 20 3. Office of Inspector General.
- 21 4. Office of Human Resource Management.
- 22 5. Office of Finance and Budget.
- 23 6. Office of Legislative and Regulatory Affairs.
- 24 7. Office of Administrative Services.
- 25 8. Office of Application Technology Services.
- 26 9. Office of Data Analytics.
- 27 10. Office of Medical Cannabis.

- 1 a. Division of Enforcement and Compliance.
- 2 b. Division of Licensure and Access.
- 3 (b) Department for Public Health.
- 4 (c) Department for Medicaid Services.
- 5 (d) Department for Behavioral Health, Developmental and Intellectual
- 6 Disabilities.
- 7 (e) Department for Aging and Independent Living.
- 8 (f) Department for Community Based Services.
- 9 (g) Department for Family Resource Centers and Volunteer Services.
- 10 (7) Finance and Administration Cabinet:
- 11 (a) Office of the Secretary.
- 12 (b) Office of the Inspector General.
- 13 (c) Office of Legislative and Intergovernmental Affairs.
- 14 (d) Office of General Counsel.
- 15 (e) Office of the Controller.
- 16 (f) Office of Administrative Services.
- 17 (g) Office of Policy and Audit.
- 18 (h) Department for Facilities and Support Services.
- 19 (i) Department of Revenue.
- 20 (j) Commonwealth Office of Technology.
- 21 (k) State Property and Buildings Commission.
- 22 (l) Office of Equal Employment Opportunity and Contract Compliance.
- 23 (m) Kentucky Employees Retirement Systems.
- 24 (n) Commonwealth Credit Union.
- 25 (o) State Investment Commission.
- 26 (p) Kentucky Housing Corporation.
- 27 (q) Kentucky Local Correctional Facilities Construction Authority.

- 1 (r) Kentucky Turnpike Authority.
- 2 (s) Historic Properties Advisory Commission.
- 3 (t) Kentucky Higher Education Assistance Authority.
- 4 (u) Kentucky River Authority.
- 5 (v) Kentucky Teachers' Retirement System Board of Trustees.
- 6 (w) Executive Branch Ethics Commission.
- 7 (x) Office of Fleet Management.
- 8 (8) Tourism, Arts and Heritage Cabinet:
 - 9 (a) Kentucky Department of Tourism.
 - 10 1. Division of Tourism Services.
 - 11 2. Division of Marketing and Administration.
 - 12 3. Division of Communications and Promotions.
 - 13 (b) Kentucky Department of Parks.
 - 14 1. Division of Information Technology.
 - 15 2. Division of Human Resources.
 - 16 3. Division of Financial Operations.
 - 17 4. Division of Purchasing.
 - 18 5. Division of Facilities.
 - 19 6. Division of Park Operations.
 - 20 7. Division of Sales, Marketing, and Customer Service.
 - 21 8. Division of Engagement.
 - 22 9. Division of Food Services.
 - 23 10. Division of Rangers.
 - 24 (c) Department of Fish and Wildlife Resources.
 - 25 1. Division of Law Enforcement.
 - 26 2. Division of Administrative Services.
 - 27 3. Division of Engineering, Infrastructure, and Technology.

- 1 4. Division of Fisheries.
- 2 5. Division of Information and Education.
- 3 6. Division of Wildlife.
- 4 7. Division of Marketing.
- 5 (d) Kentucky Horse Park.
 - 6 1. Division of Support Services.
 - 7 2. Division of Buildings and Grounds.
 - 8 3. Division of Operational Services.
- 9 (e) Kentucky State Fair Board.
 - 10 1. Office of Administrative and Information Technology Services.
 - 11 2. Office of Human Resources and Access Control.
 - 12 3. Division of Expositions.
 - 13 4. Division of Kentucky Exposition Center Operations.
 - 14 5. Division of Kentucky International Convention Center.
 - 15 6. Division of Public Relations and Media.
 - 16 7. Division of Venue Services.
 - 17 8. Division of Personnel Management and Staff Development.
 - 18 9. Division of Sales.
 - 19 10. Division of Security and Traffic Control.
 - 20 11. Division of Information Technology.
 - 21 12. Division of the Louisville Arena.
 - 22 13. Division of Fiscal and Contract Management.
 - 23 14. Division of Access Control.
- 24 (f) Office of the Secretary.
 - 25 1. Office of Finance.
 - 26 2. Office of Government Relations and Administration.
- 27 (g) Office of Legal Affairs.

- 1 (h) Office of Human Resources.
- 2 (i) Office of Public Affairs and Constituent Services.
- 3 (j) Office of Arts and Cultural Heritage.
- 4 (k) Kentucky African-American Heritage Commission.
- 5 (l) Kentucky Foundation for the Arts.
- 6 (m) Kentucky Humanities Council.
- 7 (n) Kentucky Heritage Council.
- 8 (o) Kentucky Arts Council.
- 9 (p) Kentucky Historical Society.
- 10 1. Division of Museums.
- 11 2. Division of Oral History and Educational Outreach.
- 12 3. Division of Research and Publications.
- 13 4. Division of Administration.
- 14 (q) Kentucky Center for the Arts.
- 15 1. Division of Governor's School for the Arts.
- 16 (r) Kentucky Artisans Center at Berea.
- 17 (s) Northern Kentucky Convention Center.
- 18 (t) Eastern Kentucky Exposition Center.
- 19 (9) Personnel Cabinet:
- 20 (a) Office of the Secretary.
- 21 (b) Department of Human Resources Administration.
- 22 (c) Office of Employee Relations.
- 23 (d) Kentucky Public Employees Deferred Compensation Authority.
- 24 (e) Office of Administrative Services.
- 25 (f) Office of Legal Services.
- 26 (g) Governmental Services Center.
- 27 (h) Department of Employee Insurance.

- 1 (i) Office of Diversity, Equality, and Training.
- 2 (j) Office of Public Affairs.
- 3 (10) Education and Labor Cabinet:
- 4 (a) Office of the Secretary.
- 5 1. Office of Legal Services.
- 6 a. Workplace Standards Legal Division.
- 7 b. Workers' Claims Legal Division.
- 8 c. Workforce Development Legal Division.
- 9 2. Office of Administrative Services.
- 10 a. Division of Human Resources Management.
- 11 b. Division of Fiscal Management.
- 12 c. Division of Operations and Support Services.
- 13 3. Office of Technology Services.
- 14 a. Division of Information Technology Services.
- 15 4. Office of Policy and Audit.
- 16 5. Office of Legislative Services.
- 17 6. Office of Communications.
- 18 7. Office of the Kentucky Center for Statistics.
- 19 8. Board of the Kentucky Center for Statistics.
- 20 9. Early Childhood Advisory Council.
- 21 10. Governors' Scholars Program.
- 22 11. Governor's School for Entrepreneurs Program.
- 23 12. Foundation for Adult Education.
- 24 (b) Department of Education.
- 25 1. Kentucky Board of Education.
- 26 2. Kentucky Technical Education Personnel Board.
- 27 3. Education Professional Standards Board.

- 1 (c) Board of Directors for the Center for School Safety.
- 2 (d) Department for Libraries and Archives.
- 3 (e) Kentucky Environmental Education Council.
- 4 (f) Kentucky Educational Television.
- 5 (g) Kentucky Commission on the Deaf and Hard of Hearing.
- 6 (h) Department of Workforce Development.
 - 7 1. Career Development Office.
 - 8 2. Office of Vocational Rehabilitation.
 - 9 a. Division of Kentucky Business Enterprise.
 - 10 b. Division of the Carl D. Perkins Vocational Training Center.
 - 11 c. Division of Blind Services.
 - 12 d. Division of Field Services.
 - 13 e. Statewide Council for Vocational Rehabilitation.
 - 14 f. Employment First Council.
 - 15 g. Division of Program Policy and Support.
 - 16 3. Office of Industry and Apprenticeship Services.
 - 17 a. Division of Apprenticeship.
 - 18 b. Division of Workforce Talent.
 - 19 4. Kentucky Apprenticeship Council.
 - 20 5. Division of Technical Assistance.
 - 21 6. Office of Adult Education.
 - 22 7. Office of the Kentucky Workforce Innovation Board.
- 23 (i) Department of Workplace Standards.
 - 24 1. Division of Occupational Safety and Health Compliance.
 - 25 2. Division of Occupational Safety and Health Education and
 - 26 Training.
 - 27 3. Division of Wages and Hours.

- 1 (j) Office of Unemployment Insurance.
- 2 (k) Kentucky Unemployment Insurance Commission.
- 3 (l) Department of Workers' Claims.
 - 4 1. Division of Workers' Compensation Funds.
 - 5 2. Office of Administrative Law Judges.
 - 6 3. Division of Claims Processing.
 - 7 4. Division of Security and Compliance.
 - 8 5. Division of Specialist and Medical Services.
 - 9 6. Workers' Compensation Board.
- 10 (m) Workers' Compensation Funding Commission.
- 11 (n) Kentucky Occupational Safety and Health Standards Board.
- 12 (o) State Labor Relations Board.
- 13 (p) Employers' Mutual Insurance Authority.
- 14 (q) Kentucky Occupational Safety and Health Review Commission.
- 15 (r) Workers' Compensation Nominating Committee.
- 16 (s) Office of Educational Programs.
- 17 (t) Kentucky Workforce Innovation Board.
- 18 (u) Kentucky Commission on Proprietary Education.
- 19 (v) Kentucky Work Ready Skills Advisory Committee.
- 20 (w) Kentucky Geographic Education Board.
- 21 (x) Department for Disability Determination Services.
 - 22 1. Division of Operations.
 - 23 2. Division of Support Services.
 - 24 3. Division of Specialized Cases.
 - 25 4. Division of Case Processing.
- 26 III. Other departments headed by appointed officers:
- 27 (1) Council on Postsecondary Education.

- 1 (2) Department of Military Affairs.
- 2 (3) Department for Local Government.
- 3 (4) Kentucky Commission on Human Rights.
- 4 (5) Kentucky Commission on Women.
- 5 (6) Department of Veterans' Affairs.
- 6 (7) Kentucky Commission on Military Affairs.
- 7 (8) Office of Minority Empowerment.
- 8 (9) Governor's Council on Wellness and Physical Activity.
- 9 (10) Kentucky Communications Network Authority.

10 ➔Section 4. KRS 141.383 is amended to read as follows:

11 (1) As used in this section:

- 12 (a) "Above-the-line production crew" has the same meaning as in KRS 154.61-
13 010;
- 14 (b) "Approved company" has the same meaning as in KRS 154.61-010;
- 15 (c) "Below-the-line production crew" has the same meaning as in KRS 154.61-
16 010;
- 17 (d) "Continuous film production" has the same meaning as in KRS 154.61-010;
- 18 (e) "Council" means the Kentucky Entertainment~~[Film]~~ Leadership Council
19 created in KRS 154.12-282;
- 20 (f) "Loan-out entity" has the same meaning as in KRS 154.61-010;
- 21 (g) "Qualifying expenditure" has the same meaning as in KRS 154.61-010;
- 22 (h) "Qualifying payroll expenditure" has the same meaning as in KRS 154.61-
23 010;
- 24 (i) "Secretary" has the same meaning as in KRS 154.61-010; and
- 25 (j) "Tax incentive agreement" has the same meaning as KRS 154.61-010.

26 (2) (a) There is hereby created a tax credit against the tax imposed under KRS
27 141.020 or 141.040 and 141.0401, with the ordering of credits as provided in

1 KRS 141.0205.

2 (b) The incentive available under paragraph (a) of this section is:

- 3 1. A refundable credit for applications approved prior to April 27, 2018;
- 4 2. A nonrefundable and nontransferable credit for applications approved on
- 5 or after April 27, 2018, but before January 1, 2022; and
- 6 3. A refundable credit for applications approved on or after January 1,
- 7 2022, if the provisions of paragraph (c) of this subsection are met.

8 (c) 1. The total tax incentive approved under KRS 154.61-020 shall be limited

9 to:

10 a. One hundred million dollars (\$100,000,000) for calendar year

11 2018 and each calendar year through the calendar year 2021;

12 b. Seventy-five million dollars (\$75,000,000) for the calendar year

13 2022 and each calendar year thereafter; and

14 c. Beginning with calendar year 2024, the amount in subdivision b.

15 of this subparagraph shall be allocated accordingly:

16 i. Twenty-five million dollars (\$25,000,000) shall be allocated

17 for all approved companies with a continuous film

18 production; and

19 ii. On the first day of April 2025, and on April 1 of each

20 calendar year thereafter, any unused balance allocated under

21 subpart i. of this subdivision for continuous film productions

22 shall be made available for all approved companies with a

23 motion picture or entertainment production.

24 2. To qualify for the refundable credit, all applicants shall:

25 a. Begin filming or production in Kentucky within six (6) months of

26 approval by the council; and

27 b. Complete filming or production in Kentucky within two (2) years

1 of their production start date.

2 (3) An approved company may receive a refundable tax credit if:

3 (a) The department has received notification from the council that the approved
4 company has satisfied all requirements of KRS 154.61-020 and 154.61-030;
5 and

6 (b) The approved company has provided a detailed cost report and sufficient
7 documentation to the council, which has been forwarded by the council to the
8 department, that:

9 1. The purchases of qualifying expenditures were made after the execution
10 of the tax incentive agreement; and

11 2. The approved company or loan-out entity has withheld income tax as
12 required by KRS 141.310 on all qualified payroll expenditures, and
13 remitted and certified the withheld amount to the department.

14 (4) Interest shall not be allowed or paid on any refundable credits provided under this
15 section.

16 (5) The department may promulgate administrative regulations under KRS Chapter
17 13A to administer this section.

18 (6) On or before September 1, 2010, and on or before each September 1 thereafter, for
19 the immediately preceding fiscal year, the department shall report to the council and
20 the Interim Joint Committee on Appropriations and Revenue the names of the
21 approved companies and the amounts of refundable income tax credit claimed.

22 (7) No later than September 1, 2021, and by November 1 every four (4) years
23 thereafter, the department and the Cabinet for Economic Development shall
24 cooperatively provide historical data related to the tax credit allowed in this section
25 and KRS 154.61-020 and 154.61-030, including data items beginning with tax
26 credits claimed for taxable years beginning on or after January 1, 2018:

27 (a) The name of the taxpayer claiming the tax credit;

- 1 (b) The date that the application was approved and the date the filming or
2 production was completed;
- 3 (c) The taxable year in which the taxpayer claimed the tax credit;
- 4 (d) The total amount of the tax credit, including any amount denied, any amount
5 applied against a tax liability, any amount refunded, and any amount
6 remaining that may be claimed on a return filed in the future;
- 7 (e) Whether the taxpayer is a Kentucky-based company as defined in KRS
8 154.61-010;
- 9 (f) Whether the taxpayer films or produces a:
- 10 1. Feature-length film, television program, or industrial film;
11 2. National touring production of a Broadway show; or
12 3. Documentary;
- 13 (g) Whether the filming or production was performed:
- 14 1. Entirely in an enhanced county; or
15 2. In whole or in part in any Kentucky county other than in an enhanced
16 incentive county;
- 17 (h) The amount of qualifying expenditures incurred by the taxpayer;
- 18 (i) The amount of qualifying payroll expenditures paid to:
- 19 1. Resident below-the-line crew; and
20 2. Nonresident below-the-line production crew;
21 including the number of crew members in each category;
- 22 (j) The amount of qualifying payroll expenditures paid to:
- 23 1. Resident above-the-line crew; and
24 2. Nonresident above-the-line crew;
25 including the number of crew members in each category; and
- 26 (k) A brief description of the type of motion picture or entertainment production
27 project.

1 (8) The information required to be reported under this section shall not be considered
2 confidential taxpayer information and shall not be subject to KRS Chapter 131 or
3 any other provisions of the Kentucky Revised Statutes prohibiting disclosure or
4 reporting of information.

5 ➔Section 5. KRS 154.61-010 is amended to read as follows:

6 As used in this subchapter:

- 7 (1) "Above-the-line production crew" means employees involved with the production
8 of a motion picture or entertainment production whose salaries are negotiated prior
9 to commencement of production, such as actors, directors, producers, and writers;
- 10 (2) "Animated production" means a nationally distributed feature-length film created
11 with the rapid display of a sequence of images using 2-D or 3-D graphics of
12 artwork or model positions in order to create an illusion of movement;
- 13 (3) "Approved company" means an eligible company approved for incentives provided
14 under KRS 141.383 and 154.61-020;
- 15 (4) "Below-the-line production crew" means employees involved with the production
16 of a motion picture or entertainment production except above-the-line production
17 crew. "Below-the-line production crew" includes but is not limited to:
- 18 (a) Casting assistants;
 - 19 (b) Costume design;
 - 20 (c) Extras;
 - 21 (d) Gaffers;
 - 22 (e) Grips;
 - 23 (f) Location managers;
 - 24 (g) Production assistants;
 - 25 (h) Set construction staff; and
 - 26 (i) Set design staff;
- 27 (5) "Cabinet" means the Cabinet for Economic Development;

- 1 (6) "Commonwealth" means the Commonwealth of Kentucky;
- 2 (7) "Compensation" means compensation included in adjusted gross income as defined
3 in KRS 141.010;
- 4 (8) "Continuous film production" means a motion picture or entertainment production
5 that:
- 6 (a) 1. Has a projected budget of a minimum of ten million dollars
7 (\$10,000,000) per calendar year for qualifying expenditures and
8 qualifying payroll expenditures allocated to all qualifying motion picture
9 or entertainment productions to be filmed or produced in Kentucky, with
10 a minimum of one million five hundred thousand dollars (\$1,500,000)
11 per production in Kentucky; and
- 12 2. Has a minimum of fifty percent (50%) of the funds available and the
13 ability to raise the remaining funds necessary to complete the filming
14 and production, which may be verified by:
- 15 a. Bank statements or other financial documents; or
16 b. A fundraising plan at the request of the council;
- 17 (b) Demonstrates a distribution contract for each motion or entertainment
18 production;
- 19 (c) Films and produces a minimum of twelve (12) or more days per production
20 within the Commonwealth; and
- 21 (d) Maintains:
- 22 1. An apprenticeship program or on-the-job training program as defined in
23 KRS 343.010; or
- 24 2. Partners with a film studies program with an accredited institution of
25 postsecondary education located in the Commonwealth;
- 26 (9) "Council" means the Kentucky Entertainment~~[Film]~~ Leadership Council created in
27 KRS 154.12-282;

- 1 (10) "Documentary" means a production based upon factual information and not
2 subjective interjections;
- 3 (11) "Eligible company" means any person that intends to film or produce a motion
4 picture or entertainment production in the Commonwealth;
- 5 (12) "Employee" has the same meaning as in KRS 141.010, and, for purposes of this
6 subchapter, also may include the employees or independent contractors of an
7 approved company or the employees of a loan-out entity engaged by an approved
8 company if they meet the requirements of KRS 141.310;
- 9 (13) "Enhanced incentive county" has the same meaning as in KRS 154.32-010;
- 10 (14) "Feature-length film" means a live-action or animated production that is:
11 (a) More than thirty (30) minutes in length; and
12 (b) Produced for distribution in theaters or via digital format, including but not
13 limited to DVD, Internet, or mobile electronic devices;
- 14 (15) "Industrial film" means a business-to-business film that may be viewed by the
15 public, including but not limited to videos used for training or for viewing at a trade
16 show;
- 17 (16) "Kentucky-based company" has the same meaning as in KRS 164.6011;
- 18 (17) "Loan-out entity" means a corporation, partnership, limited liability company, or
19 other entity through which an artist or other person is loaned out to perform services
20 for the approved company. A loan-out entity shall be registered and in good
21 standing with the Kentucky Secretary of State. Notwithstanding the business
22 organization, the loan-out entity and all employees of and other persons performing
23 services for the loan-out entity shall be subject to all applicable provisions of the
24 Kentucky personal income tax and any applicable payroll or other tax provisions;
- 25 (18) (a) "Motion picture or entertainment production" means:
26 1. The following if filmed in whole or in part, or produced in whole or in
27 part, in the Commonwealth:

- 1 a. A feature-length film;
- 2 b. A television program;
- 3 c. An industrial film; or
- 4 d. A documentary; or
- 5 2. A national touring production of a Broadway show produced in
- 6 Kentucky.
- 7 (b) "Motion picture or entertainment production" does not include the filming or
- 8 production of obscene material or television coverage of news or athletic
- 9 events;
- 10 (19) "Obscene" has the same meaning as in KRS 531.010;
- 11 (20) "Person" has the same meaning as in KRS 141.010;
- 12 (21) (a) "Qualifying expenditure" means expenditures made in the Commonwealth for
- 13 the following if directly used in or for a motion picture or entertainment
- 14 production:
- 15 1. The production script and synopsis;
- 16 2. Set construction and operations, wardrobe, accessories, and related
- 17 services;
- 18 3. Lease or rental of real property in Kentucky as a set location;
- 19 4. Photography, sound synchronization, lighting, and related services;
- 20 5. Editing and related services;
- 21 6. Rental of facilities and equipment;
- 22 7. Vehicle leases;
- 23 8. Food; and
- 24 9. Accommodations.
- 25 (b) "Qualifying expenditure" does not include Kentucky sales and use tax paid by
- 26 the approved company on the qualifying expenditure;
- 27 (22) "Qualifying payroll expenditure" means compensation paid to above-the-line crew

1 and below-the line crew while working on a motion picture or entertainment
2 production in the Commonwealth if the compensation is for services performed in
3 the Commonwealth;

4 (23) "Resident" has the same meaning as in KRS 141.010;

5 (24) "Secretary" means the secretary of the Cabinet for Economic Development;

6 (25) "Tax incentive agreement" means the agreement entered into pursuant to KRS
7 154.61-030 between the council and the approved company; and

8 (26) "Television program" means any live-action or animated production or
9 documentary, including but not limited to:

10 (a) An episodic series;

11 (b) A miniseries;

12 (c) A television movie; or

13 (d) A television pilot;

14 that is produced for distribution on television via broadcast, cable, or any digital
15 format, including but not limited to cable, satellite, internet, or mobile electronic
16 devices.

17 ➔Section 6. The Kentucky Film Leadership Council shall create and implement
18 the Kentucky Music Cities Together Pilot Program to facilitate the participation of local
19 communities statewide in strengthening their local music economies.

20 (1) The pilot program shall be a two-year program beginning the effective date of
21 this Act. During year one, the council shall engage with six to eight communities. During
22 year two, the council shall engage with an additional four or five communities. The
23 council shall engage with a total 10 to 13 communities statewide during the length of the
24 pilot program.

25 (2) As part of the pilot program, the council may include the following activities:

26 (a) Peer-learning, cohort studies;

27 (b) Community-specific technical assistance;

- 1 (c) Statewide workshops and seminars;
 - 2 (d) Baseline music ecosystem data collection; and
 - 3 (e) Entrepreneurship development.
- 4 (3) The council shall submit its findings and legislative recommendations in a
- 5 report to the Legislative Research Commission no later than December 1, 2028, for
- 6 referral to the Interim Joint Committees on Economic Development and Workforce
- 7 Investment and Appropriations and Revenue in advance of the 2029 Regular Session of
- 8 the General Assembly.