

1 AN ACT relating to cities.

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

3 ➔Section 1. KRS 65.504 is amended to read as follows:

- 4 (1) ~~[Notwithstanding KRS 6.945,]~~Beginning in the calendar year following the full
5 receipt of the initial funds statutorily required to be invested by private sector
6 investors, a consolidated local government, and the Commonwealth to the West
7 End Opportunity Partnership and continuing for twenty (20) years, eighty percent
8 (80%) of the incremental revenues shall be pledged to the West End Opportunity
9 Partnership by a consolidated local government and the Commonwealth.
- 10 (2) A local participation agreement shall be executed between the West End
11 Opportunity Partnership and the governing body involved in providing financing or
12 pledging incremental revenues to support the implementation of a development plan
13 in a development area.
- 14 (3) The local participation agreement shall be adopted by the governing body by
15 ordinance and shall include but not be limited to the following provisions:
- 16 (a) Identification of the parties to the local participation agreement and the duties
17 and responsibilities of each entity under the agreement;
- 18 (b) Specific identification of the incremental revenues released or pledged by type
19 of tax by each taxing district;
- 20 (c) The anticipated benefit to be received by each taxing district for the release or
21 pledge, including a detailed summary of old revenues collected;
- 22 (d) A requirement that pledged incremental revenues shall be accounted for
23 within a separate account under KRS 65.505;
- 24 (e) Terms of default and remedies, provided that no remedy shall permit the
25 withholding by any party to the local participation agreement of any
26 incremental revenues pledged to the special fund if increment bonds are
27 outstanding that are secured by a pledge of those incremental revenues;

1 (f) The commencement date, activation date, and termination date; and

2 (g) Any other provisions not inconsistent with KRS 65.500 to 65.506.

3 (4) Any pledge of incremental revenues in a local participation agreement shall be
4 superior to any other pledge of revenues for any other purpose and shall, from the
5 activation date to the termination date set forth in the local participation agreement,
6 supersede any statute, ordinance, or resolution regarding the application or use of
7 incremental revenues. An ordinance in conflict with a local participation agreement
8 shall not be adopted while any increment bonds secured by that pledge remain
9 outstanding. Ordinances or resolutions pledging incremental revenues on a
10 subordinate basis to any existing pledges may be adopted.

11 (5) The local participation agreement established under this section and the
12 development area established under KRS 65.501 shall not be included in the
13 percentage calculation established by KRS 65.7049(2).

14 (6) Notwithstanding KRS 65.7049(2), the local participation agreement shall permit
15 residential property located within the development area to be eligible for
16 participation in a program granting property assessment or reassessment
17 moratoriums pursuant to KRS 99.600 when the incremental revenues related to that
18 residential property have not been pledged to support a tax increment financing
19 project established under KRS 65.490 to 65.499, 65.680 to 65.699, or 65.7041 to
20 65.7083 or an economic development project within the development area.

21 ➔Section 2. The following KRS section is repealed:

22 6.945 Restriction of General Assembly's authority to require cities to make expenditures
23 or levy taxes.