

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2024 REGULAR SESSION**

MEASURE

2024 BR NUMBER 1581

HOUSE BILL NUMBER 524

TITLE AN ACT relating to the establishment of a grant program to promote investments in Kentucky businesses, making an appropriation therefor, and declaring an emergency.

SPONSOR Representative John Blanton

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Cabinet for Economic Development

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED Rural Jobs Development Fund

FISCAL ESTIMATES	2023-2024	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		Indeterminable	Indeterminable	
EXPENDITURES		General Fund \$50.4 million	General Fund \$440,000	General Fund \$440,000
NET EFFECT		General Fund (\$50.4 million)	General Fund (\$440,000)	General Fund (\$440,000)

() indicates a decrease/negative

PURPOSE OF MEASURE: The purpose of this measure is to establish the Kentucky Rural Jobs Act of 2024; require the Cabinet for Economic Development (CED) to accept applications from entities seeking approval as a growth fund; require no more than \$50 million in grant funds be awarded as state matching capital for investments in growth businesses; and establish the Rural Jobs Development Fund that includes a \$50 million appropriation.

FISCAL EXPLANATION: The provisions of this legislation establish the operational requirements for the Kentucky Rural Jobs Act of 2024 within the CED, and establish the Rural Jobs Development Fund that appropriates \$50 million in fiscal year 2025 for the state matching capital. In addition to the appropriation, the CED will need \$440,000 annually to hire three additional staff positions for administrative oversight and additional operations costs.

Entities seeking approval as a growth fund are required to pay an application fee of \$5,000. The application fees will be used by CED to offset administrative costs.

DATA SOURCE(S): Cabinet for Economic Development; LRC Staff

PREPARER: Kevin Newton; Sarah Watts **NOTE NUMBER:** 73 **REVIEW:** JB **DATE:** 2/26/2024