

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2026 REGULAR SESSION**

MEASURE

2026 BR NUMBER 1190

SENATE BILL NUMBER 57/SCS 1

TITLE AN ACT relating to nuclear energy development.

SPONSOR Senator Danny Carroll

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

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

APPROPRIATION UNIT(S) IMPACTED: _____

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

| FISCAL ESTIMATES | 2025-2026 | 2026-2027 | 2027-2028 | ANNUAL IMPACT AT FULL IMPLEMENTATION |
|---------------------|-----------|-----------|-----------|--|
| REVENUES | | | | |
| EXPENDITURES | | | | |
| NET EFFECT | | | | |

() indicates a decrease/negative

PURPOSE OF MEASURE: The measure establishes a new section of KRS Chapter 164 that directs the Kentucky Nuclear Energy Development Authority to create and implement the Nuclear Reactor Site Readiness Pilot Program. The Pilot Program will facilitate federal permitting and licensing of new nuclear energy facilities in the Commonwealth. The measure directs the Authority to develop the application process, set eligibility requirements, and establish a scoring system. The measure authorizes the General Assembly to award grants to eligible applicants for up to one-third of the costs associated with obtaining early site permits, construction permits, or operating licenses, capped at \$25,000,000 per project.

Under this measure, applicants must secure a surety bond or equivalent security for the full grant amount to guarantee repayment. Recipients must repay all grant funds within 60 days if they miss permit/construction milestones or transfer project interests without approval.

The measure establishes a new section of KRS Chapter 278 that allows the Public Service Commission to authorize regulated utilities to recover costs associated with nuclear permitting and maintaining a surety bond through rate adjustments. Cost recovery is limited to expenses not already offset by state grant funding.

The measure amends KRS 154.32-010 to include the development and siting of nuclear energy facilities within the eligibility scope for state economic development incentives.

The measure amends KRS 164.2802 to incorporate the Nuclear Reactor Site Readiness Pilot Program into the Authority's mission. The measure mandates 20 annual training hours for advisory board members, authorizes the use of third-party consultants, and includes scores and recommendations related to Nuclear Reactor Site Readiness Pilot program applicants in the annual progress report to the LRC by December 1 each year.

FISCAL EXPLANATION: Expanding the Kentucky Business Investment (KBI) Program to include the development and siting of nuclear energy facilities broadens the scope of eligible companies under the incentive program. Approved KBI projects may tax credits up to 100 percent of receive corporate income or limited liability entity tax liability arising from the project. In addition, companies may qualify for wage assessment incentives of up to 100 percent (in enhanced incentive counties) of the Kentucky individual income tax rate, depending on the terms of the agreement.

According to the International Atomic Energy Agency (IAEA), the average construction time for nuclear reactors in the United States since 1991 has been approximately 248 months (20.6 years), measured from first concrete to grid connection. This timeframe does not include pre-construction activities such as permitting, licensing, and site selection, which can add several additional years. Federal reforms, including the Nuclear Energy Innovation and Modernization Act and Executive Order 14300, establish milestone schedules intended to complete new reactor application reviews within 18 months of a finalized submission.

To the extent that an approved company meets the minimum KBI hiring and wage thresholds during the early siting and development phase of a project, some wage assessments could be realized in the current biennium. However, given the historically lengthy permitting and construction timelines associated with nuclear facilities, any potential negative fiscal impact to the General Fund from expanded KBI eligibility would likely occur outside the current biennium.

This measure is estimated to have no fiscal impact. The provisions do not require the appropriation of funds, and administrative duties will be absorbed within existing resources. While the measure authorizes the General Assembly to award grants of up to \$25,000,000 per project, it does not appropriate any funds for this purpose; any future grant awards would be subject to a separate appropriation.

DATA SOURCE(S): LRC Staff; International Atomic Energy Agency, Nuclear Power Reactors in the World 2003; Federal Register, Executive Order 14300.

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