

1 AN ACT relating to property in a development area.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO  
4 READ AS FOLLOWS:

5 *(1) The General Assembly finds and declares the following:*

6 *(a) The development area, the west end of Louisville, which includes the*  
7 *communities of Parkland, Shawnee, Park Duvalle, Russell, Portland,*  
8 *California, Chickasaw, Park Hill, and Algonquin, has been the home of*  
9 *many prominent African-Americans, including being the boyhood home of*  
10 *Muhammad Ali;*

11 *(b) The development area possesses a rich history of African-American life,*  
12 *including thriving restaurants, theatres, and other minority-owned*  
13 *businesses. That history also includes the presence of the Western Branch*  
14 *of the Louisville Free Public Library, at 10th St. and Chestnut, America's*  
15 *first public library open to African-Americans, which opened in 1908;*

16 *(c) The development area continues to be the home of thousands of African-*  
17 *Americans who live and work in the Commonwealth and desire to build a*  
18 *better future for themselves, their families, and the generations that follow;*

19 *(d) The current challenging economic times combined with the*  
20 *intergenerational effects of years of racial prejudice and segregation have*  
21 *hindered the economic progress of African-Americans;*

22 *(e) The development area currently has a low percentage of owner-occupied*  
23 *homes, problems with vacant and abandoned housing, and a dearth of*  
24 *strategic economic planning and investment;*

25 *(f) Fifty percent (50%) of households within the development area have an*  
26 *annual gross income of less than twenty-five thousand one hundred thirty*  
27 *dollars (\$25,130), and individuals under the age of eighteen (18) or over the*

1 age of sixty-five (65) make up approximately thirty-eight and one-tenth  
 2 percent (38.1%) of the population;

3 (g) In the development area, thirty-nine and six-tenths percent (39.6%) of the  
 4 population lives below the federal poverty level and children make up thirty-  
 5 seven and four-tenths percent (37.4%) of all individuals below the poverty  
 6 line; and

7 (h) In addition to many nonprofits working in the development area to improve  
 8 the quality of life of residents, African-American leaders and other  
 9 Louisville community leaders and philanthropists have recently united to  
 10 envision a public-private partnership to make investments promoting  
 11 economic growth and the long-term wellbeing of the community, while  
 12 simultaneously supporting policies to guard against displacement of  
 13 residents as growth proceeds.

14 (2) The General Assembly enacts Sections 1 to 7 and 8 of this Act to support the  
 15 revitalization of and investment in the development area.

16 (3) It is the intent of the General Assembly that if any part of Sections 1 to 7 or 8 of  
 17 this Act is held unconstitutional, the remaining parts shall remain in force.

18 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO  
 19 READ AS FOLLOWS:

20 As used in Sections 1 to 7 of this Act:

21 (1) "Affiliated" means the following:

22 (a) Members of a family, including brothers and sisters of the whole or half  
 23 blood, spouse, parents, grandparents, ancestors, and other lineal  
 24 descendants of an individual;

25 (b) An individual and a corporation, if more than ten percent (10%) in value of  
 26 the outstanding stock of which is owned, directly or indirectly, by or for that  
 27 individual;

- 1        (c) An individual and a limited liability company or a partnership, if more than  
2            ten percent (10%) of the capital interest or profits are owned or controlled,  
3            directly or indirectly, by or for that individual; or
- 4        (d) An individual and a trust, if the individual is a grantor, fiduciary, or  
5            beneficiary of the trust;
- 6        (2) "Board" means the Board of the West End Opportunity Partnership;
- 7        (3) "Development area" means a region within a consolidated local government  
8            bounded by:
- 9            (a) To the south, Algonquin Parkway to the Seventh Street south intersection;  
10          (b) To the east, Ninth Street south to the Seventh Street south intersection and  
11            then Seventh Street south to Algonquin Parkway; and
- 12          (c) The Ohio River to the north and west;
- 13        (4) "Governing body" means the body possessing legislative authority in a  
14            consolidated local government;
- 15        (5) "Incremental revenues" means the amount of revenues received by:
- 16            (a) A consolidated local government, determined by subtracting old revenues  
17            from new revenues in a calendar year with respect to the development area;  
18            and
- 19            (b) The Commonwealth, determined by subtracting old revenues from new  
20            revenues in a calendar year with respect to the development area;
- 21        (6) "Local tax revenues" means revenues derived by a consolidated local  
22            government from one (1) or more of the following sources:
- 23            (a) Real property ad valorem taxes, excluding any taxes not assessed while a  
24            property is participating in an assessment or reassessment moratorium  
25            program under KRS 99.600; and
- 26            (b) Occupational license taxes, excluding occupational license taxes that have  
27            already been pledged to support an economic development project within

1 the development area;

2 (7) "New revenues" means the amount of:

3 (a) Local tax revenues received by a consolidated local government with respect  
4 to the development area in any calendar year beginning with the calendar  
5 year described under subsection (4) of Section 5 of this Act; and

6 (b) State tax revenues received by the Commonwealth with respect to the  
7 development area in any calendar year beginning with the calendar year  
8 described under subsection (4) of Section 5 of this Act;

9 (8) "Old revenues" means the amount of:

10 (a) Local tax revenues received by a consolidated local government with respect  
11 to the development area in any calendar year beginning with the calendar  
12 year immediately preceding the calendar year described under subsection  
13 (4) of Section 5 of this Act; and

14 (b) State tax revenues received by the Commonwealth with respect to the  
15 development area in any calendar year beginning with the calendar year  
16 immediately preceding the calendar year described under subsection (4) of  
17 Section 5 of this Act; and

18 (9) "State tax revenues" means revenues received by the Commonwealth from one  
19 (1) or more of the following sources:

20 (a) State real property ad valorem taxes, excluding any taxes not assessed while  
21 a property is participating in an assessment or reassessment moratorium  
22 program under KRS 99.600;

23 (b) Individual income taxes required to be withheld by an employer as required  
24 under KRS 141.310, other than individual income taxes that have already  
25 been pledged to support an economic development project within the  
26 development area;

27 (c) Sales taxes levied under KRS 139.200, excluding sales taxes already pledged

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for:

1. Approved tourism attraction projects, as defined in KRS 148.851, within the development area; and
2. Projects which are approved for sales tax refunds under Subchapter 20 of KRS Chapter 154 within the development area.

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO READ AS FOLLOWS:

- (1) The West End Opportunity Partnership is hereby created and shall be a public corporation and a public body corporate and politic, with the powers and duties in its corporate name to:
- (a) Have a corporate seal;
  - (b) Sue and be sued;
  - (c) Make or execute contracts and other instruments necessary or convenient to the exercise of its powers;
  - (d) Make, and from time to time amend and repeal, bylaws and procedures, including a policy and procedure for replacing any institution that has a permanent seat on the board, should an institution cease to exist or change corporate form, in order to effect the purposes of Sections 1 to 7 and 8 of this Act;
  - (e) Hire and maintain personnel as may be required;
  - (f) Borrow from and accept loans and grants from the federal, state, local jurisdictions, or any agency thereof, or from any sources, public or private, and to pledge such security as may be required;
  - (g) Invest any funds held in reserves or any funds not required for immediate disbursements, in property or securities in which savings banks may legally invest funds subject to their control;
  - (h) Purchase its bonds at a price not more than the principal amount thereof

- 1           and accrued interest, and all bonds so purchased to be canceled;
- 2           (i) Plan initiatives within the development area;
- 3           (j) Invest in projects and neighborhood-based or neighborhood-directed  
4           initiatives led by other organizations seeking to invest within the  
5           development area;
- 6           (k) Make loans to businesses, individuals, or other organizations seeking to  
7           invest within the development area;
- 8           (l) Receive proceeds from loans and grants;
- 9           (m) Purchase, acquire, own, hold, and dispose of all real and personal property  
10           necessary for carrying out its corporate purposes;
- 11           (n) Invest in projects that create affordable housing within the development  
12           area;
- 13           (o) Communicate with the advisory council established in Section 7 of this Act  
14           to seek specific knowledge about the community; and
- 15           (p) Exercise any power, duties, and requirements for carrying out its corporate  
16           purposes under Sections 1 to 7 and 8 of this Act.
- 17           (2) The purpose of the West End Opportunity Partnership shall be to:
- 18           (a) Manage and support the revitalization of and investment in the development  
19           area, with a focus on projects supported by residents and businesses within  
20           the development area;
- 21           (b) Encourage private investment in businesses and residential projects that  
22           will have a significant impact within the development area;
- 23           (c) Ensure that all housing projects include the creation of housing that is  
24           deemed affordable in accordance with federal guidelines for low-income  
25           families;
- 26           (d) Create an account for the incremental tax increases collected from property  
27           owners of residential property located within the development area; and

1 (e) Create an account to make home improvements for existing property  
 2 owners of residential property located within the development area.

3 (3) The West End Opportunity Partnership shall comply with KRS 61.800 to 61.850  
 4 and 61.870 to 81.884.

5 (4) (a) Except as provided in paragraph (b) of this subsection, during the calendar  
 6 years described under subsection (4) of Section 5 of this Act, the West End  
 7 Opportunity Partnership shall be responsible for advancing funds to the  
 8 owner of residential property in a revitalization area as defined in Section 8  
 9 of this Act. The advanced funds shall be in an amount that is equal to the  
 10 portion of real property taxes assessed on the property that is above the  
 11 amount of real property taxes paid by the owner on the property in 2021.  
 12 The board shall establish and make public an easy and convenient  
 13 administrative process for residents to receive the advanced funds prior to  
 14 the expiration of the two percent (2%) discount permitted by KRS 134.015.

15 (b) The West End Opportunity Partnership shall receive in full the initial funds  
 16 required from private sector investors, the consolidated local government,  
 17 and the Commonwealth before advancing funds to property owners as  
 18 required by paragraph (a) of this subsection.

19 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO  
 20 READ AS FOLLOWS:

21 (1) The West End Opportunity Partnership shall be governed by a board. The board  
 22 shall initially consist of the following members:

23 (a) One (1) member appointed by the Governor for a term of two (2) years;

24 (b) One (1) member appointed by the mayor of a consolidated local government  
 25 for a term of two (2) years;

26 (c) One (1) member of the legislative council of the consolidated local  
 27 government appointed by its members for a term of three (3) years;

1 (d) A representative of the University of Louisville appointed by its board of  
2 trustees for a term of three (3) years;

3 (e) A representative of Simmons College of Kentucky appointed by its board of  
4 trustees for a term of three (3) years; and

5 (f) 1. The following shall be appointed by the Governor:

6 a. One (1) member from the NAACP of Louisville;

7 b. One (1) member from OneWest in Louisville;

8 c. One (1) member from Louisville Urban League;

9 d. One (1) member from the Federal Reserve Bank in Louisville;

10 e. One (1) member from the Volunteers of America Mid States in  
11 Louisville;

12 f. One (1) member from a locally based foundation with assets over  
13 one hundred million dollars (\$100,000,000); and

14 g. One (1) member from a bank with local assets greater than one  
15 billion dollars (\$1,000,000,000).

16 2. The initial appointments of the members described in subparagraph 1.  
17 of this paragraph shall be for terms as follows:

18 a. Two (2) members for a term of one (1) year;

19 b. Two (2) members for a term of two (2) years;

20 c. Two (2) members for a term of three (3) years; and

21 d. One (1) member for a term of four (4) years.

22 (2) The board shall include in its bylaws a process for appointing five (5) additional  
23 members from the nine (9) neighborhoods in the development area. The process  
24 shall:

25 (a) Ensure the five (5) members are each from a different neighborhood;

26 (b) Establish a rotation in the appointment of members so that each  
27 neighborhood has an equal opportunity to have a resident appointed as a



- 1           member of the board;
- 2           (c) Require that, at all times, at least one (1) of the five (5) members  
3           representing the neighborhoods shall be between the ages of eighteen (18)  
4           and thirty (30) at the time of appointment or reappointment; and
- 5           (d) Provide that the initial appointment of the members be for terms as follows:
- 6                 1. Three (3) members for a term of two (2) years; and  
7                 2. Two (2) members for a term of three (3) years.
- 8           (3) After expiration of the term limits provided in subsections (1) and (2) of this  
9           section, the board shall self-perpetuate. The makeup of the board shall remain  
10           the same unless an institution ceases to exist or changes corporate form. All  
11           successors of the representatives described in subsection (1) of this section shall  
12           serve four (4) year terms and all successors of the representatives described in  
13           subsection (2) of this section shall serve three (3) year terms. No individual shall  
14           serve more than two (2) consecutive terms.
- 15           (4) The head of economic development for the consolidated local government, or his  
16           or her designee, and the secretary of the Cabinet for Economic Development, or  
17           his or her designee, shall be nonvoting, ex officio members of the West End  
18           Opportunity Partnership;
- 19           (5) The membership of the board shall not exceed seventeen (17) voting members.
- 20           (6) The majority of the board's membership shall reflect the racial majority of the  
21           residents living in the development area.
- 22           (7) A chair of the board shall be selected annually from its members and shall have  
23           responsibility for board meeting agendas and presiding at board meetings.
- 24           (8) Members of the board shall be entitled only to reimbursement from the West End  
25           Opportunity Partnership for actual expenses incurred in the performance of their  
26           duties as a board member.
- 27           (9) A majority of the entire members of the board shall constitute a quorum, and all

1 actions of the board shall be by vote of a majority of its entire membership.  
 2 (10) A member of the board shall abstain from action on an official decision in which  
 3 he or she has or may have a personal or private interest, or if the member is  
 4 affiliated with any party conducting business with the West End Opportunity  
 5 Partnership, and shall disclose the existence of that personal or private interest or  
 6 affiliation in writing to the other members of the board on the same day on which  
 7 the member becomes aware that the interest or affiliation exists or that an official  
 8 decision may be under consideration by the board. The member which has or  
 9 may have a personal or private interest or affiliation shall be absent from all  
 10 meetings and votes in relation to the matter.

11 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO  
 12 READ AS FOLLOWS:

13 (1) A local participation agreement shall be executed between the West End  
 14 Opportunity Partnership and the governing body involved in providing financing  
 15 or pledging incremental revenues to support the implementation of a  
 16 development plan in a development area.

17 (2) The local participation agreement shall be adopted by the governing body by  
 18 ordinance and shall include but not be limited to the following provisions:

19 (a) Identification of the parties to the local participation agreement and the  
 20 duties and responsibilities of each entity under the agreement;

21 (b) Specific identification of the incremental revenues released or pledged by  
 22 type of tax by each taxing district;

23 (c) The anticipated benefit to be received by each taxing district for the release  
 24 or pledge, including a detailed summary of old revenues collected;

25 (d) A requirement that pledged incremental revenues shall be accounted for  
 26 within a separate account under Section 6 of this Act;

27 (e) Terms of default and remedies, provided that no remedy shall permit the

1 withholding by any party to the local participation agreement of any  
 2 incremental revenues pledged to the special fund if increment bonds are  
 3 outstanding that are secured by a pledge of those incremental revenues;

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

5 (g) Any other provisions not inconsistent with Sections 1 to 7 of this Act.

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

15 (4) The local participation agreement shall begin in the calendar year following the  
 16 full receipt of the initial funds required from private sector investors, the  
 17 consolidated local government, and the Commonwealth and shall continue for  
 18 thirty (30) years.

19 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO  
 20 READ AS FOLLOWS:

21 (1) All documentation, records, and release of incremental revenues relating to local  
 22 tax revenues shall be maintained and determined by the governing body.

23 (2) All documentation, records, and release of incremental revenues relating to state  
 24 tax revenues shall be maintained and determined by the Department of Revenue.

25 (3) Upon notice from the West End Opportunity Partnership, the governing body  
 26 obligated under a local participation agreement and the Department of Revenue  
 27 shall release to the West End Opportunity Partnership the incremental revenues

1 due.

2 (4) (a) The governing body and the Department of Revenue shall have no  
3 obligation to refund or otherwise return any of the incremental revenues to  
4 the taxpayer from whom the incremental revenues arose or are attributable.

5 (b) No additional incremental revenues resulting from audit, amended returns,  
6 or other activity for any period shall be transferred after the initial release  
7 to the West End Opportunity Partnership for that period.

8 (5) If the West End Opportunity Partnership issues bonds for development within the  
9 development area and incremental revenues have been pledged for that  
10 development, the West End Opportunity Partnership shall maintain a separate  
11 account to account for the:

12 (a) Bond proceeds received;

13 (b) Incremental revenues received; and

14 (c) Payment of debt charges of the bond.

15 (6) By August 1 of each year, the West End Opportunity Partnership shall provide an  
16 annual report to the Interim Joint Committee on Appropriations and Revenue the  
17 following information:

18 (a) The amounts of moneys received by private section investors, the  
19 consolidated local government, and the Commonwealth, including the party  
20 that made the payment;

21 (b) The annual financial statements of the West End Opportunity Partnership,  
22 including the current balances of all funds and accounts of the West End  
23 Opportunity Partnership;

24 (c) The total amount of state tax revenues and local tax revenues received by  
25 the West End Opportunity Partnership for the preceding year categorized by  
26 each type of tax;

27 (d) The operating expenditures incurred by the West End Opportunity

- 1           Partnership, including management fees, investment fees, legal fees, or  
 2           administrative fees incurred;  
 3           (e) A list of the projects supported by investments from the West End  
 4           Opportunity Partnership in the preceding year and a description of the  
 5           investment amount contributed by the West End Opportunity Partnership  
 6           for each project;  
 7           (f) The amount of bonds issued or other borrowed moneys received by the West  
 8           End Opportunity Partnership;  
 9           (g) Any personal or private interests or affiliated board members as described  
 10           in subsection (10) of Section 4 of this Act; and  
 11           (h) Upon request from the General Assembly copies of the West End  
 12           Opportunity Partnership's bylaws, and any contracts or agreements in  
 13           which the West End Opportunity Partnership is a party.

14           ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 65 IS CREATED TO  
 15 READ AS FOLLOWS:

- 16           (1) A West End Louisville Advisory Council is hereby established and shall be a  
 17           subcommittee of the West End Opportunity Partnership established in Section 3  
 18           of this Act. The council shall consist of one (1) resident from each of the nine (9)  
 19           different neighborhoods located within the development area.  
 20           (2) The members of the council shall serve four (4) year terms, except initial  
 21           appointments shall be for terms as follows:  
 22           (a) Two (2) members for a term of one (1) year;  
 23           (b) Three (3) members for a term of two (2) years;  
 24           (c) Three (3) members for a term of three (3) years; and  
 25           (d) One (1) member for a term of four (4) years.  
 26           (3) The Governor shall initially appoint the members of the council, but then the  
 27           council shall self-perpetuate.

1 **(4) The council shall:**

2 **(a) Elect its own chairperson and establish other officers as needed to execute**  
 3 **the duties of the council;**

4 **(b) Adopt bylaws and operate under its bylaws;**

5 **(c) Establish and evaluate goals and outcomes for economic development and**  
 6 **housing issues in the development area; and**

7 **(d) Assist the board with information about the development area community**  
 8 **and its economic development and housing project needs.**

9 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO  
 10 READ AS FOLLOWS:

11 **(1) As used in this section:**

12 **(a) "Development area" has the same meaning as in Section 2 of this Act; and**

13 **(b) "Residential property in a revitalization area" means residential property:**

14 **1. With a fair cash value that is one hundred percent (100%) of the**  
 15 **median value of the residential property located in the jurisdiction of**  
 16 **the consolidated local government;**

17 **2. Located in a development area; and**

18 **3. Maintained as the primary residence of the owner who owned the**  
 19 **property as of January 1, 2021, or as the primary residence of an**  
 20 **affiliated person described in subsection (1)(a) of Section 2 of this Act**  
 21 **who inherited the property from the person who owned it as of**  
 22 **January 1, 2021.**

23 **(2) Notwithstanding any other statute to the contrary, during the calendar years**  
 24 **described under subsection (4) of Section 5 of this Act, no taxing district shall**  
 25 **levy an ad valorem tax rate on residential property in a revitalization area that is**  
 26 **higher than fifty percent (50%) of the prevailing ad valorem tax rate levied by**  
 27 **that taxing district on other real property located in the jurisdiction of the**

1        **consolidated local government.**

2        ➔Section 9. This Act is effective only if 2021 Regular Session Bill Request

3        Number 1454 is enacted and becomes law.