

CHAPTER 3**(SB 5)**

AN ACT funding programs and projects for economic development projects exceeding a minimum investment of \$2,000,000,000, making an appropriation therefor, and declaring an emergency.

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

→Section 1. There is hereby appropriated from the Budget Reserve Trust Fund (KRS 48.705) to the Economic Development budget unit General Fund moneys in the amount of \$350,000,000 in fiscal year 2021-2022 for funding of Kentucky Economic Development Finance Authority forgivable loans ("KEDFA loans") for economic development projects with a minimum investment of \$2,000,000,000. Such forgivable loans may be offered as the net present value of and as a substitute for economic incentives offered under the Kentucky Business Investment program (KRS 154.32), the Kentucky Enterprise Initiative Act (KRS 154.31), and the Economic Development Fund program (KRS 154.12-100). Therefore, if such a loan is offered and awarded, the state will collect the sales and use taxes, Kentucky income tax, limited liability entity tax, and payroll withholding tax eligible for a wage assessment that would otherwise be exempted under those incentive programs. The Cabinet for Economic Development shall determine the terms and conditions of the KEDFA loans, monitor the performance of the economic development projects, and secure reasonable collateral. Annual status of any KEDFA loans awarded shall be reported to the General Assembly by November 1 of each year so long as the KEDFA loans are in effect.

→Section 2. The Restrictive Covenants associated with property purchased in 2002 consisting of 47 tracts of contiguous real property in Hardin County acquired to be used solely in connection with economic development projects require the General Assembly, the Kentucky Economic Development Finance Authority ("Authority"), and the Kentucky Cabinet for Economic Development ("Cabinet") to authorize the use of property for major manufacturing, processing, and assembling facilities and provide written consent if the property is conveyed to any party other than the Elizabethtown-Hardin County Industrial Foundation ("Foundation"). For eligible projects meeting these qualifications, the General Assembly authorizes the Authority to approve the use of the property and provides consent to transfer the property to another entity.

→Section 3. There is hereby appropriated from the Budget Reserve Trust Fund (KRS 48.705) to the Economic Development budget unit General Fund moneys in the amount of \$10,639,600 in fiscal year 2021-2022 to pay off the loan made pursuant to a Loan Agreement dated August 29, 2002, by and between the Authority, Hardin County, and the Foundation associated with the property outlined in Section 2 of this Act to be used solely in connection with economic development projects.

→Section 4. There is hereby appropriated from the Budget Reserve Trust Fund (KRS 48.705) to the Economic Development budget unit General Fund moneys in the amount of \$20,000,000 in fiscal year 2021-2022 to make training grants under the Bluegrass State Skills Corporation programs to support economic development projects with a minimum investment of \$2,000,000,000. The Cabinet for Economic Development shall determine the terms and conditions of the Bluegrass State Skills Corporation training grants and monitor the performance of the economic development projects in utilizing such grants consistent with the Bluegrass State Skills Corporation training program.

→Section 5. There is hereby appropriated from the Budget Reserve Trust Fund (KRS 48.705) to the Kentucky Community and Technical College System budget unit General Fund moneys in the amount of \$5,000,000 in fiscal year 2021-2022 to make training grants under the KCTCS-TRAINS program to support economic development projects with a minimum investment of \$2,000,000,000. The Kentucky Community and Technical College System shall determine the terms and conditions of the KCTCS-TRAINS training grants and monitor the performance of the economic development projects in utilizing such grants consistent with the KCTCS-TRAINS training program. Notwithstanding KRS 164.092(1)(e), this appropriation is excluded from the formula base amount.

→Section 6. There is hereby appropriated from the Budget Reserve Trust Fund (KRS 48.705) to the Kentucky Community and Technical College System budget unit General Fund moneys in the amount of \$25,000,000 in fiscal year 2021-2022 for a capital project to construct an on-site training center located on the property outlined in Section 2 of this Act.

→Section 7. Notwithstanding KRS 45.229, the General Fund apportionments outlined in Sections 1, 3, 4, 5, and 6 in this Act shall not lapse and shall carry forward.

➔Section 8. Whereas economic development and job creation are vital to the health, well-being, and economic prosperity of the citizens of the Commonwealth, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law.

Signed by Governor September 9, 2021.