

41.606 Linked deposit investment program -- Purpose -- Reports -- Authority for administrative regulations.

- (1) The State Investment Commission may invest in linked deposits as provided for in KRS 42.510. Investment moneys shall be derived from the state's unclaimed and abandoned property program set forth in KRS Chapter 393.
- (2) Investment moneys shall be in low interest loans for agricultural production or for small business expansion or development.
- (3) There is hereby created a "linked deposit investment program" in the Kentucky Agricultural Finance Corporation whose purpose is to monitor link deposit loans for eligible agribusinesses through approved state financial institutions in accordance with administrative regulations promulgated pursuant to subsection (7) of this section.
- (4) There is hereby created a "linked deposit investment program" in the Cabinet for Economic Development whose purpose is to monitor link deposit loans for eligible small businesses through approved state financial institutions in accordance with administrative regulations promulgated pursuant to subsection (7) of this section.
- (5) The State Investment Commission may accept or reject a linked investment, or any portion thereof, with the eligible lending institution. If it is determined by the Kentucky Agricultural Finance Corporation or the Cabinet for Economic Development that the lending institution has violated standards of the linked deposit investment program, the commission shall reject the linked investment.
- (6) The State Investment Commission, the Kentucky Agricultural Finance Corporation, and the Cabinet for Economic Development, shall annually, by October 1 for the preceding state fiscal year, make a report on the Linked Deposit Investment Program to the Governor and to the leadership of the General Assembly who shall, in turn, transmit it to the appropriate legislative committees for consideration. The report shall include information regarding the nature, terms, and amounts of the loans upon which the linked investments were based, and the eligible small businesses and agribusinesses who received the loans. In order to comply with these provisions, participating institutions shall supply information as required by administrative regulation.
- (7) The Kentucky Agricultural Finance Corporation and the Cabinet for Economic Development, in consultation with the State Investment Commission, shall promulgate administrative regulations pursuant to KRS Chapter 13A setting forth the conditions for which small businesses and agribusinesses are eligible for loans made available through the Linked Deposit Investment Program.

Effective: July 13, 2004

History: Amended 2004 Ky. Acts ch. 41, sec. 2, effective July 13, 2004. -- Created 1996 Ky. Acts ch. 208, sec. 5, effective July 15, 1996.