

154.30-040 Commonwealth Participation Program for State Real Property Ad Valorem Tax Revenues -- Criteria for state participation -- Qualifying expenditures -- Pledge limitations -- Authority review -- Required determinations by the authority -- Tax incentive agreement required.

- (1) The Commonwealth Participation Program for State Real Property Ad Valorem Tax Revenues is hereby established.
- (2) State participation under this program shall be limited to the support of approved public infrastructure costs determined to be necessary to support private investment or private development projects that benefit the public, where project economics are unable to support or secure necessary financing to undertake the public improvements.
- (3) A project shall meet all of the following criteria to be considered for state participation under this program:
 - (a) The project shall represent new economic activity in the Commonwealth;
 - (b) The project shall result in a minimum capital investment of ten million dollars (\$10,000,000); and
 - (c) Not more than twenty percent (20%) of the capital investment or twenty percent (20%) of the finished square footage shall be devoted to the support or development of assets that will be utilized for the retail sale of tangible personal property.
- (4) The authority shall review the application and supporting information as provided in KRS 154.30-030.
- (5) The authority may pledge up to one hundred percent (100%) of the Commonwealth's state real property ad valorem tax incremental revenue from the footprint of a project, provided that the maximum amount of incremental revenues that may be pledged during the term of the state participation agreement for a project shall not exceed one hundred percent (100%) of approved public infrastructure costs.
- (6) As part of the approval process, the authority shall determine the following:
 - (a) The footprint of the project;
 - (b) The maximum amount of approved public infrastructure costs;
 - (c) That the local revenues pledged to support the public infrastructure of the project, and local revenues pledged to support the overall project are of a sufficient amount to warrant participation of the Commonwealth in the project;
 - (d) The termination date of the project grant agreement, not to exceed twenty (20) years from the activation date; and
 - (e) Any adjustments to be made to old revenues in determining incremental revenues during each year of the term of the project grant agreement.
- (7) The pledge of incremental state real property ad valorem tax revenues of the Commonwealth by the authority shall be implemented through the execution of a

tax incentive agreement between the Commonwealth and the agency, city, or county, in accordance with KRS 154.30-070.

Effective: July 15, 2008

History: Repealed, reenacted, and amended 2008 Ky. Acts ch. 178, sec. 17, effective July 15, 2008. -- Created 2007 Ky. Acts ch. 95, sec. 17, effective March 23, 2007.

Formerly codified as KRS 65.7073.