

1 AN ACT relating to review of financial incentives.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
4 READ AS FOLLOWS:

5 ***As used in Sections 1 to 8 of this Act:***

6 ***(1) "Agency" means any "organizational unit" or "administrative body" as those***
7 ***terms are defined in KRS 12.010;***

8 ***(2) "Committee" means the Financial Incentive Review Committee established in***
9 ***Section 2 of this Act;***

10 ***(3) "Development incentive" means any state program providing a grant or loan that***
11 ***is intended to encourage businesses to:***

12 ***(a) Locate, expand, invest, or remain in Kentucky;***

13 ***(b) Invest capital in Kentucky; or***

14 ***(c) Hire or retain employees in Kentucky;***

15 ***(4) "Financial incentive" means a development incentive or a tax expenditure; and***

16 ***(5) "Tax expenditure" means an exemption, exclusion, or deduction from the base of***
17 ***a tax, a credit against a tax, a deferral of a tax, or a preferential tax rate.***

18 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
19 READ AS FOLLOWS:

20 ***The Financial Incentive Review Committee of the Kentucky General Assembly is***
21 ***hereby established. The purpose of the committee shall be to review, analyze, provide***
22 ***oversight, and make recommendations to the General Assembly about financial***
23 ***incentives.***

24 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
25 READ AS FOLLOWS:

26 ***(1) The committee shall be composed of the following twelve (12) members:***

27 ***(a) Six (6) members of the General Assembly appointed by the President of the***

1 Senate, each of whom shall serve while a member of the Senate for the term
 2 for which he or she has been elected, including:

3 1. One (1) of whom shall be designated as co-chair of the committee;

4 2. One (1) of whom shall be the chair or vice chair of the Senate
 5 Standing Committee on Appropriations and Revenue; and

6 3. Two (2) of whom shall represent the minority party; and

7 (b) Six (6) members of the General Assembly appointed by the Speaker of the
 8 House of Representatives, each of whom shall serve while a member of the
 9 House for the term for which he or she has been elected, including:

10 1. One (1) of whom shall be designated as co-chair of the committee;

11 2. One (1) of whom shall be the chair or vice chair of the House
 12 Standing Committee on Appropriations and Revenue; and

13 3. Two (2) of whom shall represent the minority party.

14 (2) (a) Initial appointments to the committee shall be made within thirty (30) days
 15 of the effective date of this Act.

16 (b) Any vacancy which may occur in the membership of the committee shall be
 17 filled in the same manner as the original appointment within thirty (30)
 18 days of the creation of the vacancy.

19 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
 20 READ AS FOLLOWS:

21 (1) The co-chairs of the committee shall:

22 (a) Have joint responsibilities for meeting agendas; and

23 (b) Preside at committee meetings on an alternating basis.

24 (2) (a) Beginning July 1, 2025, and continuing through December 1, 2029, the
 25 committee shall meet at least once every month during the interim between
 26 regular sessions of the General Assembly.

27 (b) Upon agreement of both co-chairs:

- 1 1. Cancellations may occur; and
2 2. Additional meetings may be scheduled, including meetings during a
3 regular or an extraordinary session of the General Assembly.
4 (3) Members of the committee shall be entitled to reimbursement for expenses
5 incurred in the performance of their duties.
6 (4) A majority of the entire membership of the committee shall constitute a quorum,
7 and all actions of the committee shall be by vote of a majority of its entire
8 membership.
9 (5) The Legislative Research Commission shall have exclusive jurisdiction over the
10 employment of personnel necessary to carry out the committee's duties. Staff and
11 operating costs of the committee shall be provided from the budget of the
12 Legislative Research Commission.
13 (6) The committee shall terminate all actions and activities on December 1, 2029.

14 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
15 READ AS FOLLOWS:

16 The committee may:

- 17 (1) (a) 1. Require any agency to collect, report on, and provide all information
18 necessary to evaluate financial incentives in order for the committee to
19 carry out its duties.
20 2. Notwithstanding Section 11 of this Act or any other statute to the
21 contrary, each agency receiving a request for information from the
22 committee shall provide the requested information by the due date
23 established by the committee. If an agency fails to respond to a request
24 for information, the committee shall include the failure in its report
25 required under Section 6 of this Act. Any noncompliance by an agency
26 shall be considered in determining the agency's future appropriations.
27 3. If the requested information is not available, the agency shall explain

1 why the information is not available and recommend other
2 information that might be available to assist the committee in carrying
3 out its duties; and

4 (b) Agree to provisions of confidentiality requested by an agency, but shall
5 retain authority to include all data, with identifying information redacted, in
6 the report required under Section 6 of this Act;

7 (2) Conduct public hearings in the performance of its duties, at which it may request
8 the testimony of officials of any agency and solicit the testimony of interested
9 individuals, groups, and the general public;

10 (3) Establish a uniform format for reports and information submitted to the
11 committee and the frequency and due dates for the reports and information;

12 (4) Subject to the selection and approval by the Legislative Research Commission,
13 engage legal counsel, tax or economic development experts, auditors including
14 the Auditor of Public Accounts, actuaries, or others that have been deemed
15 necessary by the committee to render professional and technical assistance in
16 providing information for the evaluation of financial incentives. Costs for
17 services under this subsection shall be considered part of the operating costs of
18 the committee; and

19 (5) Optimize research capabilities and resources by contracting with private sector
20 organizations, including for-profit and nonprofit organizations, through the
21 quality-based selection procurement procedures established in KRS Chapter 45A.

22 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
23 READ AS FOLLOWS:

24 The committee shall:

25 (1) Conduct a systematic and comprehensive review, analysis, and evaluation of
26 financial incentives offered by the Commonwealth, prioritizing each incentive
27 based upon at least the following criteria:

- 1 (a) The number of taxpayers impacted by each tax expenditure;
- 2 (b) The number of recipients impacted by each development incentive;
- 3 (c) The total amount of state and local dollars involved with each financial
- 4 incentive; and
- 5 (d) The desire to review and evaluate the financial incentive;
- 6 (2) Create a schedule at the beginning of each interim to outline the committee's
- 7 agenda for that year's meetings. The schedule shall ensure that each financial
- 8 incentive listed for discussion at the interim meetings has a review, analysis, and
- 9 evaluation as required in subsection (1) of this section and that the annual report
- 10 is completed prior to the deadline established in subsection (9) of this section;
- 11 (3) Conduct an impartial review of all the laws governing financial incentives to
- 12 recommend any changes it may find desirable with respect to ending a financial
- 13 incentive at a future date, immediately repealing the incentive, or otherwise
- 14 changing the incentive;
- 15 (4) Identify and list all existing financial incentives, including:
- 16 (a) A determination of the financial incentive purpose, goal, enabling
- 17 legislation, impact to revenues, beneficiaries, usage, benchmarks, and
- 18 performance standards; and
- 19 (b) Analysis on how the financial incentive has been impacted by behavioral
- 20 changes since its implementation;
- 21 (5) Research issues related to existing or proposed financial incentives;
- 22 (6) Develop standardized reporting requirements for agencies to follow in reporting
- 23 data that pertains to financial incentives to the Legislative Research Commission
- 24 and recommend any legislation needed to implement the requirements;
- 25 (7) At the request of either co-chair of the Interim Joint Committee on
- 26 Appropriations and Revenue, the chair of the House Standing Committee on
- 27 Appropriations and Revenue, the chair of the Senate Standing Committee on

1 Appropriations and Revenue, the Speaker of the House of Representatives, or the
 2 President of the Senate, evaluate proposed changes to laws that include a
 3 financial incentive and report back on the state and local fiscal impacts and
 4 desirability as a matter of public policy;

5 (8) At the request of either co-chair of the Interim Joint Committee on
 6 Appropriations and Revenue, the chair of the House Standing Committee on
 7 Appropriations and Revenue, or the chair of the Senate Standing Committee on
 8 Appropriations and Revenue, review all new or amended administrative
 9 regulations that include financial incentives and provide comments to the
 10 Administrative Regulation Review Subcommittee established in KRS 13A.020;
 11 and

12 (9) Publish an annual report covering the committee's evaluation and
 13 recommendations for each financial incentive reviewed during the year. The
 14 report shall be submitted to the Interim Joint Committee on Appropriations and
 15 Revenue, the President of the Senate, and the Speaker of the House of
 16 Representatives no later than December 15 of each year and shall include, at a
 17 minimum:

18 (a) A summary of the actions by the committee during the year;

19 (b) Any legislative recommendations made by the committee; and

20 (c) A statement on the viability of each financial incentive reviewed.

21 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
 22 READ AS FOLLOWS:

23 When enacting any new financial incentive, the General Assembly shall:

24 (1) Establish the financial incentive for no more than five (5) years;

25 (2) State the purpose, goals, and performance measurements for the financial
 26 incentive;

27 (3) Identify specific data that the agency administering the financial incentive shall

- 1 collect so that the effectiveness of the incentive can be evaluated;
2 (4) Require data, benchmarks, financial impact statements, cost-benefit analysis
3 directly related to the financial incentive, and any other information from the
4 appropriate agency to be reported on an annual basis for evaluation of the
5 incentive; and
6 (5) At the discretion of the Speaker of the House of Representatives or the President
7 of the Senate, allow the committee to evaluate a proposed financial incentive
8 prior to assigning the proposal to any committee of the General Assembly during
9 a regular or extraordinary session.

10 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
11 READ AS FOLLOWS:

- 12 (1) To facilitate the work of the committee, the Department of Revenue, Cabinet for
13 Economic Development, Tourism, Arts and Heritage Cabinet, Department of
14 Agriculture, and any other agency administering, evaluating, or responsible for a
15 financial incentive shall work collaboratively to:
16 (a) Assign a unique number to each individual taxpayer or recipient of a
17 financial incentive, allowing the tracking of all financial incentives in a
18 manner which does not publicly reveal the taxpayer or recipient. The
19 unique number shall not be an individual's Social Security number or the
20 tax identification number for any taxpayer. The unique number shall be the
21 same number for all:
22 1. Programs with financial incentives in which the entity or individual
23 participates;
24 2. Taxes paid by the entity or individual;
25 3. Tax attributes reported by the entity or individual; and
26 4. Financial incentives received or claimed by the entity or individual;
27 (b) Identify a location or locations for the entity or individual by county based

- 1 on where the activity occurs or the entity or individual is located; and
- 2 (c) For each financial incentive, identify the total numbers of taxpayers
- 3 claiming the tax expenditure or recipients receiving a development
- 4 incentive.
- 5 (2) The Department of Revenue and any other agency involved in the processes
- 6 described in subsection (1) of this section shall complete the processes in order to
- 7 provide requested data and information to the committee within three (3) months
- 8 of the effective date of this Act.
- 9 (3) The information required to be reported under Section 5 of this Act shall not be
- 10 considered confidential taxpayer information and shall not be subject to KRS
- 11 Chapter 131 or any other provisions of the Kentucky Revised Statutes prohibiting
- 12 disclosure or reporting of information.

13 ➔Section 9. KRS 11.068 is amended to read as follows:

- 14 (1) There is created an agency of state government known as the Office of State Budget
- 15 Director. The office shall be attached for administrative purposes to the Office of
- 16 the Governor.
- 17 (2) The office shall include the following major organizational units:
- 18 (a) The Office of State Budget Director;
- 19 (b) The Governor's Office for Policy and Management;
- 20 (c) The Governor's Office for Policy Research; and
- 21 (d) The Governor's Office for Economic Analysis.
- 22 (3) The Office of State Budget Director shall be^[+]~~be~~ headed by the state budget director.
- 23 The state budget director shall be appointed by the Governor pursuant to KRS
- 24 11.040 and shall serve, under direction of the Governor, as state budget director and
- 25 secretary of the state planning committee. The office shall include such principal
- 26 assistants and supporting personnel appointed pursuant to KRS Chapter 12 as may
- 27 be necessary to carry out the functions of the office. The office shall have such

1 duties, rights, and responsibilities as are necessary to perform, without being limited
2 to, the following functions:

3 ~~(a)~~^[1-] Functions relative to the preparation, administration, and evaluation of
4 the executive budget as provided in KRS Chapters 45 and 48 and in other
5 laws, including but not limited to, capital construction budgeting, evaluation
6 of state programs, program monitoring, financial and policy analysis and issue
7 review, and executive policy implementation and compliance;

8 ~~(b)~~^[2-] Continuous evaluation of statewide management and administrative
9 procedures and practices, including but not limited to economic forecasting,
10 technical assistance to state agencies, forms control, and special analytic
11 studies as directed by the Governor; and

12 ~~(c)~~^[3-] Staff planning functions of the state planning committee and evaluation
13 of statewide management and administrative practices and procedures.

14 ~~(4)~~^[4-] ~~(b)~~ **The** Governor's Office for Policy and Management **shall be**^[5-] headed by the
15 state budget director. The state budget director shall maintain staff employed
16 pursuant to KRS Chapter 18A sufficient to carry out the functions of the office
17 relating to state budgeting as provided in ~~paragraph (a) of this~~ subsection **(3) of**
18 **this section** and state planning as provided in KRS Chapter 147, review of
19 administrative regulations proposed by executive agencies prior to filing pursuant to
20 KRS Chapter 13A and such other duties as may be assigned by the Governor.

21 ~~(5)~~^[6-] ~~(e)~~ **The** Governor's Office for Policy Research **shall be**^[7-] headed by the state
22 budget director. The Governor's Office for Policy Research shall assist the state
23 budget director in providing policy research data, information, and analysis to the
24 Governor on public policy issues that impact the Commonwealth. The state budget
25 director shall identify and direct the research to be completed and provided by the
26 office. The state budget director shall maintain staff employed in accordance with
27 KRS Chapter 18A sufficient to carry out the functions of the office.

1 ~~(6)(d)~~ **The** Governor's Office for Economic Analysis **shall be**,~~[-]~~ headed by the state
2 budget director. The state budget director shall maintain staff employed in
3 accordance with KRS Chapter 18A sufficient to carry out the functions of the
4 office. The Governor's Office for Economic Analysis shall:

5 **(a)** Carry out the revenue estimating and economic analysis functions and
6 responsibilities, including but not limited to the functions and responsibilities
7 assigned to the Office of State Budget Director by KRS Chapter 48;~~[-]~~

8 **(b)** ~~[The Governor's Office for Economic Analysis shall]~~ Perform the tax
9 administrative function of using tax data to provide the Department of
10 Revenue with studies, projections, statistical analyses, and any other
11 information that will assist the Department of Revenue in performing its tax
12 administrative functions; **and**

13 **(c) 1. On or before September 1, 2025, and each September 1 thereafter,**
14 **provide to the Financial Incentive Review Committee established in**
15 **Section 2 of this Act and the Interim Joint Committee on**
16 **Appropriations and Revenue a detailed estimate of the revenue loss**
17 **resulting from each tax expenditure for the general fund and road**
18 **fund. As used in this paragraph, "tax expenditure" has the same**
19 **meaning as in Section 1 of this Act.**

20 **2. The Department of Revenue, Cabinet for Economic Development,**
21 **Tourism, Arts and Heritage Cabinet, and any other agency with**
22 **information relating to tax expenditures shall provide assistance and**
23 **furnish data to produce the detailed estimate of the revenue loss.**

24 **3. The detailed estimate of the revenue loss shall include analysis from:**

25 **a. A tax-by-tax view;**

26 **b. An entity-type view, including individuals, pass-through entities,**
27 **and corporations; and**

- 1 c. A tax expenditure view, including a description for each tax type
2 if the expenditure crosses multiple taxes.
- 3 4. The estimate for each tax expenditure shall include:
- 4 a. A citation of the legal authority for the tax expenditure;
5 b. The enactment year and the bill number that originally
6 authorized the tax expenditure;
7 c. A description of how the tax expenditure has changed over time,
8 if amendments to the statutory language have been enacted,
9 including the year and bill number that authorized the
10 amendment;
11 d. The number of taxpayers currently claiming each tax
12 expenditure;
13 e. The amount of projected revenue loss for the current fiscal year
14 and the two (2) succeeding fiscal years;
15 f. A description of the data used to form the estimate of revenue
16 loss, including:
- 17 i. The source of the data;
18 ii. The publication year or period related to the data;
19 iii. The agency or other entity producing the data;
20 iv. The data set used, if a subset of the data source was
21 necessary;
22 v. A complete data citation related to that source, including
23 electronic sources;
24 vi. Whether the data is a line item from a Kentucky or federal
25 income tax return; and
26 vii. Whether the data relates directly to Kentucky activity, and
27 if not, how the data was modified to obtain an estimate for

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Commonwealth;

g. If a stated purpose or goal is not included in the statute, a best determination by the Office of State Budget Director of all purposes or goals of the tax expenditure; and

h. A statement regarding whether the purpose or goal of the tax expenditure:

i. Is currently being met;

ii. Has been met and the tax expenditure is no longer needed;

or

iii. Is not being met and the tax expenditure should be repealed or amended;

including data which supports the statement.

➔Section 10. KRS 131.020 is amended to read as follows:

(1) The department, headed by a commissioner appointed by the secretary with the approval of the Governor, shall be organized into the following functional units:

(a) Office of the Commissioner, which shall consist of:

1. The Division of Protest Resolution, headed by a division director who shall report directly to the commissioner. The division shall administer the protest functions for the department from office resolution through court action;
2. The Division of Taxpayer Ombudsman, headed by a division director who shall report to the commissioner. The division shall perform those duties set out in KRS 131.083;
3. The Special Investigations Division, headed by a division director who shall report directly to the commissioner. The division shall investigate alleged violations of the tax laws and recommend criminal prosecution of the laws when warranted; and

- 1 4. The Division of Information Management, headed by a division director
2 who shall report directly to the commissioner. The division shall provide
3 project management, planning, analysis, application development,
4 implementation, security, support, and maintenance for new and existing
5 legacy systems of the department;
- 6 (b) Office of Tax Policy and Regulation, headed by an executive director who
7 shall report directly to the commissioner. The office shall be responsible for:
- 8 1. Providing oral and written technical advice on Kentucky tax law;
9 2. Drafting proposed tax legislation and regulations;
10 3. Testifying before legislative committees on tax matters;
11 4. Analyzing tax publications;
12 5. Publishing administrative writings on its official website promptly after
13 issuance or finalization, but no more than one hundred twenty (120)
14 days thereafter;
- 15 6. Publishing all tax forms and instructions to those tax forms on its
16 official website no later than:
- 17 a. Forty-five (45) days prior to the date a taxpayer is required to:
- 18 i. File a tax form;
19 ii. Make a payment of taxes due or estimated to be due; or
20 iii. Electronically submit the information or payment; or
- 21 b. In the case of income tax forms, thirty (30) days prior to the end of
22 the calendar year for which the tax form, payment, or information
23 applies;
- 24 7. Providing expert witness testimony in tax litigation cases;
25 8. Providing consultation and assistance in protested tax cases;~~and~~
26 9. Conducting training and education programs; *and*
- 27 10. Collecting, reporting, coordinating, and providing data to the

1 **Financial Incentive Review Committee as required under Section 5 of**
2 **this Act;**

3 (c) Office of Registration and Operations, headed by an executive director who
4 shall report directly to the commissioner. The office shall be responsible for
5 processing documents, depositing funds, collecting debt payments, and
6 coordinating, planning, and implementing a data integrity strategy. The office
7 shall consist of the:

8 1. Division of Operations, which shall be responsible for opening all tax
9 returns, preparing the returns for data capture, coordinating the data
10 capture process, depositing receipts, maintaining tax data, and assisting
11 other state agencies with similar operational aspects as negotiated
12 between the department and the other agency; and

13 2. Division of Registration, which shall be responsible for registering
14 businesses for tax purposes, ensuring that the data entered into the
15 department's tax systems is accurate and complete, and assisting the
16 taxing areas in proper procedures to ensure the accuracy of the data over
17 time;

18 (d) Office of Property Valuation, headed by an executive director who shall
19 report directly to the commissioner. The office shall consist of the:

20 1. Division of Local Support, which shall be responsible for providing
21 supervision, assistance, and training to the property valuation
22 administrators and sheriffs within the Commonwealth;

23 2. Division of State Valuation, which shall be responsible for providing
24 assessments of public service companies and motor vehicles, and
25 providing assistance to property valuation administrators and sheriffs
26 with the administration of tangible and omitted property taxes within the
27 Commonwealth; and

- 1 3. Division of Minerals Taxation and Geographical Information System
2 Services, which shall be responsible for providing geographical
3 information system mapping support, ensuring proper filing of
4 severance tax returns, ensuring consistency of unmined coal
5 assessments, and gathering and providing data to properly assess
6 minerals to the property valuation administrators within the
7 Commonwealth;
- 8 (e) Office of Sales and Excise Taxes, headed by an executive director who shall
9 report directly to the commissioner. The office shall administer all matters
10 relating to sales and use taxes and miscellaneous excise taxes, including but
11 not limited to technical tax research, compliance, taxpayer assistance, tax-
12 specific training, and publications. The office shall consist of the:
- 13 1. Division of Sales and Use Tax, which shall administer the sales and use
14 tax; and
- 15 2. Division of Miscellaneous Taxes, which shall administer various other
16 taxes, including but not limited to alcoholic beverage taxes; cigarette
17 enforcement fees, stamps, meters, and taxes; gasoline tax; bank
18 franchise tax; inheritance and estate tax; insurance premiums and
19 insurance surcharge taxes; motor vehicle tire fees and usage taxes; and
20 special fuels taxes;
- 21 (f) Office of Income Taxation, headed by an executive director who shall report
22 directly to the commissioner. The office shall administer all matters related to
23 income and corporation license taxes, including technical tax research,
24 compliance, taxpayer assistance, tax-specific training, and publications. The
25 office shall consist of the:
- 26 1. Division of Individual Tax, which shall administer the following taxes
27 or returns: individual income, fiduciary, and employer withholding; and

- 1 2. Division of Corporation Tax, which shall administer the corporation
2 income tax, corporation license tax, pass-through entity withholding,
3 and pass-through entity reporting requirements;
- 4 (g) Office of Field Operations, headed by an executive director who shall report
5 directly to the commissioner. The office shall manage the regional taxpayer
6 service centers and the field audit program; and
- 7 (h) Office of Enforcement, headed by an executive director who shall report
8 directly to the commissioner. The office shall initiate all collection
9 enforcement activity related to due and owing tax assessments, including
10 protest resolution, and shall assist other state agencies with similar collection
11 aspects as negotiated between the department and other state agencies. The
12 office shall consist of the Division of Collections.
- 13 (2) The functions and duties of the department shall include conducting conferences,
14 administering taxpayer protests, and settling tax controversies on a fair and
15 equitable basis, taking into consideration the hazards of litigation to the
16 Commonwealth of Kentucky and the taxpayer. The mission of the department shall
17 be to afford an opportunity for taxpayers to have an independent informal review of
18 the determinations of the audit functions of the department, and to attempt to fairly
19 and equitably resolve tax controversies at the administrative level.
- 20 (3) The department shall maintain an accounting structure for the one hundred twenty
21 (120) property valuation administrators' offices across the Commonwealth in order
22 to facilitate use of the state payroll system and the budgeting process.
- 23 (4) Except as provided in KRS 131.190(4), the department shall fully cooperate with
24 and make tax information available as prescribed under KRS 131.190(3) to the
25 Governor's Office for Economic Analysis as necessary for the office to perform the
26 tax administration function established in KRS 42.410.
- 27 (5) Executive directors and division directors established under this section shall be

1 appointed by the secretary with the approval of the Governor under KRS 12.050.

2 ➔Section 11. KRS 131.190 is amended to read as follows:

3 (1) No present or former commissioner or employee of the department, present or
4 former member of a county board of assessment appeals, present or former property
5 valuation administrator or employee, present or former secretary or employee of the
6 Finance and Administration Cabinet, former secretary or employee of the Revenue
7 Cabinet, or any other person, shall intentionally and without authorization inspect
8 or divulge any information acquired by him or her of the affairs of any person, or
9 information regarding the tax schedules, returns, or reports required to be filed with
10 the department or other proper officer, or any information produced by a hearing or
11 investigation, insofar as the information may have to do with the affairs of the
12 person's business.

13 (2) The prohibition established by subsection (1) of this section shall not extend to:

14 (a) Information required in prosecutions for making false reports or returns of
15 property for taxation, or any other infraction of the tax laws;

16 (b) Any matter properly entered upon any assessment record, or in any way made
17 a matter of public record;

18 (c) Furnishing any taxpayer or his or her properly authorized agent with
19 information respecting his or her own return;

20 (d) Testimony provided by the commissioner or any employee of the department
21 in any court, or the introduction as evidence of returns or reports filed with the
22 department, in an action for violation of state or federal tax laws or in any
23 action challenging state or federal tax laws;

24 (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or
25 energy resources assessed under KRS 132.820, or owners of surface land
26 under which the unmined minerals lie, factual information about the owner's
27 property derived from third-party returns filed for that owner's property, under

1 the provisions of KRS 132.820, that is used to determine the owner's
2 assessment. This information shall be provided to the owner on a confidential
3 basis, and the owner shall be subject to the penalties provided in KRS
4 131.990(2). The third-party filer shall be given prior notice of any disclosure
5 of information to the owner that was provided by the third-party filer;

6 (f) Providing to a third-party purchaser pursuant to an order entered in a
7 foreclosure action filed in a court of competent jurisdiction, factual
8 information related to the owner or lessee of coal, oil, gas reserves, or any
9 other mineral resources assessed under KRS 132.820. The department may
10 promulgate an administrative regulation establishing a fee schedule for the
11 provision of the information described in this paragraph. Any fee imposed
12 shall not exceed the greater of the actual cost of providing the information or
13 ten dollars (\$10);

14 (g) Providing information to a licensing agency, the Transportation Cabinet, or
15 the Kentucky Supreme Court under KRS 131.1817;

16 (h) Statistics of gasoline and special fuels gallonage reported to the department
17 under KRS 138.210 to 138.448;

18 (i) Providing any utility gross receipts license tax return information that is
19 necessary to administer the provisions of KRS 160.613 to 160.617 to
20 applicable school districts on a confidential basis;

21 (j) Providing documents, data, or other information to a third party pursuant to an
22 order issued by a court of competent jurisdiction;

23 (k) Publishing administrative writings on its official website in accordance with
24 KRS 131.020(1)(b); or

25 (l) Providing information to the Legislative Research Commission *and various*
26 *committees thereof* under:

27 1. KRS 139.519 for purposes of the sales and use tax refund on building

- 1 materials used for disaster recovery;
- 2 2. KRS 141.436 for purposes of the energy efficiency products credits;
- 3 3. KRS 141.437 for purposes of the ENERGY STAR home and the
- 4 ENERGY STAR manufactured home credits;
- 5 4. KRS 141.383 for purposes of the film industry incentives;
- 6 5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization
- 7 credit~~[tax credits]~~ and the job assessment fees;
- 8 6. KRS 141.068 for purposes of the Kentucky investment fund;
- 9 7. KRS 141.396 for purposes of the angel investor~~[tax]~~ credit;
- 10 8. KRS 141.389 for purposes of the distilled spirits credit;
- 11 9. KRS 141.408 for purposes of the inventory credit;
- 12 10. KRS 141.390 for purposes of the recycling and composting
- 13 credits~~[credit]~~;
- 14 11. KRS 141.3841 for purposes of the selling farmer~~[tax]~~ credit;
- 15 12. KRS 141.4231 for purposes of the renewable chemical production~~[tax]~~
- 16 credit;
- 17 13. KRS 141.524 for purposes of the Education Opportunity Account
- 18 Program~~[tax]~~ credit;
- 19 14. KRS 141.398 for purposes of the development area~~[tax]~~ credit;
- 20 15. KRS 139.516 for~~the~~ purposes of the sales and use tax exemptions
- 21 for~~[exemption on]~~ the commercial mining of cryptocurrency;
- 22 16. KRS 141.419 for purposes of the decontamination~~[tax]~~ credit;
- 23 17. KRS 141.391 for purposes of the qualified broadband investment~~[tax]~~
- 24 credit;~~and~~
- 25 18. KRS 139.499 for purposes of the sales and use tax
- 26 exemptions~~[exemption]~~ for a qualified data center project; and
- 27 19. Sections 1 to 8 of this Act for purposes of data reported to the

1 *Financial Incentive Review Committee.*

- 2 (3) The commissioner shall make available any information for official use only and on
3 a confidential basis to the proper officer, agency, board or commission of this state,
4 any Kentucky county, any Kentucky city, any other state, or the federal
5 government, under reciprocal agreements whereby the department shall receive
6 similar or useful information in return.
- 7 (4) Access to and inspection of information received from the Internal Revenue Service
8 is for department use only, and is restricted to tax administration purposes.
9 Information received from the Internal Revenue Service shall not be made available
10 to any other agency of state government, or any county, city, or other state, and
11 shall not be inspected intentionally and without authorization by any present
12 secretary or employee of the Finance and Administration Cabinet, commissioner or
13 employee of the department, or any other person.
- 14 (5) Statistics of crude oil as reported to the department under the crude oil excise tax
15 requirements of KRS Chapter 137 and statistics of natural gas production as
16 reported to the department under the natural resources severance tax requirements
17 of KRS Chapter 143A may be made public by the department by release to the
18 Energy and Environment Cabinet, Department for Natural Resources.
- 19 (6) Notwithstanding any provision of law to the contrary, beginning with mine-map
20 submissions for the 1989 tax year, the department may make public or divulge only
21 those portions of mine maps submitted by taxpayers to the department pursuant to
22 KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-
23 out parcel areas. These electronic maps shall not be relied upon to determine actual
24 boundaries of mined-out parcel areas. Property boundaries contained in mine maps
25 required under KRS Chapters 350 and 352 shall not be construed to constitute land
26 surveying or boundary surveys as defined by KRS 322.010 and any administrative
27 regulations promulgated thereto.

1 ➔Section 12. KRS 148.522 is amended to read as follows:

2 (1) The Tourism, Arts and Heritage Cabinet shall:

3 (a) Consist of:

4 1. The Office of the Secretary;~~[,]~~

5 2. The Office of Legal Affairs;~~[,]~~

6 3. The Office of Finance;~~[,]~~

7 4. The Office of Government Relations and Administration;~~[,]~~

8 5. The Office of Human Resources;~~[,]~~

9 6. The Office of Public Affairs and Constituent Services;~~[,]~~

10 7. The Office of Arts and Cultural Heritage;~~[,]~~

11 8. The Kentucky Department of Tourism;~~[,]~~

12 9. The Kentucky Department of Parks;~~[,]~~

13 10. The Tourism Development Finance Authority;~~[,]~~ and~~[such]~~

14 11. Other divisions and sections as~~[are from time to time]~~ deemed
15 necessary for the proper and efficient operation of the cabinet subject to
16 the provisions of KRS Chapter 12; **and**

17 ***(b) Collect, report, coordinate, and provide data to the Financial Incentive***
18 ***Review Committee as required under Section 5 of this Act.***

19 (2) The Office of Legal Affairs shall be headed by a general counsel appointed by the
20 secretary pursuant to KRS 12.210, shall provide legal services for the cabinet, and
21 shall be directly responsible to the secretary.

22 (3) The Kentucky Department of Tourism shall be headed by a commissioner
23 appointed by the Governor pursuant to the provisions of KRS 12.040. The
24 commissioner shall have the authority and responsibility for the promotion,
25 development, and support services for the tourism industry within the
26 Commonwealth.

27 (4) The Divisions of Tourism Services, Marketing and Administration, and

1 Communications and Promotions are created within the Kentucky Department of
 2 Tourism. Each division shall be headed by a division director who shall be
 3 appointed by the commissioner of the department pursuant to the provisions of KRS
 4 12.050.

5 ➔Section 13. KRS 154.12-210 is amended to read as follows:

6 ~~{(1) }~~The cabinet shall:

7 **(1)** Assemble and keep in the offices of the cabinet information relating to natural
 8 resources, industrial sites, labor supply, water, fuel, power, wage rates, taxation and
 9 assessments, transportation and communication facilities, and any other information
 10 that may be useful in executing the provisions of KRS 154.12-210 to 154.12-212.

11 **At the discretion of the secretary, the**~~{This}~~ information shall be made available to:

12 **(a)** Any enterprise which~~{, in the discretion of the secretary, }~~ is legitimate and
 13 which contemplates location or operation within the Commonwealth; **and**~~{.}~~
 14 ~~The information shall, in the discretion of the secretary, be made available to }~~

15 **(b)** Any governmental or private agency interested in securing the location or
 16 operation of any legitimate enterprise within the Commonwealth;~~{.}~~

17 (2) ~~{The cabinet shall }~~Obtain from enterprises interested in locating and operating
 18 within the Commonwealth information relating to the nature of the enterprise, its
 19 financial responsibility, manpower requirements, probable consumption of raw
 20 materials, and any other information that may be useful in securing the location of
 21 **the**~~{such}~~ enterprise in the Commonwealth;~~{.}~~

22 (3) ~~{The cabinet shall }~~Be the primary industrial and commercial development agency
 23 of the Commonwealth of Kentucky in matters relating to the private sector of the
 24 state's economy **and**~~{. The cabinet shall }~~ carry out programs relating to industrial
 25 and commercial development, research and planning, community and industrial
 26 services, marketing development, small and minority business enterprise,
 27 international trade and reverse investment, and other programs designated by the

1 board; ~~and~~

2 **(4) Collect, report, coordinate, and provide data to the Financial Incentive Review**
 3 **Committee as required under Section 5 of this Act.**

4 ➔Section 14. KRS 246.030 is amended to read as follows:

5 The department shall consist of:

- 6 (1) The Office of the Commissioner, **which shall ensure that the data required under**
 7 **Section 5 of this Act is collected, coordinated, reported, and provided;**
- 8 (2) The Office of Agricultural Marketing, which shall include the following:
- 9 (a) The Promotion and Development Division;
- 10 (b) The Shows and Fairs Division;
- 11 (c) The Livestock Division;
- 12 (d) The Plant Division;
- 13 (e) The Education and Outreach Division; and
- 14 (f) The Direct Farm Marketing Division;
- 15 (3) The Office for Consumer and Environmental Protection, which shall include the
 16 following:
- 17 (a) The Division of Regulation and Inspection;
- 18 (b) The Division of Food Distribution; and
- 19 (c) The Division of Environmental Services;
- 20 (4) The Office of State Veterinarian, which shall include the following:
- 21 (a) The Division of Regulatory Field Services
- 22 (b) The Division of Animal Health Programs; and
- 23 (c) The Division of Emergency Preparedness and Response;
- 24 (5) The Office of Administrative Services, which shall include the following:
- 25 (a) The Division of Human Resources;
- 26 (b) The Division of Administrative Services; and
- 27 (c) The Division of Information Technology;

- 1 (6) The Office of Communications;
- 2 (7) The Office of Legal Services;
- 3 (8) The State Board of Agriculture; and
- 4 (9) The Kentucky Office of Agricultural Policy, which shall include the following:
 - 5 (a) Agricultural Development Board; and
 - 6 (b) Kentucky Agricultural Finance Corporation.