

1 AN ACT relating to tax increment financing and declaring an emergency.

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

3 ➔Section 1. KRS 65.490 is amended to read as follows:

4 As used in KRS 65.490 to 65.499, unless the context otherwise requires:

- 5 (1) "Agency" means an urban renewal and community development agency of a taxing
6 district located within a county containing a consolidated local government or a city
7 of the first class, established under KRS Chapter 99; a development authority
8 located within a county containing a consolidated local government or a city of the
9 first class established under KRS Chapter 99; a nonprofit corporation located within
10 a county containing a consolidated local government or a city of the first class; or a
11 designated department, division, or office of a county containing a consolidated
12 local government or of a city of the first class;
- 13 (2) "Development area" means an area no less than one (1) square mile, nor more than
14 six (6) square miles, designated in need of public improvements by a local or state
15 government in a county containing a consolidated local government or a city of the
16 first class, a project area as defined in KRS 99.615, or a public project as defined in
17 KRS 58.010 in a county containing a consolidated local government or a city of the
18 first class. "Development area" includes an existing economic development asset;
- 19 (3) "Increment" means that amount of money received by any taxing district or the state
20 that is determined by subtracting the amount of old revenues from the amount of
21 new revenues in any year for which a taxing district or the state and an agency have
22 agreed upon under the terms of a contract of release or a grant contract;
- 23 (4) "Local government" means a county containing a consolidated local government or
24 a city of the first class;
- 25 (5) "New revenues" means the revenues received by any taxing district or the state from
26 a development area in any year after the establishment of the development area;
- 27 (6) "Old revenues" means the amount of revenues received by any taxing district or the

1 state from a development area in the last year prior to the establishment of the
2 development area;

3 (7) "Project" means any urban renewal, redevelopment, or public project undertaken in
4 accordance with the provisions of KRS 65.490 to 65.497, any project undertaken in
5 accordance with KRS 99.610 to 99.680, any project undertaken in accordance with
6 the provisions of KRS Chapter 58, or any "public project" as that term is defined in
7 KRS 58.010 undertaken by a nonprofit corporation located within a county
8 containing a consolidated local government or a city of the first class;

9 (8) "Release" or "contract of release" or "grant contract" means that agreement by
10 which a taxing district or the state permits the payment to an agency of a portion of
11 increments or an amount equal to a portion of increments received by it in return for
12 the benefits accrued to the taxing district or the state by reason of a project
13 undertaken by an agency in a development area;

14 (9) "Taxing district" means a consolidated local government, a county containing a city
15 of the first class, a city of the first class that encompasses all or part of a
16 development area, or the state, but does not mean a school district; and

17 (10) "Pilot program" means a tax increment financing program or a grant program
18 created by an agency within a consolidated local government or a county containing
19 a city of the first class which shall exist for a period of ***not less than*** twenty (20)
20 years ***nor more than forty-five (45) years***, after which time it shall continue only
21 after reauthorization by the General Assembly.

22 ➔Section 2. Whereas it is imperative that negotiations for some tax increment
23 financing agreements be reviewed as quickly as possible, an emergency is declared to
24 exist, and this Act takes effect upon its passage and approval by the Governor or upon its
25 otherwise becoming a law.