

1 AN ACT relating to development areas.

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
14 than six (6) square miles, designated in need of public improvements by a local or
15 state government in a county containing a consolidated local government or a city
16 of the first class, a project area as defined in KRS 99.615, or a public project as
17 defined in KRS 58.010 in a county containing a consolidated local government or a
18 city of the first class. "Development area" includes an existing economic
19 development asset;
- 20 (3) "Increment" means that amount of money received by any taxing district or the
21 state that is determined by subtracting the amount of old revenues from the amount
22 of new revenues in any year for which a taxing district or the state and an agency
23 have agreed upon under the terms of a contract of release or a grant contract;
- 24 (4) "Local government" means a county containing a consolidated local government or
25 a city of the first class;
- 26 (5) "New revenues" means the revenues received by any taxing district or the state
27 from a development area in any year after the establishment of the development

1 area;

2 (6) "Old revenues" means the amount of revenues received by any taxing district or the
3 state from a development area in the last year prior to the establishment of the
4 development area;

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

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

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

19 (10) "Pilot program" means a tax increment financing program or a grant program
20 created by an agency within a consolidated local government or a county containing
21 a city of the first class which shall exist for a period of twenty (20) years, and may
22 be extended for a period not to exceed an additional twenty-five (25) years as
23 provided in KRS 65.4931.

24 ➔Section 2. KRS 65.494 is amended to read as follows:

25 **(1) As used in this section:**

26 **(a) "Existing development area" means a development area established by a**
27 **county containing a city of the first class or by a city of the first class prior**

1 to March 23, 2027, that is subject to the provisions of a grant contract,
2 Interlocal Cooperation Agreement, or Master Agreement executed prior to
3 March 23, 2007; and

4 (b) "New development area" means a development area that is created within
5 an existing development area.

6 (2) ~~[Effective on March 23, 2007,]~~ The provisions of KRS 65.490 to 65.499 shall apply
7 only to:

8 (a) Existing development areas; ~~and~~ ~~[which were established by a county~~
9 ~~containing a city of the first class or a city of the first class prior to March 23,~~
10 ~~2007, and that are subject to the provisions of a grant contract, Interlocal~~
11 ~~Cooperation Agreement or Master Agreement executed prior to March 23,~~
12 ~~2007]~~

13 (b) New development areas, provided that:

14 1. The project for the existing development area is amended to remove
15 the new development area from the existing development area;

16 2. All contracts regarding the application of increment derived from the
17 new development area require not less than ten percent (10%) of the
18 increment be paid to the agency for which the existing area
19 development was established; and

20 3. The amendment of the project for an existing development area is
21 approved by:

22 a. i. The county containing a city of the first class; or

23 ii. The city of the first class;

24 in which the existing development area is located;

25 b. The state;

26 c. The agency for which the existing development area was
27 established; and

- 1 d. If applicable, the insurer of any bonds issued for the benefit of
- 2 the agency for which the existing development area was
- 3 established.