

1 AN ACT relating to fiscal matters and declaring an emergency.

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

3 ➔Section 1. KRS 45A.030 is amended to read as follows:

4 As used in this code, unless the context requires otherwise:

- 5 (1) "Business" means any corporation, partnership, individual, sole proprietorship, joint
6 stock company, joint venture, or any other legal entity through which business is
7 conducted;
- 8 (2) "Change order" means a written order signed by the purchasing officer, directing
9 the contractor to make changes that the changes clause of the contract authorizes
10 the purchasing officer to order without the consent of the contractor;
- 11 (3) "Chief purchasing officer" means the secretary of the Finance and Administration
12 Cabinet, who shall be responsible for all procurement of the Commonwealth except
13 as provided by KRS Chapters 150, 175, 175B, 176, 177, and 180;
- 14 (4) "Construction" means the process of building, altering, repairing, improving, or
15 demolishing any public structures or buildings, or other public improvements of any
16 kind to any public real property. It does not include the routine maintenance of
17 existing structures, buildings, or real property;
- 18 (5) "Construction manager-agency" means services to assist the purchasing agency
19 manage construction that are procured through a contract that is qualifications-
20 based;
- 21 (6) "Construction management-at-risk" means a project delivery method in which the
22 purchasing officer enters into a single contract with an offeror that assumes the risk
23 for construction at a contracted guaranteed maximum price as a general contractor,
24 and provides consultation and collaboration regarding the construction during and
25 after design of a capital project. The contract shall be subject to the bonding
26 requirements of KRS 45A.190;
- 27 (7) "Construction manager-general contractor" means a project delivery method in

1 which the purchasing officer enters into a single contract with an offeror to provide
2 preconstruction and construction services. During the preconstruction phase, the
3 successful offeror provides design consulting services. During the construction
4 phase, the successful offeror acts as general contractor by:

- 5 (a) Contracting with subcontractors; and
- 6 (b) Providing for management and construction at a fixed price with a completion
7 deadline;

8 (8) "Contract" means all types of state agreements, including memoranda of
9 agreement, grants, and orders, for the acquisition, purchase, or disposal of supplies,
10 services, construction, or any other item. It includes: awards; contracts of a fixed-
11 price, cost, cost-plus-a-fixed-fee, contingency fee, or incentive type; contracts
12 providing for the issuance of job or task orders; leases; letter contracts; purchase
13 orders; public-private partnership agreements; program administration contracts;
14 personal service contracts; and insurance contracts except as provided in KRS
15 45A.022. It includes supplemental agreements with respect to any of the foregoing;

16 (9) "Contract modification" means any written alteration in the specifications, delivery
17 point, rate of delivery, contract period, price, quantity, or other contract provisions
18 of any existing contract, whether accomplished by unilateral action in accordance
19 with a contract provision or by mutual action of the parties to the contract. It
20 includes bilateral actions, such as supplemental agreements, and unilateral actions,
21 such as change orders, administrative changes, notices of termination, and notices
22 of the exercise of a contract option;

23 (10) "Contractor" means any person having a contract with a governmental body;

24 (11) "Data" means recorded information, regardless of form or characteristic;

25 (12) "Design-bid-build" means a project delivery method in which the purchasing officer
26 sequentially awards separate contracts, the first for architectural, engineering, or
27 engineering-related services to design the project and the second for construction of

- 1 the capital project according to the design. The contract shall be subject to the
2 bonding requirements of KRS 45A.185;
- 3 (13) "Design-build" means a project delivery method in which the purchasing officer
4 enters into a single contract for design and construction of a capital project. The
5 contract shall be subject to the bonding requirements of KRS 45A.190;
- 6 (14) "Designee" means a duly authorized representative of a person holding a superior
7 position;
- 8 (15) "Document" means any physical embodiment of information or ideas, regardless of
9 form or characteristic, including electronic versions thereof;
- 10 (16) "Employee" means an individual drawing a salary from a governmental body,
11 whether elected or not, and any nonsalaried individual performing personal services
12 for any governmental body;
- 13 (17) "Governmental body" means any department, commission, council, board, bureau,
14 committee, institution, legislative body, agency, government corporation, or other
15 establishment of the executive or legislative branch of the state government;
- 16 (18) "Meeting" means all gatherings of every kind, including video teleconferences;
- 17 (19) "Negotiation" means contracting by either the method set forth in KRS 45A.085,
18 45A.090, or 45A.095;
- 19 (20) "Person" means any business, individual, organization, or group of individuals;
- 20 (21) "Private partner" means any entity that is a partner in a public-private partnership
21 other than:
- 22 (a) The Commonwealth of Kentucky, or any agency or department thereof;
- 23 (b) The federal government;
- 24 (c) Any other state government; or
- 25 (d) Any agency of a state, federal, or local government;
- 26 (22) "Procurement" means the purchasing, buying, renting, leasing, or otherwise
27 obtaining of any supplies, services, or construction. It includes all functions that

1 pertain to the procurement of any supply, service, or construction item, including
2 description of requirements, selection and solicitation of sources, preparation and
3 award of contract, and all phases of contract administration;

4 (23) "Public-private partnership" means a project delivery method for construction or
5 financing of capital projects, as defined in KRS 45.750, or procurement of services,
6 pursuant to a written public-private partnership agreement entered into pursuant to
7 KRS 45A.077 and administrative regulations promulgated thereunder, between:

8 (a) At least one (1) private partner; and

9 (b) The Commonwealth of Kentucky, or any agency or department thereof;

10 (24) "Purchase request" or "purchase requisition" means that document whereby a using
11 agency requests that a contract be obtained for a specified need, and may include,
12 but is not limited to, the technical description of the requested item, delivery
13 schedule, transportation, criteria for evaluation of solicitees, suggested sources of
14 supply, and information supplied for the making of any written determination and
15 finding required by KRS 45A.025;

16 (25) "Purchasing agency" means any governmental body that is authorized by this code
17 or its implementing administrative regulations or by way of delegation from the
18 chief purchasing officer to contract on its own behalf rather than through the central
19 contracting authority of the chief purchasing officer;

20 (26) "Purchasing officer" means any person authorized by a governmental body in
21 accordance with procedures prescribed by administrative regulations to enter into
22 and administer contracts and make written determinations and findings with respect
23 thereto. The term includes an authorized representative acting within the limits of
24 authority;

25 (27) "Services" means the rendering by a contractor of its time and effort rather than the
26 furnishing of a specific end product, other than reports that are merely incidental to
27 the required performance of services;

- 1 (28) "Supplemental agreement" means any contract modification that is accomplished
2 by the mutual action of the parties;
- 3 (29) "Supplies" means all property, including but not limited to leases of real property,
4 printing, and insurance, except land or a permanent interest in land;
- 5 (30) "Using agency" means any governmental body of the state that utilizes any
6 supplies, services, or construction purchased under this code;
- 7 (31) "Video teleconference" means one (1) meeting, occurring in two (2) or more
8 locations, where individuals can see and hear each other by means of video and
9 audio equipment; and
- 10 (32) "Writing" or "written" means letters, words, or numbers, or their equivalent, set
11 down by handwriting, typewriting, printing, photostating, photographing, magnetic
12 impulse, mechanical or electronic recording, or other form of data compilation.
- 13 ➔Section 2. KRS 45A.035 is amended to read as follows:
- 14 (1) The secretary of the Finance and Administration Cabinet shall have power and
15 authority over, and may, except as otherwise expressly provided in this code, adopt
16 regulations pursuant to KRS Chapter 13A and consistent with this code governing
17 the purchasing, management, and control of any and all supplies, services, and
18 construction, and other items required to be purchased by the Commonwealth. The
19 secretary shall consider and decide matters of policy with regard to state
20 procurement. The secretary shall have the power of review with respect to the
21 implementation of administrative regulations and policy determinations.
- 22 (2) Administrative regulations shall be promulgated~~[adopted]~~ governing the following:
- 23 (a) Conditions and procedures for delegations of purchasing authority;
- 24 (b) Prequalification, suspension, debarment, and reinstatement of prospective
25 bidders;
- 26 (c) Small purchase procedures;
- 27 (d) Conditions and procedures for the purchase of items for resale;

- 1 (e) Conditions and procedures for the purchase of agricultural products in
- 2 accordance with KRS 45A.645;
- 3 (f) Conditions and procedures for the use of source selection methods authorized
- 4 by this code, including emergency purchases;
- 5 (g) Opening and rejection of bids or offers, consideration of alternate bids, and
- 6 waiver of informalities in offers;
- 7 (h) Confidentiality of technical data and trade secrets information submitted by
- 8 actual or prospective bidders or offerors;
- 9 (i) Partial, progressive, and multiple awards;
- 10 (j) Supervision of storerooms and inventories, including determination of
- 11 appropriate stock levels and the management, transfer, sale, or other disposal
- 12 of state-owned property;
- 13 (k) Definitions and classes of contractual services and procedures for acquiring
- 14 them;
- 15 (l) An appeals process to resolve disputes arising from specifications requiring
- 16 items deemed to be equivalent or a sole brand as specified in KRS 45A.170;{
- 17 ~~and~~}
- 18 (m) Use of reverse auctions as defined in KRS 45A.070; **and**
- 19 **(n) Policies and procedures governing timely payments, partial payments,**
- 20 **reimbursement, and dispute resolution for contract payments in violation of**
- 21 **KRS 45.453 and Section 3 of this Act.**

22 The secretary may ~~promulgate~~~~[adopt such]~~ other **administrative** regulations as

23 deemed advisable to carry out the purposes of this code.

24 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO

25 READ AS FOLLOWS:

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

27 **(a) "Purchasing agency" means a unit or body of state government that**

1 actually receives goods or services from a contractor or vendor; and

2 (b) "Undisputed amount" means a good-faith, valid, accurate, and timely
3 request for payment that has been submitted to an entity owing money, and
4 for which the entity has reviewed and confirmed that the money is due and
5 owing.

6 (2) In accordance with KRS 45.451, all contracts shall include a section that
7 addresses timely payments, including but not limited to the following specific
8 provisions:

9 (a) Any undisputed amount shall be paid:

10 1. Within thirty (30) business days of receipt of the goods, services, or
11 contractor's invoice; or

12 2. In accordance with the negotiated payment terms of the contract;

13 (b) Penalties for payment of undisputed amounts not timely received shall be:

14 1. In accordance with KRS 45.454, and except as provided in KRS
15 371.405, an interest penalty of one percent (1%) shall be applied and
16 added to any undisputed amount for each month or fraction thereof
17 after the thirty (30) business days following the receipt of the goods or
18 services or receipt of the invoice by the purchasing agency; or

19 2. In accordance with the payment terms of the contract;

20 (c) Partial payment terms shall be included to:

21 1. Allow disbursement of partial payment for undisputed amounts in the
22 invoice or an agreed-upon payment process for goods received or
23 services performed that are not rejected or deficient; or

24 2. Not allow disbursement of partial payment for goods received or
25 services performed that are not rejected or deficient; and

26 (d) When invoices are utilized for payment, terms shall be included for the
27 invoice requirements, including form, format, delivery, necessary

1 information, supporting documentation, and communication and
2 notification procedures for complete invoices.

3 (3) (a) The purchasing agency shall make a good-faith effort of notifying the
4 contractor or vendor that an invoice has been rejected, of any errors in an
5 invoice, or any requirement of additional or missing information in an
6 invoice within fifteen (15) business days from receipt of the goods, services,
7 or invoice, or in accordance with the terms of the contract.

8 (b) 1. If the purchasing agency transmits a rejection notice to the contractor
9 or vendor, there shall be a ten (10) calendar day correction period for
10 the contractor or vendor to remedy any problems in the delivery of a
11 good or service or submit a corrected invoice to fulfill the approval
12 requirements. Utilization of the ten (10) calendar day correction
13 period shall not create a new date of submission or receipt for all items
14 included in the invoice or terms of the contract and shall not be
15 considered a new invoice for calculation of the late payment fee
16 pursuant to KRS 45.454.

17 2. If a contractor or vendor fails to remedy the problem with the good or
18 service, or fails to submit a corrected invoice within the ten (10)
19 calendar day correction period, the submitted invoice shall be
20 considered a new invoice for calculation of the late payment fee
21 pursuant to KRS 45.454.

22 (c) In accordance with KRS 45.458, the payment of interest penalty shall be
23 paid by the purchasing agency and the amount of the payments shall not be
24 deducted from the contract budget, and modifications shall not be made to
25 the budget of the contract, the total award of the contract, funds
26 encumbered or obligated for the contract, or total amount available to fulfill
27 the contract agreement as awarded by the contracting agency.

1 (4) If a contractor or vendor has not received payment within thirty (30) business
2 days for an undisputed amount and has executed a loan, line of credit, revolving
3 credit, or other financial instrument in order to fulfill the obligations and
4 continue performance of the contract, the contractor or vendor may recover from
5 the purchasing agency the interest and costs of credit borne until the date
6 payment has been issued.

7 (5) The secretary shall promulgate administrative regulations in accordance with
8 KRS Chapter 13A no later than December 31, 2025, to implement this section.
9 The administrative regulations shall include:

10 (a) Procedures for correcting an invoice submission error when the purchasing
11 agency does not reject the goods or services received;

12 (b) Procedures for partial payment of invoices by a purchasing agency for
13 portions of an invoice; and

14 (c) A contract dispute process, consistent with KRS 45A.235, to resolve late
15 payment claims by contractors or vendors that includes:

16 1. The method and manner disputes shall be submitted to the purchasing
17 agency for resolution by the secretary;

18 2. Information required to be included when a contractor or vendor
19 submits a dispute; and

20 3. The time period by which the purchasing agency shall submit a
21 response.

22 (6) The Finance and Administration Cabinet shall make the contract dispute process
23 to resolve a late payment claim and instructions for vendors and contractors
24 available on its website no later than December 31, 2025.

25 (7) (a) Beginning on July 1, 2027, the Finance and Administration Cabinet shall
26 submit a written report every six (6) months to the Legislative Research
27 Commission for referral to:

1 **1. The Interim Joint Committee on Appropriations and Revenue, or**
 2 **House and Senate Standing Committees on Appropriations and**
 3 **Revenue, as appropriate; and**

4 **2. The Interim Joint Committee on State Government, or Senate**
 5 **Standing Committee on State and Local Government and House**
 6 **Standing Committee on State Government, as appropriate.**

7 **(b) The report shall include the quantity of late payment contract disputes**
 8 **submitted to the secretary of the Finance and Administration Cabinet,**
 9 **including but not limited to:**

10 **1. Purchasing agency at issue;**

11 **2. Unpaid amount alleged or disputed;**

12 **3. Duration of late payment claimed; and**

13 **4. Determination issued.**

14 ➔Section 4. 2024 Ky. Acts ch. 173, sec. 1, subsec. (173), at page 1764, as
 15 amended by 2024 Kentucky Acts Chapter 223, Section 25, at page 2345, is amended to
 16 read as follows:

17 (173) \$50,000,000 in fiscal year 2024-2025 to the Economic Development budget
 18 unit to support the Kentucky Economic Development Finance Authority Loan Pool. **Of**
 19 **this amount \$30,000,000**~~[The appropriation contained in this subsection]~~ shall be used to
 20 provide funding to **the City of Elizabethtown for the Valley Creek Treatment Expansion**
 21 **Project.**~~[Hardin and Warren Counties, communities experiencing significant economic~~
 22 ~~development growth due to announced projects with investments exceeding~~
 23 ~~\$2,000,000,000 for supporting critical infrastructure improvements, such as water and~~
 24 ~~sewer requirements, for continued economic development. Assistance may be in the form~~
 25 ~~of a loan with the ability for forgiveness due to meeting negotiated requirements related~~
 26 ~~to increased economic development for the community.] **The remaining**~~[Of this amount,]~~
 27 \$20,000,000 shall be allocated to the Intermodal Transportation Authority, **Inc. for the**~~

project at the Kentucky Transpark and surrounding areas. The funds shall be used to support communities experiencing economic development growth due to announced projects with investments exceeding \$2,000,000,000. Assistance may be in the form of a loan with the ability for forgiveness due to meeting negotiated requirements related to increased economic development for the community;

➔Section 5. 2024 Ky. Acts ch. 173, sec. 1, subsec. (179), at page 1765 is amended to read as follows:

(179) \$10,000,000 in fiscal year 2024-2025 to the Economic Development budget unit to be allocated to the Grayson County Fiscal Court~~Leitchfield Grayson County Airport~~ to purchase acreage for the expansion of runways to promote economic growth;

➔Section 6. 2024 Ky. Acts ch. 175, Part I, Operating Budget, C. Department of Education, 3. Learning and Results Services, (16) School Resource Officers, at page 1836, is amended to read as follows:

(16) School Resource Officers: (a) Included in the above General Fund appropriation is \$16,500,000 in fiscal year 2024-2025 and \$18,000,000 in fiscal year 2025-2026 to the Kentucky Department of Education to assist local districts in funding salaries for school resource officers, as defined in KRS 158.441, on a reimbursement basis. Once each local district has staffed and continues to maintain one school resource officer for each campus in that district, the local district is then eligible to apply for reimbursement for additional assistance in funding salaries for school resource officers, except that the assistance allowed under this paragraph shall be limited to:

1. Funding available in this subsection; and
 2. No more than one school resource officer for each academic building.
- Monthly grants shall first be applied to the per campus requirement across all local districts and then to districts that meet the per campus requirement and have additional school resource officers, but only to the extent that funding is available. The Kentucky

1 Department of Education shall reimburse local school districts up to \$20,000 for each
2 ~~campus employing at least one on-site~~ full-time certified school resource officer.
3 Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose
4 shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705). Mandated reports
5 shall be submitted pursuant to Part III, 24. of this Act.

6 **(b) The Kentucky Department of Education shall assist nonpublic schools in**
7 **funding salaries for school officers. The Kentucky Department of Education shall pay**
8 **a law enforcement agency or the Department of Kentucky State Police up to \$20,000**
9 **for each full-time certified school resource officer for which the nonpublic school has**
10 **entered into a memorandum of understanding for school resource officer services as a**
11 **partial payment of the total rate charged. These payments shall be deemed necessary**
12 **government expenses and up to \$5,000,000 in each fiscal year shall be paid from the**
13 **General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund**
14 **Account (KRS 48.705).**

15 **(c) Notwithstanding any statute to the contrary, a law enforcement agency or**
16 **the Department of Kentucky State Police shall charge the same total rate for school**
17 **resource officer services to a local school district and nonpublic schools, which shall**
18 **be the rate charged to a local school district as of January 1, 2025.**

19 ➔Section 7. The secretary of the Finance and Administration Cabinet may request
20 up to \$20,000,000 in fiscal biennium 2024-2026 as additional funding for 2022 Kentucky
21 Acts Chapter 199, Part II, Capital Projects Budget, F., 2., 004. Capitol Campus
22 Renovation-Phase 2. The additional funding shall be deemed a necessary government
23 expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the
24 Budget Reserve Trust Fund (KRS 48.705). Notwithstanding KRS 141.020(2)(a)2., any
25 appropriation under this section from the Budget Reserve Trust Fund Account established
26 by KRS 48.705 shall not be identified as GF appropriations when certifying the reduction
27 conditions pursuant to KRS 141.020(2)(a)5. and (d)2. to 5.

➔Section 8. Section 21 of 2025 RS HB 695/VO is hereby repealed and shall have no legal effect.

➔Section 9. 2025 RS HJR 32/GA, Section 1, is amended to read as follows:

(1) The General Assembly of the Commonwealth of Kentucky hereby approves and authorizes the Office of State Budget Director to release awards from the School Facility Assistance Fund in accordance with 2024 Ky. Acts ch. 175, Part I, A., 27., (5) in the specified amounts to the following local school districts for fiscal year 2025-2026:

- (a) \$3,837,000 to Adair County Schools;
- (b) \$2,679,000 to Augusta Independent;
- (c) \$21,563,000 to Bardstown Independent;
- (d) \$53,000 to Beechwood Independent;
- (e) \$7,917,000 to Fleming County Schools;
- (f) \$7,463,000 to Garrard County Schools;
- (g) \$25,348,000 to Harrison County Schools;
- (h) \$39,099,000 to Johnson County Schools;
- (i) \$9,870,000 to Marion County Schools;
- (j) \$2,959,000 to Powell County Schools;
- (k) \$5,851,000 to Somerset Independent;
- (l) \$24,000 to Walton Verona Independent; and
- (m) \$3,724,000 to Williamstown Independent.

(2) Award amounts are 50 percent of the difference between the costs to construct, repair, or renovate facilities and the amount of available local resources for school facility projects certified in the audit conducted pursuant to 2024 Ky. Acts ch. 175, Part I, A., 22., (11). **The funding allowed in this section shall not be more than 50 percent of the certified gap identified in the audit, and the cost to construct shall not deviate from the amount listed in the audit, and any amounts not covered shall be locally funded.** These facilities are A1 or A2 schools, are ranked as a Priority 1 or 2 on

1 the local school district's facility plan, are not athletic facilities, have been assigned a BG
2 number by the Kentucky Department of Education with a prefix value between 19 and
3 23, have begun or are ready to start construction, and are in school districts that have
4 levied a ten-cent equivalent tax dedicated to capital improvements but remain unable to
5 cash fund or to sufficiently support the required annual debt service for replacement or
6 renovation of the facilities as of January 1, 2024. Six of the 19 districts evaluated either
7 failed to meet the criteria or had sufficient local resources to cover construction, repair, or
8 renovation costs.

9 ➔Section 10. 2025 RS HJR 46/VO, Section 1, is amended to read as follows:

10 Notwithstanding KRS 48.100, 48.110, 48.300, and 176.430, this Joint Resolution in
11 conjunction with 2024 Ky. Acts ch. 146, 2024 Ky. Acts ch. 147, and 2024 Ky. Acts ch.
12 153 shall constitute the Six-Year Road Plan. **Any County Priority Project identified in**
13 **this Joint Resolution may be advanced to fiscal year 2024-2025, if funds are available.**

14 ➔Section 11. KRS 141.383 is amended to read as follows:

15 (1) As used in this section:

- 16 (a) "Above-the-line production crew" has the same meaning as in KRS 154.61-
17 010;
- 18 (b) "Approved company" has the same meaning as in KRS 154.61-010;
- 19 (c) "Authority" has the same meaning as in KRS 154.61-010;
- 20 (d) "Below-the-line production crew" has the same meaning as in KRS 154.61-
21 010;
- 22 (e) "Continuous film production" has the same meaning as in KRS 154.61-010;
- 23 (f) "Loan-out entity" has the same meaning as in KRS 154.61-010;
- 24 (g) "Qualifying expenditure" has the same meaning as in KRS 154.61-010;
- 25 (h) "Qualifying payroll expenditure" has the same meaning as in KRS 154.61-
26 010;
- 27 (i) "Secretary" has the same meaning as in KRS 154.61-010; and

- 1 (j) "Tax incentive agreement" has the same meaning as KRS 154.61-010.
- 2 (2) (a) There is hereby created a tax credit against the tax imposed under KRS
3 141.020 or 141.040 and 141.0401, with the ordering of credits as provided in
4 KRS 141.0205.
- 5 (b) The incentive available under paragraph (a) of this section is:
- 6 1. A refundable credit for applications approved prior to April 27, 2018;
- 7 2. A nonrefundable and nontransferable credit for applications approved on
8 or after April 27, 2018, but before January 1, 2022; and
- 9 3. A refundable credit for applications approved on or after January 1,
10 2022, if the provisions of paragraph (c) of this subsection are met.
- 11 (c) 1. The total tax incentive approved under KRS 154.61-020 shall be limited
12 to:
- 13 a. One hundred million dollars (\$100,000,000) for calendar year
14 2018 and each calendar year through the calendar year 2021;
- 15 b. Seventy-five million dollars (\$75,000,000) for the calendar year
16 2022 and each calendar year thereafter; and
- 17 c. Beginning with calendar year 2024, the amount in subdivision b.
18 of this subparagraph shall be allocated accordingly:
- 19 i. Twenty-five million dollars (\$25,000,000) shall be allocated
20 for all approved companies with a continuous film
21 production; and
- 22 ii. On the first day of April 2025, and on April 1~~July~~ of each
23 calendar year thereafter, any unused balance allocated under
24 subpart i. of this subdivision for continuous film productions
25 shall be made available for all approved companies with a
26 motion picture or entertainment production.
- 27 2. To qualify for the refundable credit, all applicants shall:

- 1 a. Begin filming or production in Kentucky within six (6) months of
2 approval by the authority; and
- 3 b. Complete filming or production in Kentucky within two (2) years
4 of their production start date.
- 5 (3) An approved company may receive a refundable tax credit if:
- 6 (a) The department has received notification from the authority that the approved
7 company has satisfied all requirements of KRS 154.61-020 and 154.61-030;
8 and
- 9 (b) The approved company has provided a detailed cost report and sufficient
10 documentation to the authority, which has been forwarded by the authority to
11 the department, that:
- 12 1. The purchases of qualifying expenditures were made after the execution
13 of the tax incentive agreement; and
- 14 2. The approved company or loan-out entity has withheld income tax as
15 required by KRS 141.310 on all qualified payroll expenditures, and
16 remitted and certified the withheld amount to the department.
- 17 (4) Interest shall not be allowed or paid on any refundable credits provided under this
18 section.
- 19 (5) The department may promulgate administrative regulations under KRS Chapter
20 13A to administer this section.
- 21 (6) On or before September 1, 2010, and on or before each September 1 thereafter, for
22 the immediately preceding fiscal year, the department shall report to the authority
23 and the Interim Joint Committee on Appropriations and Revenue the names of the
24 approved companies and the amounts of refundable income tax credit claimed.
- 25 (7) No later than September 1, 2021, and by November 1 every four (4) years
26 thereafter, the department and the Cabinet for Economic Development shall
27 cooperatively provide historical data related to the tax credit allowed in this section

1 and KRS 154.61-020 and 154.61-030, including data items beginning with tax
2 credits claimed for taxable years beginning on or after January 1, 2018:

3 (a) The name of the taxpayer claiming the tax credit;

4 (b) The date that the application was approved and the date the filming or
5 production was completed;

6 (c) The taxable year in which the taxpayer claimed the tax credit;

7 (d) The total amount of the tax credit, including any amount denied, any amount
8 applied against a tax liability, any amount refunded, and any amount
9 remaining that may be claimed on a return filed in the future;

10 (e) Whether the taxpayer is a Kentucky-based company as defined in KRS
11 154.61-010;

12 (f) Whether the taxpayer films or produces a:

13 1. Feature-length film, television program, or industrial film;

14 2. National touring production of a Broadway show; or

15 3. Documentary;

16 (g) Whether the filming or production was performed:

17 1. Entirely in an enhanced county; or

18 2. In whole or in part in any Kentucky county other than in an enhanced
19 incentive county;

20 (h) The amount of qualifying expenditures incurred by the taxpayer;

21 (i) The amount of qualifying payroll expenditures paid to:

22 1. Resident below-the-line crew; and

23 2. Nonresident below-the-line production crew;

24 including the number of crew members in each category;

25 (j) The amount of qualifying payroll expenditures paid to:

26 1. Resident above-the-line crew; and

27 2. Nonresident above-the-line crew;

1 including the number of crew members in each category; and

2 (k) A brief description of the type of motion picture or entertainment production
3 project.

4 (8) The information required to be reported under this section shall not be considered
5 confidential taxpayer information and shall not be subject to KRS Chapter 131 or
6 any other provisions of the Kentucky Revised Statutes prohibiting disclosure or
7 reporting of information.

8 ➔Section 12. The unused balance identified in Section 11(2)(c)1.c.ii. of this Act
9 as of the first day of April 2025 shall be allocated and made available for all approved
10 companies with a motion picture or entertainment production on or after the effective
11 date of this Act.

12 ➔Section 13. Whereas the provisions of this Act provide ongoing support for
13 state government agencies and their functions, an emergency is declared to exist, and
14 Sections 4 to 8 and 10 to 12 of this Act take effect upon its passage and approval by the
15 Governor or upon its otherwise becoming a law.