

154.48-020 Administrative regulations establishing standards for preliminary approval of eligible companies and projects -- Review by authority and final approval of companies and projects -- Authority's meetings to be governed by provisions of Open Meetings Act.

- (1) The authority may establish standards for the determination and preliminary approval of eligible companies and their projects by the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A.
- (2) The criteria for preliminary approval of eligible companies and environmental stewardship projects shall include but not be limited to the need for the inducements, the eligible costs to be expended by the eligible company, and the number of employees whose jobs are to be created or retained as a result of the project.
- (3) Each eligible company making an application to the authority for the inducement shall, in a manner acceptable to the authority, describe the nature of the product to be manufactured as a result of the project, identify the eligible costs associated with the project, identify the time schedule of the proposed project, set out alternatives that are available to the eligible company, identify the influence this incentive had on the company's decision to locate the project in the Commonwealth, and provide any additional information relating to the project as the authority may require.
- (4) The project shall have eligible costs of at least five million dollars (\$5,000,000).
- (5) (a) Within six (6) months after the activation date, the approved company shall compensate a minimum of ninety percent (90%) of its full-time employees whose jobs were created or retained with base hourly wages equal to either:
 1. Seventy-five percent (75%) of the average hourly wage for the Commonwealth; or
 2. Seventy-five percent (75%) of the average hourly wage for the county in which the project is to be undertaken.
- (b) If the base hourly wage calculated in paragraph (a)1. or 2. of this subsection is less than one hundred fifty percent (150%) of the federal minimum wage, then the base hourly wage shall be one hundred fifty percent (150%) of the federal minimum wage. However, for projects receiving preliminary approval of the authority prior to July 1, 2008, the base hourly wage shall be one hundred fifty percent (150%) of the federal minimum wage existing on January 1, 2007. In addition to the applicable base hourly wage calculated above, the eligible company shall provide employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage; however, if the eligible company does not provide employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage, the eligible company may qualify under this section if it provides the employees hired by the eligible company as a result of the economic development project total hourly compensation equal to or greater than one hundred fifteen percent (115%) of the applicable base hourly wage through increased hourly wages combined with employee benefits.
- (6) After a review of relevant materials and completion of inquiries, the authority may,

by resolution, give its preliminary approval by designating an eligible company as a preliminarily approved company and authorize a conditional undertaking of the project pursuant to a memorandum of agreement negotiated between the eligible company and the authority.

- (7) The preliminarily approved company shall, in a manner acceptable to the authority and at certain times as the authority may require, provide documentation relating to the eligible costs expended or obligated in connection with the project. The authority shall review the preliminarily approved company's progress in connection with the project to determine if the conditions set forth in the memorandum of agreement have been met.
- (8) After a review of the documentation relating to the preliminarily approved company's compliance under the memorandum of agreement, the authority, by resolution, may give its final approval to the preliminarily approved company's application for a project and may grant to the preliminarily approved company the status of an approved company.
- (9) All meetings of the authority shall be held in accordance with KRS 61.805 to 61.850. The authority may, pursuant to KRS 61.815, hold closed sessions of its meetings to discuss matters exempt from the open meetings law and pertaining to an eligible company.

Effective: June 26, 2007

History: Amended 2007 Ky. Acts ch. 69, sec. 6, effective June 26, 2007. -- Created 2005 Ky. Acts ch. 168, sec. 145, effective March 18, 2005.

Legislative Research Commission Note (3/18/2005). 2005 Ky. Acts ch. 168, sec. 165, provides that this section shall apply to tax years beginning on or after January 1, 2005.