

**65.4931 Extension of pilot program period for not more than 25 years --  
Conditions -- Reports.**

- (1) As used in this section:
  - (a) "Borrower" means the entity receiving the proceeds from a new bond issued because of an extended tax increment financing agreement allowed under KRS 65.490(10);
  - (b) "Excess revenues" means all moneys which exceed the costs associated with the borrower's operating expenses, capital expenditures, and the regularly scheduled debt service on the bond; and
  - (c) "Term of the bond" shall begin on the date any current bonds are refinanced, reissued, or restructured and shall end upon the earlier of the stated maturity date of the bond or the payment in full of the bond.
- (2) A pilot program may be extended for a period not to exceed an additional twenty-five (25) years in connection with the issuance of a new bond by the Kentucky Economic Development Finance Authority if the pilot program agreement contains provisions requiring that:
  - (a) The borrower use all excess revenues to redeem the bond prior to the stated maturity date;
  - (b)
    1. Once the bond is callable, the borrower apply all excess revenues to the redemption of the bond prior to the stated maturity date at least every thirty-six (36) months; and
    2. If it is the position of the borrower that the application of all excess revenues to the redemption of the bond prior to the stated maturity date jeopardizes the project, the borrower shall present an alternative payment plan for that thirty-six (36) month period to the Capital Projects and Bond Oversight Committee for approval; and
  - (c) No further revenues under the pilot program be remitted to the borrower following the end of the term of the bond.
- (3) The borrower shall submit a report to the Governor and the Capital Projects and Bond Oversight Committee on or before November 1, 2018, and annually thereafter regarding the operations and financial condition of the borrower.

**Effective:** April 11, 2017

**History:** Created 2017 Ky. Acts ch. 189, sec. 2, effective April 11, 2017.

**Legislative Research Commission Note** (4/11/2017). During codification, the Reviser of Statutes has changed the internal numbering of paragraphs in subsection (2) of this statute from the way it appeared in 2017 Ky. Acts ch. 189, sec. 2 under the authority of KRS 7.136(1)(a).