

65.495 State and local development contracts for release of tax increments or grant awards -- Limitations.

- (1) In connection with the establishment of any development area, an agency may enter into contracts with one (1) or more taxing districts for the release to the agency of increments expected to be derived by a taxing district within a development area with an existing development asset as leveraged in part by the undertaking of a project.
- (2) No contract shall require the release of less than fifty percent (50%) of the increments, or more than ninety-five percent (95%) of the increments where the revenue is derived solely from ad valorem taxation or solely from occupational license fees, or more than eighty percent (80%) of the increments where the revenue is derived from ad valorem taxes and occupational license fees.
- (3) An agency may enter into a contract with the state, acting by and through the Governor, for an annual grant to the agency in an amount equal to not less than fifty percent (50%) nor more than eighty percent (80%) of the increment in ad valorem taxes, sales taxes, income taxes, and limited liability entity taxes derived by the state within the development area with an existing economic development asset as leveraged in part by the undertaking of a project.
- (4) Any amount derived by the agency under the terms of a release shall be used solely for the purposes of the project and in the development area.

Effective: June 28, 2006

History: Amended 2006 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 69, effective June 28, 2006. -- Created 2000 Ky. Acts ch. 326, sec. 4, effective July 14, 2000.

Legislative Research Commission Note (6/28/2006). 2006 (1st Extra Sess.) Ky. Acts ch. 2, sec. 73, provides that "unless a provision of this Act specifically applies to an earlier tax year, the provisions of this Act shall apply to taxable years beginning on or after January 1, 2007."