

154.24-120 Service and technology agreement with respect to company's economic development project -- Contents.

Before any approved company is granted inducements as prescribed in KRS 154.24-010 to 154.24-150, a service and technology agreement with respect to the company's economic development project shall be entered into between the authority and the approved company. The terms and provisions of the agreement, including the amount of approved costs, shall be determined by negotiations between the authority and the approved company, except that each agreement shall include the following provisions:

- (1) The term of an agreement shall not be longer than ten (10) years from the activation date established by the approved company. The activation date shall be any time within two (2) years after the date of final approval of the agreement by the authority. In order to implement the activation date, the approved company shall notify the authority, the Kentucky Department of Revenue, the employees, and the affected local jurisdictions, if any, of the activation date on which implementation of the inducements authorized in the agreement shall occur.
- (2) The agreement shall include:
 - (a) A description of the authorized inducements to be used by the approved company;
 - (b) A provision that, if the total number of full-time employees at the site of the economic development project who are residents of the Commonwealth and subject to the Kentucky income tax is less than fifteen (15), or in the case of an existing Kentucky business the approved company fails to maintain the increase of at least fifteen (15) full-time employees who are residents of the Commonwealth and subject to the Kentucky income tax, the authorized inducements shall be suspended for a period of up to one (1) year. If the company does not have at least fifteen (15) new full-time employees at the site who are residents of the Commonwealth and subject to Kentucky income tax within one (1) year from the date of the initial suspension, the inducements may be terminated at the discretion of the authority;
 - (c) A provision that, if seventy-five percent (75%) or less of services provided by the approved company from the economic development project should be provided to persons located outside of the Commonwealth during any fiscal year of the approved company as prescribed in KRS 154.24-090, the authorized inducements shall be suspended for a period of up to one (1) year. If the percentage of these services does not exceed seventy-five percent (75%) within one (1) year from the initial date of suspension, the inducements may be terminated at the discretion of the authority; and
 - (d) A provision that neither tax credits nor assessments are assignable without written consent by the authority.

Effective: June 28, 2006

History: Amended 2006 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 53, effective June 28, 2006. -- Amended 2005 Ky. Acts ch. 85, sec. 581, effective June 20, 2005. -- Amended 2004 Ky. Acts ch. 105, sec. 11, effective July 13, 2004. -- Amended 2003 Ky. Acts ch. 73, sec. 2, effective March 18, 2003. -- Amended 2002 Ky. Acts ch.

338, sec. 35, effective July 15, 2002. -- Amended 1996 Ky. Acts ch. 194, sec. 40, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 450, sec. 17, effective July 15, 1994. -- Created 1992 Ky. Acts ch. 358, sec. 12, effective July 14, 1992.

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."