The following bill was reported to the Senate from the House and ordered to be printed.
AN ACT amending the 2018-2020 executive branch biennial budget, making an
appropriation therefor, and declaring an emergency.

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

Section 1. Notwithstanding KRS 157.618, the School Facilities Construction
Commission is authorized to make loans from the Emergency and Targeted Investment
Fund in fiscal year 2018-2019 and fiscal year 2019-2020 to a school district that meets
the following criteria:

(1) The school district has levied a tax rate subject to recall by January 1, 2014, in
addition to the five cents levied pursuant to KRS 157.440(1)(b) and committed the
receipts to debt service, new facilities, or major renovations of existing facilities;

(2) The school district has levied the tax rate subject to recall under the provisions
of KRS 157.621(2) on or after January 1, 2018;

(3) Funds collected under the provisions of KRS 157.360, 157.440, 157.621, and
160.613 and restricted for capital needs, including any state funds appropriated for the
same purpose, are insufficient to meet the school district’s debt service obligations in the
fiscal year in which the loan is requested; and

(4) The school district has presented a financial plan to the Commission that
shows sufficient excess funds in its capital accounts in future fiscal years to repay the
loan during the term set by the Commission.

Loans made under the provisions of this section shall be limited to an amount no
greater than $150,000 in any single fiscal year, with a cumulative total of $200,000, shall
be repaid over a term of no greater than five years, and shall be repaid at a rate of interest
to be set by the Commission, except that the rate of interest shall not be higher than the
highest rate of interest paid by the Commission on any bond issued in the previous fiscal
year. No loan proceeds shall be used by the district for a purpose other than paying its
debt service obligations. Loan payments by the school district, including interest, shall be
made to the credit of the Emergency and Targeted Investment Fund.
Section 2. Whereas the provisions of this Act provide ongoing support for programs funded in the 2018-2020 executive branch biennial budget, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law.
D. W. Cole
Speaker-House of Representatives

President of Senate

Attest: MB Fields
Chief Clerk of House of Representatives

Approved
Governor

Date

- page 3 -