



TEAM
KENTUCKY®

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Kentucky
Home

AUGUST 20th, 2026

GRANT Program

And other legislative updates!

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Kentucky Cabinet for Economic Development



CABINET FOR
ECONOMIC DEVELOPMENT



Government Resources Accelerating Needed Transformation (GRANT) Program

LEGISLATION



2023 Regular Session created GRANT Program in House Bill 9

- Administered by the Department for Local Government

2024 Regular Session created GRANT Program of 2024 in House Bill 723

- Administered by the Cabinet for Economic Development
- \$200 million appropriation

LEGISLATION



2026 Regular Session changed the GRANT Program in House Bill 647

- Additional \$100 million appropriation across two fiscal years (2027 and 2028)

GRANT PROGRAM

Program Eligibility – Grant Recipient

APPLICANT MUST BE:

- 1) City
- 2) County
- 3) 501(c)(3) organization
- 4) Subdivision of a city or county
- 5) Any entity organized in KY providing public services through
 - a) Law Enforcement
 - b) Fire
 - c) Emergency Medical
 - d) Rescue
 - e) Waterfront Development
 - f) Water Utility
 - g) Waste Water Utility to persons in KY



Applicant for GRANT Program must match the applicant for the federal grant/program*

*If the project is a multi-state project, the KY entity applying to the GRANT Program may be a subrecipient of the federal grant

GRANT PROGRAM

Program Eligibility – Federal Grant Sponsoring Agency

Federal Grant **MUST** be sponsored/administered by:

- 1) U.S. Dept of Housing & Urban Development (HUD)
- 2) Delta Regional Authority (DRA)
- 3) U.S. Department of Homeland Security
- 4) U.S. Department of Defense
- 5) U.S. Department of Justice
- 6) National Science Foundation
- 7) 12 federal agencies comprising the Interagency Working Group (IWG) on Coal and Power Plant Communities and Economic Revitalization



Interagency Working Group on
Coal & Power Plant Communities
& Economic Revitalization

IWG AGENCIES



Interagency Working Group on
Coal & Power Plant Communities
& Economic Revitalization



Office of Management
and Budget/Domestic
Policy Council



U.S. Department of
Energy



U.S. Department of
the Treasury



U.S. Department of
the Interior



U.S. Department of
Agriculture



U.S. Department of
Commerce



U.S. Department of
Labor



U.S. Department of
Health and Human
Services



U.S. Department of
Transportation



U.S. Department of
Education



U.S. Environmental
Protection Agency



Appalachian Regional
Commission

GRANT PROGRAM

Federal Grant Requirement

Federal Grant/ Program MUST

- Require matching funds; or
 - Be a Delta Regional Authority project that explicitly states a match will make the application more competitive
- Have a submitted application within 90 days of the submitted GRANT Program application

Projects are limited to the minimum matching funds required by the federal grant/program



GRANT PROGRAM

Eligible Project

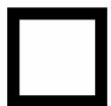
ELIGIBLE PROJECT – Benefits the Public and Initiated on:

- Publicly owned property
- Property to be acquired with either:
 - LOI or Option for Sale
 - Sale Agreement
- Private property in the public interest and for a public purpose/benefits community



GRANT PROGRAM

Other Requirements



Local Match Required:

- Statutory calculation based on population
- 2% to 10% of GRANT Program funds

Scoring Required:

- Based on Return on Investment and Relative Positive Impact

GRANT PROGRAM

Process



1.

Application Submission -

Applications due by the 1st of each month – all applications should be emailed to ced.grant2024@ky.gov



2.

Review, Score, Rank -

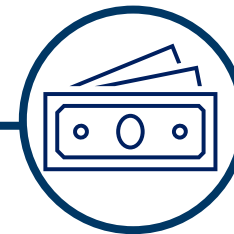
Finalized by the end of each month if completed application was received without any errors or omissions



3.

Notification, Agreement and Decision -

Month following completion of Review, Score, Rank



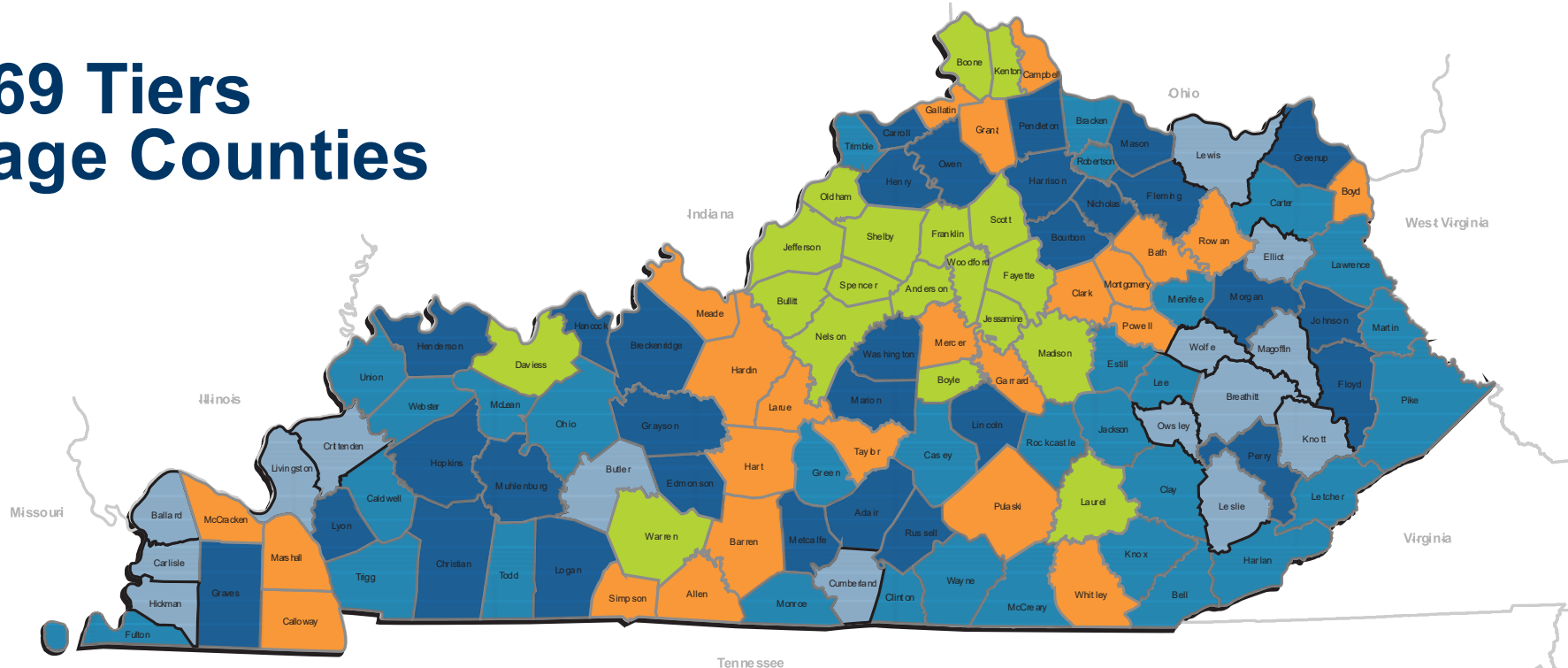
4.

Monitoring/Compliance; Disbursement

Federal award notice required

HB 869 Tiers

Heritage Counties



Heritage Counties

Tier 1

- Ballard
- Breathitt
- Butler
- Carlisle
- Crittenden
- Cumberland
- Elliott
- Hickman
- Knott
- Leslie
- Lewis
- Livingston
- Magoffin
- Owsley
- Wolfe

Tier 2

- Bell
- Bracken
- Caldwell
- Carter
- Casey
- Clay
- Clinton
- Estill
- Fulton
- Green
- Harlan
- Jackson
- Knox
- Lawrence
- Lee
- Letcher
- Martin
- McCreary
- McLean
- Menifee
- Monroe
- Ohio
- Pike
- Robertson
- Rockcastle
- Todd
- Trigg
- Wayne
- Webster
- Union

Tier 3

- Adair
- Bourbon
- Breckinridge
- Carroll
- Christian
- Edmonson
- Fleming
- Floyd
- Graves
- Grayson
- Greenup
- Hancock
- Harrison
- Henderson
- Henry
- Hopkins
- Johnson
- Lincoln
- Logan
- Lyon
- Marion
- Mason
- Metcalfe
- Morgan
- Muhlenberg
- Nicholas
- Owen
- Pendleton
- Perry
- Russell
- Washington

Tier 4

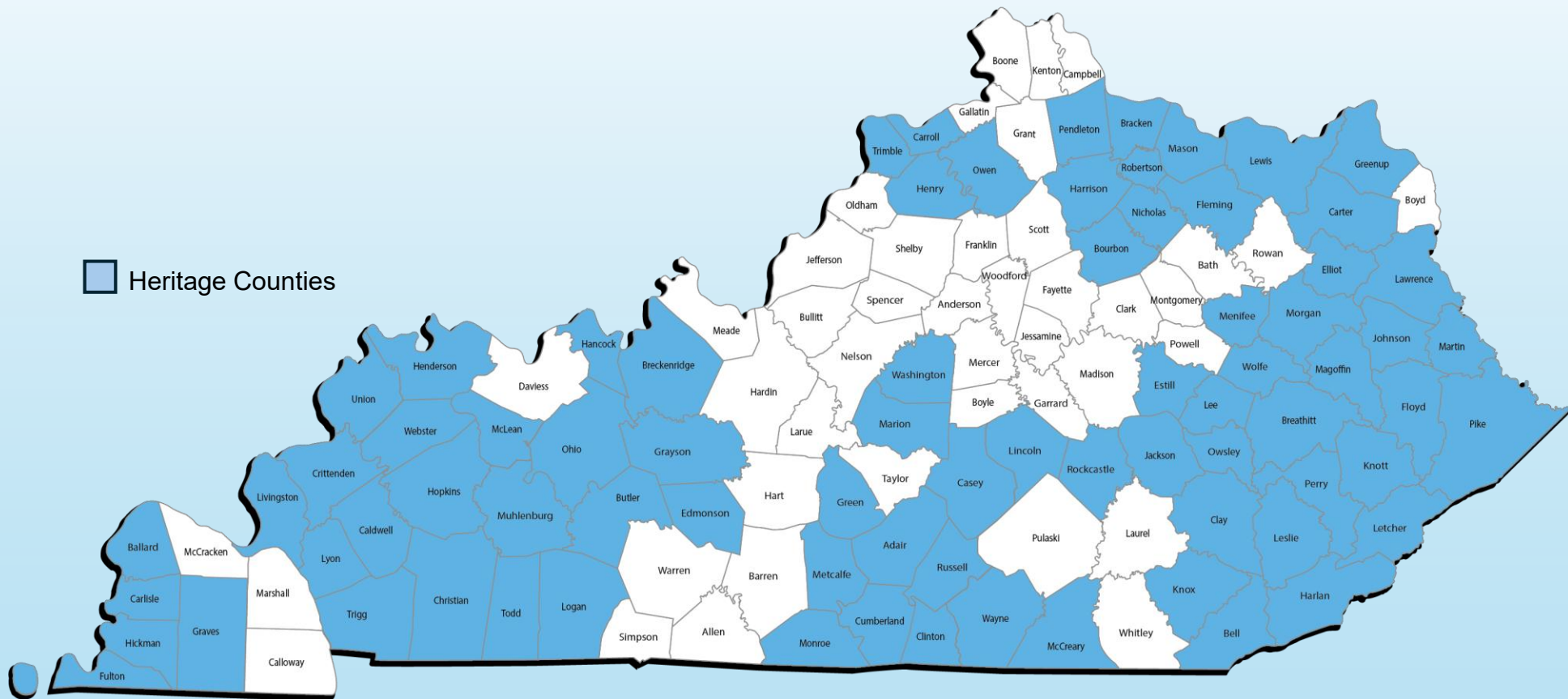
- Allen
- Barren
- Bath
- Boyd
- Calloway
- Campbell
- Clark
- Garrard
- Grant
- Hardin
- Hart
- LaRue
- Marshall
- McCracken
- Meade
- Mercer
- Montgomery
- Powell
- Pulaski
- Rowan
- Simpson
- Taylor
- Whitley

Tier 5

- Anderson
- Boone
- Boyle
- Bullitt
- Daviess
- Fayette
- Franklin
- Jefferson
- Jessamine
- Kenton
- Laurel
- Madison
- Nelson
- Oldham
- Scott
- Shelby
- Spencer
- Warren
- Woodford

HERITAGE COUNTIES

HOUSE BILL 869



"Heritage county" means a county where the county population ranking is greater than or equal to ninety-seven (97). County population ranking was based on the KY County Population Ranking Report 2026

OVERVIEW

KENTUCKY BUSINESS INVESTMENT (KBI) PROGRAM | KRS 154.32

- The Kentucky Business Investment (KBI) Program offers corporate income tax credits and wage assessments for projects meeting specific job, wage, and investment criteria.
- As with all Cabinet administered tax incentive programs, any inducements offered to an eligible company under the KBI program are negotiated by Cabinet for Economic Development officials and subject to approval by the Kentucky Economic Development Finance Authority (KEDFA).
- Incentive requires local support, and is performance based. It can be modified after preliminary approval to support a larger project scope.

APPLICATION REQUIREMENTS

KENTUCKY BUSINESS INVESTMENT PROGRAM (KBI)

COMPANIES

A legal entity that has been, or is planning to be, actively engaged within the Commonwealth in (No Changes):

- Manufacturing
- Agribusiness
- Nonretail service or technology
- Headquarters
- Hospital operations (a facility licensed by CHFS)
- Non-retail service or technology activities
- Coal severing and processing
- Carbon dioxide or hydrogen transmission pipeline
- Alternative fuel, gasification, energy efficient alternative fuels, or renewable energy production
- Research & Development

REQUIREMENTS

- Create at least 10 new, full-time jobs for Kentucky residents
- Minimum investment of \$100,000 in eligible costs
- Minimum hourly wage and total hourly compensation
- Negotiated job and wage targets

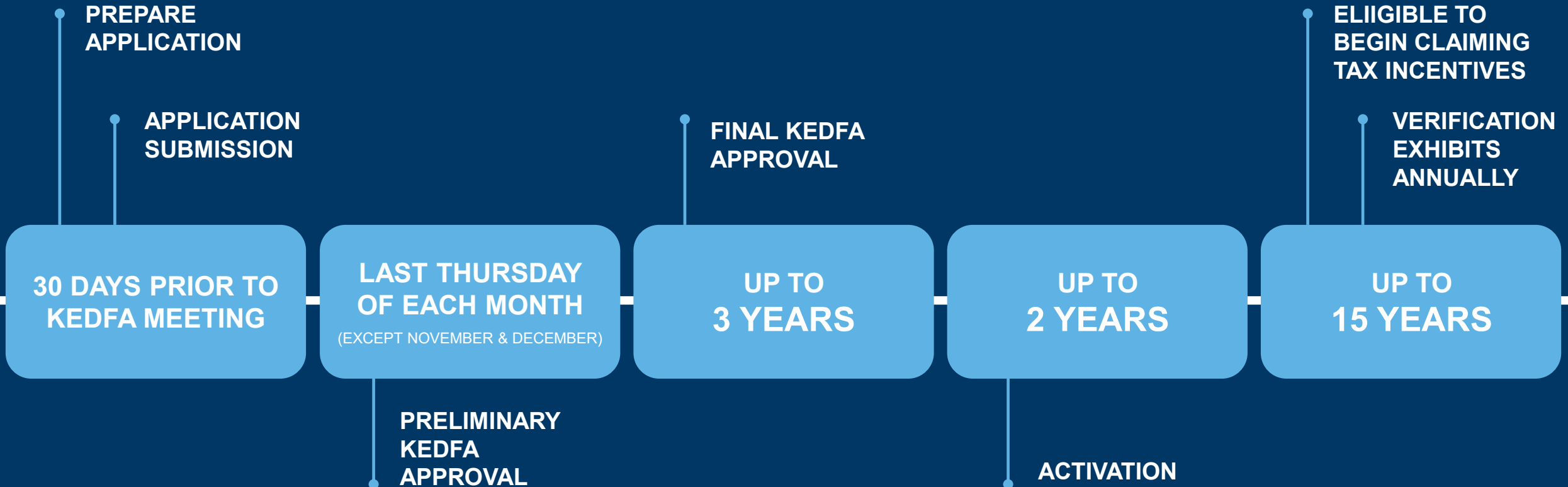
RECOVERY METHOD

- Corporate income/LLET credits and employee wage assessments for up to 10 or 15 years, depending on location

**HB 869: Statutory minimum requirement: 200% of federal minimum wage in heritage counties and 300% in any other counties*

TIMELINE

KENTUCKY BUSINESS INVESTMENT PROGRAM (KBI)



LEGISLATIVE UPDATES

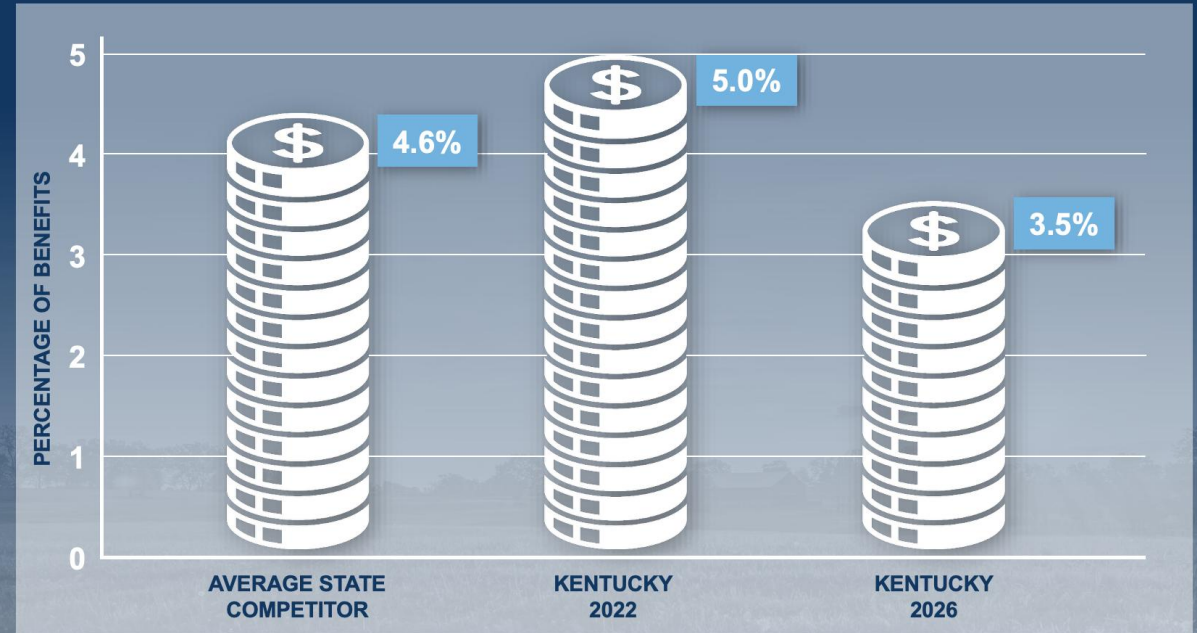
KENTUCKY BUSINESS INVESTMENT (KBI) PROGRAM | KRS 154.32

- Repeal of the existing enhanced incentive county designation
- 90 day look back on "but for"
- Creation of a new "Heritage County" designation based on a county population ranking
- Increased wage thresholds:
 - 200% of federal minimum wage (heritage counties) \$14.50 without benefits
 - 300% (all other counties) \$21.75 without benefits
- Expansion of eligible costs under KBI (recurring software, computer equipment)
- Inclusion of R&D companies
- Removes \$20,000 cap for equipment per job
- Extends existing agreements for up to five years for companies to fully realize the previously negotiated wage credit benefit following the reduction in KY personal income tax rates.
- Introduction of refundable KBI tax credits with annual statutory limit, **for select projects**.
 - 1.25% for other counties
 - 2.25% for heritage counties
 - Annual statutory limit (\$1M Other and \$3M Heritage Counties)

REFUNDABILITY

3.5% + 1.25%

KBI STATUS EDF FUNDS BRIDGE THE GAP



- Refundability based on population density calculation under KBI as follows:
 - **1.25%** of wages for **other** counties: \$1 Million Cap/Year
 - **2.25%** of wages for **heritage counties**: \$3 Million Cap/Year

REFUNDABILITY

CRITERIA FOR OTHER COUNTY CONSIDERATION

- Wages offered shall meet or exceed the highest average wages among the county's top five comparable employers
- Strong workforce development strategy including advancement opportunities and skills-based training
- Benefits package, including gain sharing/performance bonuses, competitive with top regional employers
- Job creation target generally equal to 1/10th of 1% of county population, with flexibility for strategic projects
- Preference for industry leaders, key suppliers, R&D, HQ, financial services, and value-added agricultural operations
- Demonstrated competitive advantage and strong long-term growth potential
- Commitment to community engagement and corporate citizenship
- Clear strategic fit for the Kentucky facility within overall company operations
- Full local participation in the KBI Program

REFUNDABILITY

CRITERIA FOR HERITAGE COUNTY CONSIDERATION

- Wages to be offered to employees shall be equal to or greater to the highest average wages of the workforce of the top 3 employers in the county based on similar types of activity, with examples of being good corporate citizens in the communities in which they operate.
- Company shall have a strategy or employer brand that includes advancement and skill-based training programs, successful use of state and federal training programs.
- Value of benefits offered to employees, including gain sharing or performance-based bonuses shall be deemed on par with employees of the top 3 employers in county.
- Number of jobs to be created should be approximately 1/10th of 1% of County population, unless average wages are deemed above the wages of the top 3 employers in the area, representing an R&D, HQ or high wage business and financial services firm.
- Agricultural supply chain or value-added food processors to local agricultural county shall be granted exceptions to the above criteria in so long as material benefit to the agricultural county can be ascertained.

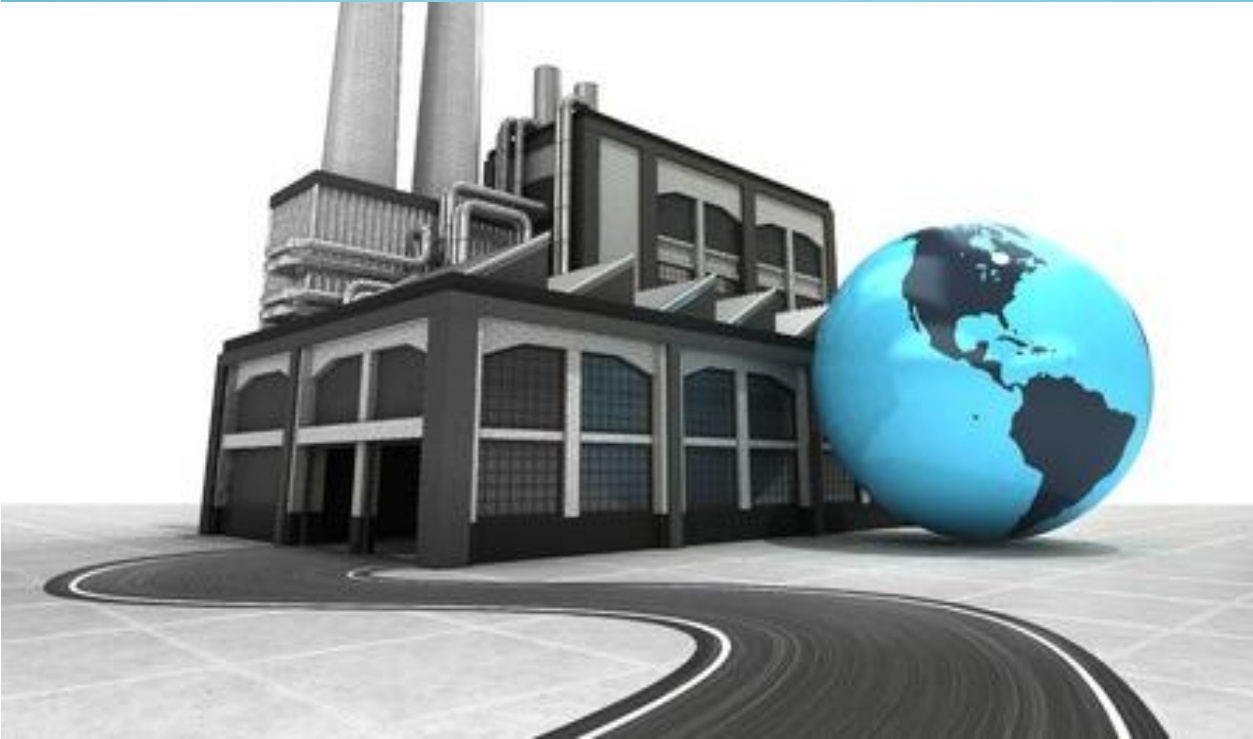


Kentucky Jobs Retention Act



Lowers threshold for existing companies in Heritage Counties to go from **1,000 jobs to 250 jobs for eligibility**

- Reduces minimum investment requirement for heritage counties from \$100 million to \$25 million
- Extends existing KJRA agreements for up to five years for companies to fully realize the previously negotiated wage credit benefit following the reduction in KY personal income tax rates.



LPF

LEVELING THE
PLAYING FIELD

HERITAGE COUNTIES BENEFITS

Kentucky Product Development Initiative (KPDI) - KRS 154.21

- *Adjusts maximum eligible funding for approved projects located in Heritage counties from \$2,000,000 to \$2,500,000 to recognize increased development costs*

Investing in Training Programming: Bluegrass State Skills Corporation

- *Increases maximum training credits allowed from \$2,000 to \$4,500 per trainee for companies located in Heritage counties*
- *\$2,000 to \$3,500 per trainee for companies located in all other counties. Adjustment **does not** increase total allocation of credits under program.*
- *Target sustainable training operations & increased flexibility to meet company workforce needs.*
- *Despite increase in per trainee amount, annual cumulative dollar allocation of BSSC did not change*

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