AN ACT relating to the rural hospital operations and facilities revolving loan fund, making an appropriation therefor, and declaring an emergency.

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

➔SECTION 1. A NEW SECTION OF SUBCHAPTER 20 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Authority" means the Kentucky Economic Development Finance Authority; and

(b) "Rural hospital" means any hospital located within a county of the Commonwealth having a population of less than fifty thousand (50,000) according to the most recent annual estimates of the resident population issued by the United States Census Bureau.

(2) (a) The rural hospital operations and facilities revolving loan fund is established for the authority to provide loans to a rural hospital.

(b) Any loan issued by the authority shall not exceed a twenty (20) year term and shall be utilized by the Cabinet for Economic Development to assist a rural hospital in providing needed direct health care services for the citizens of the Commonwealth by:

1. Maintaining or upgrading the hospital's facilities;

2. Maintaining or increasing the current staff of the rural hospital; or

3. Providing health care services that are not currently available to citizens.

(3) The Cabinet for Economic Development shall:

(a) Determine the terms and conditions of each loan, including the repayment to be deposited back in the revolving loan fund for issuance of future loans to other rural hospitals;

(b) Monitor the performance of the rural hospital; and

(c) By October 1, 2020, and by each October 1 thereafter, report to the Interim Joint Committee on Appropriations and Revenue information about each outstanding loan issued, including:

1. The name and location of the rural hospital;

2. The amount of principal originally loaned;

3. The terms of the loan and whether the rural hospital is currently meeting those terms; and

4. How the rural hospital used the loan related to facilities, staff, or additional services.

(4) (a) The fund created in subsection (2) of this section shall be a trust and agency account.

(b) The Cabinet for Economic Development shall administer the fund.

(c) The fund shall consist of appropriations, contributions, donations, gifts, or federal funds.

(d) Notwithstanding KRS 45.229, any moneys remaining in the fund at the close of the fiscal year shall not lapse but shall be carried forward into the succeeding fiscal year.

(e) Any interest earnings of the fund shall become a part of the fund and shall not lapse.

(f) Moneys deposited in the fund are hereby appropriated for the sole purpose of providing loans to rural hospitals.

➔Section 2. Notwithstanding 2020 Regular Session HB 352/EN, Part III, 2., unbudgeted Restricted Funds may be allotted and expended~~[for the purchase of personal protection equipment for use in evaluating and treating COVID-19 patients during a declared state of emergency and these purchases may be deemed a necessary government expense]~~.

➔Section 3. Whereas rural hospitals provide medical services that are essential to

communities within the Commonwealth, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.