

154.20-160 Development of criteria for productivity gains to be used in considering requests for financial assistance.

- (1) The Kentucky Economic Development Finance Authority, or its successor, shall develop, pursuant to KRS 154.20-030 to 154.20-150, criteria which may be used by the authority in considering the requests by industrial entities for financial assistance for proposed industrial development projects. The authority, or its successor, may develop criteria which shall include, but not be limited to, potential productivity gains due to the funding of the proposed technological investment.
- (2) In developing criteria as prescribed in subsection (1) of this section, the authority shall consider the following:
 - (a) For existing firms, past productivity trends and potential productivity gains due to the funding of technological investments; and
 - (b) For new firms, the degree to which the proposed technological investment will be expected to cause the firm's productivity to be higher than the average for firms in the industry it represents.
- (3) When considering productivity gains, the authority shall consider the following:
 - (a)
 1. Total real value of output defined as the total sales in real dollars in the calendar year adjusted by the producer price index for the standard industrial classification of that business; or
 2. Potential total real value of output defined as the forecasted total sales in real dollars as measured in the current period; and
 - (b)
 1. Productivity measure defined as the total real value of output for a calendar year divided by total employment for that calendar year; or
 2. Potential productivity measure defined as the potential total real value of output divided by the total forecasted employment.
- (4) Productivity trends of a business shall be evaluated by comparing the annual rate of change in the productivity measure for an individual business to the annual rate of change in productivity measure for businesses engaged in a similar economic activity. The recommended source for industry productivity measures is the rate of change in industry labor productivity indexes published by the United States Bureau of Labor Statistics.

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Created 1992 Ky. Acts ch. 358, sec. 19, effective July 14, 1992.

Formerly codified as KRS 154.24-160