



# KENTUCKY EQUIPMENT/INFRASTRUCTURE REVOLVING LOAN PROGRAM

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# PROGRAM HISTORY

- LOAN PROGRAM WAS ESTABLISHED IN 1948 AND GOVERNED UNDER KENTUCKY REVISED STATUTES (KRS) CHAPTERS 262.610-262.650
- ORIGINAL APPROPRIATION OF \$400,000
- PROGRAM WAS REVISED IN 2007 TO ALLOW FOR INFRASTRUCTURE LOANS.
- INTEREST RATE IS 1%
- THERE HAVE BEEN 6 INFRASTRUCTURE LOANS APPROVED. BATH COUNTY CONSERVATION DISTRICT WAS THE FIRST INFRASTRUCTURE LOAN APPROVED AND TRIGG COUNTY CONSERVATION DISTRICT WAS THE FIRST INFRASTRUCTURE LOAN PAID OFF IN 2013
- THERE HAVE BEEN MORE THAN 2400 LOANS APPROVED TO KENTUCKY CONSERVATION DISTRICTS.
- CURRENTLY THERE IS 29 ACTIVE LOANS BEING AMORTIZED.



# LOAN DETAILS

- Loans are made to conservation districts upon approval by the Soil & Water Commission. All paperwork reviewed by cabinet attorneys.
- Districts required to pay 1/3 down on purchase.
- Soil & Water Commission reduced the Interest rate from 4% to 1% to be more competitive.
- Conservation districts can choose their amortization schedule from 3 to 7 years.
- If loans are for more than \$100,000 notices are sent to Governor's office of Local Development.
- Once loans are approved Field Representatives meet with district chairman and close the loans.
- Once loan documents are completed they are returned to Frankfort and a direct deposit is made to the conservation district for the loan proceeds to make purchase.
- Liens are filed by the Secretary of State on all equipment or infrastructure loans \$5 to file and \$5 to release.
- Loan payments and reports are due by the 10<sup>th</sup> of each month to Division of Conservation.
- Conservation districts and contractors are required to have and maintain insurance on all equipment or infrastructure for the duration of the loan.



# TYPES OF LOANS AVAILABLE

## TWO TYPES OF EQUIPMENT LOANS

- **DISTRICT OWNED EQUIPMENT**—DISTRICT MAINTAINS POSSESSION AND RENTS OR LEASES TO LANDOWNERS FOR USE ON A DAILY OR ACREAGE RATE BASIS
- **CONTRACTOR OWNED EQUIPMENT**—CONTRACTOR APPROVED LOAN IN COOPERATION WITH THE COUNTY CONSERVAITON DISTRICT. CONTRACTOR IS REQUIRED TO DO A CERTAIN AMOUNT OF CONSERVATION WORK FOR THE DISTRICT AND REPORTING. USUALLY THESE LOANS ARE FOR MORE SPECIALIZED EQUIPMENT THAT REQUIRE MUCH MORE SKILL AND TRAINING FOR OPERATION.
- LIENS ARE FILED ON EQUIPMENT UNTIL FULLY AMORTIZED.

## INFRASTRUCTURE LOANS

- LOANS ARE ONLY MADE TO COUNTY CONSERVATION DISTRICTS TO EITHER PURCHASE, BUILD OR REMODEL OFFICE SPACE.
- LOANS ARE AMORTIZED FOR 10 YEARS MAXIMUM .
- PROPERTIES TO BE PURCHASED HAVE OVERSIGHT THROUGH *KENTUCKY REAL PROPERTIES* AND REQUIRE AN APPRAISAL, ENVIRONMENTAL ASSESSMENT, DEED SEARCH AND SURVEY COMPLETED PRIOR TO LOAN APPROVALS.
- LIENS ARE FILED ON THE PROPERTY UNTIL FULLY AMORITIZED.

# PROGRAM SUCCESS

1. More than 2400 loans have been approved to local conservation districts.
2. No loans have ever been written off as bad loans.
3. Another district has assumed responsibility for the few repossessions that have Happened.
4. This Program is such a valuable resource for county conservation districts in providing specialized equipment to their local landowners.





# BATH & BRACKEN COUNTY CONSERVATION DISTRICT OFFICES PURCHASED WITH INFRASTRUCTURE LOAN PROCEEDS





# BULLITT COUNTY CONSERVATION DISTRICT OFFICE PURCHASED WITH INFRASTRUCTURE LOAN PROCEEDS







# DISTRICT OWNED CONSERVATION EQUIPMENT PURCHASED THROUGH EQUIPMENT LOAN PROGRAM.

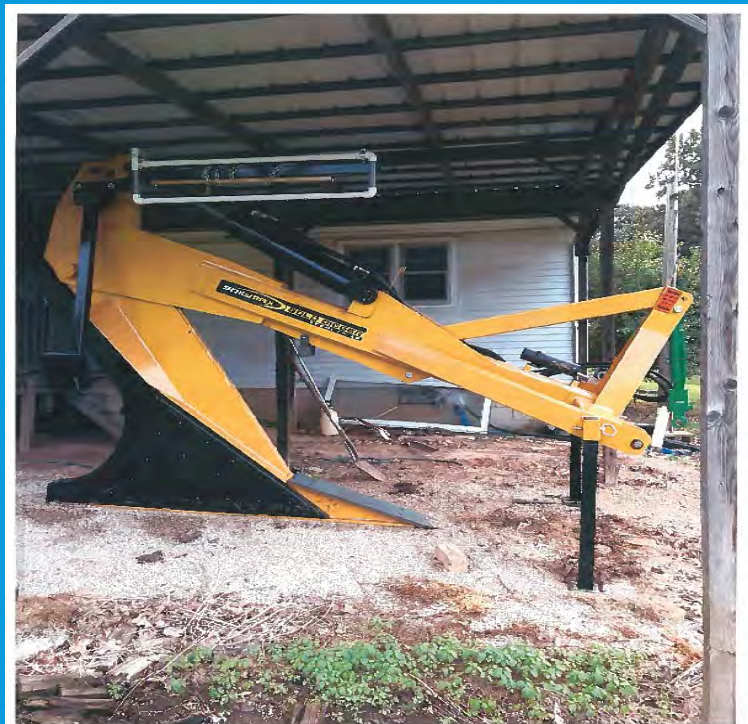


Since 1948 the equipment revolving loan program has been a valuable resource for Kentucky Conservation Districts aiding them in the purchase of conservation equipment made available by lease to landowners on a daily or acreage rate basis for conservation work. Eligible equipment can include no till seeders, lime/fertilize spreaders, bale wrappers/wagons, dozers, front end loaders, trenchers, animal waste pumps etc.





# DISTRICT OWNED CONSERVATION EQUIPMENT PURCHASED THROUGH EQUIPMENT LOAN PROGRAM.





# FOR ADDITIONAL EQUIPMENT/INFRASTRUCTURE LOAN INFORMATION

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OR VISIT

<https://eec.ky.gov/Natural-Resources/Conservation/Pages/default.aspx>