

CHAPTER 2

(HB 5)

AN ACT relating to fiscal matters providing funding for disaster recovery and relief, making an appropriation therefor, and declaring an emergency.

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

➔Section 1. There is hereby appropriated General Fund moneys in the amount of \$155,000,000 in fiscal year 2021-2022 to the West Kentucky State Aid Funding for Emergencies (SAFE) Fund.

➔Section 2. There is hereby appropriated General Fund moneys in the amount of \$45,000,000 in fiscal year 2021-2022 to the West Kentucky State Aid Funding for Emergencies (SAFE) Fund to be allocated as follows:

(a) \$30,000,000 to the Kentucky Department of Education for school districts impacted by the December 2021 storms and tornadoes, including:

1. Providing the necessary wrap-around services for school children and their families in recovering from the impact of the storms and tornadoes, including after-school services and activities held at the school facilities or elsewhere in the community, mental health counseling services, and outside-of-school tutoring and other services to advance the scholastic progress of students;

2. Assisting school districts in addressing the additional transportation costs to provide transportation to students that are displaced from their district or county; and

3. Transferring a portion to the School Facilities Construction Commission to offer funding for the construction and repairs of school building facilities that have been destroyed or severely damaged by the storms and tornadoes. If a school district receives insurance funds for the facility, the school district shall reimburse the fund an amount equal to the amount received from insurance proceeds; and

(b) \$15,000,000 to the Department of Military Affairs, Division of Emergency Management, to be used for procuring temporary FEMA-eligible housing units.

➔Section 3. Notwithstanding KRS 48.630 or any other statute to the contrary, except as provided for in Section 2 of this Act, the funds appropriated or deposited into the West Kentucky State Aid Funding for Emergencies (SAFE) Fund shall not be expended, allocated, or appropriated without the express authority of the General Assembly.

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 39A IS CREATED TO READ AS FOLLOWS:

(1) *The West Kentucky State Aid Funding for Emergencies (SAFE) fund is established and shall be:*

(a) *Administered by the Department of Military Affairs, Division of Emergency Management, in accordance with this section;*

(b) *A separate fund to provide financial assistance for those impacted by the December 2021 storms and tornadoes that occurred in the west Kentucky region; and*

(c) *Used to provide financial support to the west Kentucky region to recover from the devastation caused by the storms and tornadoes.*

(2) *The Department of Military Affairs or the Division of Emergency Management shall not publicly advertise or solicit contributions from the general public that could potentially impact fundraising efforts of not-for-profit disaster relief agencies.*

(3) *The fund may receive state appropriations, gifts, grants, federal funds, and any other funds both public and private.*

(4) *Moneys in the fund as of June 30, 2022, and June 30, 2023, shall not lapse and shall carry forward until June 30, 2024.*

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

(6) (a) *Eligibility to receive financial support from the fund shall be limited to a:*

1. *City, county, urban-county government, consolidated local government, unified local government, or charter county government;*
2. *Nonprofit or public utility service provider;*
3. *State agency; or*
4. *School district;*

that has disaster-related needs as a result of the devastation experienced from the December 2021 storms and tornadoes.

- (b) *An eligible recipient may receive moneys for expenses to provide disaster and recovery relief if the recipient:*
 1. *Is located in the areas named in a Presidential Declaration of Emergency relating to the storms and tornadoes that occurred in December 2021; and*
 2. *Has disaster-related needs in response to the storms and tornadoes that occurred in December 2021.*
- (c) *Eligible expenses shall be those used to support disaster and recovery relief, including but not limited to:*
 1. *Replacement or renovation of public buildings damaged by the storms and tornadoes;*
 2. *Reimbursement for services, personnel, and equipment provided during the response and recovery to communities impacted by the storms and tornadoes;*
 3. *Funding to cities, counties, and publicly owned utilities for the costs of replacement or repair of publicly owned buildings and their contents due to the damage from the storms and tornadoes;*
 4. *Assistance to cities and counties for expenses related to planning efforts for rebuilding and recovering from the damage;*
 5. *Assistance to utilities serving Graves, Caldwell, Muhlenberg, and Hopkins Counties for resilient response and future risk reduction through the burying of utility wires that will enhance power reliability, reduce power loss, and lessen risk to human life; and*
 6. *Assistance to support disaster recovery and relief needs of local school districts, including but not limited to:*
 - a. *Financial support for school districts that will experience a default in bond payments; and*
 - b. *Financial support to assist school districts with building needs.*
- (7) *Each recipient of moneys from the fund, including any agency of Kentucky state government, shall:*
 - (a) *Timely apply for federal emergency disaster grant assistance, other financial disaster assistance, and insurance proceeds; and*
 - (b) *Adhere to the terms of the fund regarding reimbursement to the Commonwealth if funds from other sources are subsequently received after the receipt of financial assistance from the state.*
- (8) (a) *Moneys in the fund may be used for the advancement of moneys to cities and counties experiencing strained fiscal liquidity while awaiting reimbursement from federal emergency management assistance or insurance claims.*
 - (b) *Reimbursement of the advancement under paragraph (a) of this subsection shall:*
 1. *Be determined by the Department for Local Government's state-local finance officer; and*
 2. *Include a quarterly accounting of the advancement released and the outstanding balance through June 30, 2024.*
- (9) (a) *If a recipient of moneys from the fund subsequently receives moneys from any other source, the recipient shall reimburse the Commonwealth for the amount of the moneys received from the fund.*

- (b) *All moneys reimbursed to the Commonwealth under paragraph (a) of this subsection shall be deposited in the general fund within thirty (30) days.*
- (10) *The Division of Emergency Management shall promulgate administrative regulations to carry out this section.*
- (11) *The following reports shall be submitted to the Interim Joint Committee on Appropriations and Revenue by the tenth day of each month, beginning February 10, 2022, and ending July 10, 2024:*
- (a) *A report from the Office of State Budget Director that includes:*
1. *The name of each recipient of moneys from the fund;*
 2. *The dollar amount of moneys received; and*
 3. *A description of how the moneys were used; and*
- (b) *A report from the Department of Education that includes:*
1. *The name of each school district receiving moneys from the fund;*
 2. *The dollar amount of moneys received; and*
 3. *A description of how the moneys were used.*

➔Section 5. Whereas support and relief efforts are imperative for the Commonwealth to recover from the considerable damage caused by deadly storms and tornadoes, 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.

Signed by Governor January 13, 2022.