

1 AN ACT relating to special purpose funds and declaring an emergency.

2 WHEREAS, on the evening of December 10, 2021, tornadoes devastated the
3 Western Kentucky region as violent storms tracked across Fulton, Hickman, Graves,
4 Marshall, Lyon, Caldwell, Hopkins, Muhlenberg, Ohio, and Grayson Counties in the
5 longest path in United States history; and

6 WHEREAS, over three hours, 80 Kentuckians lost their lives from the storms, and
7 communities became unrecognizable as large swaths of towns were reduced to rubble;
8 and

9 WHEREAS, the magnitude of devastation received worldwide recognition, and the
10 resolve and resiliency of Kentuckians garnered support from local, state, national, and
11 worldwide relief efforts; and

12 WHEREAS, in response to the desire of individuals, nonprofits, and businesses to
13 provide monetary donations to aid the relief and recovery efforts, Governor Beshear
14 established the "Team Western Kentucky Tornado Relief Fund" within the Public
15 Protection Cabinet Office of the Secretary; and

16 WHEREAS, the "Team Western Kentucky Tornado Relief Fund" was created in an
17 off-budget trust account, the fund, 639V, has received donations and pledges exceeding
18 \$52 million and has disbursed \$28.3 million to date; and

19 WHEREAS, beginning on July 26, 2022, over four days complex thunderstorms
20 brought heavy rain, deadly flash flooding, and devastating river flooding to the Eastern
21 Kentucky region and central Appalachia stretching across Breathitt, Clay, Floyd, Knott,
22 Lee, Leslie, Letcher, Magoffin, Martin, Owsley, Perry, Pike, and Whitley Counties; and

23 WHEREAS, unprecedented record-setting rainfall devastated the region as entire
24 homes and communities were swept away, resulting in the tragic loss of 39 lives and
25 significant infrastructure damage; and

26 WHEREAS, responding to the desire of individuals, businesses, nonprofit and
27 charitable organizations, and other entities to provide assistance and monetary donations

1 to help bring immediate relief to the people and Eastern Kentucky communities,
2 Governor Beshear created the "Team Eastern Kentucky Flood Relief Fund" established
3 within the Public Protection Cabinet Office of the Secretary; and

4 WHEREAS, the "Team Eastern Kentucky Flood Relief Fund" was created as an
5 off-budget trust account, the fund, 63A3, has received donations and pledges exceeding
6 \$13.1 million and has disbursed \$4.5 million to date; and

7 WHEREAS, concerns have been raised about timeliness and payments received
8 from the relief funds by parties not impacted by the natural disasters;

9 NOW, THEREFORE,

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

11 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO
12 READ AS FOLLOWS:

13 **(1) As used in this section, "relief fund" means a fund created on- or off-budget by**
14 **statute, a government agency, cabinet secretary, appointed or elected official, or**
15 **agency head to accept and expend funds received from any source for the**
16 **purpose of providing relief to individuals and entities impacted by an emergency.**

17 **(2) The agency head, cabinet secretary, or appointed official that administers a relief**
18 **fund shall provide a report and analysis of all relief funds to the Legislative**
19 **Research Commission no later than the end of each fiscal year.**

20 **(3) The analysis and report of relief funds shall include but not be limited to:**

21 **(a) A list of the total funds received or pledged, containing the following**
22 **information:**

23 **1. The type of entity, such as business, nonprofit or charitable**
24 **organization, or individual; and**

25 **2. The state and country of origin of the entity;**

26 **(b) A list of the expenditures, obligated, or encumbered funds from the relief**
27 **fund by:**

- 1 1. Recipient;
- 2 2. Type of entity;
- 3 3. Total amount disbursed;
- 4 4. Dates of issuance;
- 5 5. Method of delivery; and
- 6 6. Purpose of assistance;
- 7 (c) The statutory and constitutional authority to raise revenue and expend
- 8 funds from a state agency to individuals and entities absent an
- 9 appropriation as required by Section 230 of the Constitution of Kentucky;
- 10 (d) The program or fund guidelines, application, and procedures established
- 11 for individuals and entities seeking assistance from the relief fund;
- 12 (e) The program or fund guidelines and procedures established for the
- 13 allocation of funds, including:
- 14 1. The composition of each board, commission, or governing body
- 15 created to administer the fund or program;
- 16 2. The roles, assigned responsibilities, and authority of the entities
- 17 involved in the administration of funds;
- 18 3. Any standards or procedure used to determine:
- 19 a. Award amounts;
- 20 b. Eligibility criteria;
- 21 c. Types of assistance;
- 22 d. Prioritization of applications; and
- 23 e. Fraud and risk mitigation procedures for administration of the
- 24 relief fund;
- 25 (f) Any solicitation, analysis, and evaluation procedures for obligation of funds
- 26 for future expenditures for long-term recovery projects or partnerships with
- 27 public and private organizations; and

1 (g) Any plans for use of future receipts, and a timeline for dissolution of the
2 program and fund.

3 ➔Section 2. Whereas relief funds provide vital assistance to individuals, families,
4 and businesses that have suffered from natural disasters, and timely and efficient
5 allocation of these funds to communities is essential to the public good, an emergency is
6 declared to exist, and this Act takes effect upon its passage and approval by the Governor
7 or upon its otherwise becoming a law.