

1 AN ACT relating to donations made to the Commonwealth and declaring an  
2 emergency.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO  
5 READ AS FOLLOWS:

6 *(1) As used in this section:*

7 *(a) "Cabinet" means the Public Protection Cabinet;*

8 *(b) "Costs or fee for administrative purposes" means any expenditure that is*  
9 *not:*

10 *1. Direct aid to a Kentucky resident or a small business; or*

11 *2. A processing fee imposed by a merchant bank or credit card company;*

12 *(c) "Qualified nonprofit organization" means a tax exempt entity under 26*  
13 *U.S.C. sec. 501(c)(3) or (4) that:*

14 *1. Agrees to use all grants of moneys from the Kentucky contribution*  
15 *trust fund established in subsection (2) of this section to serve*  
16 *Kentucky residents directly impacted by the tornadoes or flooding; and*

17 *2. Provides:*

18 *a. Food;*

19 *b. Clothing;*

20 *c. Shelter;*

21 *d. Utilities;*

22 *e. Medical expenses;*

23 *f. Household needs;*

24 *g. Other necessities of life; or*

25 *h. Long-term financial or rebuilding assistance; and*

26 *(d) "Small business" means any business entity organized for profit, including*  
27 *a sole proprietorship, partnership, limited partnership, corporation, limited*

- 1            liability company, joint venture, association, or cooperative that:
- 2            1. Had fifty (50) or fewer full-time employees on December 9, 2021;
- 3            2. Is not an affiliate or subsidiary of a larger corporate structure, unless
- 4            the total number of employees of all the affiliates and subsidiaries
- 5            within that structure is fifty (50) or fewer;
- 6            3. Had at least one (1) business location in an area named in the
- 7            Presidential Declaration of a Major Disaster, designated FEMA-4630-
- 8            DR-KY on December 9, 2021, or the Presidential Declaration of a
- 9            Major Disaster, designated FEMA-4663-DR-KY on July 26, 2022;
- 10          4. a. Sustained damage to a business location described in
- 11          subparagraph 3. of this paragraph; or
- 12          b. Experienced business interruption as a result of the severe
- 13          weather events of December 10 and 11, 2021, or from July 26 to
- 14          August 11, 2022;
- 15          5. a. Agrees to use the grant of moneys for a business location
- 16          described in subparagraph 3. of this paragraph; and
- 17          b. Uses the grant of moneys to maintain business operations or
- 18          repair or rebuild that business location;
- 19          6. Is presently in operation or will be in operation; and
- 20          7. Is in good standing with the Kentucky Department of Revenue and the
- 21          Kentucky Secretary of State.
- 22          (2) The Kentucky contribution trust fund is established as a trust and agency account
- 23          in the State Treasury and shall be administered by the cabinet.
- 24          (3) The fund shall consist of all moneys:
- 25          (a) Solicited by any:
- 26                  1. Person within the Governor's General Cabinet described in KRS
- 27                  11.060 or employee thereof, within his or her official capacity;

- 1           2. Member of the General Assembly or employee of the Legislative  
2           Research Commission, within his or her official capacity; or
- 3           3. Member of the Court of Justice defined in KRS 45.237 or employee  
4           thereof, within his or her official capacity;
- 5           (b) Donated to or held by the Commonwealth, including but not limited to any  
6           moneys associated with the:
- 7           1. Team Kentucky fund established by the Governor;  
8           2. Team western Kentucky tornado relief fund established by the  
9           Governor following the December 2021 storms and tornadoes that  
10           occurred in the western Kentucky region; and
- 11           3. Team eastern Kentucky flood relief fund established by the Governor  
12           following the July 2022 storms and flooding that occurred in the  
13           eastern Kentucky region; and
- 14           (c) Not required by statute to be deposited in another fund.
- 15           (4) (a) Moneys deposited in the fund shall be accounted for separately based on the  
16           purpose for which the moneys were solicited.
- 17           (b) When moneys are deposited from the funds described in subsection (3)(b) of  
18           this section, the moneys hereby are appropriated for the purposes provided  
19           in this section.
- 20           (c) All other moneys shall be maintained in the fund until appropriated by the  
21           General Assembly.
- 22           (d) All recipients of a grant of moneys from this fund shall certify that they are  
23           in compliance with the requirements of this section prior to receiving any  
24           moneys.
- 25           (e) Applications providing fraudulent information shall be referred by the  
26           Public Protection Cabinet to the Office of Attorney General, Office of  
27           Special Prosecutions.

1 (5) Notwithstanding KRS 45.229, fund amounts not appropriated at the close of a  
2 fiscal year shall not lapse but shall be carried forward into the next fiscal year.

3 (6) The cabinet shall:

4 (a) Develop a process to review and accept or deny applications for grants of  
5 moneys from the fund based on eligibility requirements under this section  
6 for each type of solicited donation;

7 (b) 1. Prepare warrants on the State Treasury for any grant of moneys  
8 approved by the cabinet, including a direct payment for funeral  
9 expenses;

10 2. Coordinate the direct payment for funeral expenses; and

11 3. Obtain all necessary information from the Kentucky Office of Vital  
12 Statistics, coroners, or other appropriate entities to verify eligibility for  
13 any direct payment for funeral expenses;

14 (c) Ensure delivery of the moneys to the applicant or the direct payment for  
15 funeral expenses; and

16 (d) Promulgate administrative regulations to provide application forms,  
17 application deadlines, and other administrative procedures necessary to  
18 fulfill the duties required by this section.

19 (7) Related to the team western Kentucky tornado relief donations:

20 (a) Moneys solicited shall be used to assist an individual or a small business  
21 directly impacted by the storms and tornadoes on December 10 and 11,  
22 2021;

23 (b) An eligible applicant for a grant of moneys from the fund shall be a:

24 1. Person who is responsible for the payment of funeral expenses for  
25 another individual whose death was directly related to the storms and  
26 tornadoes and any grant issued shall be a direct payment to the entity  
27 providing the funeral services in an amount not to exceed ten

1                    thousand dollars (\$10,000);

2                    2. Kentucky resident who:

3                    a. Resides in an area named in the Presidential Declaration of a  
4                    Major Disaster, designated FEMA-4630-DR-KY; and

5                    b. Was directly impacted by the storms and tornadoes;

6                    3. Qualified nonprofit organization; or

7                    4. Small business; and

8                    (c) A grant of moneys shall not be issued for any:

9                    1. Cost or fee for administrative purposes;

10                   2. Expenditure in which the applicant receives benefits from a federal  
11                   source, including but not limited to payments from the Federal  
12                   Emergency Management Agency;

13                   3. Payment to a nonresident of Kentucky; or

14                   4. Payment to a nonprofit organization, other than a qualified nonprofit  
15                   organization.

16                   (8) Related to the team eastern Kentucky flood relief donations:

17                   (a) Moneys solicited shall be used to assist an individual or a small business  
18                   directly impacted by the storms and flooding that began on July 26, 2022,  
19                   and generated multiple rounds of heavy torrential rain, resulting in  
20                   flooding, flash flooding, mudslides, and landslides;

21                   (b) An eligible applicant for a grant of moneys from the fund shall be:

22                   1. Person who is responsible for the payment of funeral expenses for  
23                   another individual whose death was directly related to the storms and  
24                   flooding and any grant issued shall be a direct payment to the entity  
25                   providing the funeral services in an amount not to exceed ten  
26                   thousand dollars (\$10,000);

27                   2. A Kentucky resident who:

- 1                    a. Resides in an area named in the Presidential Declaration of a
- 2                                    Major Disaster, designated FEMA-4663-DR-KY; and
- 3                    b. Was directly impacted by the flooding, mudslides, and landslides;
- 4                    3. A qualified nonprofit organization; or
- 5                    4. Small business; and
- 6                    (c) A grant of moneys shall not be issued for any:
- 7                                    1. Cost or fee for administrative purposes;
- 8                                    2. Expenditure in which the applicant receives benefits from a federal
- 9                                    source, included but not limited to payments from the Federal
- 10                                   Emergency Management Agency;
- 11                                   3. Payment to a nonresident of Kentucky; or
- 12                                   4. Payment to a nonprofit organization, other than a qualified nonprofit
- 13                                   organization.
- 14                    (9) (a) Any qualified nonprofit organization or small business that receives a grant
- 15                                   of moneys from the fund shall document expenditures made using those
- 16                                   moneys.
- 17                    (b) The documentation shall be maintained for at least four (4) years following
- 18                                   the distribution of the moneys and shall be subject to inspection during that
- 19                                   time by the cabinet.
- 20                    (c) All documents and materials submitted to either the Commonwealth or the
- 21                                   cabinet shall be considered a public record subject the Kentucky Open
- 22                                   Records Law, KRS 61.870 to 61.884.
- 23                    (10) (a) As used in this subsection, "affiliation" means the relationship between:
- 24                                   1. Members of a family, including brothers and sisters of the whole or
- 25                                   half blood, spouse, ancestors, and lineal descendants of an individual;
- 26                                   2. An individual and a corporation, of which more than fifty percent
- 27                                   (50%) in value of the outstanding stock is owned, directly or indirectly,

1 by or for that individual;

2 3. An individual and a limited liability company or a partnership, of  
 3 which more than fifty percent (50%) of the capital interest or profits  
 4 are owned or controlled, directly or indirectly, by or for that  
 5 individual; or

6 4. An individual that is a grantor or a beneficiary of a trust and the  
 7 fiduciary of that trust.

8 (b) The secretary of the Public Protection Cabinet shall report the following  
 9 information beginning on the tenth day of the first month following the  
 10 effective date of this Act and on the tenth day of each month thereafter:

11 1. Information related to moneys deposited into the fund, including but  
 12 not limited to:

13 a. The name of the person, member, or employee soliciting the  
 14 moneys;

15 b. The purpose of the solicitation;

16 c. The type of entity making the donation, including a business  
 17 entity, nonprofit or charitable organization, or individual; and

18 d. The state and country of origin of the entity; and

19 2. Information related to expenditures from the fund, including but not  
 20 limited to:

21 a. The name and address of the person or business entity receiving  
 22 any moneys from the fund;

23 b. The amount of moneys received;

24 c. The date of issuance of the moneys;

25 d. The method of delivery of the moneys;

26 e. The purpose for which the moneys were granted; and

27 f. A statement regarding the affiliation, if any, between the person,

1 member, or employee soliciting the moneys and the person or  
 2 business entity receiving the moneys.

3 (c) The report required by paragraph (b) of this subsection shall be submitted  
 4 to the Senate Standing Committee on Appropriations and Revenue and the  
 5 House Standing Committee on Appropriations and Revenue or the Interim  
 6 Joint Committee on Appropriations and Revenue.

7 → Section 2. KRS 12.270 is amended to read as follows:

- 8 (1) The secretary of each cabinet shall:
- 9 (a) Be a member of the Governor's Cabinet and shall serve as the Governor's  
 10 liaison in carrying out the responsibilities for overall direction and  
 11 coordination of the departments, boards, and commissions included in the  
 12 related cabinet;
- 13 (b) Recommend to the Governor desired reorganization affecting the related  
 14 cabinet;
- 15 (c) Advise the Governor on executive actions, legislative matters, and other steps  
 16 that may be desirable for better program service;
- 17 (d) Evaluate and pass upon all budget requests originated by the departments,  
 18 boards, and commissions within the related cabinet;
- 19 (e) Advise the Governor on the appointment of commissioners and heads of units  
 20 included in the related cabinet, except for those whose election or selection is  
 21 otherwise provided for by law.
- 22 (2) Except as provided by Section 1 of this Act, each secretary is authorized to accept  
 23 and expend funds from any source, whether public or private, in support of the  
 24 duties and responsibilities of the related cabinet.
- 25 (3) Each secretary shall have any and all necessary power and authority, subject to  
 26 appropriate provisions of the statutes, to create such positions and to employ the  
 27 necessary personnel in such positions to enable the secretary to perform the



1 functions of his *or her* office.

2 (4) Each secretary shall have exclusive control and direction over the administration of  
3 the related cabinet programs as required by law.

4 ➔Section 3. Whereas the rebuilding of Kentucky following the recent storms,  
5 tornadoes, and flooding is imperative, an emergency is declared to exist, and this Act  
6 takes effect upon its passage and approval by the Governor or upon its otherwise  
7 becoming a law.