

**45.255 Kentucky contribution trust fund -- Administration -- Report.**

- (1) As used in this section:
- (a) "Cabinet" means the Public Protection Cabinet;
  - (b) "Cost or fee for administrative purposes" means any expenditure that is not:
    - 1. Direct aid to a Kentucky resident or a small business; or
    - 2. A processing fee imposed by a merchant bank or credit card company;
  - (c) "Qualified nonprofit organization" means a tax-exempt entity under 26 U.S.C. sec. 501(c)(3) or (4) that:
    - 1. Agrees to use all grants of moneys from the Kentucky contribution trust fund established in subsection (2) of this section to serve Kentucky residents directly impacted by the tornadoes or flooding; and
    - 2. Provides:
      - a. Food;
      - b. Clothing;
      - c. Shelter;
      - d. Utilities;
      - e. Medical expenses;
      - f. Household needs;
      - g. Other necessities of life; or
      - h. Long-term financial or rebuilding assistance; and
  - (d) "Small business" means any business entity organized for profit, including a sole proprietorship, partnership, limited partnership, corporation, limited liability company, joint venture, association, or cooperative that:
    - 1. Had fifty (50) or fewer full-time employees on December 9, 2021;
    - 2. Is not an affiliate or subsidiary of a larger corporate structure, unless the total number of employees of all the affiliates and subsidiaries within that structure is fifty (50) or fewer;
    - 3. Had at least one (1) business location in an area named in the Presidential Declaration of a Major Disaster, designated FEMA-4630-DR-KY on December 9, 2021, or the Presidential Declaration of a Major Disaster, designated FEMA-4663-DR-KY on July 26, 2022;
    - 4.
      - a. Sustained damage to a business location described in subparagraph 3. of this paragraph; or
      - b. Experienced business interruption as a result of the severe weather events of December 10 and 11, 2021, or from July 26 to August 11, 2022;
    - 5.
      - a. Agrees to use the grant of moneys for a business location described in subparagraph 3. of this paragraph; and
      - b. Uses the grant of moneys to maintain business operations or repair or rebuild that business location;
    - 6. Is presently in operation or will be in operation; and

7. Is in good standing with the Kentucky Department of Revenue and the Kentucky Secretary of State.
- (2) The Kentucky contribution trust fund is established as a trust and agency account in the State Treasury and shall be administered by the cabinet.
  - (3) The fund shall consist of all moneys:
    - (a) Solicited by any person within the Governor's General Cabinet described in KRS 11.060 or employee thereof, within his or her official capacity;
    - (b) Donated to or held by the Commonwealth, including but not limited to any moneys associated with the:
      1. Team Kentucky fund established by the Governor;
      2. Team western Kentucky tornado relief fund established by the Governor following the December 2021 storms and tornadoes that occurred in the western Kentucky region; and
      3. Team eastern Kentucky flood relief fund established by the Governor following the July 2022 storms and flooding that occurred in the eastern Kentucky region; and
    - (c) Not required by statute to be deposited in another fund.
  - (4)
    - (a) Moneys deposited in the fund shall be accounted for separately based on the purpose for which the moneys were solicited.
    - (b) When moneys are deposited from the funds described in subsection (3)(b) of this section, the moneys hereby are appropriated for the purposes provided in this section.
    - (c) All other moneys shall be maintained in the fund until appropriated by the General Assembly.
    - (d) All recipients of a grant of moneys from this fund shall certify that they are in compliance with the requirements of this section prior to receiving any moneys.
    - (e) Applications providing fraudulent information shall be referred by the Public Protection Cabinet to the Office of Attorney General, Office of Special Prosecutions.
  - (5) Notwithstanding KRS 45.229, fund amounts not appropriated at the close of a fiscal year shall not lapse but shall be carried forward into the next fiscal year.
  - (6) The cabinet shall:
    - (a) Develop a process to review and accept or deny applications for grants of moneys from the fund based on eligibility requirements under this section for each type of solicited donation;
    - (b)
      1. Prepare warrants on the State Treasury for any grant of moneys approved by the cabinet, including a direct payment for funeral expenses;
      2. Coordinate the direct payment for funeral expenses; and
      3. Obtain all necessary information from the Kentucky Office of Vital Statistics, coroners, or other appropriate entities to verify eligibility for

- any direct payment for funeral expenses;
- (c) Ensure delivery of the moneys to the applicant or the direct payment for funeral expenses; and
  - (d) Promulgate administrative regulations in accordance with KRS Chapter 13A to provide application forms, application deadlines, and other administrative procedures necessary to fulfill the duties required by this section.
- (7) Related to the team western Kentucky tornado relief donations:
- (a) Moneys solicited shall be used to assist an individual or a small business directly impacted by the storms and tornadoes on December 10 and 11, 2021;
  - (b) An eligible applicant for a grant of moneys from the fund shall be a:
    - 1. Person who is responsible for the payment of funeral expenses for another individual whose death was directly related to the storms and tornadoes and any grant issued shall be a direct payment to the entity providing the funeral services in an amount not to exceed ten thousand dollars (\$10,000);
    - 2. Kentucky resident who:
      - a. Resides in an area named in the Presidential Declaration of a Major Disaster, designated FEMA-4630-DR-KY; and
      - b. Was directly impacted by the storms and tornadoes;
    - 3. Qualified nonprofit organization; or
    - 4. Small business; and
  - (c) A grant of moneys shall not be issued for any:
    - 1. Cost or fee for administrative purposes;
    - 2. Expenditure in which the applicant receives benefits from a federal source, including but not limited to payments from the Federal Emergency Management Agency;
    - 3. Payment to a nonresident of Kentucky; or
    - 4. Payment to a nonprofit organization, other than a qualified nonprofit organization.
- (8) Related to the team eastern Kentucky flood relief donations:
- (a) Moneys solicited shall be used to assist an individual or a small business directly impacted by the storms and flooding that began on July 26, 2022, and generated multiple rounds of heavy torrential rain, resulting in flooding, flash flooding, mudslides, and landslides;
  - (b) An eligible applicant for a grant of moneys from the fund shall be a:
    - 1. Person who is responsible for the payment of funeral expenses for another individual whose death was directly related to the storms and flooding and any grant issued shall be a direct payment to the entity providing the funeral services in an amount not to exceed ten thousand dollars (\$10,000);
    - 2. Kentucky resident who:
      - a. Resides in an area named in the Presidential Declaration of a

Major Disaster, designated FEMA-4663-DR-KY; and

- b. Was directly impacted by the flooding, mudslides, and landslides;
  3. Qualified nonprofit organization; or
  4. Small business; and
- (c) A grant of moneys shall not be issued for any:
1. Cost or fee for administrative purposes;
  2. Expenditure in which the applicant receives benefits from a federal source, including but not limited to payments from the Federal Emergency Management Agency;
  3. Payment to a nonresident of Kentucky; or
  4. Payment to a nonprofit organization, other than a qualified nonprofit organization.
- (9) (a) Any qualified nonprofit organization or small business that receives a grant of moneys from the fund shall document expenditures made using those moneys.
- (b) The documentation shall be maintained for at least four (4) years following the distribution of the moneys and shall be subject to inspection during that time by the cabinet.
- (c) All documents and materials submitted to either the Commonwealth or the cabinet shall be considered a public record subject the Kentucky Open Records Act, KRS 61.870 to 61.884.
- (10) (a) As used in this subsection, "affiliation" means the relationship between:
1. Members of a family, including brothers and sisters of the whole or half blood, spouse, ancestors, and lineal descendants of an individual;
  2. An individual and a corporation, of which more than fifty percent (50%) in value of the outstanding stock is owned, directly or indirectly, by or for that individual;
  3. An individual and a limited liability company or a partnership, of which more than fifty percent (50%) of the capital interest or profits are owned or controlled, directly or indirectly, by or for that individual; or
  4. An individual that is a grantor or a beneficiary of a trust and the fiduciary of that trust.
- (b) The secretary of the Public Protection Cabinet shall report the following information beginning on the tenth day of the first month following March 24, 2023, and on the tenth day of each month thereafter:
1. Information related to moneys deposited into the fund, including but not limited to:
    - a. The name of the person, member, or employee soliciting the moneys;
    - b. The purpose of the solicitation;
    - c. The type of entity making the donation, including a business entity, nonprofit or charitable organization, or individual; and
    - d. The state and country of origin of the entity; and

2. Information related to expenditures from the fund, including but not limited to:
  - a. The name and address of the person or business entity receiving any moneys from the fund;
  - b. The amount of moneys received;
  - c. The date of issuance of the moneys;
  - d. The method of delivery of the moneys;
  - e. The purpose for which the moneys were granted; and
  - f. A statement regarding the affiliation, if any, between the person, member, or employee soliciting the moneys and the person or business entity receiving the moneys.
- (c) The report required by paragraph (b) of this subsection shall be submitted to the Senate Standing Committee on Appropriations and Revenue and the House Standing Committee on Appropriations and Revenue or the Interim Joint Committee on Appropriations and Revenue.

**Effective:** March 24, 2023

**History:** Created 2023 Ky. Acts ch. 91, sec. 4, effective March 24, 2023.