

1 AN ACT relating to appropriations measures providing funding and establishing  
2 conditions for support due to the impact of the COVID-19 pandemic, making an  
3 appropriation therefor, and declaring an emergency.

4 WHEREAS, due to the COVID-19 pandemic and the ongoing public health  
5 emergency which Kentucky has been battling since March of 2020, many small  
6 businesses in the state have suffered severe declines in revenue; and

7 WHEREAS, small businesses are among those most impacted by the pandemic and  
8 many have had to close temporarily or permanently, or scale back due to capacity  
9 restrictions that mitigated the spread of the virus and led to the loss of revenue; and

10 WHEREAS, the closure of small businesses in the state also has a devastating effect  
11 on employees of those businesses, will further strain the state's unemployment insurance  
12 program, and will have other ripple effects throughout the state; and

13 WHEREAS, it is imperative that the state provide relief to those small businesses to  
14 stem the tide of business closures, protect the state's economy and its communities, and  
15 help small businesses continue their operations and retain their employees; and

16 WHEREAS, small, nonprofit organizations that serve targeted populations have  
17 also been impacted by the pandemic and relief to these organizations is critical to  
18 maintaining their ability to continue to provide necessary services;

19 NOW, THEREFORE,

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

21 ➔Section 1. There is hereby appropriated to the Office of the Secretary budget  
22 unit within the Public Protection Cabinet General Fund moneys in the amount of  
23 \$220,000,000 in fiscal year 2020-2021 to provide direct relief payments to eligible small  
24 businesses in eligible industries. Eligible small businesses in eligible industries will be  
25 entitled to apply for a one-time assistance grant in the amount of the largest quarterly  
26 revenue loss of the eligible small business due to COVID-19, if that revenue loss was less  
27 than \$20,000, or \$20,000, if the revenue lost by the small business exceeded \$20,000.

1 One-time assistance grants will be awarded until the appropriated amount is exhausted or  
2 until June 30, 2021. The process for determining an applicant's eligibility and awarding  
3 the grants will be determined by the Public Protection Cabinet. This includes determining  
4 eligibility for those businesses claiming to operate within an eligible industry but not  
5 specifically mentioned in the definitions as set forth in Section 3 of this Act.  
6 Administrative expenses for implementing this Act are an eligible use of the  
7 appropriations in this Act.

8       ➔Section 2. There is hereby appropriated to the Office of the Secretary budget  
9 unit within the Public Protection Cabinet General Fund moneys in the amount of  
10 \$20,000,000 in fiscal year 2020-2021 to provide direct relief payments to eligible small  
11 nonprofit organizations. Eligible small nonprofit organizations will be entitled to apply  
12 for a one-time assistance grant in the amount of \$10,000. One-time assistance grants will  
13 be awarded until the appropriation amount is exhausted or until June 30, 2021. The  
14 process for determining an applicant's eligibility and awarding the grants will be  
15 determined by the Public Protection Cabinet.

16       ➔Section 3. As used in this Act:

17       (1) "Eligible small business" means a business meeting all of the following  
18 criteria:

19       (a) A business that has 50 or fewer full-time or full-time equivalent employees, or  
20 is a sole proprietorship;

21       (b) A business that experienced a revenue loss due to COVID-19;

22       (c) A business that has not already received or is eligible to receive direct  
23 financial assistance, excluding loans and forgivable loans, through the federal CARES  
24 Act (Pub. L. No. 116-136), the Consolidated Appropriations Act, 2021 (H.R. 133), or any  
25 subsequent federal relief package enacted prior to the business's grant application being  
26 considered;

27       (d) A business that is not owned or controlled by a publicly traded company;

- 1 (e) A business that has a physical location in Kentucky;
- 2 (f) A business that derives most of its revenue in Kentucky;
- 3 (g) A business that has been in operation since October 1, 2020;
- 4 (h) A business that is in compliance with all existing Executive Orders, cabinet  
5 orders, and mandates of the local health department or other local officials related to  
6 COVID-19; and
- 7 (i) A business that agrees to comply with all future Executive Orders, cabinet  
8 orders, and mandates of the local health department or other local officials related to  
9 COVID-19;
- 10 (2) "Eligible industry" means the following:
- 11 (a) Bars and restaurants;
- 12 (b) Event spaces and event planning businesses;
- 13 (c) Gyms, fitness studios, and indoor fitness-related facilities, including but not  
14 limited to tennis and racquet clubs, dance studios, gymnastics studios, yoga studios, and  
15 barre studios;
- 16 (d) Indoor entertainment facilities, including but not limited to museums,  
17 entertainment centers, roller skating rinks, ice skating rinks, bowling alleys, and arcades;
- 18 (e) Large public entertainment venues, including venues such as theaters, arenas,  
19 horse-racing tracks, and auto-racing tracks;
- 20 (f) Professional services which require in-person activities;
- 21 (g) Photography studios;
- 22 (h) Personal care services, including but not limited to hair salons, barbershops,  
23 tattoo parlors, massage parlors, massage therapy businesses, tanning salons, and nail  
24 salons;
- 25 (i) Pet care and pet grooming businesses; and
- 26 (j) Retail;
- 27 (3) "Revenue loss" means a documented quarterly revenue loss in the first,

1 second, or third quarter of 2020 relative to the same quarter of 2019. If the business was  
2 formed in 2020, then that business can submit an affidavit under penalty of perjury  
3 attesting to a loss of revenue due to COVID-19; and

4 (4) "Eligible small nonprofit organization" means an organization meeting all of  
5 the following criteria:

6 (a) A nonprofit that has been granted exemption from the federal income tax by  
7 the United States commissioner of internal revenue as an organization described in 26  
8 U.S.C. sec. 501(c)(3) or as a veterans' organization described in 26 U.S.C. sec. 501(c) of  
9 the United States Internal Revenue Code of 1986 and subject to the provisions of the  
10 Nonprofit Corporation Act;

11 (b) A nonprofit with 50 or fewer full-time or full-time equivalent employees;

12 (c) A nonprofit based in Kentucky providing services to Kentuckians;

13 (d) A nonprofit providing the majority of its services to the following populations  
14 most affected by COVID-19:

15 1. People living at or below the federal poverty level;

16 2. People experiencing homelessness;

17 3. Communities of color;

18 4. Minimum or low-wage employees displaced by business closures;

19 5. Older adults living at or below the federal poverty level;

20 6. People who are immunocompromised or medically fragile;

21 7. Immigrant and refugee communities;

22 8. People with limited English proficiency;

23 9. People with disabilities;

24 10. People without health insurance;

25 11. Victims of domestic violence or child abuse; or

26 12. Workers without access to paid sick leave; and

27 (e) A nonprofit that has not already received direct financial assistance, excluding

1 loans and forgivable loans, through the federal CARES Act (Pub. L. No. 116-136), the  
2 Consolidated Appropriations Act, 2021 (H.R. 133), or any subsequent federal relief  
3 package enacted prior to the nonprofit's grant application being considered.

4       ➔Section 4. There is hereby appropriated to the Employment Services budget unit  
5 within the Labor Cabinet General Fund moneys in the amount of \$100,859,700 in fiscal  
6 year 2020-2021 for payment of interest and principal, in that order, for advances under  
7 Title XII of the Social Security Act during calendar year 2021. Notwithstanding KRS  
8 341.611 and 341.614, no surcharge shall be paid by contributing employers for the  
9 payment of interest on advances under Title XII of the Social Security Act for calendar  
10 year 2021. To ensure that this can take place for the entirety of calendar year 2021, then  
11 notwithstanding KRS 45.229, these funds shall not lapse at the end of fiscal year 2020-  
12 2021 and shall carry forward into fiscal year 2021-2022.

13       ➔Section 5. Whereas many small businesses and nonprofits have experienced and  
14 are continuing to experience catastrophic financial impacts due to the ongoing pandemic,  
15 and every day of delay could result in additional small businesses having to close  
16 permanently, an emergency is declared to exist, and this Act takes effect upon its passage  
17 and approval by the Governor or upon its otherwise becoming a law.