

1 AN ACT relating to the East Kentucky State Aid Funding for Emergencies fund.

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

3 ➔Section 1. KRS 39A.303 is amended to read as follows:

- 4 (1) The East Kentucky State Aid Funding for Emergencies (EKSAFE) fund is
5 established and shall be:
- 6 (a) Administered by the Department of Military Affairs, Division of Emergency
7 Management, in accordance with this section;
 - 8 (b) A separate fund to provide financial assistance for those located in the areas
9 named in the Presidential Declaration of a Major Disaster, designated FEMA-
10 4663-DR-KY, and impacted by the July 2022 storms and flooding that
11 occurred in the eastern Kentucky region; and
 - 12 (c) Used to provide financial support to those located in the areas named in the
13 Presidential Declaration of a Major Disaster, designated FEMA-4663-DR-
14 KY, in the eastern Kentucky region to recover from the devastation caused by
15 the storms and flooding.
- 16 (2) The Department of Military Affairs or the Division of Emergency Management
17 shall not publicly advertise or solicit contributions from the general public that
18 could potentially impact fundraising efforts of not-for-profit disaster relief agencies.
- 19 (3) The EKSAFE fund may receive state appropriations, gifts, grants, federal funds,
20 and any other funds, both public and private.
- 21 (4) Moneys in the EKSAFE fund as of June 30, 2023, through June 30, 2024, shall not
22 lapse and shall carry forward until June 30, 2024.
- 23 (5) Any interest earnings of the EKSAFE fund shall become a part of the EKSAFE
24 fund and shall not lapse.
- 25 (6) (a) Eligibility to receive financial support from the EKSAFE fund shall be limited
26 to a:
- 27 1. City, county, urban-county government, consolidated local government,

1 unified local government, or charter county government;

2 2. Nonprofit or public utility service provider;

3 3. State agency; or

4 4. School district;

5 that has disaster-related needs as a result of the devastation experienced from
6 the July 2022 storms and flooding.

7 (b) An eligible recipient may receive moneys for expenses to provide disaster and
8 recovery relief if the recipient:

9 1. Is located in the areas named in the Presidential Declaration of a Major
10 Disaster, designated FEMA-4663-DR-KY, relating to the storms and
11 flooding that occurred in July 2022; and

12 2. Has disaster-related needs in response to the storms and flooding that
13 occurred in July 2022.

14 (c) The financial support ~~may~~^{shall not} cover any new construction inside the
15 one hundred (100) year floodplain area.

16 (d) Eligible expenses shall be those used to support disaster and recovery relief,
17 including but not limited to:

18 1. Replacement or renovation of publicly owned buildings damaged by the
19 storms and flooding, but only to the extent of damage directly caused by
20 the storms and flooding;

21 2. Reimbursement for services, personnel, and equipment provided during
22 the response and recovery to communities impacted by the storms and
23 flooding, but only to the extent of damage directly caused by the storms
24 and flooding;

25 3. Funding to cities, counties, and publicly owned utilities for the costs of
26 replacement or repair of publicly owned buildings and their contents due
27 to the damage from the storms and flooding, but only to the extent of

- 1 damage directly caused by the storms and flooding;
- 2 4. Assistance to cities and counties for expenses related to planning efforts
- 3 for rebuilding and recovering from the damage, but only to the extent of
- 4 damage directly caused by the storms and flooding;
- 5 5. Assistance to support disaster recovery and relief needs of local school
- 6 districts, but only to the extent of loss or damage directly caused by the
- 7 storms and flooding, including but not limited to:
- 8 a. Financial support for school districts that will experience a default
- 9 in bond payments; and
- 10 b. Financial support to assist school districts with building and
- 11 tangible property replacement needs; and
- 12 6. Contracted employees to administer and report on the funds.
- 13 (7) Each recipient of moneys from the EKSAFE fund, including any agency of
- 14 Kentucky state government, shall:
- 15 (a) Retain documentation of a timely application for any applicable
- 16 reimbursement, including but not limited to federal emergency disaster grant
- 17 assistance, other financial disaster assistance, and insurance proceeds; and
- 18 (b) Adhere to the terms of the EKSAFE fund regarding reimbursement to the
- 19 Commonwealth if funds from other sources are subsequently received after
- 20 the receipt of financial assistance from the Commonwealth.
- 21 (8) (a) Moneys in the EKSAFE fund may be used for the advancement of moneys to
- 22 cities, counties, school districts, and nonprofit or public utility service
- 23 providers experiencing strained fiscal liquidity while awaiting reimbursement
- 24 from federal emergency management assistance or insurance claims and shall
- 25 not be used for capital improvements.
- 26 (b) Reimbursement of the advancement under paragraph (a) of this subsection
- 27 shall:

- 1 1. Be determined by the:
- 2 a. State-local finance officer within the Department for Local
- 3 Government for cities and counties, and nonprofit or public
- 4 utilities; and
- 5 b. Department of Education for school districts; and
- 6 2. Include a quarterly accounting of the advancement released and the
- 7 outstanding balance through June 30, 2024.
- 8 (9) (a) If a recipient of moneys from the EKSAFE fund subsequently receives
- 9 moneys from any other source, the recipient shall reimburse the
- 10 Commonwealth for the amount of the moneys received from the EKSAFE
- 11 fund.
- 12 (b) Before July 1, 2024, all moneys reimbursed to the Commonwealth under
- 13 paragraph (a) of this subsection shall be deposited in the EKSAFE fund within
- 14 thirty (30) days, and shall be continuously appropriated.
- 15 (c) After June 30, 2024, all moneys reimbursed to the Commonwealth under
- 16 paragraph (a) of this subsection shall be deposited into the budget reserve trust
- 17 fund account established in KRS 48.705 within thirty (30) days.
- 18 (10) The Division of Emergency Management shall promulgate administrative
- 19 regulations to carry out this section.
- 20 (11) The following reports shall be submitted to the Senate Standing Committee on
- 21 Appropriations and Revenue and the House Standing Committee on Appropriations
- 22 and Revenue or the Interim Joint Committee on Appropriations and Revenue by the
- 23 tenth day of each month, beginning September 10, 2022, and ending July 10, 2024:
- 24 (a) A report from the Office of State Budget Director that includes:
- 25 1. The name of each recipient of moneys from the EKSAFE fund;
- 26 2. The dollar amount of moneys issued and the dates of issuance;
- 27 3. A description of how the moneys were used; and

- 1 4. A list of all requests:
 - 2 a. Submitted, including the amount requested;
 - 3 b. Denied, including a description of the reason for the denial; and
 - 4 c. Where the amount awarded was greater than or less than the
 - 5 amount requested, including a description of the reason for the
 - 6 increase or decrease; and
- 7 (b) A report from the Department of Education that includes:
 - 8 1. The name of each school district receiving moneys from the EKSAFE
 - 9 fund;
 - 10 2. The dollar amount of moneys issued and the dates of issuance;
 - 11 3. A description of how the moneys were used; and
 - 12 4. A list of all requests:
 - 13 a. Submitted, including the amount requested;
 - 14 b. Denied, including a description of the reason for the denial; and
 - 15 c. Where the amount awarded was greater than or less than the
 - 16 amount requested, including a description of the reason for the
 - 17 increase or decrease.