

1 AN ACT relating to disaster relief, making an appropriation therefor, and declaring  
2 an emergency.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 39A IS CREATED TO  
5 READ AS FOLLOWS:

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

7 *(a) "Declaration" means the Presidential Declaration of a Major Disaster,*  
8 *designated FEMA-4860-DR-KY;*

9 *(b) "Kentucky disaster" means the severe storms, straight-line winds, flooding,*  
10 *and landslides that occurred in Kentucky beginning on February 14, 2025,*  
11 *as named in the declaration; and*

12 *(c) "SAFE 4860 fund" means the State Aid Funding for Emergencies 4860*  
13 *fund established in subsection (2) of this section.*

14 *(2) The State Aid Funding for Emergencies 4860 fund is established and shall be:*

15 *(a) Administered by the Department of Military Affairs, Division of Emergency*  
16 *Management, in accordance with this section; and*

17 *(b) A separate fund to provide financial support for those directly impacted by*  
18 *the Kentucky disaster.*

19 *(3) (a) The SAFE 4860 fund may receive state appropriations, gifts, grants, federal*  
20 *funds, and any other funds, both public and private.*

21 *(b) Notwithstanding KRS 45.229, moneys in the SAFE 4860 fund shall not*  
22 *lapse and shall carry forward until June 30, 2028.*

23 *(c) Any interest earnings of the SAFE 4860 fund shall become a part of the*  
24 *fund and shall not lapse.*

25 *(4) The Department of Military Affairs or the Division of Emergency Management*  
26 *shall not publicly advertise or solicit contributions from the general public that*  
27 *could potentially impact fundraising efforts of nonprofit disaster relief agencies.*

1 (5) (a) Eligibility to receive financial support from the SAFE 4860 fund shall be  
2 limited to a:

3 1. City, county, urban-county government, consolidated local  
4 government, unified local government, or charter county government;

5 2. Nonprofit or public utility service provider;

6 3. State agency; or

7 4. School district;

8 that has disaster-related needs as a result of the Kentucky disaster.

9 (b) An eligible recipient may receive moneys from the SAFE 4860 fund for  
10 expenses to provide disaster and recovery relief if the recipient is located in  
11 the areas of the Kentucky disaster and has disaster-related needs in  
12 response to the Kentucky disaster.

13 (6) (a) Eligible expenses shall be those used to support disaster and recovery relief,  
14 including but not limited to:

15 1. a. Replacement or renovation of publicly owned buildings damaged  
16 by the Kentucky disaster, but only to the extent of damage  
17 directly caused by the Kentucky disaster; and

18 b. Replacement, renovation, or expansion of an essential  
19 government facility that was used for existing services at the time  
20 of the Kentucky disaster, including police, fire, and ambulance  
21 stations, functioning above capacity at the time of application,  
22 but only to the extent of damage directly caused by the Kentucky  
23 disaster;

24 2. Reimbursement for services, personnel, and equipment provided  
25 during the response and recovery to communities impacted by the  
26 Kentucky disaster, but only to the extent of damage directly caused by  
27 the Kentucky disaster;

- 1            3. Funding to cities, counties, and publicly owned utilities for the costs  
2            of:  
3            a. Replacement or repair of publicly owned buildings and their  
4            contents; and  
5            b. Water and wastewater infrastructure and those systems supports;  
6            due to the damage from the Kentucky disaster, but only to the extent of  
7            damage directly caused by the Kentucky disaster;  
8            4. Assistance to cities and counties for expenses related to planning  
9            efforts for rebuilding and recovering from the Kentucky disaster, but  
10           only to the extent of damage directly caused by the Kentucky disaster;  
11           5. Assistance to support disaster recovery and relief needs of local school  
12           districts, but only to the extent of loss or damage directly caused by the  
13           Kentucky disaster, including but not limited to financial support:  
14           a. For school districts that will experience a default in bond  
15           payments; and  
16           b. To assist school districts with building and tangible property  
17           replacement needs; and  
18           6. Contracted employees to administer and report on the funds.  
19           (b) The financial support shall not cover any new construction inside the one  
20           hundred (100) year floodplain area.  
21           (7) Each recipient of moneys from the SAFE 4860 fund, including any agency of  
22           Kentucky state government, shall:  
23           (a) Retain documentation of a timely application for any applicable  
24           reimbursement, including but not limited to federal emergency disaster  
25           grant assistance, other financial disaster assistance, and insurance  
26           proceeds; and  
27           (b) Adhere to the terms of the SAFE 4860 fund regarding reimbursement to the

1 Commonwealth if funds from other sources are subsequently received after  
2 the receipt of financial assistance from the Commonwealth.

3 (8) (a) Moneys in the SAFE 4860 fund may be used for the advancement of  
4 moneys to cities, counties, school districts, and nonprofit or public utility  
5 service providers experiencing strained fiscal liquidity while awaiting  
6 reimbursement from federal emergency management assistance or  
7 insurance claims and shall not be used for capital improvements.

8 (b) Reimbursement of the advancement under paragraph (a) of this subsection  
9 shall:

10 1. Be determined by the:

11 a. State-local finance officer within the Department for Local  
12 Government for cities and counties, and nonprofit or public  
13 utilities; and

14 b. Department of Education for school districts; and

15 2. Include a quarterly accounting of the advancement released and the  
16 outstanding balance through June 30, 2028.

17 (9) (a) If a recipient of moneys from the SAFE 4860 fund subsequently receives  
18 moneys from any other source, the recipient shall reimburse the  
19 Commonwealth for the amount of the moneys received from the SAFE 4860  
20 fund.

21 (b) Before July 1, 2028, all moneys reimbursed to the Commonwealth under  
22 paragraph (a) of this subsection shall be deposited in the SAFE 4860 fund  
23 within thirty (30) days.

24 (c) After June 30, 2028, all moneys reimbursed to the Commonwealth under  
25 paragraph (a) of this subsection shall be deposited in the budget reserve  
26 trust fund account established in KRS 48.705 within thirty (30) days.

27 (10) The Division of Emergency Management shall promulgate administrative

1 regulations in accordance with KRS Chapter 13A to carry out this section.

2 (11) The following reports shall be submitted to the Senate Standing Committee on  
3 Appropriations and Revenue and the House Standing Committee on  
4 Appropriations and Revenue or the Interim Joint Committee on Appropriations  
5 and Revenue by the fifteenth day of each month, beginning May 15, 2025, and  
6 ending July 15, 2029:

7 (a) A report from the Office of State Budget Director that includes:

- 8 1. The name of each recipient of moneys from the SAFE 4860 fund;
- 9 2. The dollar amount of moneys issued and the dates of issuance;
- 10 3. The dollar amount of any proceeds received from the Federal  
11 Emergency Management Agency, an insurance company, or any other  
12 means of reimbursement for damages;
- 13 4. A description of how the moneys were used; and
- 14 5. A list of all requests:
  - 15 a. Submitted, including the amount requested;
  - 16 b. Denied, including a description of the reason for the denial; and
  - 17 c. Where the amount awarded was greater than or less than the  
18 amount requested, including a description of the reason for the  
19 increase or decrease; and

20 (b) A report from the Department of Education that includes:

- 21 1. The name of each school district receiving moneys from the SAFE  
22 4860 fund;
- 23 2. The dollar amount of moneys issued and the dates of issuance;
- 24 3. The dollar amount of any proceeds received from the Federal  
25 Emergency Management Agency, an insurance company, or any other  
26 means of reimbursement for damages;
- 27 4. A description of how the moneys were used; and

1            **5. 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.**

7            ➔Section 2. 2024 Ky. Acts ch. 175, Part III, 24. Budget Implementation, at page  
 8            1936, is amended to read as follows:

9            **24. Budget Implementation: (1)** The General Assembly directs that the  
 10            Executive Branch shall carry out all appropriations and budgetary language provisions as  
 11            contained in the State/Executive Branch Budget. The Legislative Research Commission  
 12            shall review quarterly expenditure data to determine if an agency is out of compliance  
 13            with this directive. If the Legislative Research Commission suspects that any entity has  
 14            acted in non-conformity with this section, the Legislative Research Commission may  
 15            order an audit or review at the agency's expense. Such audit findings, reviews, and  
 16            reports shall be subject to the Kentucky Open Records Law. The Secretary of each  
 17            Cabinet, the Commissioner of Education, or agency head shall provide, **in the form and**  
 18            **manner prescribed by the Legislative Research Commission,** a comprehensive  
 19            semiannual report, beginning February 1, 2025, to the standing Appropriations and  
 20            Revenue Committees of the General Assembly or the Interim Joint Committee on  
 21            Appropriations and Revenue, as appropriate, detailing expenditures related to the  
 22            appropriations contained within the budgetary language provisions for each budget unit  
 23            within their cabinet.

24            If an agency does not expend the full General Fund appropriation contained within  
 25            a budgetary language provision, the unexpended funds shall be transferred to the Budget  
 26            Reserve Trust Fund Account (KRS 48.705).

27            **(2) Notwithstanding any statute to the contrary, the Governor may transfer the**

1 remaining appropriations set forth in 2022 Ky. Acts ch. 222, sec. 6, and 2022 (1st  
2 Extra. Sess.) Ky. Acts ch. 1, sec. 7, to the SAFE 4860 Fund.

3       ➔Section 3. 2024 Ky Acts, ch. 175, Part I, Operating Budget, A. General  
4 Government, 6. Military Affairs, (1) Kentucky National Guard, at page 1808, is amended  
5 to read as follows:

6       **(1) Kentucky National Guard:** Included in the above General Fund  
7 appropriation is \$4,500,000 in each fiscal year to be expended, subject to the conditions  
8 and procedures provided in this Act, which are required as a result of the Governor's  
9 declaration of emergency pursuant to KRS Chapter 39A, and the Governor's call of the  
10 Kentucky National Guard to active duty when an emergency or exigent situation has been  
11 declared to exist by the Governor. Notwithstanding KRS 45.229, any portion of the  
12 \$4,500,000 not expended shall lapse to the Budget Reserve Trust Fund Account (KRS  
13 48.705) at the end of each fiscal year. In the event that costs for Governor-declared  
14 emergencies or the Governor's call of the Kentucky National Guard for emergencies or  
15 exigent situations exceed \$4,500,000 annually, up to \$100,000,000 for the 2024-2026  
16 fiscal biennium~~[\$50,000,000]~~ shall be deemed necessary government expenses and shall  
17 be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve  
18 Trust Fund Account (KRS 48.705).

19       ➔Section 4. Whereas support and relief efforts are imperative for the  
20 Commonwealth to recover from the considerable damage caused by the recent disasters  
21 in this state, an emergency is declared to exist, and this Act takes effect upon its passage  
22 and approval by the Governor or upon its otherwise becoming a law.