

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.