

1 AN ACT relating to minority business and making an appropriation therefor.

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

3 ➔Section 1. There is hereby appropriated Federal Fund moneys from the State
4 Fiscal Recovery Fund of the American Rescue Plan Act in the amount of \$2,000,000 in
5 fiscal year 2022-2023 to the Black and Minority Contractor Assistance Fund for
6 assistance to minority owned and controlled contractors.

7 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO
8 READ AS FOLLOWS:

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

10 **(a) "Cabinet" means the Finance and Administration Cabinet;**

11 **(b) "Contract" means an agreement for work for the state or a municipality**
12 **that is:**

13 **1. Funded, in whole or in part, by state funds; and**

14 **2. Required in KRS 45A.190 to furnish a performance bond to the**
15 **Commonwealth;**

16 **(c) "Contractor" has the same meaning as in KRS 45A.030;**

17 **(d) "Minority" means African-American, Hispanic, Asian, Pacific islander,**
18 **American Indian, or Alaskan native heritage; and**

19 **(e) "Owned and controlled" means that at least fifty-one percent (51%) of the**
20 **business, including corporate stock if a corporation, is owned by persons**
21 **who are minorities, and that those owners have control over the**
22 **management and day-to-day operations of the business and an interest in**
23 **the capital, assets, and profits and losses of the business proportionate to**
24 **their percentage of ownership.**

25 **(2) The black and minority contractor assistance fund is established and shall be:**

26 **(a) Administered by the cabinet in accordance with this section; and**

27 **(b) A separate, restricted fund to provide financial assistance for those**

- 1 businesses which are minority owned and controlled contractors which
2 would not be able to afford the bonding requirements required by
3 government contracts for construction.
- 4 (3) The fund may receive state appropriations, gifts, grants, federal funds, and any
5 other funds, both public and private.
- 6 (4) Moneys in the fund shall not lapse and shall carry forward.
- 7 (5) Any interest earnings of the fund shall become a part of the fund and shall not
8 lapse.
- 9 (6) Moneys in the fund are appropriated for the purposes set forth in this section.
- 10 (7) Eligibility to receive financial support from the fund shall be limited to minority
11 owned and controlled businesses which are capable of bidding and fulfilling
12 government contracts, but are unable to afford the bonding required for a
13 project.
- 14 (8) (a) Moneys from the fund shall be loaned to minority owned and controlled
15 businesses to secure performance bonds for contracts;
16 (b) Each recipient of moneys from the fund shall reimburse the
17 Commonwealth for the amount of moneys received from the fund upon
18 completion of the project on which bonding occurred; and
19 (c) All moneys reimbursed to the Commonwealth under paragraph (a) of this
20 subsection shall be deposited in the black and minority contractor
21 assistance fund within thirty (30) days.
- 22 (9) The cabinet shall promulgate administrative regulations to carry out this section.
- 23 (10) An annual report shall be submitted to the Interim Joint Committee on
24 Appropriations and Revenue on November 1 that includes:
25 (a) The name and address of businesses that are recipients of the fund;
26 (b) The dollar amount of moneys received; and
27 (c) Reimbursements made by the recipients for which contracts are complete.