



April 18, 2023

**LEGISLATIVE REPORT NO. 9 – FINAL REPORT**  
**SUMMARY OF LEGISLATIVE ACTIVITIES DURING THE**  
**2023 KENTUCKY GENERAL ASSEMBLY**

The 2023 session of the Kentucky General Assembly concluded on Thursday, March 30<sup>th</sup>. There were 553 Senate and 694 House bills and resolutions introduced of which 76 Senate and 100 House bills became law. Kentucky Farm Bureau was involved in many pieces of legislation this session supporting, opposing, and monitoring bills.

We were able to secure passage of and defend several of our priority issues this year. One priority bill that passed was House Bill 4, which will require solar development companies to establish a decommissioning plan in an application for construction of a merchant electric generating facility. It will also require a decommissioning bond or similar security to complete the decommissioning plan. This bill will require Energy and Environment Cabinet oversight and that the bond be reviewed at least every five years.

Another priority issue for the 2023 session that passed was a Kentucky Educational Excellence Scholarship (KEES) bill which will allow high school students to use their KEES money at proprietary trade schools.

The General Assembly also passed revenue legislation ([House Bill 360](#)) and we were able to maintain our taxation priorities related to property taxes and sales tax exemptions for agriculture products. The bill also obtained language exempting property that had been taxed at a rate of one-10<sup>th</sup> of one cent from property tax, which includes farm implements and farm machinery owned by or leased to a person actually engaged in farming and used in his or her farm operations.

Bills that passed this session, that did not contain an emergency clause or a delayed effective date, are set to take effect June 28, 2023.

As the General Assembly enters into the interim, we encourage those counties that have yet to conduct legislative appreciation events to do so. We know that several counties have already conducted these events during the session with great success. We also encourage you to invite your Representatives and Senators to your County Annual Meetings and to our State Annual Meeting.

The following is a detailed report summarizing many of the bills and resolutions in which Kentucky Farm Bureau was involved:

### **BILLS FARM BUREAU SUPPORTED THAT PASSED**

#### **HB 4: J. Branscum – AN ACT relating to merchant electric generating facilities and making an appropriation therefor.**

This bill will require solar development companies to establish a decommissioning plan in an application for construction of a merchant electric generating facility. It will also require a decommissioning bond or similar security to complete the decommissioning plan. This bill will require the Energy and Environment Cabinet to have oversight of the project and that the bond be reviewed at least every five years. This bill will also clarify that an ordinance, permit, or license issued by a local government shall have primacy over all requirements. The bill will also require notice by the surety if a bond will be lapsing or canceled and allow for an opportunity for the stakeholders to cure the lapse or cancellation and clarify that lease terms with the landowner are not discretionarily accommodated by the applicant.

#### **2023 KFB State Priority Issues:**

*"Support a decommissioning bond on all commercial solar projects. These bonds should be reviewed at least every three years."*

*"Support oversight of ownership and control for energy infrastructure."*

#### **SB 54: J. Carpenter – AN ACT relating to Kentucky educational excellence scholarships.**

This bill will define "proprietary school" and "qualified proprietary school program" to allow for the use of KEES funds for enrollment in a qualified proprietary school program. The bill will also allow KEES money to be used for a workforce solutions training program offered by the Kentucky Community and Technical College System and approved by the authority or at an eligible college of art and design.

#### **2023 KFB State Priority Issue:**

*"Support the Kentucky Educational Excellence Scholarship (KEES) Program to allow eligible students to use funds at proprietary schools."*

#### **HB 1: B. Reed – AN ACT relating to income taxation.**

This bill will reduce the individual income tax to 4.5% for taxable years beginning January 1, 2023, and to 4% for taxable years beginning January 1, 2024.

**2023 KFB State Priority Issue:**

*"Kentucky's tax code should be reformed based on sound economic principles to create a more competitive business climate."*

**SB 281: J. Howell – AN ACT relating to alternative fuels.**

This bill will require the Finance and Administration Cabinet to implement, instead of develop, a strategy to replace 50% of vehicles managed by the Office of Fleet Management with hybrid or alternative fueled vehicles and change the date by which the strategy must be implemented from January 1, 2014, to January 1, 2026. This bill will also require an increase in the use of alternative fuels that is commensurate with the increase in vehicles managed by the Office of Fleet Management that are capable of utilizing those alternative fuels and change the due date for the Finance and Administration Cabinet's progress report to the Legislative Research Commission to December 1, 2024.

**KFB Policy:**

*"We will publicly and aggressively promote the use of biofuels and support legislation that promotes biofuels usage."*

**HB 360: J. Petire – AN ACT relating to fiscal matters and declaring an emergency.**

This bill amends numerous sections of the law, but here are some highlights related to agriculture and rural Kentucky. This bill exempts property that had been taxed at a rate of one-10<sup>th</sup> of one cent from property tax, which **includes farm implements and farm machinery owned by or leased to a person actually engaged in farming and used in his or her farm operations.**

This bill also amends various sales and use tax definitions to exclude marketing services from the taxable services and the sublease of certain rental of space for meetings, conventions, short-term business uses, entertainment events, weddings, banquets, parties, and other short-term social events. The bill also establishes the rural housing trust fund, establishes eligible activities for the use of moneys from the trust fund, establishes the application process for moneys from the trust fund to be loaned or grants issued, and establishes the Rural Housing Trust Fund Advisory Committee.

**KFB Policy:**

*"We oppose legislation that would require licensing of farm machinery and equipment and recommend that new farm equipment be exempt from inventory taxes."*

*"We oppose taxing farm equipment with property taxes."*

**SB 46: J. Howell – AN ACT relating to the reorganization of the Office of State Veterinarian.**

This bill will update the Office of State Veterinarian's Division of Animal Health to the Division of Regulatory Field Services by changing the Division of Producer Services to the Division of Animal Health Programs, and will establish the Division of Emergency Preparedness and Response.

**KFB Policy:**

*"We recommend the KDA Office of the State Veterinarian have adequate amount of funding for trained subject matter experts for prompt disease response."*

**BILLS FARM BUREAU OPPOSED THAT PASSED**

**There were no bills passed in this session that Farm Bureau opposed.**

**BILLS FARM BUREAU OPPOSED THAT DID NOT PASS**

**[HB 50: M. Lockett – AN ACT relating to elections. AND SB 50: D. Thayer – AN ACT relating to elections.](#)**

These bills would have required all elected officials, including county commissioners, mayors, city commissioners, school board members, and soil and water conservation officers to have a partisan primary or partisan election.

**BILLS FARM BUREAU SUPPORTED THAT DID NOT PASS**

**[HB 450: J. Blanton – AN ACT relating to the establishment of a grant program to promote investments in Kentucky businesses, making an appropriation therefor, and declaring an emergency.](#)**

This bill would have established the Kentucky Rural Jobs Act of 2023, which would have allowed the Cabinet for Economic Development to begin accepting applications from entities seeking approval as a growth fund. This bill would have allowed no more than \$50 million of grants to be awarded as state matching capital for investments in growth businesses and established the Rural Jobs Development Fund. It would have also appropriated \$50 million in fiscal year 2023-2024 to the Rural Jobs Development Fund.

**2023 KFB State Priority Issue:**

*"Support efforts that will retain and attract new business and industry to rural areas of Kentucky."*

**OTHER BILLS OF INTEREST THAT PASSED**

**[HB 5: J. Petrie – AN ACT relating to fiscal matters and declaring an emergency.](#)**

This bill phases out the ad valorem tax on distilled spirits and exempts distilled spirits after year 2043. The bill provides an industry replacement tax for schools and fire districts. The bill also allows a taxpayer to elect to receive a modified credit or a combined sales and use tax refund and a withholding tax refund based on a portion of the accumulated distilled spirits income tax credit for certain capital investments and job creation. The bill modifies the SEEK funding formula related to distilled spirits. The bill also allows a pass-through entity to elect to pay the income tax. The bill provides that certain settlement agreements shall not be voided and provides that if any provision of this Act is

held invalid, the invalidity shall not affect other provisions that can be given effect without the invalid provision.

**HB 76: B. Reed – AN ACT relating to dates of recognition.**

This bill will create a new section of KRS Chapter 2 to annually honor dates of agricultural recognition.

**HB 130: A. Neighbors – AN ACT relating to soil and water conservation.**

This bill will allow inclusion of heavy or specialized equipment acquired by the Soil and Water Conservation Commission with the types of equipment that the board of a conservation district may make available or lease to landowners and occupiers within the district and allow the equipment to be used on the lessee's or renter's land or on the lands of others. This bill will also provide that the purposes of the heavy or specialized equipment are for conserving soil resources, preventing soil erosion, and the conservation and protection of water resources related to those purposes. The bill will also allow a conservation district to apply jointly with a person residing in the district to the Soil and Water Conservation Commission to acquire heavy or specialized equipment but prohibit the joint application by conservation districts and persons for the acquisition of infrastructure. It will also require the Soil and Water Conservation Commission on or before January 1, 2024, to promulgate administrative regulations that set forth the form and manner in which a person and a conservation district may jointly request the acquisition of heavy or specialized equipment, the terms of loans for heavy or specialized equipment that the commission makes available to districts for lease to persons within those districts, the terms of the lease agreements between districts and persons in those district for use of the heavy or specialized equipment, and the proportions of time that the equipment shall be used on the lessee's or renter's lands and on the lands of others. The bill will also require lease agreements to allow lessees to use the heavy or specialized equipment outside of their own lands, and with prior approval of the board of the leasing district, on lands outside of their districts. This bill will also require candidates, after the effective date of this Act, to be at least 18 years of age to run for a local soil and water supervisor position.

**HB 144: J. Hodgson – AN ACT relating to privacy.**

This bill will provide protections from in-person access to private open land by law enforcement and require law enforcement to utilize body-worn cameras and audio devices while on private open land with limited exceptions. This bill will exempt Kentucky conservation officers who enter private lands to conduct compliance checks or conduct surveillance based upon a reasonable suspicion or enter onto private lands if the boundaries are unfenced or unable to be reasonably identified.

**HB 167: M. Koch – AN ACT relating to veterinarian licensing and making an appropriation therefor.**

This bill will reorganize statutes for veterinary licensing and set up rules for telehealth, records retention, and veterinary facilities. The bill will list license renewal procedures for veterinary technicians, animal euthanasia specialists,

and veterinary facilities and require fingerprint-supported criminal records checks for licensing. The bill will also establish rules for occupations and facilities under the chapter, including licensing, license renewal, licensee discipline, authorized activities, and veterinarian-client-patient relationships. This bill will also establish the Kentucky Veterinarian board membership, board procedures, and authority of the veterinary wellness committee. The bill will permit the board to expend funds from its revolving fund for designated purposes, which would include a scholarship program to help place veterinarians in underserved areas. This bill will also clarify that an animal owner, owner's employee, or owner's agent can euthanize livestock.

**HB 544: R. Raymer – AN ACT relating to the regulation of hemp-derived products.**

This bill will direct the Cabinet for Health and Family Services to immediately begin the process of regulating products of hemp-derived substances and require the cabinet to promulgate an emergency administrative regulation by August 1, 2023.

**SB 141: A. Mays Bledsoe - AN ACT relating to local governments and declaring an emergency.**

This bill places a moratorium on city annexations until July 1, 2024. The bill provides for conditions under which annexation may occur, provides standing for a challenge to annexations occurring within prescribed time limits, and creates the Task Force on Local Government Annexation.

**SB 213: J. Higdon – AN ACT relating to biosolids.**

This bill will require the Energy and Environment Cabinet to promulgate new administrative regulations to regulate biosolids from wastewater treatment at a publicly owned treatment works in conformity with the federal standards.

**OTHER BILLS OF INTEREST THAT DID NOT PASS**

**HB 12: J. Tipton – AN ACT relating to operating a motor vehicle.**

This bill would have prohibited the use of a personal communication device or stand-alone electronic device while operating a motor vehicle with certain exceptions. The bill would have also mandated that persons under 18 years shall not use a personal communication device or stand-alone electronic device in any manner while driving and set forth penalties for violations. This bill would have also applied these provisions to commercial motor vehicle drivers.

**HB 45: K. Fleming – AN ACT relating to economic fiscal matters.**

This bill would have established the Tax Expenditure and Economic Development Incentive Review Board and specified the board's membership, authority, powers, and duties. The bill would have also established requirements for when the General Assembly enacts new tax expenditures or economic development incentives and required agencies to assign taxpayers a unique number for purposes of reporting tax expenditures and economic development incentives. This bill would have also required the annual production of a detailed estimate of the revenue loss resulting from each tax

expenditure and economic development incentive from the general fund and road fund and required the Department of Revenue to collect, report, and provide data to the Tax Expenditure and Economic Development Incentive Review Board.

**HB 77: B. Reed – AN ACT relating to Daylight Saving Time.**

This bill would have created a new section of KRS Chapter 2 to establish year-round Daylight-Saving Time in the state of Kentucky if authorized by the United States Congress.

**HB 94: N. Kulkarni – AN ACT relating to soil conservation and making an appropriation therefor.**

This bill would have established a Healthy Soils Program and a Healthy Soils Program fund in the Department for Natural Resources, Division of Conservation and required the department to provide technical advice and assistance and to assist with soil health assessments and soil health plans. The bill would have also required the commissioner to approve applications for grants and other types of financial assistance under the Healthy Soils Program; authorize the department to promulgate administrative regulations to implement the Healthy Soils Program and the Healthy Soils Program fund. This bill also proposed to require the Agriculture Water Quality Authority to promote soil restoration and include an organic agriculture organization among appointments to the authority and add healthy soil practices as a committee. This bill would have added restoration, biological diversity, watershed health, and healthy soil practices to the purpose of soil and water conservation districts.

**HB 117: S. Maddox – AN ACT relating to poultry.**

This bill would have allowed certain USDA-exempted poultry processors to sell to end consumers on a farm, at a farmers' market, or at a roadside stand.

**HB 169: P. Flannery – AN ACT relating to off-highway vehicles.**

This bill would have defined "off-highway vehicle" or "OHV" and allowed the registration of an OHV as a motor vehicle. The bill would have required proof of insurance and the payment of all registration and clerk fees prior to use on the roadways. This bill would have also allowed the Transportation Cabinet or a local government to prohibit OHV operation on roadways under its jurisdiction.

**HB 187: K. King – AN ACT relating to the recording of greenhouse gas emissions reduction agreements.**

This bill would have defined "greenhouse gas emissions reduction agreement" and required that a greenhouse gas emissions reduction agreement be properly recorded for it to be binding on subsequent purchasers or creditors.

**HB 197: N. Kulkarni – AN ACT relating to perfluoroalkyl and polyfluoroalkyl chemicals.**

This bill would have defined "PFAS chemicals" and required the Energy and Environment Cabinet on or before January 1, 2024, to promulgate administrative regulations establishing maximum PFAS chemical limits and

monitoring requirements for drinking water provided by public and semi-public water systems and maximum PFAS chemical limits and monitoring requirements for discharges into the waters of the Commonwealth. The bill would have also required that maximum PFAS chemical limits be designed to protect public health and be updated regularly.

**HB 384: M. Dossett – AN ACT relating to the establishment of the Kentucky Healthy Farm and Food Innovation Board, and making an appropriation therefor.**

This bill would have established the Healthy Farm and Food Innovation Board, specified membership, and set forth the duties of the Board. The bill would have also established the healthy farm and food innovation fund.

**HB 500: R. Heath – AN ACT relating to agricultural land.**

This bill would have prohibited a nonresident alien, foreign business, agent, trustee, or fiduciary associated with the government of any prohibited country as referenced in 22 C.F.R. sec. 126.1 from the purchase, lease, or acquisition of agricultural lands in Kentucky or participation in programs administered by the Department of Agriculture, Agricultural Development Board, and Kentucky Agricultural Finance Corporation.

**SB 214: R. Webb – AN ACT relating to agritourism.**

This bill would have amended the definition of agritourism activity to define "working animal" and would have prohibited a city, town, county, or other political subdivision of the Commonwealth from restricting a person from engaging in an agritourism activity with working animals.

**SB 234: A. Southworth – AN ACT relating to poultry sales.**

This bill would have exempted poultry producers that slaughter and process less than 20,000 birds per year from permit and processing requirements.