



March 11, 2022

Legislative Report No. 11

2022 Kentucky General Assembly

Today marked the forty-sixth legislative day of the 2022 Session of the Kentucky General Assembly. Some of the issues we remain focused on are the state budget, tax reform, broadband and solar.

On Wednesday, the Senate passed their version of the state budget ([HB 1](#)) on a vote of [30-6](#). The budget will now go to a conference committee to work out the differences in the House and Senate budgets.

Below are the details of the Senate version of HB 1:

- Agricultural Development Funds: \$41.7 million in each fiscal year and of these funds \$14.4 million in each fiscal year was allocated to the county funds;
- Soil Erosion and Water Quality Cost-Share program \$2.5 million in each fiscal year;
- Division of Conservation to provide direct aid to local conservation districts \$900,000 in each fiscal year;
- UK Veterinary Diagnostic Lab \$4,034,200 in each fiscal year;
- Breathitt Veterinary Center \$3.2 million in each fiscal year;
- \$750,000 to Western Kentucky University for the Kentucky Mesonet in each fiscal year;
- Adult Agriculture Education Program \$1 million in each fiscal;
- Kentucky Rural Mental Health and Suicide Prevention program \$500,000 in each fiscal year;

- Kentucky Department of Agriculture is allocated \$20.3 million of general fund dollars in FY23 and \$20.5 million in FY24;
- \$600,000 for the Farms to Food Banks program in each fiscal year;
- \$455,000 to the County Fair Grants program in each fiscal year;
- \$6 million to construct FFA Leadership Training Center Classrooms and Activity Center in FY23;
- \$1 million for storm shelters for three 4-H camps located in Western Kentucky, Lake Cumberland and North Central;
- \$5 million to support the 4-H Foundation to construct swimming pools at 4-H camps.

2022 KFB Priority Issues:

"Maintain allocating 50% of the Master Settlement Agreement funds to the Agricultural Development Board, and funds be spent for the purpose of improving the net farm income of individual farmers in production agriculture."

"Support continued funding of the Soil Erosion and Water Quality Cost-Share Program."

"Support an efficient, well-administered and adequately financed Kentucky Department of Agriculture."

KFB Policy:

"We support the implementation of an annual funding stream and the continued procurement of funds as needed for the renovation and improvement of the Kentucky FFA Leadership Training Center in Hardinsburg and 4-H camps."

"We support a dedicated suicide hotline for farmers and agricultural workers, and encourage Kentucky Farm Bureau to promote its availability."

Bills of interest:

[HB 8: J. Petrie - AN ACT relating to revenue measures and declaring an emergency.](#)

This is the House version of tax modernization. This bill would reduce the individual income tax rate to 4% for taxable years beginning on or after January 1, 2023, and provide a further rate reduction in future years if certain thresholds of total general fund receipts are exceeded, provide that the tax rate shall not exceed a reduction of more than one

percentage point in a calendar year. It would impose sales tax on certain services and remove the exemption of sales and use tax on charges for admission to historical sites. This bill would only allow an exemption of residential utilities for the resident's place of domicile and impose a tax on electric vehicle power distributed in this state by an electric vehicle power dealer. This bill passed the House Appropriations and Revenue Committee and passed the full House on a vote of [67-23](#). This bill has been assigned to the Senate Appropriations and Revenue Committee.

[SB 121: D. Givens – AN ACT relating to agriculture exemption license numbers and declaring an emergency.](#)

This bill would require a person who has an agriculture exemption license number to provide it to the seller or retailer at the time of purchase and allow a retailer to accept an agriculture exemption license number instead of a certificate of exemption at the time of a sale. This bill passed the Senate on a vote of [36-0](#). On Wednesday, this bill passed the House Agriculture Committee with an amendment that would increase the expiration deadline of the agricultural exemption number to December 31, 2026 and then every four years thereafter and also extended the application deadline until January 1, 2023. This bill now heads to the full House for their consideration.

[HJR 41: A. Bowling – A JOINT RESOLUTION](#)

This resolution would direct the Department of Revenue and the University of Kentucky's Department of Forestry and Natural Resources to submit a report to the Legislative Research Commission no later than December 1, 2022, detailing their recommendations for equitable property tax assessment procedures for well-managed forests. On Wednesday, this resolution passed the House Agriculture Committee and now heads to the full House for their consideration.

[KFB Policy:](#)

"We support forest that qualify for an agricultural deferment of property tax should be assessed using an assessment model that is appropriate for forest land."

[SB 194: C. McDaniel - AN ACT relating to individual income tax, making an appropriation therefor, and declaring an emergency.](#)

This bill would establish the individual income advanced tax credit disbursement fund and the economic recovery tax credit. The amount of credit shall be equal to the lesser of the tax liability reported on the return, \$500 whose filing status is single and cannot be claimed on another individual's income tax return or \$1,000 whose filing status is married filing separately on a combined return or married persons filing a joint return. This bill passed the Senate with a vote of [28-7](#) and now heads to the House for their consideration.

REMINDER:

This year we will again combine our **Legislative Drive-In Day** with our annual **Food Check-Out Day** activities on **March 16, 2022**. This will allow those of you visiting with your legislator(s) the opportunity to present them with a basket of Kentucky grown agricultural products to celebrate the safest most affordable food in the world.

The meeting will begin at 9:00 a.m. in the auditorium of the Kentucky Transportation Cabinet, located at 200 Mero Street, Frankfort, Kentucky.

We encourage you to contact your senator and representative in advance to let them know you will be in Frankfort that day and to set up a meeting with them to discuss issues affecting agriculture and to present them with a Food Check-Out Day basket.

HOW TO CONTACT YOUR LEGISLATORS

During the week, you may reach your representative and senator in Frankfort by calling 502.564.8100.

If you do not desire to talk to your state legislator immediately or you just want to leave a message, you may dial toll-free 800.372.7181. An answering service will take your message for your representative or senator. The legislative calendar information line is 800.633.9650, the bill status line is 866.840.2835, and the Governor's office number is 502.564.2611.

If you desire to e-mail your representative or senator, [click here](#) for a list of e-mail addresses for members of the Kentucky General Assembly. Find your legislator and click on his or her name to access their e-mail address.

YOUR LOBBYISTS

The following are registered to lobby for Kentucky Farm Bureau for the 2022 session: Jeff Harper, Public Affairs Director, extension 5104; Kyle Kelly, extension 7417; and Drew Graham, extension 5121. If you would like to call your lobbyists during the evening, call 502.495.5000 and key in their extensions.

If you would like to contact one of your lobbyists during the day, please call Katie Weatherholt at 502.493.7669 and she will put you in touch with one of them.

KEEP ALL LEGISLATIVE REPORTS FOR FUTURE USE

We suggest that you keep a record of the Legislative Reports on file because, on occasion, we may refer to a previous report as a source of more details regarding an issue.

FUTURE DATES OF INTEREST

March 16..... KFB Legislative Drive-In/Food Check-Out Day
March 29 & 30 Concurrence Only
March 31 - April 12..... Veto Period
April 14..... General Assembly, Sine Die

**The Legislative Report and KFB's Priority Issues are also on
KFB's website at kyfb.com and the KFB app.**