



March 31, 2022

## **Legislative Report No. 14 2022 Kentucky General Assembly**

Yesterday, marked the fifty-eighth legislative day of the 2022 Session of the Kentucky General Assembly. The legislature adjourned last night for the ten-day veto period and will return on April 13 and 14 for the final two days of this session.

Last evening the General Assembly passed the state budget ([HB 1](#)). The Senate passed it on a vote of [35-0](#) and the House vote was [93-3](#). The budget now heads to the Governor for his consideration.

Below are the details of the state budget:

- 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 \$4,034,200 in each fiscal year;
- \$1,750,000 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 \$20.1 million of general fund dollars in FY23 and \$20.3 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;
- \$9 million to support disaster recovery and relief efforts at the Grain and Forage Center of Excellence located in Princeton.

**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 315: B. Reed - AN ACT relating to broadband deployment, making an appropriation therefor, and declaring an emergency.**

This bill will establish the Office of Broadband Development and administratively attached it to the Kentucky Infrastructure Authority. It will also allow the authority to contract with a nonprofit corporation having specific experience to fulfill the duties and responsibilities of the office. It will require the office to issue grant applications, establish a challenge process, establish a scoring process for applications, and allow eligible project expenses. This bill will also allow a distribution cooperative affiliate to offer broadband services without the requirement of a certificate of public convenience and necessity (CPCN). This bill will also appropriate \$300 million to the fund. Last night, this bill passed the Senate [35-1](#) and the House [92-0](#) and now heads to Governor for his signature.

### **2022 KFB Priority Issues:**

"Support funding for the broadband deployment fund."

"Support efforts and incentives to improve and provide all telecommunications in rural Kentucky."

"Support broadband and high speed internet service being available for the benefit of all Kentuckians."

### **HB 8: J. Petrie - AN ACT relating to revenue measures and declaring an emergency.**

This bill will establish thresholds for a rate reduction for the state income tax. It will impose sales tax on certain services. This bill will only allow an exemption of residential utilities for the resident's place of domicile and will impose the electric vehicle ownership fee for each electric vehicle and motorcycle or hybrid vehicle. It will also impose a tax on electric vehicle power distributed in this state by an electric vehicle power dealer. **This bill will also exempt from sales and use tax drugs and over-the-counter drugs purchased by a person regularly engaged in the business of farming (this provision along with many others in this tax bill will not take effect until January 1, 2023).** This bill was amended in the Senate and was passed on a vote of [27-8](#) and the House concurred with the Senate amendments on a vote of [70-24](#). The bill now heads to the Governor for his consideration.

### **KFB Policy:**

*"We recommend that all farm production items and services including veterinary medicine and vaccines, electricity, water, sawdust and wood shavings, all livestock and poultry bedding, LP gas, natural gas, and tobacco production supplies be exempt from sales and use tax."*

*"We support revenue options that ensure adequate financing for transportation infrastructure maintenance which take into account increased construction costs, improved fuel efficiency, and electric vehicles which currently pay no fuel tax."*

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

This bill requires a person who has an agriculture exemption license number to provide it to the seller or retailer at the time of purchase and allows 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](#). This bill passed the House with a vote of [96-0](#) that included an amendment that increases 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. Yesterday, this bill was signed into law by the Governor.

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

This resolution will 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. This resolution passed the House with a vote of [89-0](#). Yesterday, this resolution passed the Senate with a vote of [36-0](#) and now heads to the Governor for his signature.

**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."*

**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 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](http://kyfb.com) and the KFB app.**