



April 28, 2022

**LEGISLATIVE REPORT NO. 15 – FINAL REPORT**  
**SUMMARY OF LEGISLATIVE ACTIVITIES DURING THE**  
**2022 KENTUCKY GENERAL ASSEMBLY**

Kentucky Farm Bureau was involved in many pieces of legislation this session supporting, opposing, and monitoring bills. We were able to secure passage of several of our priority issues this year. The Kentucky General Assembly passed legislation that maintained the 22.2% allocation of the state gas tax revenue for rural roads, maintained 50% of the Master Settlement Agreement Funds to the Agricultural Development Board, passed broadband deployment legislation, and passed tax reform.

The General Assembly also passed redistricting maps during this session. They passed the House ([HB 2](#)), the Senate ([SB 2](#)), and the Kentucky Congressional maps ([SB 3](#)). Governor Beshear vetoed HB 2 and SB 3, however the legislature overrode those vetoes. The Senate map became law without the Governor's signature.

The bills that were passed during this regular session will become effective on July 14, 2022. Legislation containing an emergency clause became effective upon Governor Beshear's signature or the legislative veto override.

The success of implementing your policy depends on the continued involvement and efforts of county Farm Bureau leaders and members. Please accept our thanks for your assistance in making this year's session a success for Kentucky Farm Bureau.

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

## **State Budget Bill**

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](#). Governor Beshear line itemed [vetoed](#) twenty-two items, however the General Assembly overrode nine of those vetoes and allowed thirteen to remain in place.

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 year;
- 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 FARM BUREAU SUPPORTED THAT PASSED**

**[HB 315: B. Reed - AN ACT relating to broadband deployment, making an appropriation therefor, and declaring an emergency.](#)**

This bill establishes the Office of Broadband Development and administratively attaches it to the Kentucky Infrastructure Authority. It also allows the authority to contract with a nonprofit corporation having specific experience to fulfill the duties and responsibilities of the office. It requires the office to issue grant applications, establish a challenge process, establish a scoring process for applications, and allow eligible project expenses. This bill also allows a distribution cooperative affiliate to offer broadband services without the requirement of a certificate of public convenience and necessity (CPCN). This bill also appropriates \$300 million to the fund. Governor Beshear [vetoed](#) the emergency clause in this bill, however the General Assembly overrode his veto.

## **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).** Governor Beshear [vetoed](#) this bill, however the General Assembly overrode his veto.

### **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 also extends the expiration deadline of the agricultural exemption number to December 31, 2026 and then every four years thereafter and also the application deadline until January 1, 2023.

**HB 6: S. Santoro - AN ACT relating to the valuation of motor vehicles for property tax purposes and declaring an emergency.**

This bill requires the average trade-in value and not the rough trade-in value or clean trade-in value be used as the standard value of a motor vehicle for property tax purposes and grants tax refunds for tax overpayments.

**HB 390: K. King - AN ACT relating to economic development.**

This bill will add the Commissioner of Agriculture as a voting member to the Kentucky Economic Development Partnership Board and change the quorum from seven to eight members. It will also require the cabinet to provide notice to the Commissioner of Agriculture when it receives information about an agriculture-related economic development opportunity. Governor Beshear [vetoed](#) this bill, however the General Assembly overrode his veto.

**KFB Policy:**

*"We support the Cabinet for Economic Development (CED) and its efforts to include agriculture and natural resources in their long-range economic development plan."*

**SB 207: J. Higdon -AN ACT relating to workforce development.**

This bill will establish the Kentucky Education and Workforce Collaborative to implement the policies developed by the Kentucky Workforce Innovation Board, establish membership (KFB a member) and articulate responsibilities and authorize service coordination and combination service programs. It will also establish performance milestones, the deadlines for attainment, and require annual reporting beginning July 1, 2025. Governor Beshear [vetoed](#) this bill, however the General Assembly overrode his veto.

**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.

**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."*

**HCR 47: D. Frazier Gordon - A CONCURRENT RESOLUTION commending Madison County Schools for using the farm-to-school concept for school meals and encouraging other school districts to do so.**

This resolution encourages all local school districts to purchase locally-grown food to solve food supply issues, provide fresh, nutritious food to students, and support local producers.

**KFB Policy:**

*"We encourage the utilization of Kentucky agriculture products by state and county agencies, state funded institutions, public schools and publicly funded projects whenever possible. We also encourage these institutions to contract with local growers when feasible."*

**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 190: M. Marizan - AN ACT relating to taxation.**

This bill would have created an additional cigarette surtax of six dollars and increased the rates on other tobacco and vaping products as of August 1, 2022.

**KFB Policy:**

*"In order to protect the important tobacco industry of Kentucky, we encourage elected officials to oppose any regulation or tax on tobacco products that would put Kentucky at a competitive disadvantage with surrounding states."*

**HB 199: S. Westrom - AN ACT prohibiting smoking in public places and places of employment.**

This bill would have prohibited indoor smoking in businesses, places of employment, and other listed public places.

**KFB Policy:**

*"We believe business owners should have the exclusive right to prohibit tobacco use in their private business. We are adamantly opposed to any level of government or agency mandating that businesses prohibit tobacco use."*

**HB 201: L. Willner - AN ACT relating to taxation.**

This bill would have frozen the state property tax rate and eliminated the tax rate reduction for qualified heavy equipment and increased the tax on cigarettes, snuff, chewing tobacco, and tobacco products.

**2022 KFB Priority Issue:**

*"Strongly oppose freezing the state real property tax rate."*

**HB 550: M. Cantell - AN ACT relating to employment.**

This bill would have removed the exemptions in the definition of employee for agricultural workers and domestic service workers from workers compensation and indicated that agricultural employers are subject to workers compensation.

**KFB Policy:**

*"We support the continuation of agriculture being exempt from the workers' compensation law."*

**SB 13: R. Thomas - AN ACT relating to wages.**

This bill would have incrementally raised the minimum wage for small and large employers to \$12.00 an hour and \$15.00 an hour respectively.

**KFB Policy:**

*"We oppose an increase in the minimum hourly wage."*

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

**HB 308: R. Heath - 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 2022 and would have allowed the Cabinet for Economic Development to begin accepting applications from entities seeking approval as a growth fund. It would have also 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.

**HB 392: J. Branscum - AN ACT relating to merchant electric generating facilities.**

This bill would have provided the terms of service for the ad hoc members of the Kentucky State Board on Electric Generation and Transmission Siting end when the merchant electric generating facility for which they were appointed has been constructed and has begun generating electricity for sale. It would have also included

decommissioning requirements within the requirements over which local planning and zoning requirements shall have primacy and required that a decommissioning plan be included in an application for construction of a merchant electric generating facility, established minimum requirements for a decommissioning plan and required as part of a decommissioning plan that a bond or similar security be secured to assure that the decommissioning plan is accomplished. This bill would have also required that an updated copy of the bond or similar security be refiled at least once every five years and required that notice be given of any transaction involving the sale or transfer of ownership of the facility to the board and local officials within five days of finalizing the transaction and required a person who has acquired a merchant electric generating facility to file with the board written consent to assume the obligations in the decommissioning plan for the facility and to adopt or replace the required decommissioning bond.

**2022 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."*

**KFB Policy:**

*"We believe that officials of each county are best prepared to control the activities and development within their county through planning, zoning and other means."*

**SB 28: R. Girdler - AN ACT relating to water rates.**

This bill would have allowed a utility to grant free or reduced rate service to any commercial food production operation that produces food items intended for human consumption, subject to the Public Service Commission approval of the tariff.

**KFB Policy:**

*"We recommend the PSC encourage utilities to develop a new rate classification specifically designed for farms to address seasonal peak demand charges."*

**HCR 11: B. Reed - A CONCURRENT RESOLUTION urging the United States Congress to enact legislation allowing states to permanently adopt daylight saving time.**

This resolution would have urged the United States Congress to enact legislation allowing states to permanently adopt daylight saving time.

**KFB Policy:**

*"We recommend daylight saving time be retained year-round."*

## **OTHER BILLS OF INTEREST THAT PASSED**

### **HB 5: R. Heath - AN ACT relating to fiscal matters providing funding for disaster recovery and relief, making an appropriation therefor, and declaring an emergency.**

This bill appropriated \$155 million to the West Kentucky State Aid Funding for Emergencies (SAFE) fund to assist communities recover from the tornado.

### **HB 274: S. Santoro - AN ACT relating to transportation improvement districts.**

This bill will establish transportation improvement districts (TIDs) organized by county governments and allow TIDs to be established by a city with a population of greater than 20,000, a single county, or up to three contiguous counties. It will also establish board makeup and membership requirements for each type of TID and set forth TID duties and powers.

### **HB 604: K. Moser - AN ACT relating to governmental agencies, making an appropriation therefor, and declaring an emergency.**

This bill contains many provisions which would have allowed the 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 have made available or leased to landowners and occupiers within the district and would have also allowed 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. This bill was passed on the last day of the session by the Senate on a vote of [29-2](#) and by the House on a vote of [85-7](#). Parts of this bill was line itemed [vetoed](#) by the Governor, including the provisions pertaining to the conservation districts.

### **HB 669: J. Gooch Jr. - AN ACT relating to oil and gas, making an appropriation therefor, and declaring an emergency.**

This bill defines "orphan well" to include wells that predate the oil and gas program, have no permitting and bonding history, and no owners with continuing legal responsibility. It also adds remediation to the abandoned storage tank and orphan well reclamation program purpose and directs monies coming into the fund from the federal Infrastructure Investment and Jobs Act are in the form of grants issued and committed in conformance with the federal rules and guidance issued under the act. It also requires the cabinet to implement expedited review and procurement for work contracted for under the program and limits the number of wells per vendor contract

to not more than 25 and clarifies that funds shall be used for the purposes expressed and maintained in the manner prescribed in the Infrastructure Investment and Jobs Act.

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

#### **HB 228: D. Lewis - AN ACT relating to driver's licensing regional offices.**

This bill would have required the Transportation Cabinet to develop a network of regional offices for the issuance of operator's licenses and personal identification cards and would have established required locations for regional offices. The bill would have also allowed the cabinet to establish addition offices based on population, service demand, geography, and travel times.

#### **HB 235: 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. The bill would have also required the Agriculture Water Quality Authority to promote soil restoration and included an organic agriculture organization among appointments to the authority and added healthy soil practices as a committee.

#### **HB 471: J. Raymond - AN ACT proposing to create a new section of the Constitution of Kentucky relating to the environment.**

This bill would have proposed to create a new section of the Constitution of Kentucky establishing a right of the people to have a healthy environment, including a right to clean air, pure water, and ecologically healthy habitats.

#### **HB 475: M. Meredith – AN ACT proposing an amendment to Section 181 of the Constitution of Kentucky relating to the General Assembly's authority over local revenue options.**

This bill would have proposed to amend Section 181 of the Constitution of Kentucky to permit the General Assembly to authorize a county, city, town, or municipal corporation to assess and collect local taxes and fees that are not otherwise in conflict with the Constitution. The bill would have provided a ballot question with proposed amendment to submit to the voters of Kentucky for ratification or rejection. Any item, such as agricultural inputs, that are exempt at the state level would have also been exempt from taxation at the local level.

**HB 504: M. Lockett - AN ACT relating to special purpose governmental entities.**

This bill would have provided for a refund mechanism when tax rate or fee rates are set in contravention of the provisions of the statute.

**SB 26: J. Schickel - AN ACT relating to labeling requirements for fresh produce.**

This bill would have created a definition for fresh produce and required retail food stores to provide state of origin and season of harvest information for fresh produce.

**SB 52: P. Hornback - AN ACT relating to agricultural land and making an appropriation therefor.**

This bill would have required a \$100 per acre state conversion charge on land which has been converted from agricultural or horticultural to any other use and would have required the charge to be deposited into the agricultural enhancement fund.

**SB 54: P. Hornback - AN ACT relating to soil and water conservation.**

This bill would have allowed the Kentucky Association of Conservation Districts to submit names of nominees and require candidates be at least 21 years of age and would have required a supervisor to be at least 21 years of age after the effective date of this act.

**SB 69: P. Hornback - AN ACT relating to merchant electric generating facilities and declaring an emergency.**

This bill would have prohibited an electrical interconnection with a merchant electric generating facility that either operates at an aggregate capacity in excess of 10 megawatts or occupies in aggregate 10 acres or more of land until the plans for the electrical interconnection have been filed with the Public Service Commission. It would have also prohibited a utility from beginning construction on an electric generating facility that either operates at an aggregate capacity in excess of 10 megawatts or occupies in aggregate 10 acres or more of land without first obtaining a site compatibility certificate from the Public Service Commission. This bill would have established setback requirements for solar merchant electric generating facilities of 50 feet from the property boundary of any nonparticipating adjoining property and 100 feet from a residence on any other property than the one on which the facility is to be located unless waived in writing and would provide exceptions. It would have required that before exercising an option to acquire any interest in real estate in a county, that a merchant electric generating entity notify the heads of local government entities of jurisdiction and allow the local officials or the commission to request a public hearing on the proposed merchant electric generating project. This bill would have required the site

assessment report submitted by a person proposing to construct a merchant electric generating facility to include a decommissioning plan to explain in detail how the facility and its components will be removed at the end of their useful lives; required the decommissioning plan to be reviewed as needed, but at least once every 5 years; established minimum requirements for the decommissioning plan. It would have provided that the construction certificate holder and any of its successors in interest shall be required to comply on an ongoing basis with all conditions of its application approval, subject to enforcement in Franklin Circuit Court. This bill would have required that prior to the commencement of construction, the holder of a construction certificate for a merchant electric generating facility shall furnish bond or other similar security to assure the decommissioning of the facility at the end of its useful life.

**[SB 163: B. Storm - AN ACT relating to student financial aid.](#)**

This bill will allow use of KEES funds for enrollment in a qualified proprietary school program. This bill will also define a proprietary school and qualified proprietary school program. This bill was passed on the last day of the session by the Senate on a vote of [34-1](#) and by the House on a vote of [91-0](#). This bill was [vetoed](#) by Governor Beshear.