



February 6, 2015

## **Legislative Report No. 3**

### ***2015 Kentucky General Assembly***

The 2015 General Assembly returned to Frankfort on Tuesday with many pieces of legislation being introduced and the committee process resuming. Today marks the eighth day of this thirty day session.

There continues to be discussion regarding the road fund and the loss of revenue. [HB 167](#) was filed and would prevent any adjustment to the average wholesale price of motor fuels without direct action of the General Assembly. Kentucky's fuel tax is based upon the average wholesale price of gas.

Also, there has been two pieces of legislation that relate to the state budget. [HB 298](#) would authorize bonds and debt service for the construction of a research building at the University of Kentucky and [HB 4](#) would authorize up to \$3.3 billion in bonds for the Kentucky Teachers Retirement System.

#### **Some bills of interest:**

#### **[SB 29: E. Harris, J. Bowen - AN ACT relating to motor fuels taxes and declaring an emergency.](#)**

This bill would amend KRS 138.210(10) to set the minimum value for the average wholesale price of gasoline used for computation of the motor fuels tax at \$2.354 per gallon. If this bill passes it would raise the floor of the average wholesale price of gas from the current \$1.786. Raising the floor of the average wholesale price would help minimize the impact to road fund revenues. The Senate Transportation Committee heard testimony from officials with the Transportation Cabinet and they estimate the road fund has already lost \$50 million this fiscal year and could lose nearly \$200 million next year. The Senate Transportation Committee did not take a vote and it is anticipated that this bill will be heard again in committee next week.

#### **2015 KFB State Priority Issue**

*"Recommend sufficient funding be made available to maintain quality rural roads across the Commonwealth."*

### **Action Request:**

If your Senator is a member of the Transportation Committee please call them and ask them to **SUPPORT SB 29.**

### **HB 289: A. Simpson, S. Santoro, D. St. Onge - AN ACT relating to the distribution of fuel tax revenues.**

This bill would amend KRS 177.320, regarding allocation of a portion of fuel tax revenue to the rural secondary and county road aid funds, to change the revenue sharing formula to divide 48.2% of motor fuel tax revenues between incorporated and unincorporated areas based on population, road mileage, and land area, it would also clarify that the share of the three splits allocated to incorporated areas shall be used by cities in accordance with Sections 3, 4, and 5 of the Act. Clarify that the share of the three splits allocated to unincorporated areas shall be used by counties, with 54.8% going to rural secondary roads and 45.2% used for county roads and it would amend KRS 177.360 to eliminate the formula of fifths for allocation of rural secondary and county road aid funds among the counties and instead allocate funds to counties based on population, road mileage and land area. This bill has been assigned to the House Appropriations and Revenue Committee.

### **2015 KFB State Priority Issue**

*"Support the rural secondary and county road aid programs and continuation of the 22.2% allocation of the state gasoline tax revenue for rural roads."*

### **HB 157: M. Meredith, R. Quarles, R. Bunch, J. DeCesare, R. Heath, J. Kay, K. King, S. Miles, D. Osborne, B. Rowland, S. Rudy, J. Shell, W. Stone, S. Westrom - AN ACT relating to the taxation of drugs used in the production of cattle, sheep, swine, poultry, llamas, alpacas, buffalo, aquatic organisms, cervids, ratite birds, or equine.**

This bill would exempt drugs and over-the-counter drugs if used in the diagnosis, cure, mitigation, treatment, or prevention of disease in beef cattle, dairy cattle, sheep, swine, poultry, llamas, alpacas, buffalo, aquatic organisms, cervids, ratite birds, or equine.

### **2015 KFB State Priority Issue**

*"Recommend production items associated with the equine and poultry industries, as well veterinary medicine and vaccines be exempt from the sales and use tax."*

### **SB 57: R. Webb - AN ACT proposing to amend the Constitution of Kentucky relating to the right to farm.**

This bill would propose to amend the Constitution of Kentucky to create a right to farm within provisions of the law and submit to the voters for approval or disapproval. This bill was assigned to the Senate State and Local Government Committee. It was given its first reading yesterday and then returned to the committee.

**KFB Policy:**

*"We support responsible actions designed to permit and protect the privilege and the rights of farmers to produce without undue or unreasonable restrictions, regulations or harassment from the public or private sectors. We support actions to ensure that farmers be protected from undue liability and nuisance suits."*

**SB 92: J. Bowen - AN ACT relating to timber harvesting.**

This bill would amend KRS 149.330 to change the definition of "person" to include any natural person or director, officer, or agent of a business organization and would require loggers or operators who have received bad actor designations to provide prior notice to the division before engaging in any timber harvesting operations until they have paid all civil penalties and performed all required site remediation. Require the cabinet to issue an emergency order requiring any third-time bad actor to cease all timber harvesting operations until all required site remediation has been performed and all civil penalties have been paid or a repayment plan has been established and maintained. This bill has been assigned to the Senate Natural Resources and Energy Committee.

**KFB Policy:**

*"We support the Forestry Best Management Practice Board in amending the Forest Conservation Act to strengthen the bad actor provisions."*

**HB 312: T. McKee, J. Short, M. King - AN ACT relating to stray equines and cattle.**

This bill would amend KRS 259.120 to establish posting requirements for stray equine and stray cattle and authorize county judges/executive to administer an oath to a taker-up of stray equine and stray cattle. Allow a taker-up to have stray equine gelded after a ten day holding period has expired and would reduce the taker-up's hold time of stray equine to ten days for absolute ownership.

**KFB Policy**

*"We support reducing the hold period for stray horses from the current 90 days down to 14 days."*

Kentucky Farm Bureau, along with other Kentucky commodity organizations, will be celebrating the week of February 15–21 as Food Check-Out Week recognizing Kentucky agriculture. **Tuesday, February 17, 2015 has been designated as Food Check-Out Day** and both the House and Senate will pass a resolution honoring Kentucky farmers. In addition, Kentucky Farm Bureau and Kentucky commodity organizations will provide each member of the General Assembly with a basket of Kentucky-grown commodities.

**Special Election**

Please note there will be a Special Election held on **Tuesday, March 3, 2015** to fill the vacant 27th Senate District seat. This district includes Bourbon, Fleming, Harrison, Lewis, Mason, Nicholas, Robertson, and Rowan counties.

## **FUTURE DATES OF INTEREST**

February 6.....Last Day for New Bill Request  
February 13.....Last Day for New Senate Bills  
February 16.....President’s Day Holiday  
February 17.....Last Day for New House Bills  
March 6 & March 9.....Concurrence Only  
March 10 – March 20.....Veto Period  
March 24.....General Assembly, Sine Die

## **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.

## **YOUR LOBBYISTS**

The following are registered to lobby for Kentucky Farm Bureau for the 2015 session: Jeff Harper, Public Affairs Director, extension 5104; Bryan Alvey extension 7218; Tony Sholar, extension 5121, and David S. Beck, extension 5101. If you would like to call your lobbyists during the evening, call 502-352-4280 at the Frankfort headquarters or call 502.495.5000 and key in their extensions.

If you would like to contact one of your lobbyists during the day, please call Sara Stivers at 502.495.5121 and she will put you in touch with one of them.