



May 1, 2014

LEGISLATIVE REPORT NO. 13 – CORRECTED FINAL REPORT
SUMMARY OF LEGISLATIVE ACTIVITIES DURING THE
2014 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. We were able to secure full funding of the Breathitt Veterinary Center and legislation to address the growing wildlife problem. We were also able to protect many of our other priority issues, such as our policy on property taxes and private property rights. The bills that were passed during this regular session will become effective on July 15, 2014. Legislation containing an emergency clause became effective upon Governor Beshear's signature.

The Public Affairs staff would like to express our sincere appreciation to all of those who responded to our Legislative Action Request concerning various issues each week. 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.

This year is an election year for all one hundred state house and nineteen state senate seats. As the primary and general elections approach it is vital that our organization know how these candidates stand on our priority issues like sales tax exemptions for agriculture and state property taxes (HB 44). The most effective way to discover the position of candidates is to conduct Measure the Candidate Forums. These forums allow us to get candidates on record prior to them becoming elected officials. We can expect the agenda items for the 2015 session of the General Assembly to include state tax reform so it is imperative that we elect candidates that are supportive of our policy on tax issues.

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 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 235: R. Rand, G. Stumbo, R. Adkins, L. Clark, S. Overly, T. Thompson - AN ACT relating to appropriations providing financing and conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state-supported activities.

Highlights of the state budget that pertain to our 2014 State Priority Issues are:

- Funding of \$32.4 million for the construction of a new Breathitt Veterinary Center.
- Total Agricultural Development Fund \$31.1 million in FY15 and \$12.2 million in FY16.
- County Agricultural Development funding of \$19.3 million in FY15 and \$9.8 million in FY16.
- Soil Erosion and Water Quality Cost-share funding of \$6 million in FY15 and \$0 in FY16.
- Farms to Food Banks \$600,000 in each fiscal year from tobacco dollars.
- Division of Conservation to provide direct aid to local districts received \$950,000 each fiscal year.
- For FY15 \$1,125,000 was transferred from the Conservation Revolving Loan Program to the General Fund.
- Kentucky Department of Agriculture received general fund dollars of \$16.3 million in FY15 and \$16.6 million in FY16.

The provision that would have allowed Property Valuation Administrators (PVA's) to charge a fee to special taxing districts for use of the PVA assessment in levying their property taxes was removed from the budget.

HB 448: T. McKee, T. Turner, M. Denham, R. Heath, J. Kay, K. King, M. Meredith, R. Quarles, J. Richards, B. Rowland, S. Rudy, J. Short, R. Smart, W. Stone, T. Thompson - AN ACT relating to destruction of crops on farms by wildlife.

This bill will allow landowners, their spouses, dependent children, or their designees to kill or trap on their lands any wildlife causing damage to the lands or personal property without a tag, allow for disposal of the carcass on-site, require inedible parts from wildlife not to be utilized for any purpose, and require inedible parts from wildlife to be destroyed or left afield. It will also allow the Department of Fish and Wildlife Resources to promulgate regulations establishing procedures for the designee appointment process and for allowing landowners to remove carcass in a timely manner to allow for processing.

Farm Bureau Priority Issue:

“Support effective wildlife management that will reduce the wildlife population in an effort to alleviate continued crop and livestock losses, automobile accidents, human injuries, and loss of life.”

HB 236: R. Rand, R. Adkins, L. Clark, S. Overly, G. Stumbo, T. Thompson - AN ACT relating to appropriations providing financing and conditions for the operations, maintenance, support, and functioning of the Transportation Cabinet of the Commonwealth of Kentucky.

This bill is the transportation budget. The bill maintains the road formula and the Rural and Secondary Road funding. **The proposal to freeze the gas tax and the December 31, 2013 level was not included in the road fund plan.**

Farm Bureau Priority Issue:

“Support the rural, secondary and county aid programs and continuation of the 22.2% allocation of the state gasoline tax revenue for rural roads.”

HB 488: T. Mills, S. Rudy, L. Bechler, J. Bell, Dw. Butler, J. Kay, T. McKee, S. Miles, S. Overly, R. Quarles, R. Rand, J. Richards, W. Stone, J. York - AN ACT relating to sales and use tax.

This bill will exempt from sales and use tax sales of tangible personal property by a federally chartered corporation if the sales occur at the corporation's annual national convention held in the Commonwealth and provide that the exemption applies to sales between October 1, 2014, and December 31, 2021. This exemption will apply to the National FFA Convention when held in Kentucky.

Farm Bureau Policy:

“We support a long range goal for agricultural education to help create new programs in communities not yet served by agricultural education and FFA and ensure the quality and high performance of current programs providing personal, academic, and career education in agriculture.”

SB 109: P. Hornback, D. Parrett - AN ACT relating to the sale of tobacco related products to minors and declaring an emergency.

This bill will prohibit the sale to minors of tobacco products, alternative nicotine products, and vapor products. EMERGENCY

Farm Bureau Policy:

“We oppose the sale of e-cigarettes and e-cigarette products to minors.”

SB 170: D. Parrett, P. Hornback - AN ACT relating to noxious weeds and invasive plants.

This bill will revise the list of noxious weeds and invasive plants to be eradicated from the state rights-of-way, provide that the Department of Highways shall promote awareness of the eradication program through the use of electronic media and the Cooperative Extension Service. It will also allow the department, by administrative regulation, add noxious weeds and invasive plants to or delete them from the list and provide that the department shall review the regulation at least once every four years.

Farm Bureau Policy:

“We urgently request highway departments, railroad companies, industries and all owners of public or private land adjacent to farmland to cooperate with farmers in the control of Johnson grass, nodding thistle, multiflora rose, honeysuckle, kudzu, water hemlock and poisonous hemlock, and other noxious weeds.”

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 1: G. Stumbo, De. Butler, D. Graham, M. Marzian, D. Owens, T. Riner, R. Smart, B. Yonts - AN ACT relating to wages.

This bill would have raised the state minimum wage to \$8.10 per hour on July 1, 2014, \$9.15 per hour on July 1, 2015, and \$10.10 per hour on July 1, 2016.

Farm Bureau Policy:

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

HB 173: S. Westrom, J. Adams, J. Crenshaw, K. Flood, D. Graham, J. Greer, J. Jenkins, M. Marzian, D. Owens, D. Watkins - 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, but would have exempted private residences unless used for child care or adult day care.

Farm Bureau 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 220: J. Wayne, T. Burch, J. Crenshaw, K. Flood, D. Graham, J. Jenkins, M. Marzian, R. Meeks, D. Owens, T. Riner, R. Smart - AN ACT relating to taxation.

This bill would have amended decoupled from changes to the federal estate tax since 2003, provided for a reduction and phase-out of the pension exclusion, and established a cap for itemized deductions. It would have also frozen the real property tax rate at 12.2 cents per \$100, removed the rate adjustment provision, and removed the recall provision. It would have removed the provisions of HB 44 that allow for recall of certain tax rates.

Farm Bureau Priority Issue:

"Support the current provisions of House Bill 44 (KRS 132.010). Revenue from property taxes should continue to be limited to 4% plus new growth. Proposals to exceed 4% should automatically go to the voters."

HB 441: J. Jenkins, M. Marzian, T. Riner - AN ACT relating to the labeling of genetically engineered food.

This bill would have created labeling requirements for genetically engineered foods.

Farm Bureau Policy:

"We oppose individual states establishing separate policies on GMO labeling."

HCR 37: R. Meeks, D. Owens

This resolution would have directed the staff of the Legislative Research Commission to study whether counties should be offered the option of conducting elections in centralized voting centers rather than in voting precincts.

Farm Bureau Policy:

“We oppose the concept of centralized voting.”

BILLS FARM BUREAU SUPPORTED THAT DID NOT PASS

SB 92: S. Humphries - AN ACT relating to speed limits.

This bill would have increased the maximum speed limit is 65 MPH on four-lane state highways that are not interstates or parkways.

Farm Bureau Policy:

“We recommend that the speed limit on four lane, partially controlled access highways, be raised to 65 mph with exceptions for congested areas.”

HB 76: R. Nelson - AN ACT relating to financial literacy.

HB 77: R. Nelson, R. Bunch, J. Carney, T. Couch, J. Greer, K. Hall, R. Heath, D. Horlander, J. Kay, M. Meredith, S. Riggs, D. Watkins, J. Wayne, S. Westrom, B. Yonts, J. York - AN ACT relating to financial literacy.

SB 165: D. Parrett, R. Thomas - AN ACT relating to financial literacy.

These are the various bills that encouraged the increase of financial literacy in the Commonwealth.

Farm Bureau Policy:

“We support “Financial Literacy” core content being included in Kentucky school curriculum at all appropriate levels.”

HB 158: A. Koenig, J. Jenkins - AN ACT proposing to amend and create sections of the Constitution of Kentucky relating to the office of Constable.

This bill would have allowed the legislative body of a county to choose to abolish the office of constable and also to reestablish that office through an ordinance.

Farm Bureau Policy:

“We recommend the office of Constable be abolished.”

HB 193: M. Meredith, W. Stone, K. King, D. Mayfield, T. Mills, B. Rowland - AN ACT relating to the taxation of drugs used in the production of cattle, sheep, swine, poultry, llamas, alpacas, buffalos, aquatic organisms, cervids, ratite birds, or equine.

This bill would have exempted 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, buffalos, ratites, aquatic organisms, cervids, ratite birds, or equine from the states sales and use tax.

HB 416: R. Quarles - AN ACT relating to sales and use tax on float bed trays.

This bill would have exempted from sales and use tax the sale or purchase of float bed trays on or after August 1, 2014, through July 31, 2018

HB 477: R. Heath, J. Gooch Jr., K. Imes, K. King, M. King, B. Waide - AN ACT relating to sales and use tax.

This bill would have exempted from sales and use tax poultry or livestock bedding purchased on and after August 1, 2014, but before July 31, 2018.

HB 518: T. McKee, T. Mills, R. Quarles, J. Richards, W. Stone, D. Watkins - AN ACT relating to sales and use tax.

This bill would have exempted bees used in a commercial enterprise for the production of honey or wax for sale and certain items used in that pursuit from the states sales and use tax.

Farm Bureau Policy:

“We recommend that all farm production items including veterinary medicine and vaccines, electricity, sawdust and wood shavings, all livestock and poultry bedding, LP gas, and natural gas be exempt from sales and use tax.”

HB 259: J. Kay, S. Overly, D. Osborne, S. Westrom - AN ACT relating to sales and use taxes.

This bill would have exempted from sales and use tax the sales of machinery, machinery attachments, repair parts, replacement parts, feed and feed additives, water, farm chemicals, on-farm equine facilities except barns, fuel to operate machinery, seed, and commercial fertilizer, if the property is purchased by a person regularly engaged in the occupation of breeding, raising, training, racing, or exhibiting equine as a business and the property is exclusively and directly used in that occupation.

HB 297: M. Meredith, S. Westrom, D. Osborne - AN ACT relating to tangible personal property used in the production of equine.

This bill would have exempted feed and feed additives, seeds, commercial fertilizers, farm chemicals, farm machinery, water, fuels, and on-farm facilities used in the production of equine from the sales and use tax.

SB 24: R. Webb - AN ACT relating to sales and use tax exemptions for the equine industry.

This bill would have exempted from sales and use tax the sales of machinery, machinery attachments, repair parts, replacement parts, feed and feed additives, water, farm chemicals, on-farm equine facilities except barns, fuel to operate machinery, seed, and commercial fertilizer, if the property is purchased by a person regularly engaged in the occupation of breeding, raising, training, racing, or exhibiting equine as a business and the property is exclusively and directly used in that occupation.

Farm Bureau Priority Issue:

“Recommend production items associated with the equine industry be exempt from the sales and use tax.”

HB 376: J. Kay, L. Combs, J. Greer, R. Meeks, M. Meredith, R. Quarles, R. Rand, J. Richards, T. Riner, R. Smart, G. Stumbo, S. Westrom - AN ACT relating to tax credits promoting land conservation.

This bill would have created a qualified conservation contribution income tax credit.

Farm Bureau Policy:

“We encourage the General Assembly to increase funding for the PACE Program in order for the state to receive the maximum federal funds available.”

HB 556: J. Shell, K. King - AN ACT relating to eligibility for public assistance.

This bill would have required the Cabinet for Health and Family Services to implement a substance abuse screening program for applicants and recipients of public assistance who have a felony or misdemeanor history of substance abuse.

Farm Bureau Policy:

"We support the idea that those who receive SSI, food stamps, housing, or other government welfare payments should have to submit to random drug testing."

SB 18: R. Webb - AN ACT relating to the donation of game meat.

This bill would have prohibited state and local government entities from restricting the donation of game meat to or from not-for-profit organizations for the purpose of free meal distribution and require that the game meat be from wildlife that was taken in the Commonwealth be properly field dressed, processed, and apparently disease-free and unspoiled.

Farm Bureau Policy:

We urge the Kentucky Department of Fish and Wildlife to allow landowners with nuisance permits to donate the wildlife to the Hunters for the Hungry Program or a local food bank.

SB 44: P. Hornback, D. Parrett, C. Girdler, D. Givens, S. Gregory, S. Humphries, J. Rhoads, D. Ridley, R. Webb, W. Westerfield - AN ACT relating to motor vehicle weight tolerance.

This bill would have provided a weight tolerance of 10% for commercial vehicles that are engaged in the transportation of agricultural products.

Farm Bureau Policy:

"We support the 10% weight exemption on farm trucks and trucks servicing farms hauling agriculture products, similar to the same benefits currently given to the transportation of primary forest products."

OTHER BILLS OF INTEREST THAT PASSED

HB 181: T. McKee, W. Stone, R. Crimm, R. Heath, R. Smart, S. Westrom - AN ACT relating to eggs.

This bill will allow lot consolidation by a registered lot consolidator of eggs.

HB 260: K. Upchurch - AN ACT relating to all-terrain vehicles.

This bill will permit an all-terrain vehicle operator 16 years of age or older to cross a public roadway with a posted speed limit of 45 mph or less without protective headgear, to get from one ATV trail to another.

HB 331: S. Riggs, J. Adams, J. Carney, M. Denham, D. Floyd, A. Koenig, M. Meredith, J. Richards, B. Rowland, S. Rudy, J. Shell, A. Simpson, K. Sinnette, R. Smart - AN ACT relating to municipal classification.

This bill establishes new parameters for the classification of cities. The bill also amends several KRS sections to conform to the new guidelines.

HB 445: R. Rand - AN ACT relating to revenue and taxation.

This bill extends the sunset date for the waste tire fee until June 30, 2016, assesses a 1.5 percent tax on pari-mutuel wagers on historical horse racing, provides for an income tax refund check-off for local history organizations, creates an income tax credit for property tax paid on distilled spirits, creates the angel investor program and provides the angel investor tax credit. EMERGENCY

HR 80: W. Stone, T. McKee, M. Denham, R. Quarles

This resolution reauthorized the House Tobacco Task Force through December 31, 2014, to address the problems facing the tobacco industry in Kentucky.

[HR 108: T. McKee, W. Stone and SR 123: P. Hornback](#)

These resolutions honored Kentucky farmers and recognize February 16 to 22, 2014, as Food Checkout Week.

[HR 151: T. McKee](#)

This resolution urges state universities, primarily the University of Kentucky, Kentucky State University, Eastern Kentucky University, intensify honeybee research efforts.

[SB 208: P. Hornback - AN ACT relating to industrial hemp.](#)

This bill removed the Speaker of the House of Representatives or the Speaker's designee, the President of the Senate or the President's designee, the chair of the Senate Agriculture Committee, and the chair of the House Agriculture and Small Business Committee from the Kentucky Industrial Hemp Commission.

[SB 144: D. Givens - AN ACT relating to planning and zoning.](#)

This bill will require the planning commission to make a recommendation within 60 days, allow for waiver of requirement, and establish procedures for failure to act within 60 days and allow board of zoning adjustment review and revocation of conditional use permits previously issued, in certain circumstances, and allow revocation of conditional use permit if the board is not informed of certain modifications.

OTHER BILLS OF INTEREST THAT DID NOT PASS

[HB 30: R. Crimm, K. Bratcher, M. Dossett, K. Hall, J. Wayne - AN ACT relating to animals.](#)

[HB 31: J. Tilley, D. Floyd, D. Graham, J. Kay, K. King, M. Marzian, T. Mills, B. Montell, J. Wayne - AN ACT relating to eminent domain and declaring an emergency.](#)

This bill dealt with eminent domain issues relative to the proposed Bluegrass Pipeline.

[HB 408: J. Jenkins, J. Tilley, R. Benvenuti III, K. Bratcher, R. Crimm, M. Dossett, J. Glenn, J. Greer, D. Horlander, D. Keene, M. Marzian, D. Mayfield, B. Montell, R. Nelson, T. Riner, A. Simpson, T. Thompson, J. Wayne, S. Westrom, B. Yonts - AN ACT relating to cruelty to animals.](#)

[HB 409: W. Coursey, J. Tilley, J. Jenkins, M. Marzian - AN ACT relating to dogs and cats.](#)

[HB 472: M. Denham - AN ACT relating to cruelty to animals.](#)

These are the various bills that dealt with animal care.

[HB 167: D. Osborne – AN ACT relating to eminent domain.](#)

This bill would have allowed separately deeded tracts of land owned by the same person to be considered as a single parcel for valuation purposes relating to eminent domain.

[HB 399: T. Thompson, T. Burch, De. Butler, J. Carney, J. Donohue, K. Flood, J. Glenn, J. Gooch Jr., D. Graham, R. Heath, J. Hoover, T. Mills, B. Montell, S. Overly, S. Riggs, J. Tilley, B. Yonts - AN ACT proposing to amend Section 181 of the Constitution of Kentucky relating to local levies of sales and use taxes.](#)

This bill would have proposed to amend Section 181 of the Constitution of Kentucky to authorize the General Assembly to confer upon the proper authority of any city or county the power to levy a local option sales and use tax.

[HB 431: K. Sinnette, M. Rader, F. Steele - AN ACT relating to state exemption from daylight saving time.](#)

This bill would have exempted the Commonwealth of Kentucky from daylight saving time.

[HB 491: J. Kay, R. Meeks, B. Yonts - AN ACT relating to rare plant protection.](#)

This bill would have established a database of endangered or threatened plant species and prohibit any person from engaging in an activity which would threaten or harm the species.

[HB 521: T. McKee - AN ACT relating to agriculture.](#)

This bill would have set forth steps to be taken for livestock of questionable ownership and set penalty for misusing a brand.

[HCR 93: L. Combs](#)

This resolution would have established a Timber Theft and Trespass Reduction Task Force.

[HCR 154: Dw. Butler](#)

This resolution would have recognized innovations in agricultural practice, particularly in dairy farming, and encourage the Kentucky Dairy Council and the Department of Public Health to review lab samples of milk obtained via portable dairying infrastructure to assess quality and safety characteristics.

[SB 14: J. Higdon, J. Carroll, P. Clark, D. Harper Angel, D. Parrett - AN ACT relating to eminent domain.](#)

This bill would have allowed eminent domain to be used only in cases where the condemnor is a utility regulated by the Public Service Commission.

[SB 21: J. Higdon, D. Harper Angel, D. Parrett, R. Webb - AN ACT relating to eminent domain and declaring an emergency.](#)

This bill would have limited the scope of the eminent domain authority created by that section.

[SB 99: P. Hornback, J. Carpenter – AN ACT relating to telecommunications.](#)

This bill would have ended most Public Service Commission authority over exchanges with 15,000 or more housing units and for less populous exchanges, PSC jurisdiction would have been reduced and obligation to provide basic local exchange (wireline) service is reduced. The utility would have had the option to substitute internet protocol or wireless service in some situations, but the customers in some situations would have the right to reject IP or wireless service and have their wireline restored.

[SB 101: C. McDaniel, W. Westerfield, J. Denton - AN ACT relating to the publication of local government legal advertisements.](#)

This bill would have given local governments the option to post required advertisements online on a notice Web site operated by local government in lieu of newspaper publication, so long as one-time advertisement is published in actual newspaper.

[SB 104: D. Thayer - AN ACT relating to reorganization.](#)

This bill would have removed the Agricultural Development Board and the Kentucky Agricultural Finance Corporation from the Office of the Governor and placed in within the Department of Agriculture.

SB 120: T. Buford - AN ACT relating to small farm wineries.

This bill would have expanded the definition of small farm wineries and enabled them to produce brandy and wine spirits.

SB 131: E. Harris - AN ACT relating to motor fuels and declaring an emergency.

This bill would have established a floor for the average wholesale price of gasoline at \$2.512/gallon; effective July 1, 2014.

SB 135: P. Hornback, W. Blevins Jr., D. Harper Angel, M. McGarvey, D. Parrett, J. Rhoads, R. Thomas - AN ACT proposing to amend Section 181 of the Constitution of Kentucky relating to local levies of sales and use taxes.

This bill would have authorized the General Assembly to confer upon the proper authority of any city or county the power to levy a local option sales and use tax, subject to specifically enumerated conditions and limitations. Submit to the voters for approval or disapproval; supply ballot language.

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