



February 27, 2015

Legislative Report No. 6

2015 Kentucky General Assembly

Today marks the twentieth day of this thirty day session. Many issues remain unresolved: a bill to address Kentucky's heroin problem, dating violence, telecommunication reform, and the shortfall of revenue for the state's road fund and with only ten days remaining the pace of this session will begin to pick up.

Last June a settlement was announced between Kentucky and the participating tobacco manufactures to settle a dispute dating back to 2003 regarding whether or not Kentucky was diligently enforcing the terms of the Master Settlement Agreement relative to non-participating manufactures. As a result of this settlement Kentucky received an additional \$57 million that had not been appropriated by the General Assembly.

Last evening, the House Appropriations and Revenue Committee unanimously passed [HB 510](#) and now it heads to the full House for their consideration.

[HB 510: R. Rand – AN Act relating to appropriations.](#)

This bill appropriates part of the \$57 million as follows:

- \$5 million: KY Ag Finance Corp
- \$5 million: State Agricultural Development Account
- \$6 million: County Agricultural Development Accounts
- \$5 million: Soil Erosion Water Quality Cost-Share
- \$4 million: University of Kentucky's Princeton Grain Crops Center of Excellence

Before the University of Kentucky may request any funds from the above appropriations, the Agricultural Development Board shall negotiate a cost share agreement with the University of Kentucky requiring the university to provide at least \$1 million for this project.

\$4 million: On-farm and rural community water management initiatives

All of the above appropriations are for FY 16 and will be initially allocated to the Governor's Office of Agricultural Policy.

\$26 million: These dollars shall remain in the Tobacco Settlement Agreement Fund and shall not be appropriated or expended without express authority in an enacted biennial budget.

There was also some money appropriated to public health for smoking cessation, Office of Drug Control and for lung cancer research.

2015 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 & Water Quality Cost-Share Program."

Action Request:

Please contact your member of the House of Representatives and ask them to **SUPPORT HB 510.**

Trying to find a solution for the declining revenue for the road fund continues to be discussed and [HB 513](#) was filed this week as an attempt to address this issue.

[HB 513: J. Hoover, K. King - AN ACT relating to motor fuels taxes and declaring an emergency.](#)

This bill would amend KRS 138.210 to set the minimum average wholesale price of gasoline for computation of motor fuels tax at \$2.07 per gallon and amend KRS 138.220 to remove the exemption of 2.1 cents per gallon of motor fuels tax from revenue sharing and increase the percentage of motor fuel tax allotted to the County Road Aid Fund from 18.3% to 19.5% and increase the percentage of motor fuel tax allotted to the Municipal Road Aid Fund from 7.7% to 8.3%. This bill was introduced on February 23rd and has received two readings and has been returned to the House Appropriations and Revenue Committee.

Some other 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.

2015 KFB State Priority Issue

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

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

This bill requires 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 and 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 passed the Senate Natural Resources and Energy Committee and was placed on the Senate Consent Calendar.

KFB Policy:

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

HCR 56: L. Combs, C. Harris, C. Howard, J. Short.

This resolution would establish a Timber Theft and Trespass Reduction Task Force and provide that the purpose of the task force is to study issues regarding timber theft and trespass and to develop consensus recommendations to address those issues. This resolution passed the House Natural Resources and Environment Committee yesterday and now heads for action by the full House.

KFB Policy:

"We encourage the Kentucky General Assembly to establish and fund a Forest Health Task Force, and make it a permanent part of state government. We request the task force publish its mission and submit a public annual report on the status of Kentucky's forest health."

Due to the General Assembly not convening on Tuesday, February 17, our Food Check-Out Day event has been rescheduled to Wednesday, March 4, 2015.

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.

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.