



January 31, 2020

Legislative Report No. 5

2020 Kentucky General Assembly

Today marks the eighteenth legislative day of the 2020 Session of the Kentucky General Assembly. There have been a total of 250 Senate and 424 House bills and resolutions filed.

On Tuesday, Governor Beshear presented his State Budget ([HB 352](#)) for fiscal years 2020-2022, to a joint session of the General Assembly.

Below is a list of items contained in the proposed budget pertaining to our funding priorities:

- Agricultural Development Funds: \$34.5 million in FY21 and \$34.9 million in FY22. Of these funds \$14.2 million in FY21 and \$14.4 million in FY22 are allocated to the county funds;
- Environmental Stewardship Program: \$2.4 million in FY21 and \$2.5 million in FY22;
- Conservation District Local Aid: \$907,300 in both FY21 and FY22;
- The Kentucky Department of Agriculture was budgeted \$16.6 million in FY21 and \$18.8 million in FY22;

Governor Beshear also proposed revenue measures that are contained in [HB 351](#) including:

- A .10 cent increase per pack on cigarettes;
- An increase in the tax on moist snuff, chewing tobacco and on other tobacco products;
- A tax of .10 cents per fluid milliliters on e-cigarettes;

- An increase in the Limited Liability Entity Tax (LLET) minimum tax from \$175 to \$225 annually;

This budget also projects revenue from passage of [HB 137](#), the sports wagering bill.

We have been working with members of the General Assembly on a bill draft that would establish the application criteria for a farmer to receive a sales and use tax exemption card for the purchase of agricultural exempt products.

Some bills of interest:

SB 117: D. Givens - AN ACT relating to sales and use tax.

This bill would exempt drugs and over-the-counter drugs that are purchased by a farmer and used in the treatment of certain farm animals. It would apply to sales made after August 1, 2020, but before August 1, 2024. This bill has been assigned to the Senate Appropriations and Revenue Committee.

KFB Policy:

"We recommend that all farm production items and services 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 273: R. Heath - AN ACT relating to the establishment of a tax credit to promote investments in Kentucky businesses.

This bill would establish the growth fund tax credit and establish an application and approval process for investment in growth businesses by a growth fund and verification related to the new tax credit. This Act may be cited as the Kentucky Rural Jobs Act of 2020. This bill has been assigned to the House Appropriations and Revenue Committee.

2020 KFB State Priority Issue:

"Support efforts that will retain and attract new business and industry to rural areas of Kentucky."

SB 5: R. Alvarado - AN ACT relating to special purpose governmental entities.

This bill would require proposed increases in ad valorem taxes and certain fees and the levy of new ad valorem taxes or fees by special purpose governmental entities to be submitted to the legislative body of the county or city in which the special purpose governmental entity is located for review. This bill passed the Senate State and Local Government Committee and included the provision that would allow the legislative body of the county or city, the option to lower a proposed rate. This bill passed the Senate 28-10 and has been assigned to the House Local Government Committee.

KFB Policy:

"We recommend that only elected officials have the authority to increase or create new taxes. In addition, we strongly urge all entities with the ability to increase taxes to be accountable for the expenditures of tax dollars to the citizens."

"We support allowing fiscal courts the flexibility to lower a tax rate submitted by a special taxing district."

HB 308: R. Webber – AN ACT relating to the selling farmers tax credit.

This bill would add definitions of terms and incorporate statutory provisions included in the Cabinet for Economic Development's guidelines related to the farmer small business tax credit and would allow the farmer small business tax credit to be taken for income tax purposes. It would also permit the Department of Revenue to supply certain statistical data to the Interim Joint Committee on Appropriations and Revenue. This bill has been assigned to the House Appropriations and Revenue Committee.

HB 214: J. Tipton - AN ACT relating to the Veterinary Contract Spaces Program and making an appropriation therefor.

This bill would establish the Veterinary Contract Spaces Program and require the Kentucky Higher Education Authority to purchase enrollment spaces annually for Kentucky students at participating veterinary schools. This bill passed the House 91-0 and was assigned to the Senate Agriculture Committee.

KFB Policy:

"We support additional funding to ensure that any veterinarian student vacancies offered by our affiliated colleges of veterinary medicine are filled with Kentucky students."

REMINDER:

This year we will again combine our **Legislative Drive-In Day** with our annual **Food Check-Out Day** activities on **February 5, 2020**. This will allow those of you visiting with your legislator(s) the opportunity to present them with a basket of Kentucky grown agricultural products to celebrate the safest most affordable food in the world.

The meeting will begin at 9:00 a.m. in the auditorium of the Kentucky Transportation Cabinet, located at 200 Mero Street, Frankfort, Kentucky.

We encourage you to contact your senator and representative in advance to let them know you will be in Frankfort that day and to set

up a meeting with them to discuss issues affecting agriculture and to present them with a Food Check-Out Day basket.

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 2020 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 ACTION REQUESTS FOR FUTURE USE

We suggest that you keep a record of the Legislative Action Requests 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

February 5..... KFB Legislative Drive-In/Food Check-Out Day
February 17..... President's Day Holiday
February 21..... Last Day for Bill Requests
March 2..... Last Day for New House Bills
March 3..... Last Day for New Senate Bills
March 31 & April 1..... Concurrence Only
April 2 - April 13..... Veto Period
April 15..... General Assembly, Sine Die

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