

Kentucky General Assembly Weekly Report

Week 6

February 10th through February 14th (Legislative Days 24-28)

The legislature got an early start to their three-day weekend on Friday by concluding their business within 30 minutes of gaveling in. At the conclusion of Week 6, the General Assembly is nominally near the halfway point of the session, but the session is always back loaded with budget bills, revenue measures, and hundreds of other bills that lie in different stages of the process. Thus far, 600 House and Senate bills have been filed, in addition to dozens of binding resolutions. The President's Day holiday (Monday) means a late Tuesday start and the cancellation of many Tuesday committees, including both House and Senate Appropriations & Revenue Committees. Here is a status report on some of the major issues and bills:

Medicinal cannabis - Rep. Jason Nemes' HB136 cleared the House Judiciary Committee by a vote of 17-1. Polling appears to show an immense amount of public support statewide, as referenced by committee members Angie Hatton, Derek Lewis, and Ed Massey, who cited a 90% support rate in their districts. It now goes to the House floor. Recall the measure got this far last year, but did so late in the 30-day session and did not progress.

UofL acquisition of Jewish Hospital assets - Speaker David Osborne's HB99 finally passed the House on Wednesday afternoon. The issue appeared to be greased for easy passage in the session, but the closure of a prominent rural hospital in northeastern Kentucky gave some members pause about the equity with which the state is treating struggling hospitals. In addition, fiscally conservative advocacy groups raised concerns about the generous, forgivable loan package. Ultimately, an amended version of the bill reduced the original \$50 million general fund request down to a \$35 million loan, of which only half is forgivable if the University meets certain benchmarks. It was supported by House Republicans, House Democrats, and the Governor's Office. It has been received in the Senate.

Increased road funding - a bill to increase Kentucky's motor fuels tax has not yet been introduced this session. Proponents of the concept worked to achieve former Governor Bevin's support of the measure prior to his failed re-election bid, and Governor Beshear has yet to publicly state support for the bill. Potentially complicating the Governor's endorsement is a Senate priority bill that attempts to "de-politicize" the Kentucky Transportation Cabinet. SB4, sponsored by Sen. Jimmy Higdon, would permit the Governor only to choose the KYTC Secretary from a list of recommendations from a new Transportation Board (rather than at the Office's total discretion today), and it codifies a road priority scoring plan put in place by the Bevin KYTC. In support of the effort, Senate Republicans noted that they filed the bill on election day, *prior* to Beshear's victory, and they noted that Bevin's withholding of discretionary road funds - presumably to assist in his re-

election effort - is a motivating factor in moving the bill. SB4 easily passed committee and awaits Senate floor action.

Limitations on the number of Managed Care Organizations - SB30 passed the full Senate Wednesday afternoon. Sen. Steve Meredith's bill would limit the amount of Managed Care Organizations (MCOs), private sector insurance companies contracted to provide services to Kentucky's Medicaid population, to three. This has been a passion of Sen. Meredith's for many sessions, and it has increased attention this year as a new round of contracts that are out to bid and will begin on January 1, 2021. Recall that the Bevin Administration announced that five of seven bidding MCOs won contracts in the weeks following the November election. The Beshear Administration halted those contracts and re-bid the RFP upon taking office.

Sanctuary cities - the House has received SB1 but has not yet taken any formal action.

Sports gaming - HB137, sponsored by Rep. Adam Koenig, has not yet received a full House vote as proponents gather the right mix of Republican and Democratic support.

Constitutional amendments - a multitude of constitutional amendments have been filed this year, but only one, SB3, has passed its originating chamber. Only four constitutional amendments may appear on the ballot in any given election year, and the House and Senate typically agree that they each may pass two. To this point, there is no apparent agreement as to which proposals, if any, may find their way to the ballot in November of 2020.

Tobacco/vaping - House State Government Chairman Jerry Miller moved two bills relating to tobacco/vaping use and availability out of committee this week. HB32 increases tax rates on "other tobacco products" such as chewing tobacco, and introduces a new tax on vaping products, among other things. The House typically runs such revenue increasing measures along with the House budget, so it's unclear if HB32 will move as a standalone, or if some version of its provisions are included in the budget/revenue package. A related bill, HB69, will require retailers of vapor products to register with the Department of Alcoholic Beverage Control, with the fees assisting in that Department's enforcement of new vapor product access laws proposed in the bill.

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