

# Kentucky General Assembly Weekly Report

## Week 4

### January 27th through January 31st (Legislative Days 14-18)

Governor Beshear released his budget proposal on Tuesday evening in a 45-minute address to a joint session of the legislature. The address itself was the first "briefing" any legislator of any partisan stripe received on the proposal. The crafting of the state budget is a lengthy, iterative process, but the lack of any even informal communication between the Governor's Office and legislative leaders in advance of the public address led to some very public frustration from the Senate President and Speaker of the House. That sentiment continues still three days after the Budget Address and is the closest thing to public sparring during this young working relationship between the first and third floors of the Capitol. House and Senate members are pouring over the numbers and line items now, engaging in multi-hour sessions following their floor activity.

Regarding the budget bills themselves, they have all been filed as House bills and resolutions by House Appropriations & Revenue Chairman Steven Rudy. The House will now hold hearings on the budget and begin crafting a document that represents their priorities, and it is expected the budget will be voted on in Committee and by the full House the week of March 2-6. Here are the bill numbers for each of the branch budgets, including the road plan:

- HB351 - the "revenue bill" that accompanies the budget. It is currently populated with the Governor's plan to increase the cigarette tax, double other tobacco taxes, and to increase the Limited Liability Entity Tax.

<https://apps.legislature.ky.gov/record/20rs/hb351.html>

- HB352 - the "budget bill" as proposed by the Governor.

<https://apps.legislature.ky.gov/record/20rs/hb352.html>

- HB353 - the Transportation Cabinet budget. This is *not* the road plan, but the Cabinet's budget itself.

<https://apps.legislature.ky.gov/record/20rs/hb353.html>

- HB354 - the Governor's two-year "funded" biennial highway construction proposal, aka "the road plan." KYTC issued a 6-year plan to members earlier this week, which was made public via an email on Thursday. The four "out years" of the plan are included in a joint resolution (see below).

<https://apps.legislature.ky.gov/record/20rs/hb354.html>

- HB355 - this is the legislative branch budget.

<https://apps.legislature.ky.gov/record/20rs/hb355.html>

- HB356 - this is the judicial branch budget.

<https://apps.legislature.ky.gov/record/20rs/hb356.html>

- HJR66 - the four non-funded "out years" of the six-year plan

<https://apps.legislature.ky.gov/record/20rs/hjr66.html>

It is important to note that these bills simply reflect the Governor's proposal, and they will be subject to massive revisions from the General Assembly. On Thursday, Senate Appropriations & Revenue Chairman Chris McDaniel lamented from the Senate floor that Governor Beshear balanced his budget, in part, on one-time transfers from occupational license fees. Floor speeches over the next several weeks will no doubt give clear indications as to what changes the General Assembly may propose. Continue to follow our weekly reports, but primarily our daily news clippings, for more detailed information about specific areas of the rather vague budget document.

Two House Bills passed the Senate this week, effectively breaking the ice between the two GOP-led chambers. HB236, regarding hemp testing and transportation and sponsored by Rep. Matt Koch, was the first House Bill to pass the Senate. It does have a Senate amendment that will have to be reconciled in a concurrence process at some point. HB186, an act relating to direct sellers (think, Tupperware sellers) and sponsored by Rep. Phillip Pratt, will have the distinction of being the first bill to make it to the Governor's desk. The House has not yet taken up Senate Bills, although one Senate priority, SB8, is posted for a House Education Committee hearing this week. SB8 is a school safety measure that, among other things, arms school resource officers.

The Senate's top priority, SB1, the so-called "sanctuary cities" bill, passed the Senate Judiciary Committee after a lively debate on Thursday. Senator Danny Carroll, the bill's sponsor, introduced an amended version of the measure, which attempted to clarify that agencies like rape crisis centers and domestic violence shelters would be exempted from working with ICE and other federal law enforcement agencies. While the Senate Committee Substitute clarifies the role of those specific agency types, it maintains a very narrow pathway for local law enforcement agencies to be compliant with the state's would-be sanctuary policy. No local government in Kentucky has been declared a sanctuary city by the federal government, with the Trump Justice Department expressly stating that Louisville Metro is *not* a sanctuary community. However, SB1 appears to go further than even the Trump DOJ in determining what is, in fact, a sanctuary policy.

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## **Kentucky Travel Industry Association**

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