

LEGISLATIVE UPDATE

March 7, 2020

Below is a listing of bills that specifically relate to KTIA's legislative agenda. To review the agenda click [here](#). As we move through the 2020 legislative session any new information from a previous week will be in **red**. Following the KTIA update is the general overview of this week's legislative activity provided by KTIA's lobbying team at MML&K.

For more details on the KTIA listed bills along with others also relevant to the industry, click [here](#). Also, click [here](#) for a report geared to general governmental and business issues. Within those reports, if you would like to access the actual bill, click on "Bill Page" at the bottom of the screen. On the next screen click on the entry next to "Bill Documents."

SPECIAL NOTE: Several new and updated 2020 items produced by RunSwitch PR have been added to our online advocacy toolkit. Click [here](#) to access:

- Legislator Leave Behind "Roadmap" - KTIA 2020 Legislative Agenda
- Restaurant Tax One-Pager Leave Behind
- Tourism Info Graph
- Mock Taxpayer Check
- Template Letters to the Editor
- Media Interview Tips

Tourism Funding

Restaurant Tax

HB470

Last week we reported on the introduction of the bill and KTIA's conditional support of it. The conditional support related to a timing quirk brought to our attention by Sandra Wilson, Executive Director of Horse Cave/Hart County Tourism regarding Horse Cave's enactment of the restaurant tax that would have resulted in the tourist commission receiving no funds from the restaurant tax. That issue has been resolved. However, the

bigger and more significant news is that at this point the bill has very limited legislative support and is not expected to advance. We will keep you posted if there are any new developments.

KTIA Position: Support

Transient Room Tax

Click [here](#) to review a KTIA legislative alert distributed January 30, 2020.

Welcoming KY

A Welcoming Kentucky

No bills to date.

Film Incentives

Film Incentives

No bills to date.

Sports Gaming

Sports Gaming

HB137 Would permit sports wagering.

Reported out favorably by House Licensing & Occupations Committee. Awaiting full House vote. KTIA has contacted association members in counties served by several Representatives whose vote could be critical to House adoption and requested that the KTIA members contact those Representatives to encourage their support of HB137.

KTIA Position: Support

Bourbon Visitor Experience

Bourbon Visitor Experience

SB99 Contains two of KTIA's bourbon visitor experience positions: reauthorization of local option precinct elections and permitting distillers to sell from their gift shops products that were produced in collaboration with a brewer or microbrewer.

Approved by the Senate, sent to the House and awaiting action by Licensing & Occupations Committee.

KTIA Position: Support

Hotel Industry

Workforce

No bills to date.

Human Trafficking

HB2

Sponsored by Suzanne Miles (R-Owensboro)

This bill replaces HB183 as a more comprehensive approach to human trafficking. Besides adding specific human trafficking offenses to what qualifies as a sex crime under Kentucky law, the bill would increase awareness and prevention of human trafficking by requiring that the national human trafficking hotline number - currently (888)-373-7888 - be posted in public restrooms in airports, train stations, bus stations and truck stops.

The bill is awaiting action by the full House.

Rep. Miles has contacted KTIA and requested our support of her bill and that support is being provided.

KTIA Position: Support

Kentucky General Assembly Weekly Report

WEEK 9

March 2 - 6 (Legislative Days 38 - 42)

The ninth week of the legislative session featured some important session milestones with the passing of the House and Senate filing deadlines for new bills. Additionally, the House unveiled and passed their biennial budget, which is now being considered by the Senate.

This year's complete tally of filed bills tops off with 286 Senate bills and 647 House bills. On Monday alone, House members filed 104 bills. Although the filing deadline has passed, members have near unfettered ability to file and pass floor amendments, amend bills through "committee substitutes," and work within a free conference committee to introduce new policy language. Among those filed this week, the long-anticipated gas tax increase (HB580) was introduced by Rep. Sal Santoro. Senate leadership continues to signal their interest in asserting legislative authority over the Executive Branch with the filing of three new bills on the matter:

- SB269 is an attempt to prevent former legislators from spiking their pensions when they take more lucrative executive branch jobs. The bill limits the salaries of anyone who joins the executive branch but is not retired from a "state-administered retirement system."
- SB 271 would limit the governor's ability to issue executive orders by requiring a 35 day wait period before orders take effect instead of orders applying immediately and allowing for legislative review.
- SB 261 is a bill to make gubernatorial appointments to the Kentucky Horse Park and state racing commission subject to Senate confirmation.

In addition to these many policy proposals, a multitude of "shell bills" were introduced. These bills appear to make technical corrections to existing statutes, and they are filed to be potential placeholders for other, more meaningful policy. They are identified and placed into your bill trackers based on the title alone.

Prior to the introduction and passage of the House budget, House members were busy moving bills out of committee and off the House floor. Rep. Suzanne Miles effort to combat human trafficking (HB2) advanced out of committee on Wednesday. Kentucky's prevalence of key interstates and international airports make trafficking relatively prevalent here, and the effort seeks to post hotlines in more locations, as well as close some loopholes in Kentucky's sex offender registry. The House also sent SB2 back to the Senate for concurrence. This legislation is an effort to ensure that all Kentucky voters have a photo ID before voting is championed by the Commonwealth's new Secretary of State and receives party-line support from members. The Senate did not concur on the House changes, so resolution must come later in the session.

The Senate also had a busy week advancing several bills, including some House Bills. President Robert Stivers' SB10 would largely undo Governor Beshear's Inauguration Day appointments of a new Board of Education by eliminating future reorganizations via executive orders and setting political party affiliation and racial balance requirements. It awaits full Senate action. President Pro-Tem David Givens led the unanimous passage of an update to Kentucky's school assessment and accountability system (SB158) on Wednesday. One bill receiving much interest is Sen. Matt Castlen's SB173. The bills seeks to give second chances to employees who are struggling with addiction by directing the state's Health Services Cabinet and Office of Drug Control policy to develop programming for businesses interested in offering those employees those supports, rather than being terminated. It enjoys great support in concept, but some legislators worry about increased liability on employers. It passed out of committee on Wednesday.

Other bills of note moving and seeing action this week include:

- HB72 (Bentley), a co-pay accumulator bill, passed out of the House Banking & Insurance Committee on Wednesday.

- SB56 (Alvarado) requires an individual to be 21 years of age to purchase tobacco products. It passed out of the House Judiciary Committee on Thursday.
- HB 135 (Sheldon) gives physician assistants some prescriptive authority for controlled substances. It passed out of the Senate Licensing & Occupations Committee with a committee substitute to remove all Schedule II drugs from that authority.

The week ended with the House voting their version of the budget off the House floor on Friday morning with fairly strong bipartisan support. Many of the House Democratic Caucus spoke favorably of the bill and the work of the House Appropriations Chairman in crafting a sensible budget. Among the issues that rankled Democrats were the rejection of new General Fund dollars for the ailing Kentucky Wired Project and the inclusion of \$500,000 in state funding for the Ordered Liberty Program at the University of Louisville School of Law. Despite some concerns, many House Dems ultimately voted for the measure, and Gov. Andy Beshear said it was a solid proposal. The accompanying revenue measure (HB351) easily passed, but with little bipartisan hand-holding.

Friday concluded with a much more contentious vote than the passage of the \$22 billion state budget. HB475, a constitutional amendment intended to take the first step in modernizing Kentucky's antiquated tax code by giving the legislature the authority to give local governments more taxing options, failed to reach the requisite 60-vote threshold for passage. A significant portion of the House Democratic Caucus signed on as co-sponsors for the bill, and their Yes vote would have greatly exceeded the 60 votes needed. However, in a stated effort to assert themselves as a relevant caucus on the passage of big issues, all the Democrats passed on the vote, effectively killing the bill. Rank-and-file Republicans were furious at the bait-and-switch on the bipartisan bill, with Republican Leadership indicating they were generally aware of the potential strategy, but willing to risk a failed vote to expose Democrats "politics over policy" strategy. In their "pass" explanations, many House Democrats praised the merits of the legislation and admitted they were out to prove a point. The legislative rules allow for a member on the prevailing side of the vote to ask the body to reconsider that vote, leaving a narrow window for the issue to be resurrected.

The mad dash to get bills out of their originating chamber will reach fever pitch next week. Pension-related matters will get extra attention early in Week 10, as two major policy initiatives will be heard in two Monday committees. Republican Rep. Russell Webber will seek passage of HB484 in the House Local Government Committee. Principals in the County Employee Retirement Systems (CERS) have actively lobbied for more autonomy from the ailing Kentucky Retirement System (KRS). This bill would establish new and separate K- and C-plan boards, with the creation of a new Kentucky Public Pensions Authority to potentially share in some of the administrative costs of having two systems. Rep. James Tipton has authored HB613, which effectively creates a new employee tier for university participants in the Kentucky Teachers' Retirement System. It will be heard in the House State Government Committee on Monday. A similar measure for *non*-university participants in KTRS was filed by Rep. Jerry Miller (HB576). It is not currently scheduled for a hearing. Despite the heartburn over teacher protests and former Governor Bevin's methods for moving this issue forward, there remains a continued legislative interest in addressing structural changes for the KTRS system.

Kentucky Travel Industry Association

931 East Main Street
Frankfort, Kentucky 40601
Phone: 502.223.8687 | ktia.com