



April 12, 2021

LEGISLATIVE REPORT NO. 10 – FINAL REPORT
SUMMARY OF LEGISLATIVE ACTIVITIES DURING THE
2021 KENTUCKY GENERAL ASSEMBLY

Kentucky Farm Bureau was involved in many pieces of legislation this session supporting, opposing, and monitoring bills. We were able to secure passage of several of our priority issues this year. The Kentucky General Assembly passed legislation that provided \$250 million to expand broadband to underserved and unserved areas of Kentucky and an additional \$50 million to secure economic development opportunities for commercial and industrial customers. We maintained 50% of the Master Settlement Agreement Funds to the Agricultural Development Board, the 22.2% allocation of the state gas tax revenue for rural roads and protected our taxation policy. The bills that were passed during this regular session will become effective on June 29, 2021. Legislation containing an emergency clause became effective upon Governor Beshear’s signature or when a bill’s veto was overridden.

The success of implementing your policy depends on the continued involvement and efforts of county Farm Bureau leaders and members. Please accept our thanks for your assistance in making this year’s session a success for Kentucky Farm Bureau.

The following is a detailed report summarizing many of the bills and resolutions in which Kentucky Farm Bureau was involved:

[HB 320: B. Reed - AN ACT relating to the provision of broadband services, and making an appropriation therefor.](#)

This bill will appropriate \$250 million to the broadband deployment fund. It will also create a new section of KRS Chapter 278 to allow a distribution cooperative to facilitate the operation of an affiliate

engaged exclusively in the provision of broadband service to unserved or underserved households and businesses.

2021 KFB State Priority Issues:

"Support funding for the broadband deployment fund."

"Support efforts and incentives to improve and provide all telecommunications in rural Kentucky."

"Support broadband and high speed internet service being available for the benefit of all Kentuckians."

State Budget Bill

The General Assembly passed a one-year State Budget ([HB 192](#)). Below is a list of items contained in the State Budget pertaining to our funding priorities for FY22:

- Agricultural Development Funds: \$34.9 million and of these funds \$14.4 million was allocated to the county funds;
- Soil Erosion and Water Quality Cost-Share program will receive \$2.5 million;
- \$907,300 for the Division of Conservation to provide direct aid to local conservation districts;
- UK Veterinary Diagnostic Lab \$4,034,200;
- Breathitt Veterinary Center \$3.2 million;
- \$750,000 to Western Kentucky University for the Kentucky Mesonet;
- Adult Agriculture Program \$1 million;
- Kentucky Rural Mental Health and Suicide Prevention Pilot Program \$500,000;
- Kentucky Department of Agriculture will receive \$18.8 million of general fund dollars;
- \$500,000 for the Farms to Food Banks program;
- \$300,000 to the Local Agricultural Fair Aid Program.

2021 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 and Water Quality Cost-Share Program."

"Support an efficient, well-administered and adequately financed Kentucky Department of Agriculture."

KFB Policy:

"We support a dedicated suicide hotline for farmers and agricultural workers, and encourage Kentucky Farm Bureau to promote its availability."

OTHER BILLS FARM BUREAU SUPPORTED THAT PASSED

[SB 3: P. Hornback - AN ACT relating to reorganization and declaring an emergency.](#)

This bill removed the Agricultural Development Board and the Kentucky Agricultural Finance Corporation from the Office of the Governor and placed it in the Kentucky Department of Agriculture.

KFB Policy:

"We support administration of Ag Development Funds be moved to the Kentucky Department of Agriculture and those funds be protected for use for programs that directly impact farm income."

[SB 5: R. Stivers - AN ACT relating to emergencies and declaring an emergency.](#)

This bill provided liability protection for owners of premises during the COVID-19 pandemic who follows any executive action to prevent the spread of COVID-19. It also set the time limit within which a claim for personal injury must be brought and defined what is an "essential service".

KFB Policy:

"We support actions to ensure that farmers be protected from undue liability and nuisance suits."

[HB 229: M. Koch - AN ACT relating to the protection of agricultural animals.](#)

This bill will change the word "cattle" to "livestock" in the definition of property for the purpose of criminal damage to property offenses.

HB 278: P. Flannery - AN ACT relating to Paycheck Protection Program loans and declaring an emergency.

This bill allowed for the same tax treatment as for federal purposes related to forgiven covered loans, deductions, and tax attributes associated with Paycheck Protection loans.

HB 321: B. Reed - AN ACT relating to revenue.

This bill will require the Department of Revenue to adhere to any extension of the 2020 federal income tax return filing or payment for Kentucky income tax purposes. It will also provide incremental revenue tax incentives to the West End Opportunity Partnership and an income tax credit for certain residents.

HB 518: R. Heath - AN ACT relating to the State Fair Board and declaring an emergency.

This bill changed the make-up of the State Fair Board from eighteen to twenty-one, with sixteen voting members and five ex officio non-voting members. This bill also established corporate powers of the State Fair Board, procurement procedures, and hiring and management procedures. It also authorized administrative regulations for operation, maintenance, or use of property.

KFB Policy:

"For efficiency and effectiveness, we support the Kentucky State Fair Board maintain its independence as a state agency as provided in KRS 247."

HB 556: D. Bentley - AN ACT relating to fiscal matters, making an appropriation therefor, and declaring an emergency.

This bill appropriated \$20 million to the rural hospital operations and facilities revolving loan fund. This bill was amended to include an appropriation in the amount of \$75,000,000 in fiscal year 2021-2022 to support local area vocational education center renovation costs.

HR 45: B. Reed and SR 103: J. Howell - A RESOLUTION recognizing the establishment of the Kentucky Farm Bureau Generation Bridge Program.

These resolutions recognized the establishment of Kentucky Farm Bureau's Generation Bridge Program.

HR 32: R. Heath and SR 36: P. Hornback - A RESOLUTION honoring Kentucky's farmers for helping provide citizens with the most nutritious and affordable food in the world, and recognizing February 7 to 13, 2021, as Food Check-Out Week in Kentucky.

BILLS FARM BUREAU OPPOSED THAT PASSED

There were no bills passed in this session that Farm Bureau opposed.

BILLS FARM BUREAU OPPOSED THAT DID NOT PASS

[HB 356: L. Willner - AN ACT relating to taxation.](#)

This bill would have frozen the state property tax rate, imposed an estate tax, and limited the itemized deduction amount for all itemized deductions except for the charitable contribution deduction.

2021 KFB Priority Issue:

"Strongly oppose freezing the state real property tax rate."

KFB Policy:

"We support the permanent repeal of Kentucky's estate and inheritance tax."

[HB 385: M. Cantrell - AN ACT relating to employment.](#)

This bill would have removed the exemptions for agricultural workers and made them subject to workers compensation.

KFB Policy:

"We support the continuation of agriculture being exempt from the workers' compensation law."

BILLS FARM BUREAU SUPPORTED THAT DID NOT PASS

[HJR 60: A. Bowling - A JOINT RESOLUTION directing the Department of Revenue and the University of Kentucky's Forestry and Natural Resources Department to recommend equitable property tax assessment procedures for well-managed forests.](#)

This joint resolution would have directed the Department of Revenue and the University of Kentucky's Forestry and Natural Resources Department to submit a report to the Legislative Research Commission no later than December 1, 2021, detailing their recommendations for equitable property tax assessment procedures for well-managed forests.

KFB Policy:

"We support forest that qualify for an agricultural deferment of property tax should be assessed using an assessment model that is appropriate for forest land."

HB 333: R. Heath - AN ACT relating to the establishment of a tax credit to promote investments in Kentucky businesses.

This bill would have established the growth fund tax credit and established an application and approval process for investment in growth businesses by a growth fund and verification related to the new tax credit. This Act would have been cited as the Kentucky Rural Jobs Act of 2020.

2021 KFB Priority Issue:

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

OTHER BILLS OF INTEREST THAT PASSED

HB 3: C. Massey - AN ACT relating to civil actions and declaring an emergency.

This bill established the venue for constitutional challenges to statutes, executive orders, regulations, and other cabinet or department orders and established procedures for selecting a panel of three Circuit Judges to hear challenges. It also established three districts from which panel judges can be selected.

HB 4: D. Osborne: AN ACT proposing to amend the Constitution of Kentucky relating to sessions of the General Assembly.

This bill will propose to repeal existing Sections 36, 42, and 55 of the Kentucky Constitution to eliminate the existing dates by which the General Assembly must adjourn in any regular session and also propose new sections of the Kentucky Constitution to establish that no regular session of the General Assembly shall extend beyond 30 legislative days in odd-numbered years or 60 legislative days in even-numbered years. It will also establish that the General Assembly may be convened upon a Joint Proclamation of the President of the Senate and the Speaker of the House for no more than 12 additional legislative days annually. This constitutional amendment will be on the ballot in November 2022.

HB 133: K. Bratcher - AN ACT relating to recall petitions.

This bill will reduce the number of signatures required for a recall petition of a tax levy by a district board of education.

HB 190: J. Blanton - AN ACT relating to the sale of grocery items by food service establishments and declaring an emergency.

This bill exempted legally permitted food service establishments from any state or local laws and administrative regulations that prohibited the sale of grocery items such as bread, milk, and other grocery staples to any customer and prohibited any additional permit or fee.

HB 209: J. Dixon - AN ACT relating to the donation of game meat.

This bill will prohibit state and local government entities from restricting the donation of game meat to or from the Kentucky Department of Fish and Wildlife Resources, any other government agency, or cooperative extension agencies for the purposes of education, promotion of hunting or fishing, or free meal distribution.

HB 325: R. Heath - AN ACT relating to cannabidiol products.

This bill will establish labeling requirements for cannabidiol products.

HB 382: R. Heath - AN ACT relating to fiscal matters, making an appropriation therefor, and declaring an emergency.

This bill appropriated an additional \$50 million for broadband service to secure economic development opportunities for commercial and industrial customers, appropriated \$140 million in fiscal year 2021-2022 to provide full-day kindergarten; appropriated \$575 million in fiscal year 2021-2022 for payment of interest and principal related to advances under Title XII of the Social Security Act (Unemployment Insurance) during calendar year 2021; appropriated \$842,400 in fiscal year 2021-2022 to the Office of Kentucky Nature Preserves; appropriated \$50,000 in fiscal year 2021-2022 to the Kentucky Heritage Council for the Kentucky African American Heritage Commission; and appropriated \$3.3 million in fiscal year 2021-2022 for the reestablishment the Northern Kentucky Regional Medical Examiner's Office and operational cost.

HB 394: C. Massey - AN ACT relating to the Fish and Wildlife Resources Commission and declaring an emergency.

This bill gave the Fish and Wildlife Commission authority to appoint and compensate a commissioner. This bill also required any proposed personal services contract with a commissioner to be submitted for review to the Government Contract Review Committee.

HB 574: J. Decker - AN ACT relating to elections and making an appropriation therefor.

This bill will establish three days of in-person early voting on the Thursday, Friday, and Saturday before Election Day and will make the online portal for absentee ballots a standard feature. This bill will also allow counties to offer vote centers where residents from any precinct can cast their ballot and it will require counties to gradually phase out electronic-only voting systems and switch to equipment that can process paper ballots.

SB 36: W. Westerfield - AN ACT providing financing and conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky, making an appropriation therefor, and declaring an emergency.

This bill appropriated \$250,000,000 in Federal Funds in fiscal year 2021-2022 from the American Rescue Plan Act to the Kentucky Infrastructure Authority for the Drinking Water and Wastewater Grant Program.

SB 93: J. Howell - AN ACT relating to the State Board of Agriculture and declaring an emergency.

This bill authorized the Commissioner of Agriculture to appoint members of the State Board of Agriculture.

SB 102: R. Mills - AN ACT relating to Kentucky-grown agricultural products.

This bill will include Asian Carp, paddlefish, or sturgeon in the definition of "Kentucky-grown agricultural product" provided the fish were harvested from a river, lake, or other body of water located in Kentucky.

SB 128: M. Wise - AN ACT relating to supplementary education and declaring an emergency.

This bill will allow public school students currently enrolled in Kentucky to request to use the 2021-2022 school year as a supplemental school year to retake and supplement coursework already completed and it will require local boards of education to either approve or deny all requests. This bill will also allow Kentucky nonpublic schools to also implement supplemental school years.

SB 172: J. Howell - AN ACT relating to underground facility protection.

This bill will require excavators to cease excavation or demolition activities immediately upon discovery of damage to an underground facility and require exempted excavation activities under KRS 367.4915 to cease operations when damage occurs to an underground facility or system used for producing, storing, conveying, transmitting, or distributing gas, petroleum, petroleum products, or hazardous liquids and notify all affected operators.

SB 228: R. Stivers - AN ACT relating to a vacancy in Congress.

This bill will require the Governor to choose from a three-name list provided by leaders from the same party as the senator who formerly held the seat. This bill will also establish a timeline for a special election to fill the vacancy beyond the appointment.

OTHER BILLS OF INTEREST THAT DID NOT PASS

HB 348: P. Pratt - AN ACT relating to broadband and making an appropriation therefor.

This bill would have established the Office of Broadband Innovation in the Kentucky Department of Agriculture and provided the duties and responsibilities of the office. It would have also placed the broadband deployment fund in the Office of Broadband Innovation.

HB 560: N. Kulkarni - AN ACT relating to soil conservation and making an appropriation therefor.

This bill would have established a Healthy Soils Program and a Healthy Soils Program fund in the Department for Natural Resources, Division of Conservation. This bill would have also required the Agriculture Water Quality Authority to promote soil restoration and include an organic agriculture organization among appointments to the authority and add healthy soil practices as a committee.

HB 561: S. Santoro - AN ACT relating to transportation and making an appropriation therefor.

This bill would have set a single excise tax on gasoline and special fuels and set initial base rate at 34 cents per gallon subject tax to annual adjustment and would have eliminated references to taxation on the average wholesale price of gasoline and the supplemental tax on gasoline and special fuels. It would have also established a base highway user fee for nonhybrid electric vehicles of \$150 and required the fee to be adjusted with any increase or decrease in the gasoline tax.

SB 266: S. West - AN ACT relating to solar farms on agricultural lands.

This bill would have allowed cities and counties to prohibit the construction of photovoltaic power stations on agricultural lands and would have prohibited the transfer of development rights if the transfer would allow for the construction of a photovoltaic power station on agricultural lands.

SCR 69: R. Webb - A CONCURRENT RESOLUTION establishing the Abandoned Horse Task Force.

This resolution would have established the Abandoned Horse Task Force, set the membership and areas of study, and required a report of their findings by December 1, 2021.

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