

2020

LEGISLATIVE PRIORITIES

CREATING A COMPETITIVE COMMONWEALTH

BOLD STEPS FORWARD

In 2019, the Kentucky Chamber updated its strategic plan, *Four Pillars for Prosperity*, with a focus on the state's economy and job creation. In recent years we've seen progress on many key business priorities, but there is still more work to be done.

The Kentucky Chamber's 2020 Legislative Priorities outlines the bold steps needed to move Kentucky forward to become more competitive, prosperous, and business-friendly. These priorities were determined by our members through survey, research and discussion, and were ultimately voted on by our six policy councils and Board of Directors. These priorities serve as the plan of work for our Public Affairs team as they advocate on behalf of our membership during the 2020 session of the Kentucky General Assembly.



Workforce Government Infrastructure Jobs



INVEST IN INFRASTRUCTURE

Increase funding for infrastructure and remove barriers that limit the voluntary consolidation and investment in water systems.



CONTINUE PENSION REFORM

Fund the actuarially required contribution (ARC) to the pension plans and further reform systems to save money while honoring retirement promises made to public employees for benefits already earned.



ENACT SPORTS WAGERING

Authorize sports wagering in Kentucky while protecting the existing racing industry and facilities.



CURB TOBACCO USE

Tax electronic cigarettes the same as cigarettes and raise the age to buy tobacco to 21.



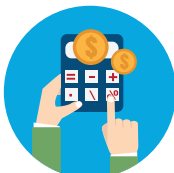
PREPARE OUR WORKFORCE

Ensure workforce development funds and programs utilize state and federal resources effectively to meet employer and worker needs. Higher education institutions should have the resources and flexibility they need to ensure on-time degree and credential completion.



CONTINUE PRO-GROWTH TAX REFORM

Reform the tax code to rely more on consumption-based taxes than production-based taxes to improve Kentucky's competitiveness relative to other states.



REFORM CRIMINAL JUSTICE SYSTEM

Enact reforms, such as removing cash bail, increasing the felony theft threshold, and defelonizing possession to address increasing incarceration rates and costs with an emphasis on addiction treatment and use of probation to get people back to work.



ENSURE PATIENT PROTECTION

Ensure common advertisements intended to lure people to legal representation against medications and equipment do not inadvertently cause Kentuckians to stop medications or treatment without consulting a doctor.



ENSURE FAFSA COMPLETION

Require completion of the Free Application for Federal Student Aid (FAFSA) form as a high school graduation requirement.



IMPROVE EARLY CHILDHOOD EDUCATION

Utilize resources to improve reading and math skills of Kentucky students before 4th grade.



IMPROVE LEGAL LIABILITY CLIMATE

Enact reasonable limitations on civil liability and a constitutional change that would allow the General Assembly to enact caps on awards for non-economic damages.



WANT TO READ MORE?

You can read more about these and other priorities in the full **2020 Legislative Agenda** at kychamber.com.

STATE LEADERS STRIKE BIPARTISAN TONE TO *Kick Off 2020*

As a kick-off to the 2020 session of the General Assembly, Kentucky Gov. Andy Beshear and state legislative leaders traded jokes and discussed issues they can work on together at the 25th Annual Kentucky Chamber Day Dinner.

New Democratic Gov. Beshear's comments sought to ring in the new year with a tone of bipartisanship, stating events like the Chamber Day Dinner are a good opportunity to get together and stop thinking about party politics and focus on what's good for Kentucky families.

Beshear thanked the Chamber for the opportunity to speak at the event, noting virtually everyone in the room is part of the "nerve center" that moves the state forward. In his remarks, Beshear shared his priorities for the state budget including public education, health care, workforce development, addressing the addiction crisis, and criminal justice reform.

The new governor said Kentuckians expect state leaders to leave the feuds and wounds of the past behind and said he vows to work across the aisle and find common ground to move the state forward.

On priorities he expects will be tackled in 2020, House Speaker David Osborne spoke to the financial challenges the legislature and governor will face in crafting the next two-year state budget. He pointed to the Kentucky Chamber's Leaky Bucket report, released in 2010, which highlighted the rapidly growing financial needs in areas such as corrections, pensions, and Medicaid.

Osborne committed to serious conversations about criminal justice reform as well as infrastructure funding, both of which he said will require bipartisan work. He also stressed that if Kentucky doesn't effectively educate the next generation, work in all other areas is for nothing. Osborne said the Republican-controlled legislature is committed to working with Gov. Beshear to accomplish these goals.

Senate President Robert Stivers echoed many of Osborne's sentiments and added the Senate will be focused on addressing the needs of school safety, the state's struggle with opioid addiction, budget constraints and more. He added that all the

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Gov. Andy Beshear addresses Kentucky business leaders at 25th Annual Kentucky Chamber Day Dinner on January 9

people in the room are Kentuckians, not just Republicans or Democrats, and will be working together to put Kentucky first and make the Commonwealth the best it can be.

Democratic House Minority Leader Joni Jenkins, the first woman to lead a legislative caucus in Kentucky, said it is vital to recognize that while Kentucky has made tremendous gains in recent years, many areas of the state continue to struggle. She emphasized that the legislature should be looking to generate more revenue in 2020 including legalizing sports wagering and casino gaming and added the House Democrats will again be pushing for an increase in the minimum wage in 2020.

Senate Minority Leader Morgan McGarvey stressed the need for infrastructure funding, expanded gaming, and making Kentucky more competitive with other states. "We have to be the change we want," McGarvey said.

READ MORE

Read the full Chamber Day wrap up story on kychamberbottomline.com.



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25th Annual Kentucky Chamber Day Dinner



25th Annual Kentucky Chamber Day Dinner with over 1,600 attendees & including almost 80 Kentucky legislators



Spencer Coates, Houchens Industries, 2014 Board Chair Elizabeth McCoy, 2021 Board Chair-Elect Winston Griffin



2020 Kentucky Chamber Chairman Nick Rowe, Kentucky American Water



House Minority Leader Joni Jenkins



Kentucky Chamber President and CEO Ashli Watts



Kentucky Transportation Secretary Jim Gray



U of L President Neeli Bendapudi, Rep. Danny Bentley, Rep. Melinda Prunty, Shannon Rickett, U of L



Senate President Robert Stivers



House Speaker David Osborne



Senate Minority Leader Morgan McGarvey



Kim Menke, Toyota Motor Manufacturing Kentucky, Andy Barber, State Highway Engineer, Jennifer Barber, Frost Brown Todd



Michael Owsley, ELPO, Joel Hopper, Brenntag, Scott Powell, US Bank



KEY POLICY ISSUES AND NEW POLITICAL DYNAMICS HIGHLIGHTED AT *2020 Legislative Preview Conference*

The 2020 Kentucky Legislative Preview, a one-day gathering of the most prominent and influential policy-makers in Kentucky, featured expert analysis and prediction on what to expect in the 2020 session.

Throughout the day, lawmakers and business leaders discussed issues including Kentucky politics post-election, criminal justice and opioids, infrastructure investment, education, health care and legal liability, energy and environment, and more.



Legislative Leaders: Senate President Robert Stivers and House Speaker David Osborne, moderated by Kentucky Chamber President and CEO Ashli Watts



Senior Advisor to Gov. Andy Beshear, Rocky Adkins



Criminal Justice and Opioid Epidemic: Senator Julie Raque Adams, Senate Judiciary Chair Whitney Westerfield, Rep. Jason Nemes, and House Judiciary Chair Jason Petrie



Kentucky Politics Post-Election: Senate Minority Leader Morgan McGarvey, The Bottom Line Managing Editor Jacqueline Pitts, and Senate Majority Leader Damon Thayer



Infrastructure: House Transportation Committee Chair Sal Santoro, Senate Transportation Committee Chair Jimmy Higdon, TARC CEO Ferdinand Risco, and Rep. John Sims



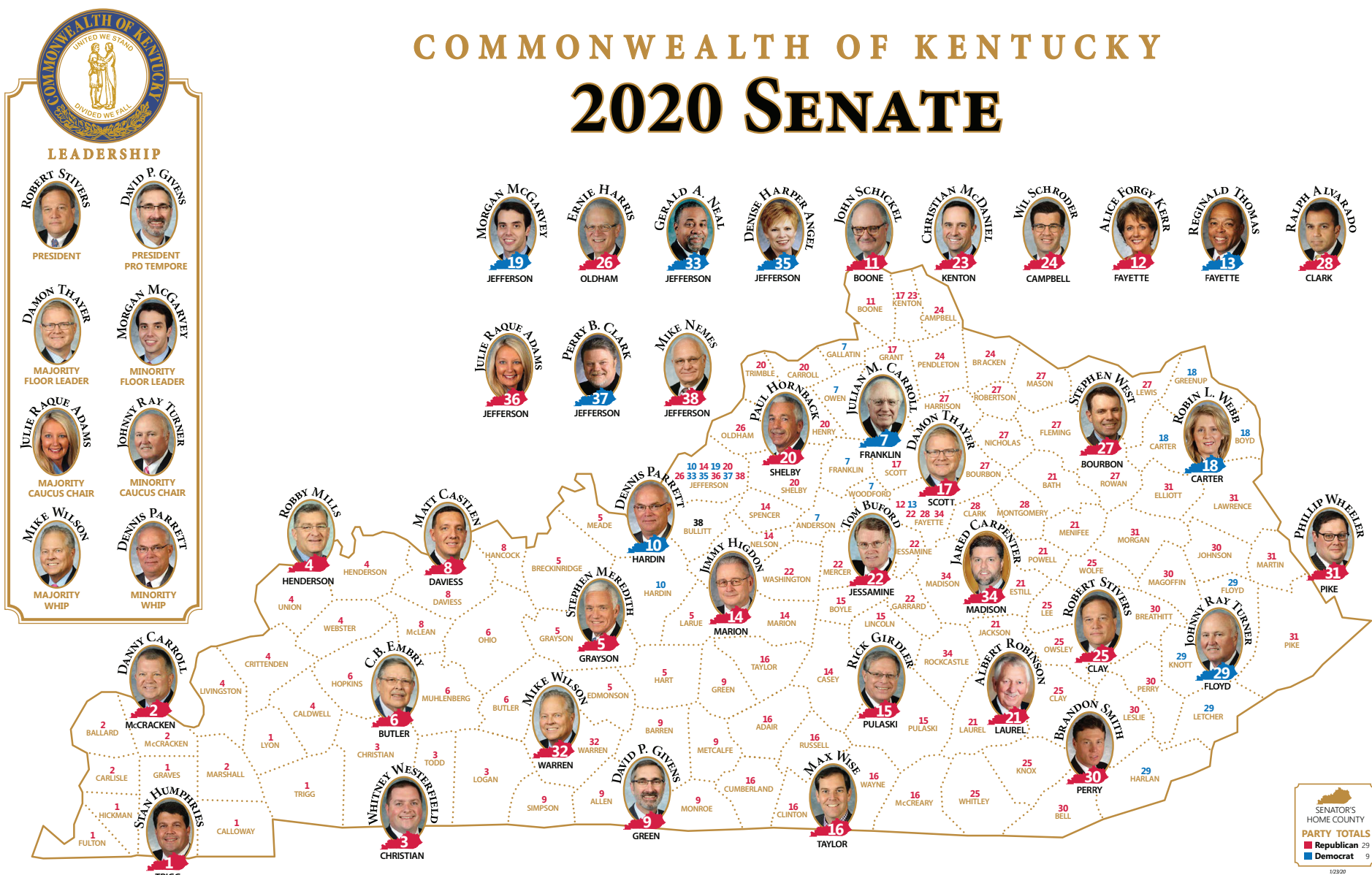
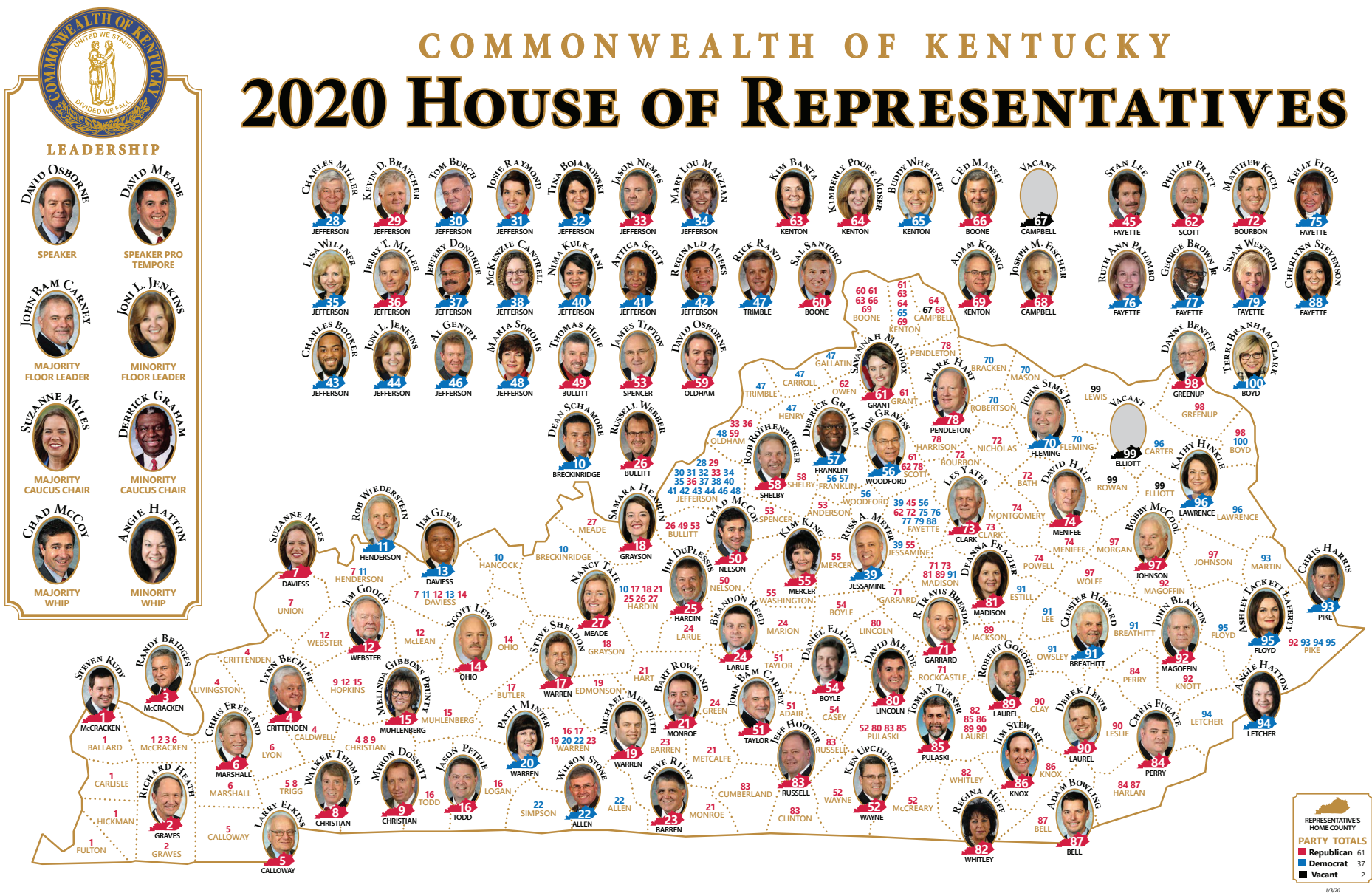
NEW! Workers' Compensation Insurance Program

***Effective January 1, 2020.** Discount applies for new and existing business with ClearPath; simply request your insurance agent to add the discount!



KNOW YOUR *Legislators*

With many significant pieces of legislation moving through the Kentucky General Assembly, your elected officials need to hear from **YOU** on key issues to help improve the state's business climate. Watch for Action Alerts from the Kentucky Chamber throughout session and call your legislators at **1-800-372-7181** to express your support for priority bills important to the business community.



Thank you for your investment.

The following is a list of new members of the Kentucky Chamber. Please help us thank these companies for investing in the Chamber's mission by giving them your business.

ADVISOR

Big Rivers Electric Cooperative

TRUSTEE

Raytheon Company

EQUITY PARTNER

Cleary Construction Inc
Equity Solutions Group
Kentucky Eagle, Inc.
Mizkan
Verde Technologies
Wendell Foster's Campus for Developmental Disabilities
Wild Health

CORNERSTONE

2nd Chance Clinic
Alton Webb Commercial Real Estate & Business Consulting
Beneke Wire Co.
Brandon L. Houk, MD, PSC
Bretagne, LLC
Corrisoft
Fairdale Fire Protection District
Integrated Sign & Graphic, Inc.
Kentucky Association of Nurse Practitioners & Nurse Midwives
Kentucky Association of School Administrators
Kentucky Association of School Superintendents
Kentucky Venues
Lexar Laboratories & Analysis, LLC
Metro Fence
Piper's Saw Shop

STAKEHOLDER

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American Bank Equipment
AppHarvest
Bowlín Group, LLC
Child Care Council of Kentucky, Inc.
COAP, Inc.
Comfort & Process Solutions
Connetic Ventures
Corbin Ice Co Inc
Cullinan Associates
Cytech Products, Inc.
DCA Services, LLC
Denova
Door Equipment Co., Inc.
Drink Differently LLC
DV8 Kitchen
Elite Rad Reporting, LLC dba Thynk Health
Engle Construction & Supply
Frankfort Communications, Inc.
Gaurang B. Shah, MD, PSC
Home Builders Association of Kentucky
Idaka America, Inc.
Induction Therapies, LLC
Inquiry Technologies LLC
Integrated Information Systems
J & A Interior Systems, Inc.
John A. Newman Consulting Engineers PLLC dba N3D Group
Kentucky Rural Water Association
L.B. Schmidt & Associates, LLC
Law Office of Deborah R. Lewis, P.L.L.C.
Lewis Metal Works, Inc.
Liquor Barn & Party Mart
Lorient North America Ltd
McCreary County Water District
Meridian LLC
Monticello Machine Shop
Nesbitt Engineering
Netgain Technologies
Patton Construction
Peptides International Inc.
Reid's Plumbing of Bardstown, Inc.
RMS, Inc.
RQSI
Shyco Wood Products LLC
SMC Enterprises LLC
Spatial Data Integrations
Steele's Hometown Tire & Auto Service, Inc.
ValAir Valet Parking
Vision Engineering
VW Tooling Systems Inc.
West Liberty Veterinary Clinic, Inc.
William M. Parsley MD, PSC
Wood Concepts, Inc.
Wright Implement



Invest in Jobs. Invest in Transportation.



ASHLI WATTS
PRESIDENT & CEO
KENTUCKY CHAMBER

The following is an op-ed from Kentucky Chamber President & CEO Ashli Watts.

Grumbling about a jarring encounter with a big pothole is something most Kentucky drivers have in common. The experience is a reminder of the importance of having well-maintained highways on our daily commute.

But it also reflects a reality with broad implications for our state's economic prospects: Kentucky needs to significantly increase its investments in funding transportation infrastructure.

This is a bottom-line jobs and economy issue, and Kentucky is coming up short. While almost all of our surrounding states have increased their transportation investments, Kentucky has lost ground.

Our prime location — within a day's drive of two-third of the nation's population — makes Kentucky a key site for industries that need to transport products across the country. More than a quarter of the state's economy is made up of industries highly dependent on transportation, according to economists at the University of Kentucky.

More than \$570 billion worth of freight flows through Kentucky's transportation network each year, and more than 300,000 Kentuckians are employed by companies in the manufacturing and logistics industries alone.

Kentucky has lost more than \$920 million in gas tax revenue since 2015 because of decreases in average wholesale prices. Meanwhile, our state, county and city governments have determined that additional funding of more than \$900 million is needed each year to meet critical needs in roads, bridges and other transportation projects.

In addition, \$619 million in one-time funding is needed for identified mega projects (like major bridges), and \$35 million a year is needed to address the needs of the modes of transportation (such as rail, airports, riverports and rail).

Bringing it back to the personal pothole level, studies estimate that driving on bad roads costs motorists an average of \$434 a year.

Transportation infrastructure involves more than highways. Kentucky needs a long-term funding approach that provides adequate revenue for all modes of transportation to maintain what we have and build what we need to compete:

- Sustainable increased funding for state and local roads and bridges
- More funding to increase safety at rail crossings on public roads
- Strategic investments in riverports, the gateways to \$29 billion in cargo shipping on Kentucky rivers
- Continued investments to maintain and improve our 59 commercial and regional airports
- Smart investments in transit, the only choice for many workers to remain in the workforce and to connect Kentuckians to health care and higher education

The Kentucky Infrastructure Coalition and its more than three dozen members (representing more than 40,000 transportation workers) support specific solutions to address our transportation infrastructure needs:

- Increasing existing sources of transportation funding to generate revenue for maintenance and construction on roads and bridges.
- Creating a multi-modal transportation fund that provides general fund revenues to maintain and improve transit, rail, riverports and airports.
- Modernizing the method for distributing transportation revenues to local governments.
- Studying new methods of generating transportation revenues to deal with decreasing fuel consumption, increasing interstate freight and changes in technology.

Kentucky is at a crossroads in funding transportation infrastructure for the 21st century. We hope you'll join us in working to help our state make the right decisions to protect and create jobs, generate economic growth and ensure future prosperity. The road to Kentucky's future must be paved.



Winner ANNOUNCEMENTS COMING SOON!

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KENTUCKY ENTREPRENEUR

Hall of Fame
Induction
Celebration

The Kentucky Chamber, Awesome Inc and Sustainable Business Ventures hosted the Kentucky Entrepreneur Hall of Fame (KEHOF) Induction Celebration, presented by Chase, on Wednesday, November 20, 2019 at the Louisville Marriott Downtown. The ceremony honors the legacies of Kentucky’s most successful entrepreneurs, while recognizing the inspirational impact they have on the future entrepreneurs of the Commonwealth.



This year’s inductees join over 40 entrepreneurs who have been inducted since 2010.

2019 Hall of Fame Inductees:

- **Michael Davis** | Co-Founder and CEO, Apriss Inc.
- **Nate Morris** | CEO, Rubicon Global
- **Debbie Scoppechio** | Founder, Scoppechio (*Posthumous Award*)
- **R. Dudley Webb** | Co-Founder, The Webb Companies

The induction celebration also honored two Emerging Entrepreneurs for the Class of 2019:

- **Demetrius Gray** | Founder, WeatherCheck
- **Jonathan Webb** | CEO, AppHarvest

In addition, **Investor of the Year** was awarded to Mike Schlotman, executive vice president and chief financial officer of The Kroger Company, and **Mentor of the Year** was awarded to Greg Langdon, an advisor and board member for several tech startups.



READ MORE

Visit www.entrepreneurhof.com to learn more.

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| Big Ass Fans | Cooper Standard Automotive, Inc. | Kentucky League of Cities, Inc. | Mississippi Lime | Stock Yards Bank and Trust |
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| Brenntag | Deloitte Consulting | Laurel Grocery Company | Peoples Exchange Bank | Transit Authority of River City |
| Carespring Healthcare Management, LLC | Dorman | Lexington Griffin Gate Marriott Resort & Spa | Pinnacle Treatment Centers | Washington Penn Plastic Co., Inc. |
| Century Aluminum of Kentucky, LLC | Galt House Hotel & Suites | Logan Aluminum, Inc | Piramal Pharma Solutions | WellCare of Kentucky |
| Churchill Downs | GenCanna | Louisville Water Company | Planters Bank, Inc. | Westlake Chemical Corporation |
| Citizens National Bank | Gray Construction | Marathon Petroleum Company LP | Raytheon Company | Whitaker Bank |
| Clariant | Hilliard Lyons - A Baird Company | | Regal Beloit America, Inc. | |
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Guidance provided is educational.

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TIME TO INVEST IN KENTUCKY'S INFRASTRUCTURE