

2018 Legislative Agenda



Public Policy
Priorities

Education

Workforce and
Human Resources

Community and
Economic
Development

Transportation
Priorities

*Uniting the business community through one voice
in Frankfort and beyond*



2017



CHAMBER OF THE YEAR
Presented by the Association of
Chamber of Commerce Executives

OVERVIEW

The Paducah Area Chamber of Commerce is the region's largest business advocacy organization representing over 1,000 businesses and approximately 30,000 employees. As an investor-driven organization, the Chamber serves as the VOICE of the business community and strives to present a united effort on our behalf.

The positions of support or opposition the Paducah Chamber takes are first vetted by the Chamber's Business Advocacy Committee. This committee hears from experts on topics of interest, reviews documents presented and conducts research before taking a position on an issue. All positions are then reviewed by the Chamber's Board of Directors before taking a vote. Both groups are made up of business and civic leaders who are committed to growing our community's economy.

The Paducah Chamber and its partners work hard to create a community that is thriving, nationally competitive and economically diverse. Since the mid-1990s the Paducah Chamber has employed John Cooper and Capital Link to serve as our legislative agent and strategist. John actively promotes our community's legislative priorities during state and federal sessions.

Kentucky currently ranks 33rd on the Tax Foundation's 2018 *State Business Tax Climate Index*. In addition, Forbes recently ranked Kentucky 35th on its list of *Best States for Business*. In order for Kentucky to move to the top of these lists, we must rank well in such categories as business costs, labor supply, regulatory environment, economic climate, growth prospects and quality of life to become identified as a state where a business can be financially successful.

For the Commonwealth and our community to be a prime location for site consultants and to encourage existing businesses to continue to expand, legislation must be approved that will stimulate a healthy, vibrant economy; provide an adequate and well-trained labor supply; and maintain quality transportation infrastructure on which companies can move their products efficiently and cost effectively.

Our community asks the General Assembly to support us in our efforts by approving policies during the 2018 Session that will move Kentucky forward to become more competitive, prosperous and business-friendly.

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PUBLIC POLICY PRIORITIES

Budget

Encourages the 2018 General Assembly to pass a Budget as mandated by the Constitution of the Commonwealth of Kentucky and that the budget be structurally balanced with legislative changes that remove obstacles to business investment in the state.

Tax Reform

Encourages the General Assembly to adopt comprehensive tax reform that will have a positive impact on business growth and investment in the Commonwealth to include:

- **Modernize Kentucky's tax code to keep our state competitive:**

Supports considering the steps of moving to more consumption-based taxes that could improve our competitive situation as long as these taxes are not levied on business-to-business services that would add another layer of costs to job creation.

- **Give Kentuckians the right to vote on local projects via the local option sales tax:**

Supports an amendment to the Constitution of Kentucky that would allow cities and counties the choice, with voter approval, to enact a local sales tax with a sunset provision dedicated to the funding of transformational local projects.

- **Be competitive on business-related tax:**

Encourages elected officials to analyze potential revenue measures to determine its impact on necessary public investments while avoiding policies that could serve as disincentives to private-sector employment and investment. It is imperative that we create and maintain a tax climate that is strongly competitive to other local, regional, and state markets.

- **Population Growth:**

Supports policies and infrastructure that will promote growth. It is critical that we continue to push for population growth as population increases drive economic development and business growth. According to recent reports, consumer spending is responsible for 70% of the nation's economy. More consumers will equal more business opportunities.

- **Inventory Tax:**

Supports repealing or phasing out inventory taxes.

- **Restaurant Tax:**

Supports giving *all* cities in Kentucky the ability to collect a consumer-based restaurant tax.

Pension Reform

Encourages the 2018 General Assembly to identify a solution to Kentucky's unfunded pension liabilities that will improve transparency and ensure the financial future of Kentucky's economy is not at risk.

PUBLIC POLICY PRIORITIES

Transportation Infrastructure

Supports legislation to ensure adequate and consistent long-term funding for transportation infrastructure for all modes of transportation at both the state and federal levels to aid in attracting new businesses and retaining existing businesses in the Commonwealth, to connect Kentucky businesses to national and international markets, and to allow our citizens to have safe, reliable access to education and employment.

Background:

Kentucky's transportation network of roads, airports, rivers, and railroads connect Kentucky businesses to the national and international marketplace by providing multiple safe, cost-effective ways to move goods and deliver services. More than \$500 billion in freight flows through Kentucky annually and transportation brings in tourists and visitors, who contribute almost \$14.5 billion to our economy.

The Issue:

- A national decline in the average wholesale gas prices resulted in a \$200 million recurring annual loss for Kentucky.
- Kentucky will lose \$110 million in toll credits that served as matching funds for federal dollars by 2020. These tolls were collected to assist in paying for the construction of Kentucky's parkways.
- In addition, more than \$150 million each year is diverted from the road fund to other agencies.
- There are currently more than 1,100 significant transportation projects that need to be completed, according to the Kentucky Transportation Cabinet. These projects—both statewide and regional—compete for \$2.6 billion in current funds, which is several billion dollars less than what is needed.



EDUCATION

Essential Skills

Supports integrating essential skills into existing curriculum to improve students' development of characteristics that will improve their prospects of success in both postsecondary education and the workplace.



WORKFORCE & HUMAN RESOURCES

Medical Liability Reform: *Supports* the submission to voters of an amendment to the Constitution of Kentucky that will allow the General Assembly to develop medical liability reforms, including a Medical Review Panel to reduce filing of frivolous lawsuits, and Peer Review Protection.

Workers' Compensation: *Supports* a system that is fair to both the employee and the employer, designed to return the employee to work as soon as medically appropriate, and ensures a balanced and equitable system of handling claims for workers who are injured while working.

Modernize Unemployment Insurance: *Supports* reforms to Kentucky's unemployment insurance benefit structure to keep costs and benefits competitive with other states and increase workforce participation and efforts to provide those out of work with access to training and career counseling.

Workforce Training Efficiencies: *Supports* increased efforts by the State and the General Assembly to create a more efficient and effective workforce-training environment in the Commonwealth. Utilizing partners in the training of our workforce, such as West Kentucky Community and Technical College, is one of the most effective ways to ensure a well-trained and capable workforce for the Purchase Region.

Increase Number of Healthcare Professionals: *Supports* an innovative approach to increase the number of healthcare professionals in Kentucky, particularly in underserved regions.

Wellness Program: *Supports* legislation that would encourage employers to implement wellness-based programs that would provide Kentucky with a healthier and more productive workforce and would enable their employees to live longer, healthier lives.

Statewide Smoking Ban and Cigarette Tax

Statewide Smoking Ban: *Supports* enacting a comprehensive statewide smoking law that prohibits smoking in indoor work places and public places in order to reduce its negative impact on the health of the citizens of Kentucky and on the Commonwealth's economy.



Cigarette Tax: *Supports* increasing the cigarette tax by \$1 or more per pack to improve the health of Kentucky's citizens, reduce healthcare costs and potentially increase revenue for the Commonwealth.

Background

The Coalition for a Smoke-Free Tomorrow is a broad-based statewide alliance committed to its mission of improving Kentucky's health by protecting Kentuckians from secondhand smoke and other tobacco emissions and by reducing the high rate of smoking and tobacco use. The Coalition with more than 100 supporting agencies, organizations, educational institutions, associations, departments of health, hospitals, businesses and others has presented the following data on smoking and tobacco use:

- Kentucky has the second highest adult (24.5 percent) and youth (16.9 percent) smoking rates in the nation.
- Smoking-related health care costs in the Commonwealth total \$1.92 billion each year.
- Lost worker productivity due to smoking in Kentucky is estimated at \$2.79 billion annually, and the cost to businesses is an estimated \$5,816 per employee each year.

WORKFORCE & HUMAN RESOURCES

Drug Addiction: *Encourages* both the state and federal governments to take active steps to combat Kentucky's drug abuse epidemic and *supports*:

- A thoughtful approach that will not back away from efforts to punish the drug offenders but will prevent added corrections costs and ensure appropriate access to substance abuse treatment.
- Continuation of policies to develop workable statewide and interstate compacts and adoption of nationally recognized pain management guidelines to limit drug abuse that has a negative impact on employers and employees.

COMMUNITY & ECONOMIC DEVELOPMENT

Energy: Investment in energy infrastructure is critical for the state's long-term approach for a balanced energy portfolio. The Chamber supports efforts to promote manufacturing of energy efficient and alternative energy products. With the passage by Kentucky to lift the state's nuclear moratorium, we support funding to advance new nuclear energy technologies, including the manufacturing of small modular reactors, as well as efforts to re-industrialize the Paducah DOE site utilizing these and other opportunities.

Broadband: *Supports* efforts to ensure the State continues to remove barriers to expand widespread wireless and broadband investments in the Commonwealth and *opposes* policies at the state and federal levels that would impede or hamper investment in digital infrastructure.

Tourism: *Supports* adoption of policies and programs that allow the tourism industry, which has a major impact on Kentucky's economy, to flourish; encourages investment in critical tourism marketing and infrastructure; and development of initiatives that encourage growth in a community's existing tourism assets and the attraction and creation of new opportunities. Local communities throughout the state could benefit from initiatives to grow targeted tourism sectors, such as the state's signature distilling industry, and to attract new distilleries.

Economic Development Incentives: *Supports* initiatives to expand the Kentucky Investment Fund Act angel investor tax credit to individuals and the Kentucky Reinvestment Act to include technology and headquarters reinvestment projects.

TVA In-Lieu-of-Tax Payments: *Supports* amending KRS 96.895 to provide a portion of the Tennessee Valley Authority (TVA) in-lieu-of-tax payments made to the Commonwealth and deposited into the General Fund be transferred to the Regional Development Agency Assistance Fund to be distributed among the fiscal court designated local economic / industrial development authorities in those counties that contain TVA assets for economic development and job creation activities.

Protect Intellectual Property/Patent Trolls: *Supports* the passage of patent litigation reform at both the state and federal levels to protect businesses from patent troll abuse and frivolous lawsuits while balancing the need to protect patents.

Medicaid Pharmacy Benefits: *Supports* SB 5 requiring the (Kentucky) Department of Medicaid Services to directly administer all outpatient pharmacy benefits; prohibit renewal or negotiation of new contracts to provide Medicaid managed care that allow administration of outpatient benefits by any entity but the Department for Medicaid Services.

Whitehaven Funding: *Supports* continued funding for the Whitehaven Welcome Center, a Classical Revival house, located in Paducah and converted to an interstate Welcome Center featuring memorabilia of former U.S. Vice President Alben W. Barkley. This landmark is the only historic house in the U.S. that has been restored as an interstate tourist welcome center and the only welcome center listed on the National Historic Register.

TRANSPORTATION INFRASTRUCTURE PRIORITIES

State Funded Projects:

Inner Loop: Improvements to KY 1286 (Friendship Road) from US 45 (Lone Oak Road) to KY 998 (Olivet Church Road) to US 60 (Hinkleville Road) to improve safety for travelers to the regional mall and retail, dining and hotel center as well as the new McCracken County High School (Six Year Plan Project 1-153.00). **SHIFT REGIONAL RANKING: #3**



US Highway 60 Improvements: Extension of four lanes of US Hwy. 60 (from Stafford Road to Bethel Church Road to KY Hwy. 1154), providing easier accessibility between Ballard County and McCracken County from the west. These improvements will enable easier and safer traffic flow between the two counties and assist with economic development efforts (Six Year Plan Projects 1-115.00 and 1-115.10).

SHIFT REGIONAL RANKING: #6

Note: The Paducah Chamber urges the KY Department of Transportation to evaluate this project for potential federal funding. This could move the project to be eligible for the 80% Federal funding and 20% State funding.

Continuation of improving access to the Ohio River Triple Rail Megasite, which features Ohio River frontage, service by three railroad companies and barge dock capability (Six Year Plan Project 1-8702.00).

SHIFT REGIONAL RANKING: #43

Federal Funded Projects:

Widening of US 62 (Blandville Road) from KY 998 (Olivet Church Road) to the Commerce Park, a major industrial site, to aid in securing job opportunities for Paducah and the region. (Six Year Plan Project 1-152.00). **SHIFT REGIONAL RANKING: #4**

Note: Now that the environmental impact study has been completed to qualify this project for Federal funding, the Paducah Chamber requests the KY Dept. of Transportation to continue moving forward with this project utilizing federal funding.



Improvements to the interchange at US 60 (Hinkleville Road) and I-24 to improve the geometry of the interchange and the flow of traffic along the US 60 corridor for this high traffic area for shopping, dining and hotels (Six Year Plan Project 1-154.00). **SHIFT REGIONAL RANKING: #7**





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“UNITED IN ONE VOICE”

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For more information, contact Paducah Chamber President Sandra Wilson
270-443-1746 • swilson@paducahchamber.org



Contact Information for Members of the General Assembly representing McCracken County

Senate

Sen. Danny Carroll (R-2)

House

Rep. Steven Rudy (R-1)

Rep. Richard Heath (R-2)

Rep. Gerald Watkins (D-3)

Rep. Will Coursey (D-6)

To find out more about the Kentucky Legislature, current laws, meeting schedules, or to send an email to the members, visit www.lrc.state.ky.us.

To leave phone messages for members of the General Assembly, call 502-564-8100