2020 Legislative Agenda

Priorities:

- Capital Project: Barkley Regional Airport Terminal
- Tax Reform to include Home Rule
- Adequate funding for Transportation Infrastructure

Positions:

- Positions of importance to our Chamber members
The Paducah Area Chamber of Commerce is the region’s largest business advocacy organization representing approximately 1,000 businesses and 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 community’s behalf.

Our community asks the General Assembly to support us in our efforts by approving policies during the 2020 Session that will move Kentucky forward to become more competitive, prosperous and business-friendly.

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**2020 Top Priorities**

**Capital Infrastructure Funding:**
New terminal at Barkley Regional Airport. These funds will be used to supplement funding from the Federal Aviation Administration.

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**Tax Reform to include Home Rule:**
Give all local municipalities the same financial options.

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**Transportation Infrastructure:** Provide adequate funding.
COMMUNITY CAPITAL PRIORITY: New Terminal for Barkley Regional Airport

The Paducah Chamber requests funding and support from the state of Kentucky to assist Barkley Regional Airport with the construction of a new terminal to replace the current 66-year-old terminal building. The request is for $10 million. These funds will be used to supplement funding from the Federal Aviation Administration.

Barkley Regional Airport is an economic development engine for the entire West Kentucky region. It provides important transportation options for domestic and international travelers into this part of the country and state. The airport has an economic impact of over $43 million for our region and is a key component for any future economic growth in our area. The current terminal is not an accurate or presentable "front door" to the region and does not exemplify or represent the modern, forward thinking region and state for which it makes the first impression.

The Barkley Regional Airport Authority Board is working closely with the Federal Aviation Administration (FAA) to receive Federal funds to build a new terminal. Currently the FAA will fund at a 95% rate all grant-eligible portions of the project from the Airport Improvement Program (AIP) Trust Fund (monies collected from airline, passenger and cargo taxes). The remaining cost will need to be funded from local sources as well as state and other federal grants and/or sources.

The airport offers travelers United Express flights to Chicago O'Hare and one-stop connectivity to over 200 cities worldwide. In 2018 the airport served 41,835 passengers. Since the United Express service began in 2010, the airport has seen the emergence of an international travel market that now accounts for 6-8 percent of its total annual passenger traffic. With increased foreign investment in our region, this number is expected to grow. The airport currently serves passengers from a 100-mile radius from Kentucky, Illinois, Tennessee and Missouri.

Built in 1953, the structure’s layout inhibits the implementation of many modern conveniences and prevents the use of a wider array of security protocols and equipment TSA currently has available. The space limitations of the building inhibit further growth, be it additional airlines, larger aircraft, additional revenue generating opportunities to help the airport become more self-sufficient, and even a potential need for U.S. Customs operations in the future.

The current terminal building is functionally, economically, and spatially obsolete.
TOP LEGISLATIVE PRIORITIES

➢ Tax Reform to include Home Rule to give all local municipalities the same financial options

*Encourages* the General Assembly to continue to work to refine comprehensive tax reform that will have a positive impact on business growth and investment in the Commonwealth and that will include Home Rule with flexibility in local government tax structure.

Modernization of Municipal Funding Options:  
*Supports* expanding to all cities in Kentucky the ability to collect a consumption-based restaurant tax, if they choose to do so. The focus for this is on leveling the playing field for all cities. Revenue from the tax could go towards quality of life projects in local communities. Currently only about half of the state’s cities can even consider this financial option. The money is collected from everyone who eats in local restaurants, including tourists and other visitors, and it does not impose an undue burden on local citizens. Restaurants do not face an extra cost because the fee is collected in lieu of net profits or gross receipts on the businesses.

➢ Adequate funding for Transportation Infrastructure

*Supports* legislation to ensure adequate and consistent short and long-term funding for transportation infrastructure, including the potential for a consumption-based tax increase. Better infrastructure will aid in attracting new businesses and retaining existing businesses in the Commonwealth, connect Kentucky businesses to national and international markets, and allow our citizens to have safe, reliable access to education and employment.

Multi-Modal Transportation:  
*Encourages* the General Assembly to create a multi-modal transportation fund to address the infrastructure needs of the railroad, aviation, riverport and public transit industries. Continued investments in all modes makes Kentucky more competitive and attractive for development with safe and reliable avenues of logistical infrastructure critical for economic growth. To achieve this, the legislature must:

- Protect the integrity of the road fund by refusing to divert road funds to pay for General Fund obligations
- Support dedicated and adequate funding for public transportation
- Protect the integrity of the Aviation and Economic Development Fund
- Develop and maintain infrastructure at Kentucky’s major ports
- Improve multi-modal freight transportation by funding maintenance and improving safety of rail infrastructure that will better support short line tracks and regional railroads
- Promote safe and fiscally responsible transportation options beneficial to bike and pedestrian mobility.
As a membership-based organization, the Paducah Chamber represents both small and large businesses, locally based corporations, health care, financial institutions, education, entrepreneurs, local governments, non-profit organizations and others. Our goal is to represent our members on issues that impact their ability to succeed. These policy positions are important to our members and our community and serve as a guide for our legislators to know these positions.

**TAX REFORM**

*Encourages* the General Assembly to continue to work to refine comprehensive tax reform to include:

**Modernization of Municipal Funding Options:**
*Supports* expanding to all cities in Kentucky the ability to collect a consumption-based restaurant tax, if they choose to do so. Revenue from the tax could go towards quality of life projects in our local communities.

**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 local projects.

**Modernize Kentucky’s tax code to keep our state competitive:**
*Supports* continuing to move forward 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; making Kentucky’s tax code as pro-growth as possible and more attractive to businesses, entrepreneurs, and talented workers than other states; and ensuring that state and local governments are able to meet their obligations and can invest in such priority areas as education, workforce development, and infrastructure.

**Pension Reform:**
*Encourages* identifying long-term, sustainable solutions to Kentucky’s unfunded pension liabilities that will improve transparency, ensure the financial future of Kentucky’s economy is not at risk and lessen the burden on those entities impacted by this crisis.

**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. While modest improvements were made in 2018 to some aspects of unemployment insurance, much more work remains to be done to improve our system. The Chamber also *supports* efforts to provide those out of work with access to training and career counseling.
Additional Funding for Higher Education: Supports the request from the Council on Postsecondary Education and our local universities and colleges to put additional, new funding into the current Performance Funding Model.

Performance Funding: Supports working towards a permanent 2% stop loss, which means no university would lose more than 2% of their base appropriation within the model. If no stop loss is put in place, 100% of the state appropriation is at risk.

Asset Preservation-Cap Plan Priorities: Supports Murray State University asking the Legislature for a 2:1 match on their asset preservation fee to address the deferred maintenance needs at the University.

Kentucky Community and Technical College System Endowment Match Fund: Supports establishment of Kentucky Community and Technical College System (KCTCS) Endowment match fund to match endowment gifts to KCTCS whose funding relies on private donations. An endowment matching fund would encourage private donations to these educational institutions that are a vital part of workforce training programs in Kentucky, including West Kentucky Community and Technical College.

Make Higher Education Affordable: Supports making postsecondary education affordable for Kentucky students. Simplification of the state’s financial assistance process and a shared responsibility approach to distribute costs among students, families, postsecondary institutions and the government should be considered.

Set Universities Free to Excel: Supports allowing public universities in the Commonwealth greater operational flexibility to compete in an increasingly global marketplace. Allowing this flexibility for entrepreneurial endeavors while requiring overall accountability would improve quality and better serve the institution, Commonwealth, employers and students. Included would be the ability for public universities to issue revenue bonds to finance building projects as long as it did not negatively impact the Commonwealth’s state bond rating and would have structural safeguards and oversight that ensure projects are consistent with the state’s vision for postsecondary education.

Strengthen Adult Education System: Supports initiatives designed to improve the educational attainment of older workers, those between 25 and 64. These initiatives include Kentucky Adult Education System’s efforts to increase the number of people earning a GED and enrolling in postsecondary education programs and the Council on Postsecondary Education’s “Project Graduate” encouraging adults with some college credits to complete their degrees.

Early Childhood and K-12 Education: Encourages the General Assembly to continue to dedicate more state funds to K-12 education and fully fund key childhood education programs such as Pre-K programs.
Small Businesses and Entrepreneurs:
Encourages the state to actively cultivate and support small business owners and entrepreneurs by maintaining and fully funding vital resources, such as Small Business Development Centers; to incentivize capital investment; and to improve access to capital for business startups by funding Small Business Innovation Research (SBIR) and Small Business Technology Transfer (SBTT) match programs. Supports incentives and regulatory reforms that facilitate governments and corporations doing business with Kentucky-based small businesses and entrepreneurs.

Growing Kentucky’s Exports:
Supports state economic development initiatives for free trade agreements that open markets to our companies and urges state policies that encourage worldwide exports of Kentucky products. Exporting products will retain and create jobs, grow our businesses, and strengthen our state’s bottom line.

Tourism:
Supports adoption of policies and programs that allow the tourism industry, which has a major impact on our region and 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.

Culture and Arts Funding:
Supports prioritizing investment in Kentucky Arts Council and other cultural institutions that play a critical role in sustaining and growing regional identity through creativity. This creativity drives economic development throughout the Commonwealth by attracting and retaining top talent, promoting the vitality of the region, leveraging tourist dollars, inspiring entrepreneurial development and helping sustain a positive quality of life for Kentucky’s citizens.

Kentucky Film and Entertainment Industry Incentive Program:
Supports the use of film incentives to foster a strong Kentucky film industry and the increasing economic activity and jobs that will result from a growing film industry including: 1) refundability of the program’s tax credits being restored; and 2) reducing the time frames within which approved companies have to start a production and the time they have to file for their credits.

Regulatory Assistance for addressing Blighted, Deteriorated and Vacant Properties:
Supports expanding the tools currently available to cities to address properties that are blighted, deteriorated and/or abandoned, including creating a conservatorship for rehabilitation of qualifying areas.

Investment in Depressed Properties and Historic Areas:
Supports incentivizing investment in depressed and underutilized properties to rejuvenate neighborhoods and local economies in some of Kentucky’s most historic areas to include matching state limits to mirror federal support for the Kentucky Historic Preservation Tax Credit program, streamlining process for transferring vacant and abandoned properties into productive uses, and restructuring statutory language on TIF financing to make it friendlier to developers by lowering the minimum investment threshold required to qualify for financing, raising the cap on multi-use projects, or allowing developers to access more TIF financing upfront.
WORKFORCE & HUMAN RESOURCES

Improve Medical Liability Climate:  
*Supports* the submission to voters of an amendment to the Constitution of Kentucky that will allow the General Assembly to put reasonable limits on non-compensatory damages in medical liability claims and require alternative dispute resolution to help reduce escalating malpractice insurance premiums and the resulting burden passed to consumers in the form of higher prices, fewer health care providers and fewer choices.

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.  
*Supports* continuing to fund and support the Work Ready Kentucky Scholarship program.  
*Supports* expanding apprenticeships and adult education programs.

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.

Substance Abuse:  
*Encourages* the state to take active steps to combat Kentucky’s substance 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, rehabilitation, training and workforce re-entry for those who suffer from alcohol and drug abuse.

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 or employees.

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.

Increase Excise Tax:  
*Encourages* the General Assembly to consider additional increases to the state’s excise tax on cigarettes and to establish an excise tax on electronic cigarettes, commonly referred to as vaping, and smokeless tobacco.
Energy:

*Supports* efforts to promote manufacturing of energy efficient and alternative energy products. Investment in energy infrastructure is critical for the state’s long-term approach for a balanced energy portfolio. 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.

**Maintaining Permitting Efficiencies:**

*Supports* the development of methods by the Energy and Environment Cabinet that will allow an expedited permitting process when warranted and *encourages* the Cabinet to use alternative permit requirements or establish a variance already allowed by statute in order to avoid unnecessary delays while still being protective of environmental quality, to continue to look at cost-control measures and efficiencies that can be used to reduce any shortfall in revenue and to create efficiencies throughout the program. In addition, as the Cabinet evaluates funding of its programs, fair distribution of general funds across all the program areas and divisions should be a priority.

**INFRASTRUCTURE**

**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.

**LOCAL TRANSPORTATION PRIORITIES**

**Federal Funded Project**

**Widening of US 62** (Blandville Road) from KY 998 (Olivet Church Road) to the Commerce Park, a major commerce/industrial site:

- *Right-of-Way Phase is currently underway; right-of-entry negotiations on two remaining parcels*
- *Utility Phase (funding in Six Year Highway Plan: $2,340,000): to begin spring 2020*
- *Construction Phase (funding in Six Year Highway Plan: $5,740,000): tentatively set for letting late summer*

**State Funded Projects**

**KY 1286 (Inner Loop):** (Friendship Road) (Six Year Plan Project 1-153.00).

- *Design Phase (funding in Six Year Highway Plan: $1,500,000):*
  - Public meeting held on July 29, 2019 with comments received supporting alignment KYTC has developed.
  - Project divided into four segments with the priority segment between Lone Oak Road and US 62.
  - This project will improve traffic flow and roadway dynamics, including widening and better horizontal alignment between US 45 and New Holt Road.
- *Right-of-Way Phase (funding in Six Year Highway Plan: $2,480,000): Land acquisitions to begin spring 2020 along the priority segment.*
State Funded Projects (continued)

US Highway 60 Improvements: Extension of four lanes of US Hwy. 60 (from Stafford Road to Bethel Church Road to KY Hwy. 1154) for 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).

- Public meeting held on June 11, 2019.
- Design Phase: Work advancing along the section from existing 4-lane US 60 in McCracken west to a tie-in around KY 310 in Ballard County.
- Right-of-Way Phase (funding in Six Year Highway Plan: $1,320,000): Funds currently available in the Six Year Plan for Hwy. 60 from Bethel Church Road to KY Hwy.1154 (DOE) with environmental documents to be completed by end of 2019; land acquisition to begin spring 2020.

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).

The community supports more work to be completed in preparation for better access to this site. This is an important economic development site for McCracken County, the region and the state. Currently KYTC says funds would become available if the necessity to construct a road becomes imminent based upon definite commitment from developer(s). Preliminary design has been conducted on two routes: first route utilizing mostly existing road segments for faster build and turn-around time; second route with more cross-country routing that would be more costly and entail longer construction time. Total Project Funding in Six Year Highway Plan: $23,680,000

“UNITED IN ONE VOICE”

The Paducah Chamber and its community partners encourage the General Assembly to approve policies during the 2020 Session that will move Kentucky forward to become more competitive, prosperous and business-friendly.

www.paducahchamber.org

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