

# 2022 Legislative Agenda



- **Community Priorities**
- **Top Legislative Priorities**
- **Public Policy Positions**



*Uniting the business community through one voice*

[www.paducahchamber.org](http://www.paducahchamber.org)



The Paducah Area Chamber of Commerce is the region’s largest business advocacy organization and brings together area businesses, community partners, elected officials, young professionals, youth, educators, non-profit organizations and engaged citizens to inspire a collective vision and deliver a united voice. 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 2022 Session that will move Kentucky forward to become more competitive, prosperous and business-friendly.

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## SUMMARY

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### Community Priorities:

- ✓ Funding for transportation improvements and accessibility to the Triple Rail economic development site in McCracken County.
- ✓ Annual funding from the state’s Aviation Fund for the five Kentucky commercial airports.
- ✓ Additional state funding for economic development site infrastructure projects.

### Top Legislative Priorities:

- ✓ Infrastructure Investment
- ✓ Tax Modernization
- ✓ Extend COVID-19 Liability Protections for Employers
- ✓ Modernize Unemployment Insurance to Support Workforce Participation

### Public Policy Positions:

- ✓ Education & Workforce
  - ✓ Community & Economic Development
  - ✓ Tourism
  - ✓ Energy
  - ✓ Health & Human Services
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# COMMUNITY PRIORITIES

- **Funding for transportation accessibility for Triple Rail Economic Development site:** *Supports* funding for improved access to the Triple Rail economic development site that features Ohio River frontage, service by three railroad companies and barge dock capability. The Chamber *supports* building the short-term access connector which will create better opportunities and have the site closer to ready for use. In addition, the Chamber *supports* a funding request and efforts for the creation of a long-term route into the site that will utilize components of the short-term connector and maximize the site's full potential. This road will also expand the greenfield potential of the development area and drive the overall potential once progress begins on a secured major project.
- **Annual funding from the Aviation Fund for the five Kentucky commercial airports:** *Supports* legislation that includes the distribution of funding of up to 50% from Jet Fuel Tax Receipts be divided to go to Kentucky's five commercial airports, including Barkley Regional Airport, through the Kentucky Department of Aviation. Most of Kentucky's jet fuel sales are at these airports.
- **Additional state funding for economic development infrastructure projects for site development:** *Supports* additional state funding for infrastructure needs for site development for economic development purposes.

## Other Local Transportation Projects for Funding:

**KY 1286 (Inner Loop - Friendship Road):** This project is divided into four phases. Phase 1 is currently in the right of way acquisition phase and will be ready for construction in Fall 2022. Additional funding is needed to begin right of way acquisitions for Phase 4, as this is a growing area for commercial development and KYTC would like to lock in a definitive corridor moving forward.

**US Highway 60 Improvements:** Extension of four lanes of US Hwy. 60 (from Stafford Road to KY 1154) for providing easier accessibility between Ballard County and McCracken County from the west. Right of way acquisition in progress with utility phase to begin in 2022. Project will be ready for construction in July 2023.

**US 51 Bridge Replacement:** Shared project between IL and KY for the bridge replacement at Cairo and Wickliffe. Design work is ongoing and location has been chosen. The cost for the replacement is to be shared by the two states with IL committed beginning in 2026/2027. Approximate total cost \$250-350 million for the current proposed two lane structure. There is significant interest from local delegation in making this a four-lane bridge and additional funding will be needed to facilitate.

**Completion of I-69:** Completion of upgrade from southwest of Mayfield to Exit 1 as a connector between Kentucky and Tennessee. Ready for construction in Summer 2022 on the upgrades to the Wingo Interchange and additional improvements from Mayfield to Exit 1.

# TOP LEGISLATIVE PRIORITIES

## ➤ Infrastructure Investment

**Funding:** *Supports* legislation to ensure new and sustainable funding for transportation infrastructure through a consumption-based fuel tax/user fee increase and an update to the road funding formula. Federal infrastructure funding will most likely depend on state, and possibly a local match.

**Multi-Modal Transportation:** *Encourages* the creation of a multi-modal transportation fund to address the infrastructure needs of the railroad, aviation, riverport and public transit industries.

**Broadband:** *Supports* efforts to expand broadband into rural parts of the state as it is vital to their economic health and connectivity.

## ➤ Tax Modernization

### **Create a Competitive Tax Climate:**

*Supports* efforts to make needed changes to the tax code. If Kentucky is going to truly compete, our tax code must be improved. Business leaders tell us the tax system is too complex and compliance is too costly. Numerous economic development experts say our code continues to create a competitive disadvantage because it punishes economic productivity by being overly reliant on income and production-based taxes. A shift from income-based taxes to consumption-based taxes can improve our competitiveness, as long as these taxes are not levied on business-to-business services that would add another layer of costs to job creation, since taxes significantly impact business decisions that lead to job creation and retention.

### **Revenue Diversification:**

*Supports* revising the language in Section 181 of the Kentucky Constitution as the first step to craft revenue options more in-line with the 21st century economy. Such a change would empower legislators to enact measures that allow local decision-making. Once the legislature passes a bill seeking a change to that one section of the constitution, Kentuckians could vote on the idea as early as the 2022 election.

### **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 the local communities. The focus for this is on leveling the playing field for all cities. 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.

### **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.

### **Collection of Short-Term Rental Taxes:**

*Supports* potential legislation that would require Short-Term Rental platforms, such as VRBO and Airbnb, to collect and remit hotel transient occupancy taxes to the city, county, or metropolitan government in the location of the host's property at the rate adopted by the city, county, or metropolitan government. This legislation should even the playing field for hotels, who levy the tax across the Commonwealth, and short-term rental bookings, which only levy the tax where platforms have made agreements with municipalities to do so.

## ➤ Extend COVID-19 Liability Protections for Employers

*Supports* extending legislation to protect all Kentucky businesses from unnecessary and frivolous lawsuits related to the pandemic. In 2020, lawmakers passed Senate Bill 5 establishing important liability protections for businesses and then extended those protections and other COVID-related laws and regulations during the 2021 Special Session. An extension of these liability protections will require legislative action.

## ➤ Modernize Unemployment Insurance to Support Workforce Participation

*Supports* reforms to Kentucky's Unemployment Insurance (UI) benefit structure to ensure the system optimally and efficiently supports rapid re-employment and drives workforce participation. This should include evaluation of wage replacement rates and benefit duration to ensure the UI system provides laid-off workers with the support they need but does not disincentivize benefit recipients from finding a new job. Further, the Paducah Chamber *supports* efforts to refine Kentucky's work search requirements and provide those out of work with increased access to effective training, career counseling, and job-finding support.

# OVERVIEW OF PUBLIC POLICY POSITIONS



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.

## EDUCATION & WORKFORCE

Effective workforce training and service programs are critical, but too many employers continue to struggle in their efforts to find people with the right skills for the jobs they have available. Too many job seekers can also be frustrated as they try to find the right job to match their skills and abilities at the compensation level they expect.

Kentucky's workforce training system is notably complex with multiple layers and differing agency responsibilities. Programs receive state and federal funding in the hundreds of millions of dollars, and programs range from job-specific skill development to support for job seekers. *Supports* efforts to create stronger alignment and centralization of workforce programming throughout Kentucky. These efforts should serve to improve workforce development outcomes in the state.

### **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 Community Colleges and Universities Free to Excel:**

*Supports* allowing public colleges and universities 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. Legislators should encourage colleges and universities to provide multiple on-ramps and off-ramps for students, and give credit for prior learning, apprenticeships, and hands-on experience.

*Encourages* the exploration of allowing public universities to issue their own revenue bonds to finance building projects to generate income sufficient to cover the debt service. This would be as long as it did not negatively impact the Commonwealth's state bond rating and 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.

## **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* increased funding to support pre-employment, new hire, and incumbent worker training.
- *Supports* continuing to fund and support the Work Ready Kentucky Scholarship program.
- *Supports* expanding apprenticeships and adult education programs.
- *Supports* innovative efforts to increase participation in the workforce.

## **Increase Child Care Capacity:**

*Supports* increasing child care capacity through a mixed-delivery model that includes in-home, in-business, licensed child care facilities and other methods that offer families options. Lawmakers are encouraged to continue refining the Child Care Assistance Program, which provides subsidies for eligible working parents, and work to grow the professional child care workforce by providing scholarship opportunities to individuals interested in pursuing this important career. Access to child care is a barrier that prevents many qualified individuals from entering or returning to the workforce. Child care is among the most consequential industries for our economic recovery – it is essential for businesses, families and for the workforce of today and tomorrow.

# COMMUNITY & ECONOMIC DEVELOPMENT

## **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; incentivize capital investment; and improve access to capital for business startups by funding Small Business Innovation Research (SBIR) and Small Business Technology Transfer (SBTT) match programs.

## **Invest in Small Businesses:**

*Supports* the state encouraging small business investment in Opportunity Zones (Paducah has two) and in surrounding rural communities through a proven, targeted, and cost-efficient tool being employed in states like GA, UT, and OH via the state Rural Jobs and Opportunity Fund legislation. It would bring much-needed growth capital to help with new equipment, technology, and/or skills training.

## **Support Minority Business Enterprises (MBE):**

*Supports* diversity policies that enact equal opportunity and equal access. Such policies that require specific spend percentages of state contracts with MBEs, transparency around tracking and reporting and penalizing those that default on MBE spend requirements should be adopted. Policy changes are important to narrow wealth gaps and increase equity. Improvement in support of minority business enterprises is important to attract businesses to Kentucky.

## **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

**As one of the state's largest economic generators, tourism serves as a mechanism for driving economic growth in communities within all 120 Kentucky counties. As a UNESCO Creative City, Paducah recognizes the value of arts and culture as an economic driver and leverages creativity for a sustainable future in the arts, business and education.**

## **Travel & 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. It is very important that travel to our country and our community be an easy process.

## **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 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.

## **Culture Heritage Grants:**

*Supports* the continuation of grants funding that provides assistance to local cultural organizations. Grants in our community from the National Endowment for the Arts and the National Endowment for the Humanities have been awarded to West Kentucky Community & Technical College –School of Art and Design, Market House Theatre and the Hotel Metropolitan. These grants also help our community to increase local support for community projects.

## **Kentucky Film and Entertainment Industry Incentive Program:**

*Encourages* closer partnership between the Departments of Economic Development and Tourism for use of film incentives to foster a strong Kentucky film industry. These incentives increase economic activity and jobs that will result from a growing film industry and should include refundability of the program's tax credits and reducing the time frames within which approved companies have to start a production and the time they have to file for their credits.

# ENERGY

## **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.

*Supports* 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.

## **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. Since 2000, numerous states have passed ballot initiatives to amend their constitutions, and 16 states have passed a cap on non-economic damages.

## **Increase Number of Healthcare Professionals:**

*Supports* an innovative approach to increase the number of health care 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 bad actors 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.

## **“UNITED IN ONE VOICE”**

**The Paducah Chamber and its community partners encourage the General Assembly to approve policies during the 2022 Session that will move Kentucky forward to become more competitive, prosperous and business-friendly.**

***Our philosophy is: “We never want it to be said in our state or national capital that we are only noticed by our absence. We will be noted for our presence.”***

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