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The Metro Chamber of Commerce

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LEGISLATIVE OUTCOMES: OBSTACLES & OPPORTUNITIES FOR BUSINESS IN 2017

THE MOST SUCCESSFUL SESSION IN DECADES



KENT OYLER
PRESIDENT & CEO

The 2017 Kentucky General Assembly session was a tremendous step forward for the Commonwealth. In fact, most of GLI's top priorities made it to the Governor's desk for signature during the action-packed short session.

When GLI first set our legislative agenda last Fall, little did we know the magnitude of change the November elections would usher in. The election had only just led to a stunning supermajority in the legislature. We did know that there would be a House leadership transition and a large influx of newly-elected legislators. We were encouraged by the pro-business focus set by the Governor and legislative leadership and we knew this was the time to work hard for passage of long-time priorities of the business community. It was an opportunity to seize. What we did not know as the session started was the degree of urgency and coordination legislative and gubernatorial leadership would bring to bear.

Even before the election, GLI had set an ambitious 2020 goal to strengthen our advocacy function and demonstrate results of that strength by passing or blocking 75 percent of our the legislative priorities identified by our investors. I am proud to report that this session 38 of our 52 priorities succeeded, resulting in a 73 percent win rate (97% of our 5-year goal in just one session)!

Among those wins, we were thrilled to finally see passage of many of GLI's longstanding core issues including Right to Work, repeal of the prevailing wage, government and pension transparency measures, and Medical Review Panels. With such great victories, the General Assembly could have easily kicked up their feet and declared victory, but instead, they continued to support more reforms and improvements. Because of this bold, can-do attitude, we were able to gain passage of other key legislation like Charter Schools, Public Benefit Corporations, Joint Employer, Appeal Bond, KFC YUM! Center TIF, vintage spirits sales, and telecommunications reform. All of these are big wins for Greater Louisville.

Beyond the many victories, there were some missed opportunities for the business community, including inaction on Workers Compensation

Reform, modifications to the Angel Investment Tax Credit, and Road Aid Modernization. GLI is prepared to prioritize these matters for the anticipated special session on tax reform and the 2018 budget session.

2017 was also the second year GLI fielded a registered lobbyist in Indianapolis in order to work with our partners across the river. GLI advocated in the Hoosier Capitol and testified alongside representatives from One Southern Indiana in support of the Trans-border Water Resource Authority, which passed unanimously. Public policy does not always recognize county or state lines and we are pleased to continue developing relationships with elected officials in order to better serve our investors with operations in Southern Indiana.

While we most certainly are celebrating our successes in 2017, we never stop looking forward. Our next stop is in Washington, D.C., where we will continue to represent the Greater Louisville business community on the national stage.

Later this year, the Governor may call a special session to address pension and tax reform. Our Commonwealth is at a dire crossroads and we must find enough revenue to handle our obligations while making Kentucky an attractive place for businesses. This is important; it must be done and GLI is deeply involved in moving pension and tax reform forward in Kentucky.

GLI is honored to be the recognized voice of the regional business community. Thank you to our investors for helping us be heard by joining us in Frankfort and communicating directly with legislators via phone and email. Our legislators listened and stepped up to pass dozens of business-friendly laws, making 2017 the most successful legislative session in decades. There is strength in numbers and together we are a much stronger business community. I encourage every GLI investor to be involved with the chamber's public policy process and lend your voice to advocating for the economic growth of our region.

38 WINS THIS SESSION



MAJOR VICTORIES

CHARTER SCHOOLS

House Bill 520 (Rep. Carney) creates a process for public charter schools to be approved in Kentucky and **House Bill 471** (Rep. Rudy) includes language to fund HB 520. Kentucky parents will have access to several different educational options for their children, regardless of their economic standing. By passing HB 520 and HB 471, the legislature met the needs of thousands of students throughout the Commonwealth by providing more educational options and a new path to closing the student achievement gap.

Kentucky joins 43 other states in the adoption of charter schools as a solution to help close the student achievement gap. GLI applauds the legislature for moving Kentucky education forward.

MEDICAL REVIEW PANELS

Senate Bill 4 (Sen. Alvarado) permits Medical Review Panels in Kentucky. An impartial panel of 3 medical experts will review the merits of a lawsuit before a case goes to court. The panel's findings are admissible in court. Medical review panels will mitigate the cost of medical malpractice litigation, allowing healthcare providers to focus more on providing care and less on frivolous lawsuits filed by predatory, mostly out-of-state law firms.

This legislation is an important first step towards comprehensive tort reform. Greater Louisville, as a leader in health and aging care, applauds the passage of SB 4, which will help address the growing costs directly attributed to the Commonwealth's uncontrolled medical liability climate. MRPs have been a longtime priority of GLI and this bill ensures that our region will continue to attract top talent and investment in health and aging care.

“QUALITY AGING CARE IN A SPIRITUAL ENVIRONMENT IS SIGNATURE HEALTHCARE'S GUIDING PRINCIPAL. TORT REFORM, IN THE FORM OF MEDICAL REVIEW PANELS, WILL EXPAND HEALTHCARE INNOVATION WHILE RETAINING FAIRNESS. IT RESTORES CAREGIVER CONFIDENCE AND KEEPS SOLVENT AN INDUSTRY THAT GIVES LIFE AND HOPE TO ALL.”

- Dianne Timmering, Vice President of Healthcare Policy & Legislative Affairs for Signature Health

PENSION TRANSPARENCY

Senate Bill 2 (Sen. Bowen) the pension transparency bill, passed both the House and Senate unanimously this session. This bill brings additional transparency and oversight to the Commonwealth's struggling retirement systems. SB 2 outlines the confirmation process and requirements for appointees to state retirement boards. It will also require the disclosure of investment fees and holdings. This will ensure that investments made in public pension systems remain transparent, accountable and sustainable.

Senate Bill 3 (Sen. McDaniel) makes the disclosure of retirement benefit information of current and former members of the General Assembly subject to open records requests. Its passage is a strong commitment to transparency by the legislature, allowing taxpayers to see the retirement benefits enjoyed by current and former legislators.

PREVAILING WAGE REPEAL

House Bill 3 (Speaker Hoover) repeals Kentucky's prevailing wage status. HB 3 removes the requirement placed on government construction projects to use a government-defined hourly wage. Eliminating the prevailing wage will save taxpayers an estimated \$138.6 million by no longer allowing state officials to regulate the wages of workers on public projects. A recent study determined that labor costs were inflated by an average of 24 percent, increasing total project costs by 10 to 16 percent.

This legislation will help lower costs to taxpayers and encourage more public works projects in a responsible way.

RIGHT TO WORK

House Bill 1 (Speaker Hoover) gives Kentucky workers the right to opt out of membership in a labor union at their place of employment and protects the individual's decision as a condition of

employment. According to a study by the Wisconsin Policy Research Institute, states without Right to Work put their workers at a disadvantage, lowering the per capita annual income by \$1,683.

In addition to a newfound freedom for Kentucky workers, this legislation was a major victory for the business community in Greater Louisville. Companies will now more often include our region when businesses consider expansion or relocation into new areas of the country. Before 2017, Greater Louisville was often dismissed in the “first round” due to its location in a state without Right to Work.

PAYCHECK PROTECTION

Senate Bill 6 (President Stivers) is a related Right To Work measure that will protect employees from automatic withdrawal of union dues, and require workers to authorize union membership if they choose it. This bill enhances employee rights.



Kent Oyler joins Gov. Matt Bevin, Speaker Jeff Hoover, legislative leaders and stakeholders for HB 1 bill signing ceremony.

WINS FOR KENTUCKY

ADMINISTRATIVE REGULATIONS

House Bill 50 (Rep. Imes) outlines the process for compiling administrative regulations and sets an expiration date for past and future regulations. HB 50 will ease compliance for businesses while making sure that Kentucky's regulatory environment is not overly burdensome. GLI has been supportive of Governor Bevin's Red Tape Reduction initiative to alleviate out-of-date regulations and this bill is another step in the right direction.

DUAL CREDIT SCHOLARSHIP

House Bill 206 (Rep. Carney) establishes a Dual Credit Scholarship program, allowing high school students to receive both high school and college credit for approved coursework. The bill also approved extending the Kentucky Educational Excellence Scholarship program (KEES) to be used toward apprenticeship training programs. Allowing students to receive general education and industry-credentialed coursework will align postsecondary education with workforce needs to create a qualified and stable workforce.

EDUCATION REFORM

Senate Bill 1 (Sen. Wilson) is a comprehensive education reform bill called the "Let Teachers Teach" bill. SB 1, the Kentucky Senate's top legislative priority this session, will align Kentucky's educational standards with the federal standards set in the Every Student Succeeds Act and return much of the power back to individual school districts. High academic standards for our students will help create an educated workforce to meet the needs of the future.

JUDGEMENT INTEREST RATES

House Bill 223 (Rep. Fischer) reduces the interest rate for most civil judgments, including workers compensation. The savings HB 223 will bring will vary by each case and by the size of the judgment; however the reduction of interest rate from 12% to 6% will save businesses, insurers and workers time and money.

KFC YUM! CENTER TIF BILL

House Bill 330 (Rep. Osborne) provided needed time to collect revenue to help pay for a refinancing of the bonds on the KFC YUM! Center. The bill extends the life of the tax increment financing (TIF) district in downtown Louisville up to 45 years. Lengthening the TIF is an important first step to refinancing for lower interest rates that could save more than \$60 million over the life of the bonds.

As of 2014, a study found that patrons of the arena have poured over \$345 million into Louisville's economy since it opened its doors in 2010, with \$101 million from visitors beyond the metro area. GLI supported HB 330 to protect the economic impact of sporting events and top-tier musical acts the arena attracts to the Greater Louisville region.

"The KFC Yum! Center is an important venue for University of Louisville sporting events and it attracts national events to our community every year. HB 330 was passed to get the best return on the investment, and our region thanks Governor Bevin, and House and Senate leadership for championing this legislation. We were proud to work with GLI, Chairman Scott Cox, and the Arena Team to advocate for it."

- John Crockett, Chairman, Frost Brown Todd

LANDLORD LIABILITY

House Bill 112 (Rep. Lee) clarifies the ownership of dogs. Landlords and property owners were previously held responsible for a tenant's dog if that dog attacked someone. HB 112 ensures that the proper liability is placed on the dog's actual owner. An identical bill passed the Senate, but did not receive action in the House-**Senate Bill 99** (Sen. Alvarado). GLI has long advocated for reforms to our courts and removing a landlord's liability over a tenant's dog will reduce predatory lawsuits filed against those not responsible for an unfortunate incident.

DETER FRIVOLOUS APPEALS THAT KILL DEVELOPMENT

House Bill 72 (Rep. J. Miller) addresses improper delays caused by frivolous legal appeals in planning and zoning cases, many of which have resulted in lost development and redevelopment opportunities, financial hardship, and a flight of investment from Kentucky. HB 72 will deter frivolous appeals, allow legitimate cases to proceed, and make the process fair.

WHAT DOES THIS MEAN FOR GREATER LOUISVILLE?

HB 72 requires the posting of an appeal bond by the losing party if the winning party files a motion within 30 days' notice of an appeal of a Circuit Court decision in a land use case. The Circuit Court judge would conduct a hearing and issue a determination on whether the appeal is presumptively frivolous or not. The judge would then set a bond amount. Frivolous appeals killed the West End Wal-Mart project and have threatened many Louisville area development projects. GLI applauds the General Assembly and Governor Matt Bevin for taking action to make Kentucky more competitive.

"FOR OUR STATE TO GROW, WE MUST GET OUR ECONOMIC ENGINE ROARING. GLI ONCE AGAIN STOOD FOR THE BUSINESS COMMUNITY IN THE DOGGED PURSUIT OF CREATING A BETTER CLIMATE FOR PROGRESSIVE DEVELOPMENT THROUGH HB 72. I WAS PROUD TO PASS THIS IMPORTANT PIECE OF LEGISLATION THAT WILL HELP CURB NOTORIOUS FRIVOLOUS DELAYS THAT HAVE HELD THE CITY BACK FOR DECADES. THIS WAS THE RIGHT THING TO DO FOR KENTUCKY."

- Representative Jerry Miller, District 36



Sarah Davasher-Wisdom testifies in the House Judiciary Committee in favor of HB 72, the Appeal Bond Bill.

KENTUCKY AUTHORIZES PUBLIC BENEFIT CORPORATIONS (PBCs)

House Bill 35 (Rep. J. Miller) permits the establishment of public benefit corporations in Kentucky. Kentucky is now the 32nd state to allow businesses to become PBCs. These corporations allow a company's board of directors to take "public benefit" into account, in addition to shareholder benefit, when making decisions regarding the company.

PBCs deregulate business and allow pursuit of a double bottom line, without impact on the tax code. The legislation will provide shareholders protection from legal action as they enact mission-driven business models and hold businesses accountable to the successful execution of their stated public benefit.

WHAT DOES THIS MEAN FOR GREATER LOUISVILLE?

PBCs will offer an economic development tool at no cost to Kentucky; this legalizes a new market of social enterprises and social impact investing. No new tax benefits were created, and there is no impact on current tax law. This bill allows Kentucky businesses to seek access to a growing pool of impact investment capital funds that JP Morgan has estimated to be nearly \$1 trillion by 2020.

"IN THE NEXT TEN YEARS, 75% OF THE WORKFORCE WILL BE MILLENNIALS AND A MAJORITY OF MILLENNIALS WANT TO WORK FOR A COMPANY THAT DOES A PUBLIC GOOD. B CORPS ARE CHANGING THE LANDSCAPE OF THE MARKETPLACE AND THE INVESTMENT COMMUNITY. IT IS A TRILLION DOLLAR ASSET CLASS OF THE NEXT TEN YEARS AND THIS BILL WOULD NOT HAVE PASSED WITHOUT THE LEADERSHIP OF REPRESENTATIVE MILLER AND GLI."

- Bryce Butler, Managing Director of Access Ventures & GLI Board Member

METAL COMMODITIES

House Bill 184 (Rep. Miles) updates current law to allow overweight vehicles carrying metal commodities to have the same standard as metal, which would include aluminum. As a multimodal logistics hub, the Greater Louisville region must ease the transportation of goods to processing or market. This alignment will allow businesses to more efficiently transport metal commodities.

PERFORMANCE-BASED POSTSECONDARY FUNDING

Senate Bill 153 (Sen. Givens) establishes a funding formula for post-secondary schools based on student success, course completion, and other performance-based incentives. With the inclusion of \$42.9 million in FY2018 in the 2016-2017 biennial budget, GLI applauds the legislature in their commitment to improving post-secondary education.

PUBLIC PENSION SPIKES

Senate Bill 104 (Sen. McDaniel) eliminates dramatic increases, or spikes, in retirement benefits of individuals in the state retirement systems. The total cost of pension spiking in the last year on Kentucky cities was \$1.5 million, an unforeseen burden on Kentucky taxpayers. A long-term solution to Kentucky's pension liability remains a priority for the Greater Louisville business community.

PUBLIC PRIVATE PARTNERSHIP REVISIONS

House Bill 390 (Rep. Prunty) passed with an amendment to make technical revisions to the Public Private Partnership bill that passed in the 2016 General Assembly. The language of the P3 revisions originated in SB 187 (Sen. Wise) but did not receive movement in the Senate. GLI supports P3s and the opportunities those projects create for the Commonwealth.

TAXPAYER RIGHTS

House Bill 245 (Rep. J. Miller) enhances taxpayers' rights by assisting the public in understanding and interpreting tax laws by providing examples as part of any response to a question from a taxpayer or department publication. Enhancing public awareness and transparency of tax law are legislative priorities for GLI and we applaud HB 245's unanimous passage through the House and Senate.

TELECOMMUNICATION MODERNIZATION

Senate Bill 10 (Sen. Hornback) is a continuation from the General Assembly's 2015 updates to modernize Kentucky's telecommunication laws. SB 10 will allow telecommunication companies to make investments that attract economic growth and technology by eliminating outdated regulations. Previously, the outdated regulations limited investment in new wireless telephone and broadband technologies in Kentucky.

Greater Louisville's growing professional service and technology sectors must compete with top cities that have unfettered access to gigabit internet service in states where these reforms have already taken place. The legislature's choice this year to remove the rest of the outdated barriers to investment will allow Kentucky businesses to compete in a time when business is increasingly done online.

"We've been working with GLI for years to modernize Kentucky's telecommunications laws. This year's bill is a huge step forward and will help keep Kentucky competitive for private investment in today's global economy."

- Hood Harris, President of AT&T Kentucky & GLI Board Member

TOBACCO CESSATION

Senate Bill 89 (Sen. Raque Adams) requires insurance coverage for tobacco cessation medicines and services. A healthy workforce is important to a strong economy and GLI supports measures to promote healthy lifestyle choices. Lifelong wellness, including a smoke-free workplace, is a GLI priority and SB 89 is a step in the right direction to achieve that goal.

TRUTH IN ADVERTISING

Senate Bill 150 (Rep. D. Carroll) requires law firms to include complete information related to government inspections or investigations of long-term care facilities when publishing ads that include such information. SB 150 will address inaccurate and inflammatory advertisements paid for and placed by predatory law firms. This legislation will help restore public confidence in truthful advertisements.



LEGISLATURE SUPPORTS FRANCHISOR-FRANCHISEE RELATIONSHIP

Senate Bill 151 (Sen. Meredith) codifies the traditional relationship between a franchisor and a franchisee. This legislation was needed in response to a ruling by the National Labor Relations Board that put into question if front line employees of a franchise are employees of the corporate parent company, which have no oversight or decision of an owner/operator's hiring decisions. SB 151 provides clarity that neither a franchisee nor its employees are employees of the franchisor.

Although franchisees may don the names of big corporations, the majority are small, locally owned businesses that are no different than an average mom-and-pop shop. This business model is vital for economic growth and continued development throughout Kentucky. SB 151 ensures that franchisees have the ability to retain full control of the day-to-day business operations, the root of why many entrepreneurs pursue this business model.

WHAT DOES THIS MEAN FOR GREATER LOUISVILLE?

The franchise business model is a successful one that provides a path to entrepreneurship for many who otherwise would not have that opportunity and provides over 145,000 jobs in the Commonwealth. In our state, franchise businesses contribute \$4.1 billion in payroll and \$6 billion in GDP. The presence of these businesses also goes beyond transactions. Kentucky's franchises also give back to our communities, participate in charitable contributions, and provide vocational training to our workforce.

“GLI'S TENACITY IN TACKLING THIS COMPLEX ISSUE DURING A SHORTENED SESSION WAS VITAL IN THIS BILL'S PASSAGE. THEIR EFFORTS NOW ENSURE THAT THE FRANCHISE BUSINESS MODEL IS PROTECTED FOR SMALL BUSINESS OWNERS AND FRANCHISEES HAVE THE FREEDOM TO RUN THEIR OWN BUSINESSES.”

- John Matter, Senior Counsel
for Papa John's Pizza

VINTAGE SPIRITS

House Bill 100 (Rep. McCoy) defines “vintage spirits” and allows distillers to sell vintage spirits at fairs, festivals, bars and to restaurants. Bourbon is one of Greater Louisville's signature industries and allowing the legal sale of vintage spirits will continue the unique, tourism-driven, economic opportunities that “bourbonism” provides for the Commonwealth.

HB 100 will increase bourbon sales and is expected to help establish new bars and restaurants specializing in vintage spirits. New revenue will be generated by spirits being taxed again at the point of sale. The production and consumption of bourbon supports local, state, and federal taxes of more than \$825 million annually. GLI strongly supports our signature industry, which generates \$8.5 billion annually and generates over 17,500 jobs.

“Bourbon is Kentucky's signature beverage. This bill ensures that everyone can celebrate its rich history and learn more about our distilling history.”

- Bill Samuels, Jr., Chairman Emeritus of Maker's Mark
& GLI Board Member

VOLUNTARY TRAVEL ID

House Bill 410 (Rep. DuPlessis) offers Kentuckians the option to choose enhanced identification that will comply with federal standards. Kentucky will now be compliant with enhanced federal standards set by the U.S. Department of Homeland Security. Kentucky identification cards will now be accepted for entry into federal facilities such as Fort Knox, Fort Campbell, other government facilities, and domestic flights.

GLI applauds the General Assembly and the Governor for supporting this necessary piece of legislation. Without it, Kentucky businesses would face costly hassles that would delay commerce and access to customers.

WORKFORCE RE-ENTRY

Senate Bill 120 (Sen. Westerfield) will give Kentucky ex-offenders the opportunity to learn job skills while also paying restitution and child support. It also gives ex-offenders with substance abuse disorders assistance for recovery and offsets incarceration costs. SB 120 adjusts parole and probation credits for those who are compliant and need less supervision, which should ease a growing caseload with no negative impact on public safety. Overall, this bill will create opportunities that ease ex-offender transition back into society and the workforce.

Governor Bevin called SB 120 “A remarkable piece of legislation.” SB 120 stems from the work of a large group of stakeholders seeking commonsense ways to improve public safety, while addressing the stresses our criminal justice system faces due to a growing prison population, high recidivism rate, and an ever-present drug epidemic.

GLI has pursued changes to our criminal justice system that lower costs and reduce recidivism, leading to more productive, self-sufficient, and employable citizens while making our communities safer. SB 120 advances these goals and aids in achieving successful re-entry for those who have paid their debt to society.



Sen. Whitney Westerfield presents SB 120 on the Senate floor.

PASSED OVER

BATHROOM BILLS

House Bill 105, 106 and 141 (Rep. Nelson) relate to so-called “religious freedom” measures or “bathroom bills.” The bills were introduced and assigned to House committees, where they received no action. In 2016, North Carolina enacted similar legislation and an Associated Press study estimated \$308 million in lost business per year (over a 12-year span), ranging from expansions, relocations, conventions and tournaments. If Kentucky adopts these measures, similar financial impacts can be assumed in scale with North Carolina. Based on 2015 GDP performance between the two states, Kentucky can project a negative economic impact of \$117 million per year. GLI commends the legislature on their focus this session to improve the business climate in our Commonwealth rather than enacting legislation that would have harmed growth and development.

(None of bills heard in House committee)

INCORPORATION OF CITIES IN MERGED GOVERNMENT

Senate Bill 88 (Sen. Seum) would have removed the prohibition on the incorporation of new cities in Jefferson County. Given GLI’s extensive role in shaping a merged Louisville and Jefferson County government 17 years ago, we are opposed to any legislative measure that would diminish the merger.

(Heard in Senate committee without vote)

MANDATED EMPLOYEE LEAVE

House Bill 303 (Rep. Kay) would have required employers with at least 50 employees to give six weeks of paid maternity leave to employees who have been with the company for at least a year. GLI believes this legislation puts an undue burden on employers and that employee benefits should be at the discretion of the employer.

(Never heard in House committee)

MINIMUM WAGE

Senate Bill 33 (Sen. Thomas), **House Bill 178**, **House Bill 179** (both Rep. Overly), **House Bill 201** (Rep. Cantrell), and **House Bill 303** (Rep. Kay) are all bills related to minimum wage. None of these bills moved during the 2017 regular session. GLI supports maintaining the state and local minimum wages in line with the federal law.

(None of bills heard in House Committee)

NEIGHBORHOOD SCHOOLS

House Bill 151 (Rep. Bratcher) would have dismantled the Jefferson County Public School system’s student assignment plan without addressing the student achievement gaps within the district. GLI believes strongly that the success of JCPS is of paramount importance to Louisville’s economic and civic health. We worked closely with JCPS and expressed concern to the legislature about the unintended impacts of this legislation. GLI remains actively engaged on this issue and will continue to monitor it during the interim.

(Passed the House, died in Senate committee)

OVERTIME THRESHOLD

House Bill 456 (Rep. Harris) proposed to change Kentucky’s definition of hourly vs. salary employees by aligning overtime standards with the Federal Labor Standards Act, an action the Department of Labor has not been able to put into full effect. GLI opposes the increased threshold for employee exemption for overtime pay at the state and federal levels. The FLSA ruling on the federal level decreased flexibility for businesses and employees and redefined the level for “white collar” work. GLI applauds the legislature for their focus on pro-business legislation.

(Never heard in House committee)

TAX INCREASES

House Bill 263 (Rep. Wayne) is a perennial omnibus tax bill which would have increased a number of taxes. HB 263 was introduced in the House and sent to the Appropriations and Revenue Committee where it received no action. GLI believes comprehensive tax reform is warranted and a better solution than HB 263. We look forward to working with the Governor and legislature during the anticipated special session to examine tax reform in the Commonwealth in order to attract, retain and grow businesses.

(Never heard in House committee)

MISSED OPPORTUNITIES

CLASSIFICATION OF EMPLOYEES

House Bill 196 (Rep. Overly) relates to regulations and penalties for misclassifying employees. GLI believes Kentucky should seek to make definitions for independent contractors more closely conform to surrounding states and therefore a larger conversation is needed around this legislation.

(Never heard in House committee)

DRONES

House Bill 291 (Rep. St. Onge) would have clarified the permitted and prohibited use of drones. This bill addressed many unforeseen consequences of a technology that has recently become an affordable hobby and a cost efficient tool for businesses and law enforcement. The bill would have minimized data collection by law enforcement on non-targeted individuals and ensured public safety by prohibiting drone use near private dwellings and critical infrastructure while allowing businesses to use an efficient new technology.

(Passed the House, died on Senate Floor)

ESSENTIAL SKILLS

House Bill 454 (Rep. Shell) would have addressed the lack of essential skills in the workforce. Workforce training is a priority of GLI, and developing a curriculum to better address the workforce needs is a critical step to filling the thousands of vacant jobs. GLI hopes that in a future session the legislature will make this commitment to the future of Kentucky.

(Passed the House, died in Senate committee)

MEDICAL MALPRACTICE

Senate Bill 85 (Sen. Alvarado) would have prohibited expressions of sympathy from being utilized against medical professionals in medical malpractice actions. GLI will continue to advocate for additional tort reform measures to alleviate one of our region’s signature industries from predatory, frivolous litigation.

(Never heard in Senate committee)

NET METERING

Senate Bill 214 (Sen. Carpenter) would have amended Kentucky’s net metering laws by increasing the cap on net metered systems from 30kW to 1MW. This would have allowed a utility company to collect costs necessary to maintain metering systems while serving net metered customers. Net metering allows Kentuckians that participate in generating renewable electricity through the use of solar panels, wind turbines, or biomass to receive a credit to future power needs for any excess power generated. Modernizing Kentucky’s energy delivery and resources to keep Kentucky energy competitive is a priority of GLI.

(Never heard in Senate committee)

RTUNITIES

PEER REVIEW

Senate Bill 18 (Sen. Alvarado) would have protected confidential documents, such as employee reviews and evaluations used by employers from being used as evidence in court. GLI strongly supports employers' rights, and courts should not be able to unfairly subpoena documents that may not necessarily be relevant to a civil action case. (Passed the Senate, died on the House floor)

PENSIONS

House Bill 283 (Rep. J. Miller) would have required transparency in retirement benefit information for persons receiving more than twice the annualized per capita personal income from the public retirement systems. (Never heard in House committee)

TOBACCO BAN IN SCHOOL

Senate Bill 78 (Sen. Alvarado) would have prohibited tobacco use on school property. Students, school personnel, and visitors would have been prohibited from using tobacco in schools, school vehicles, on school properties, and during school activities. Tobacco cessation and smoke-free workplaces are longstanding priorities of GLI. (Passed the House, died in Senate committee)

TUITION TAX CREDIT

Senate Bill 102 (Sen. Alvarado) and its companion bill, **House Bill 162** (Rep. Carney) would have established a separate income tax credit for tuition assistance based on contributions made to a qualified scholarship-granting organization. GLI supports this legislation and urges the legislature to consider this during discussions on tax reform. (Never heard in Senate or House committee)

WAGE & HOUR LAWS

Senate Bill 237 (Sen. McDaniel) was an omnibus bill relating to wages and hours laws that would align Kentucky law with the Federal Fair Labor Standards Act. The bill would have simply provided Kentucky employers one set of laws for compliance, allowing Kentucky employees to still be protected by federal overtime and minimum wage laws. (Never heard in Senate committee)

ANGEL INVESTMENT TAX CREDIT

House Bill 203 (Rep. Fleming) would have removed the \$3 million annual cap of Angel Investment Tax Credit (AITC) and enabled investors to apply for funds remaining in the Kentucky Investment Financial Act (KIFA). HB 203 was introduced in the House and sent to the Appropriations and Revenue Committee where it received no action.

Greater Louisville has benefited from the AITC and GLI has proactively worked on this legislation in order to ensure Kentucky investors and businesses continue to use this valuable incentive for growth. GLI supports initiatives, such as HB 203, that increase available capital.

For Kentucky's entrepreneurs to succeed, they must have access to the capital they need. In addition to supporting the full utilization of KIFA, GLI also advocates for renewing the \$40 million investment amount to allow Kentuckians to continue to use these popular credits.

HB 203 would have helped foster innovation and entrepreneurship in the Commonwealth and we will continue to advocate for this incentive during comprehensive tax reform discussions with state policy leaders.

(Never heard in House committee)

EXPANDED GAMING

House Bill 373 (Rep. J. Miller) and **Senate Bill 204** (Sen. McGarvey) each proposed a constitutional amendment to permit casino gaming and would have sent 100% of proceeds to the state employee retirement system (KERS) and the teachers' retirement system (KTRS) after administrative expenses are paid.

Each year the Commonwealth watches \$546 million in gaming revenue flow across state lines. Expanding gaming would potentially create 10,000 new jobs in the first year alone and more than a billion dollars in the first year of gross gaming revenue. The tax dollars derived from gaming would have been dedicated to curbing Kentucky's unfunded pension liability. The legislature has made progress funding the state employee and teachers' retirement systems in recent years, but more action is needed to fund these systems that are vital to the Commonwealth's fiscal health. Kentucky has been left behind for far too long and our surrounding states continue to take advantage of our unwillingness to act.

(Never heard in committee)

ROAD AID MODERNIZATION

House Bill 292 (Rep. J. Miller) would have modernized the way Kentucky calculates the road aid formula.

Kentucky's urban areas spend more than \$200 million per year constructing and maintaining around 10,000 miles of city streets, only a third of which comes from state or federal funds. GLI seeks to modernize the 66-year-old formula to adequately account for lane mileage and usage when calculating fund allocations.

HB 292 would have maintained the current road formula for revenue sharing of the fuel tax revenue up to \$825 million, which would maintain counties' current funding levels. Amounts in excess of \$825 million would have enabled urban areas to receive fairer funding to local governments with higher traffic areas.

GLI will continue to support changing the road aid formula to align with usage and will encourage legislators to keep this concept a priority during tax reform.

(Heard in House committee with no bill action)

WORKERS COMPENSATION REFORM

House Bill 296 (Rep. Koenig) would have addressed problems facing our \$1 billion workers' compensation system. Increasing the efficiency of the system would have driven down employers' cost, improved injured workers' access to care, addressed opioid addiction related to workers' comp claims, and returned individuals to work more quickly. An efficient, affordable workers' comp system will lessen the burden on injured workers and current employers while making our region more competitive when attracting new businesses. HB 296 was expected to save the workers' compensation system \$50 million.

(Never heard in Senate committee)

REGIONAL SUCCESS IN INDIANA

In 2017, GLI continued its presence in Indianapolis by fielding a registered staff lobbyist during the session. GLI testified before the Indiana House and Senate committees alongside One Southern Indiana. Our dedicated efforts in developing relationships with elected leaders throughout the region will help better serve the 20% of GLI members with headquarters or operations in Southern Indiana. GLI strives to promote regional cooperation in order to advance our shared-interests in economic development and we are well-positioned for continued success in Indiana.

TRANS-BORDER WATER RESOURCE AUTHORITY

House Bill 1211 (Rep. Stemler) establishes an authority to study ownership rights of water shared by Indiana and its border states. It provides standards to structuring the authority and its process to provide recommendations and plans for potential financing. Indiana and Kentucky are fortunate to not yet have water disputes, however, it is GLI and One Southern Indiana's position that exploring provisions before such an occurrence is necessary.

"THIS BILL IS THE FIRST STEP IN MAKING SURE WE ARE WORKING TOGETHER TO ACTIVELY PROTECT OUR WATER, THE NATURAL RESOURCE THAT MAKES THIS REGION ATTRACTIVE TO BUSINESSES AND PEOPLE. WE WERE THRILLED TO WORK SIDE BY SIDE WITH GLI ON THIS MEASURE."

- Wendy Dant Chesser, President of
One Southern Indiana & GLI Board Member



Iris Wilbur testifies on HB 1211.

REGIONAL DEVELOPMENT AUTHORITIES

House Bill 1286 (Rep. Stemler) establishes parameters for regional development authorities (RDA) regarding eminent domain. If a RDA is established after June 30, 2017, the establishing ordinances will specify if the RDA has the power of eminent domain, does not have the power of eminent domain, or has the authority per the approval of the municipality's legislative body. GLI will continue to work with One Southern Indiana in its efforts to form a RDA in Southern Indiana.



Iris Wilbur joins Rep. Steve Stemler, Wendy Dant Chesser (1st), and Sen. Ed Charbonneau after testifying on HB 1211 in Indianapolis.

TAKING CARE OF BUSINESS

The 2017 Regular Session set a record of nearly 800 bills filed in the Kentucky legislature. Many of these legislative actions stand to significantly impact the bottom line of businesses. GLI's Advocacy Team works in Frankfort to ensure policies that stimulate economic growth succeed, while policies with high costs to businesses fail.



\$138,000,000

REPEAL OF THE PREVAILING WAGE - HOUSE BILL 3

Removes government-defined wages from public construction projects

\$29,300,000

BATHROOM LEGISLATION HOUSE BILLS 105, 106, AND 141

Based on similar legislation passed in North Carolina, Kentucky would lose business ranging from expansions, relocations, conventions, and tournaments

\$34,000,000

TAX INCREASES HOUSE BILL 263

Would have implemented many anti-business tax measures in the 10-county Greater Louisville region

\$1,700,000

KFC YUM! CENTER TIF HOUSE BILL 330

Allows the Louisville Arena Authority to refinance the arena's construction bond debt and securing lower interest rates

\$19,000,000

OVERTIME THRESHOLD HOUSE BILL 456

Would change the definition of hourly vs. salary employees

\$5,000,000

MEDICAL REVIEW PANELS SENATE BILL 4

Will address the growing costs directly attributed to the Commonwealth's uncontrolled medical liability climate

\$1,500,000

PUBLIC PENSION SPIKES SENATE BILL 104

Eliminates dramatic increases in retirement benefits in the state retirement system

\$8,500,000

EX-OFFENDER RE-ENTRY SENATE BILL 120

Will help ease the transition of ex-offenders back into society and the workforce



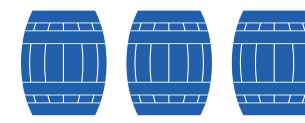
\$237,000,000 TOTAL ANNUAL SAVINGS IN GREATER LOUISVILLE



RIGHT TO WORK - HB 1

\$312.5 MILLION

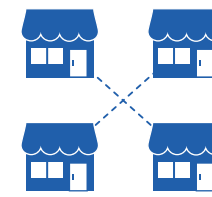
Annual Economic Impact in Greater Louisville



KENTUCKY'S BOURBON - HB 100

\$825 MILLION

Local, State, and Federal Taxes Supported Annually



FRANCHISE INDUSTRY - SB 151

145,000 JOBS

in the Commonwealth

LEGISLATIVE VOTING RECORD

SENATE

SENATE

			EDUCATION REFORM	KRS TRANSPARENCY	PENSION TRANSPARENCY	MEDICAL REVIEW PANELS	PAYCHECK PROTECTION	TELECOMM. REFORM	MEDICAL REVIEW ORGS.	TOBACCO BAN IN SCHOOL	TOBACCO CESSATION	LANDLORD LIABILITY	PENSION SPINNING	RE-ENTRY	TRUTH IN ADVERTISING	JOINT EMPLOYER	PERFORMANCE-BASED FUNDING	RIGHT TO WORK	PREVAILING WAGE REPEAL	PUBLIC BENEFITS CORPORATION	ADMINISTRATIVE REGULATIONS	APPEAL BOND	VINTAGE SPIRITS	METAL COMMODITIES	DUAL CREDIT	JUDGEMENT INTEREST	TAXPAYER RIGHTS	KFCYUM CENTER TIF	P3 REVISIONS	TRAVEL ID	CHARTER SCHOOLS FUNDING	CHARTER SCHOOLS	
			SB 1	SB 2	SB 3	SB 4	SB 6	SB 10	SB 18	SB 78	SB 89	HB 112 SB 99	SB 104	SB 120	SB 150	SB 151	SB 153	HB 1	HB 3	HB 35	HB 50	HB 72	HB 100	HB 184	HB 206	HB 223	HB 245	HB 330	HB 390	HB 410	HB 471	HB 520	
GLI POSITION			•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
SENATE MEMBER	COUNTIES	%																															
Julie Raque Adams	Jefferson	97%	•	•	-	•	•	•	•	•	+	-	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	NV	•	•	
Perry Clark	Jefferson	61%	•	NV	•	NV	✗	•	✗	✗	•	•	•	•	✗	✗	•	✗	✗	•	•	✗	•	•	•	•	•	•	•	•	✗	✗	
Denise Harper Angel	Jefferson	71%	•	•	•	✗	✗	•	✗	•	-	•	•	•	•	✗	•	✗	✗	•	•	✗	•	•	•	•	•	•	•	•	✗	✗	
Ernie Harris	Jefferson, Oldham	90%	•	•	•	•	NV	•	•	•	•	•	•	•	•	•	•	NV	NV	•	•	•	•	•	•	•	•	•	•	•	•	•	
Jimmy Higdon	Jefferson, Nelson, Spencer	77%	•	•	•	•	•	✗	•	•	•	•	•	•	•	•	✗	•	•	•	•	✗	•	✗	•	•	•	•	✗	✗	✗	•	•
Paul Hornback	Jefferson, Henry, Shelby, Trimble	94%	•	•	-	•	•	•	•	✗	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	✗	•	•	•	•
Morgan McGarvey	Jefferson	65%	•	•	•	✗	✗	•	✗	•	-	✗	•	•	•	✗	•	✗	✗	•	•	•	✗	•	•	•	•	•	•	•	•	✗	✗
Stephen Meredith	Meade	97%	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Gerald Neal	Jefferson	61%	•	NV	•	✗	✗	•	✗	•	•	✗	•	•	•	✗	•	✗	✗	•	•	✗	•	•	•	•	•	•	•	•	•	✗	✗
Dennis Parrett	Jefferson, Hardin	61%	•	•	•	•	✗	•	NV	NV	NV	•/NV	NV	•	•	NV	•	✗	✗	•	•	✗	•	•	•	•	•	•	•	•	•	✗	✗
Dan "Malano" Seum	Jefferson, Bullitt	94%	•	•	•	-	-	•	•	NV	•	-	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	✗	•	•	•

MAP OF COUNTIES SERVED BY GREATER LOUISVILLE INC ON PAGE 12

Legislators may also represent counties not listed here

• = Yes X = No + = Sponsor - = Co-sponsor NV = No Vote A = Abstained



House Speaker Pro Tem David Osborne and House Majority Floor Leader Jonathan Shell walk to their offices after a Friday morning House session



Sen. Stephen Meredith speaks on a bill in committee



Rep. Jerry Miller speaks with Sen. Morgan McGarvey in the Senate

DISCLAIMER: The votes in this record reveal how legislators voted on bills that GLI publicly supported or opposed during the 2017 General Assembly. The voting record includes bills that received a full vote before the entire House and/or Senate. The contents of a bill may be drastically altered during the legislative process. Unless otherwise noted, the legislation referenced in the voting record is based on the final version of the bill receiving a vote. To view the contents of the bills highlighted in this document, please visit the Legislative Research Commission's website at lrc.ky.gov/Legislation.htm.

LEGISLATIVE VOTING RECORD

HOUSE

			EDUCATION REFORM	KRS TRANSPARENCY	PENSION TRANSPARENCY	MEDICAL REVIEW PANELS	PAYCHECK PROTECTION	TELECOMM REFORM	TOBACCO CESSATION	LANDLORD LIABILITY	PENSION SPIKING	RE-ENTRY	TRUTH IN ADVERTISING	JOINT EMPLOYER	PERFORMANCE-BASED FUNDING	RIGHT TO WORK	PREVAILING WAGE REPEAL	PUBLIC BENEFIT CORPORATIONS	ADMINISTRATIVE REGULATIONS	APPEAL BOND	VINTAGE SPIRITS	NEIGHBORHOOD SCHOOLS	METAL COMMODITIES	DUAL CREDIT	JUDGEMENT INTEREST	DRONES	WORKERS COMP.	TAXPAYER RIGHTS	KFCYUMI CENTER TIF	P3 REVISIONS	TRAVEL ID	ESSENTIAL SKILLS	CHARTER SCHOOLS FUNDING	CHARTER SCHOOLS
			SB 1	SB 2	SB 3	SB 4	SB 6	SB 10	SB 89	HB 112	SB 104	SB 120	SB 150	SB 151	SB 153	HB 1	HB 3	HB 35	HB 50	HB 72	HB 100	HB 151	HB 184	HB 206	HB 223	HB 291	HB 296	HB 245	HB 330	HB 390	HB 410	HB 454	HB 471	HB 520
GLP POSITION	COUNTIES	%																																
HOUSE MEMBER	COUNTIES	%																																
Kevin Bratcher	Jefferson	94%																																
Thomas Burch	Jefferson	44%																																
McKenzie Cantrell	Jefferson	59%																																
Jeffrey Donohue	Jefferson, Oldham	31%																																
Jim DuPlessis	Hardin	97%																																
Ken Fleming	Jefferson	97%																																
Al Gentry	Jefferson	56%																																
Jeff Greer	Meade, Hardin	56%																																
Dennis Horlander	Jefferson	47%																																
Joni L. Jenkins	Jefferson	44%																																
Dan Johnson	Bullitt	97%																																
Mary Lou Marzian	Jefferson	41%																																
Chad McCoy	Nelson	91%																																
Reginald Meeks	Jefferson	44%																																
Charlie Miller	Jefferson	44%																																
Jerry T. Miller	Jefferson, Oldham	97%																																
Phil Moffett	Jefferson	88%																																
Tim Moore	Hardin	94%																																
Jason Nemes	Jefferson	97%																																
David Osborne	Jefferson, Oldham	97%																																
Darryl T. Owens	Jefferson	34%																																
Rick Rand	Henry, Trimble	47%																																
Steve Riggs	Jefferson	66%																																
Rob Rothenburger	Shelby	97%																																
Bart Rowland	Hardin	94%																																
Dean Schamore	Hardin	63%																																
Attica Scott	Jefferson	38%																																
James Tipton	Bullitt, Spencer	97%																																
Jim Wayne	Jefferson	22%																																
Russell Webber	Bullitt, Hardin	97%																																

• = Yes X = No + = Sponsor - = Co-sponsor NV = No Vote A = Abstained

MAP OF COUNTIES SERVED BY GREATER LOUISVILLE INC ON PAGE 12
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PUBLIC POLICY LEADERSHIP

GLI thanks the many individuals who volunteer their time and expertise to assist in business advocacy efforts. Special thanks are extended to those listed below who lead the Public Policy Council and its Issue Advisory Committees.

PUBLIC POLICY COUNCIL CHAIR:

Tierra Kavanaugh Wayne,
TKT & Associates

ENVIRONMENT & ENERGY COMMITTEE CHAIR:

Tim Hagerty, Frost Brown Todd

BI-STATE COMMITTEE CHAIR:

Doug York, Rodefer Moss

HEALTH CARE COMMITTEE CHAIR:

Gwen Cooper, Hosparus Health

EDUCATION & WORKFORCE DEVELOPMENT CHAIR:

Jeff Wafford, UPS

TRANSPORTATION & INFRASTRUCTURE COMMITTEE CHAIR:

Chris Dickinson, Amec Foster Wheeler

BUSINESS COMPETITIVENESS COMMITTEE CHAIRS:

Jim Dahlem, Dahlem Company

Tom Lubert, Wyatt Tarrant & Combs, LLP

OUR STRATEGY

In our work to help transform the 15-county/2-state region we call home, GLI is incorporating the aspirations and inspiration of small businesses as well as large companies. We're considering the needs of those opening their doors last year just as much as businesses operating over a century. Our efforts must nurture homegrown businesses while accommodating companies that relocate to our region. We commit to working towards a supportive business environment for traditional companies such as manufacturers and logistics experts and healthcare professionals right alongside those in the high-tech, digital and creative and entrepreneurial marketplaces.

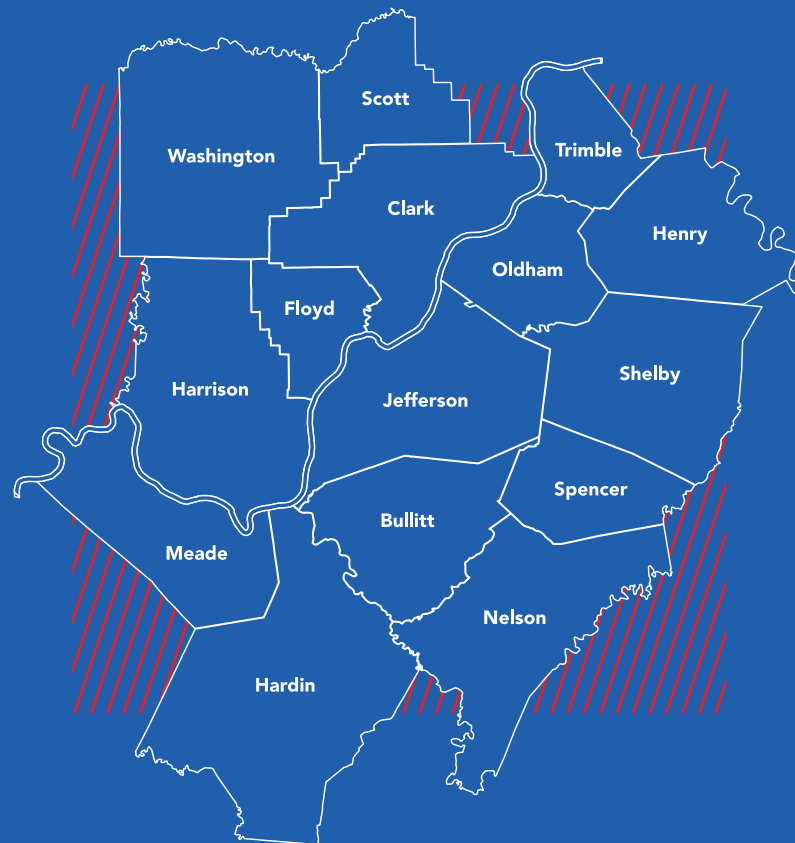
VISION

A Greater Louisville Region with an exceptional economy where businesses succeed and people thrive.

MISSION

To accelerate economic growth, job creation and business competitiveness in the Greater Louisville Region.

[GLI REPRESENTS A 15-COUNTY BI-STATE REGION]



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