

**KENTUCKY RESTAURANT ASSOCIATION**  
**Government Affairs Activity**  
*2005 Summary*

*KRA recognizes the importance of being involved, as issues affecting our members are being debated and decided. Therefore, your association maintains an active presence in Frankfort. Our legislative team works closely with state lawmakers on legislation being considered by the General Assembly. KRA has initiated several bills to benefit our members but has been equally active in opposing those measures that would cause harm. The association also represents the industry in the regulatory arena. We monitor proposed regulatory changes and intervene with state agency officials on those issues directly affecting the foodservice industry.*

*Since its establishment, KRA has made government affairs activity a priority for the association. Legislators and executive branch officials recognize us as the voice of the restaurant community in Kentucky. Through our presence in Frankfort, KRA has been able to help shape public policy that affects our members. Below is a brief summary of some of the association's accomplishments on key issues.*

**2005:** Kentucky restaurateurs have some protection from frivolous lawsuits as the result of legislation put forward by KRA during the 2005 session. The General Assembly adopted the "Commonsense Consumption Act" making it clear business owners are not liable for obesity-related claims based on a customer's long-term consumption of food products they sell.

Comprehensive reform of Kentucky's tax system for businesses was also enacted during the 2005 session. The tax "modernization" plan put forward by Governor Ernie Fletcher makes virtually all limited liability entities subject to the corporate income tax and phases in a reduction of the top rate from 8.25% to 6%. The legislation also created a mandatory alternative minimum calculation (AMC), based on gross receipts or gross profits, to determine tax liability and established a \$175 minimum tax. It eliminated the corporate license tax but created a one percent (1%) statewide lodging tax with the proceeds dedicated to tourism. The administration considered proposing a restaurant tax as part of its package but opposition, led by KRA from within the industry and from its customers, created enough controversy to cause the administration to drop the issue.

A proposed increase in the state minimum wage was fought by KRA, as was a proposal to prohibit beer distributors from providing draught line and coil cleaning services without charging their customers. Neither measure passed.

Regulatory officials solicited KRA's involvement and input as they renewed efforts to adopt a new food code for the state. Our representatives advocated that modifications be made in the FDA Model Code before it is considered for adoption in Kentucky. Agency personnel appear to agree with our suggestions that the requirement for glove use by all food preparation staff and written warnings regarding raw or undercooked food be eliminated. They also seem responsive to a longer "phase in" period before refrigeration equipment would be required to meet more stringent standards. The Department of Public Health is likely to review comments and suggestions made by the regulated community, as well as local health department personnel, before moving forward with an overhaul of the code.