***Kentucky Restaurant Association***

***SESSION SUMMARY***

***2024 KENTUCKY GENERAL ASSEMBLY***

*May 30, 2024*

*The 2024 legislative session of the Kentucky General Assembly concluded its 60-day session on April 15. The 60-day session of the legislature is when the General Assembly adopts its biennial budget, and this year they passed a budget and a projects bill that spent $2 billion on one-time funding of projects. There were no major tax changes in the 2024 legislative session, but the legislature did not meet the triggers for the automatic lowering of the personal income tax. While there were no tax issues, there were still many issues impacting restaurants considered by the General Assembly.*

*Restaurants realized some successes in this legislative session, positively influencing vintage spirits legislation to ensure that restaurants could continue to access rare bourbons for its customers. Additionally, comprehensive data privacy legislation was adopted, putting Kentucky in line with model states like Virginia.*

*Some of the greatest successes the Association has in any legislative session, is stopping harmful legislation. This includes a proposed constitutional amendment authorizing the General Assembly to give local governments the ability to levy any taxes, including local sales taxes. House Bill 14, sponsored by Rep. Jonathan Dixon (R-Henderson), would have asked voters to approve giving the General Assembly the authority to levy any tax not in conflict with the constitution, but then the amendment removes any local government tax restrictions in the constitution, meaning that there will be none. This could have included a restaurant tax. Additionally, while once again there was legislation regulating bouncers, it did not move in the House, and wine corkage legislation failed to gain transaction again as well.*

*The effective date of legislation that doesn’t contain an emergency clause or a delayed effective date is July 15, 2024. The following narrative summary is arranged alphabetically by issue and highlights some of the key issues affecting KRA debated during the 2024 legislative session. It includes links to the legislature’s website so you can easily access additional information on specific bills, including the full text of the legislation as introduced.*

**ISSUE INDEX**

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[**Energy & Environment Issues**](#Energy)**;** [**Food Sales & Service Issues**](#Food)**;** [**General Business Issues**](#general)**;** [**Health Insurance Issues**](#Health)**;** [**Labor & Workforce Issues**](#Laborworkforce)**;**

[**Regulatory & Licensure Issues**](#Regulatory)**;** [**Revenue & Taxation Issues**](#Revenue) **and** [**Transportation Issues**](#Transportation)

**Alcoholic Beverage Sales Issues:**

**Quota Retail Package Licenses Delivery Requirements**: Rep. Killian Timoney (R-Lexington) agreed to introduced [**HB 455**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb455/orig_bill.pdf) to address the fact that cities such as Lexington were out of quota retail package licenses, meaning that there could be no new wine and spirits licenses.

For communities with a population of 100,000 or more, **House Bill 455** increased the retail quota package license parameters from one license to every 2,300 residents to one license for every 2,000 residents. As more non-traditional retailers and restaurants were granted quota retail package licenses, fewer licenses were available in some communities. It also allows cities and counties of any size, except Louisville, to request an increase in the number of quota retail package licenses, based on certain economic development factors, and the ABC would have to approve the request and promulgate a regulation. The bill passed the House Licensing & Occupations committee and moved to the House floor.

Before the House floor vote, the bill was referred back to the House Licensing & Occupations Committee to combine it with the vintage spirits legislation, [**HB 439**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb439/bill.pdf). It also included language to allow marinas in dry precincts to have wet-dry votes to allow them to sell alcohol by the drink and alcohol by the package. **House Bill 439** passed the House and was assigned to the Senate Licensing & Occupations Committee. In the Senate the bill was amended to eliminate the marinas local option election and the bill passed the Senate and concurred on by the House and the governor signed the legislation. The bill contained an emergency clause and is therefore in effect.

**Vintage Spirits**: Kentucky is one of the only states that allows for the sale of vintage spirits, those dusty bottles or products that are unavailable from the wholesaler. Last year, the ABC seized vintage spirits from multiple locations, charging the licensees with violating the vintage spirits’ law. House Licensing & Occupations Committee Chair Matt Koch (R-Paris) introduced [**HB 439**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb439/bill.pdf) to require retailers and restaurants purchasing vintage spirits from private sellers to obtain vintage spirits license, that can be acquired at the cost of $300 annually. Additionally, licensees can only purchase 24 bottles from a single seller over a 12-month period. Licensees also must share and report seller information to the ABC. The bill was amended in the House Licensing & Occupations Committee to include legislation addressing quota retail package licenses and alcohol delivery requirements. It passed the House and was referred to the Senate Licensing Occupations Committee and sent to the Senate floor for a vote where it was passed and later was signed by the governor. Because the bill contained an emergency clause meaning it is in effect now.

**Bouncers:** [**House Bill 165**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb165/orig_bill.pdf)**,** sponsored by House Health Services Committee Chairwoman Kim Moser (R-Taylor Mill), would have required all bouncers to receive STAR server training bouncer certification prior to employment as a bouncer, including de-escalation techniques. The Department of Alcoholic Beverage Control would have been responsible for creating the bouncer incident log. It would have also prohibited bouncers from drinking while working and require those bars employing bouncers to establish hiring requirements prior to hiring. Any licensee in violation of the law could lose their license. The bill was never assigned to a committee.

**Insurance requirements for by-the-drink licensees:** [**Senate Bill 123**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb123/orig_bill.pdf)**,** sponsored by Sen. David Yates (R-Louisville), would have required retail-by-the-drink license holders to obtain liquor liability insurance of $250,000 for injury or death of one person and $500,000 for injury or death of more than one person. The bill was assigned to the Senate Licensing & Occupations Committee, but it never received a committee hearing.

**Wine corkage:** Sen. Robin Webb (R-Grayson) once again introduced wine corkage legislation to allow restaurants to give customers permission to bring their own wine into the restaurant. It would also allow the restaurant to charge a corkage fee ([**SB 68**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb68/orig_bill.pdf)). It was assigned to the Senate Licensing & Occupations Committee.

**Alcoholic beverage sales to minors**: [**House Bill 132**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb132/orig_bill.pdf)**,** sponsored by Rep. Shawn McPherson (R-Scottsville), would create a misdemeanor for anyone who aides or assists in the purchase of alcohol for minors. It also would have increased civil penalties for the sale of alcohol to minors. The bill was never referred to a jurisdictional committee for a hearing, but it arises out of a case where two underage students were sold alcohol and subsequently died in a car accident as result of overconsumption.

**Marinas Wet/dry Vote**: An amendment was filed to [**HB 712**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb712/bill.pdf)that was adopted allowing precincts containing a marina to have a local option election for the sale of malt beverages by the package or for marinas with restaurants alcohol-by-the drink sales. The bill did successfully pass both chambers and the governor signed the bill.

**Self-distribution craft distillers:** Sen. Stephen West (R-Paris) introduced [**SB 50**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb50/bill.pdf) to allow craft distillers, those distillers producing 50,000 gallons or less, to self-distribute to retailers and restaurants of up to 5,000 gallons annually. Craft brewers and small farm wineries already have limited self-distribution, with the goal of getting new to market small-batch products on retail and restaurant shelves. The bill passed both chambers and was signed by the governor.

**Consumer Protection Issues:**

**Comprehensive Consumer Data Privacy:** For several years, Sen. Whitney Westerfield (R-Fruit Hill) has pushed comprehensive data privacy legislation, including last session when his bill opposed by businesses passed the Senate. Westerfield once again filed [**SB 15**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb15/orig_bill.pdf) in 2024 that would have created comprehensive data privacy legislation which included definitions of targeted advertising and tracking, confusing two terms that businesses would have difficulty deciphering. It did not include a private right of action as in previous sessions, but for retailers’ loyalty card programs, language would have hampered their ability to offer these programs. The bill never received a committee hearing and died as the 2024 session ended.

In the House, Economic Development Committee Chair Josh Branscum (R-Russell Springs) filed [**HB 15**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb15/bill.pdf), comprehensive data privacy legislation that aligns with Virginia and other states that businesses and data privacy advocates came together to reach a compromise. **House Bill 15** easily passed the House and the Senate, with Westerfield filing technical amendments to correct a couple of errors. The governor signed the bill.

**House Bill 15** takes effect Jan. 1, 2026. As enacted, it will establish certain rights of consumers to manage their personal data with the businesses they choose to engage with. It also establishes requirements for businesses in control of consumer data and actions that businesses must take to protect consumers’ data. The consumer rights include: right to confirm if the business is processing consumer data; to request a business provide copies of all the consumer’s personal data; right to request data be deleted; right of data portability; right to correct personal data; right to opt-out of targeted advertising; and the sale of personal data. Businesses are required to respond to consumer data requests in prescribed timeframes; provide notice of consumer rights that is accessible, clear and meaningful; conduct data protection impact assessments‘ provide copies of data to consumers free of charge; establish an appeals process for consumers to appeal a business decision not to provide consumer data; Data processors have responsibilities as well, specifically, assisting the consumer-facing business with complying with the law. The attorney general’s office is responsible for enforcement of the legislation, and the legislature appropriated $1 million to assist in its implementation.

**Biometric data**: Two companion bills on biometric data would have modeled the problematic Illinois legislation requiring businesses collecting biometric data to inform customers they are collecting such data, prohibit the biometric data disclosure without permission, and the bill would have created private rights of action, but neither of these measures advanced. **House Bill 15**, the comprehensive data privacy legislation, includes restrictions on biometric data, but it is not the problematic Illinois legislation ([**SB 180**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb180/orig_bill.pdf); [**HB 201**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb201/orig_bill.pdf)).

**Artificial Intelligence Task Force:** [**House Concurrent Resolution 38**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hcr38/bill.pdf) would have required the creation of an Artificial Intelligence Task Force to give legislators the opportunity to conduct a comprehensive review of existing artificial intelligence uses by businesses. The resolution passed the House, but it failed to receive a committee hearing in the Senate. It is possible that House and Senate leadership could agree to create such a task force over the interim.

**Credit & Collection Issues:**

**Blockchain Digital Assets:** Legislation proposed to regulate blockchain digital assets, [**HB 741**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb741/bill.pdf), would establish some parameters and regulations on digital assets and blockchain technologies. It would allow businesses to be able to accept digital currencies such as bitcoin. The bill passed the House, but it was not taken up in the Senate.

**Acceptance of Cash Payments:** Sen. Adrienne Southworth (R-Lawrenceburg) filed [**SB 306**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb306/orig_bill.pdf) that would have required retailers to accept cash, and prohibit retailers from requiring customers to only use credit or debit cards. The bill was referred to the Senate Economic Development Committee, but it failed because it never received a committee hearing and vote.

**Small Claims Court**: [**House Bill 353**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb353/orig_bill.pdf) would have increased the jurisdictional threshold of the small claims court from $2,5000 to $5,000 claims and counterclaims. It was referred to the House Judiciary Committee, but it never received a committee hearing.

**Environmental social and governance**: [**House Bill 474**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb474/orig_bill.pdf)**,** sponsored by Rep. Scott Sharp (R-Ashland), would have required investment advisors and brokers to disclose if investment criteria includes environmental, social and governance (ESG) criteria. Conservative legislators have been pushing back against private businesses’ decision to invest in companies that discriminate against energy sources such as coal that was once rich in Kentucky.

**Criminal Justice & Loss Prevention:**

**Organized Retail Crime:** Addressing organized retail crime is a KRF legislative priority in order to address organized retail theft. The goals were to pass funding for an organized retail crime task force within the attorney general’s office to encourage coordination with retail asset protection departments, law enforcement and prosecutors to prosecute crimes. Unfortunately, the General Assembly did not fund the task force at this time, but the Federation will continue to work with the attorney general on the issue and to encourage coordination.

While the legislature did not fund the task force, they did propose and adopt legislation to help with the prosecution of organized retail crime. [**House Bill 5**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb5/bill.pdf)**,** the omnibus anti-crime bill commonly referred to as the Kentucky SAFER Act, included two provisions that were a priority for KRF. One provision extends the aggregation period – the amount of time that a series of the theft crimes can be combined into one charge to reach a felony – from three months to 12 months. Additionally, thefts that occur in multiple counties can be aggregated and prosecuted across multiple jurisdictions.

**House Bill 5** was a priority of the House Republicans, and passed the House after a long debate. The bill moved to the Senate where the contentious debate continued. The Senate filed a Committee Substitute that included a clarification that for multi-jurisdiction prosecutions a defendant can only be tried for any singular theft crime once. The Senate floor debate was contentious as well, but in the end, it did pass the Senate. The governor vetoed it, but the General Assembly overrode the veto, and it will become law.[**SB 48**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb48/bill.pdf)

**Automatic Expungement:** There were three bills introduced to mandate an automatic expungement of crimes process within the Administrative Office of Courts (AOC) to implement automatic expungement eligible crimes, but none of these measures advanced. Sen. Brandon Storm (R-London) sponsored [**SB 218**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb218/orig_bill.pdf) to create an automatic expungement process and also require criminal background check providers to delete any criminal records they may discover or hold in records they maintain for private businesses, and if they don’t comply, they could be subject to a private right of action. A companion bill in the House [**HB 569**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb569/orig_bill.pdf),sponsored by Rep. Kevin Bratcher (R-Louisville), also failed to get a committee vote, and a Senate Democrat-sponsored automatic expungement legislation ([**SB 96**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb96/orig_bill.pdf)) failed to receive a committee hearing, even though criminal justice reform advocates pushed hard for the legislation.

**Development and Growth Issues:**

**Local Zoning Rule Conformity:** [**House Bill 443**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb443/bill.pdf)requires local planning and zoning rules be applied uniformly and is now law after Gov. Beshear signed it. The legislation would allow exceptions if a developer applies for a deviation of the rules and it is determined the exemption would be in the best interest of public health and safety. For example, a planning and zoning board could not require lighting and signage requirements for one retailer that they don’t require for another. House Majority Floor Leader Stephen Rudy (R-Paducah) sponsored the bill, which he said establishes and keeps local control over building plans, but ensures builders know the rules before they begin construction. The bill will take effect July 1, 2025.

**Energy & Environment Issues:**

**PFAS Beginning To Get Attention Of Lawmakers:** For several years, legislation addressing the presence of perfluoralkyl and polyfluoralkyl substances (PFAs) in Kentucky’s waters was ignored. Not so this past session. In the budget bill, [**House Bill 6**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb6/bill.pdf), more than $1 million in FY 2024-25 and FY 2025-26 was appropriated to support additional personnel and operating costs for analysis of PFAs. Additionally, [**Senate Joint Resolution 149**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sjr149/bill.pdf), sponsored by Sen. Brandon Smith (R-Hazard) and signed by the governor, directs the Energy and Environment Cabinet to develop guidance on PFAs for entities that directly discharge into Kentucky waterways. The resolution is a manufacturing and chemical industry supported resolution.

**Food Sales & Service Issues:**

**Drones and commercial food production**: Animal cruelty organizations have been raising concerns about commercial animal food production facilities. [**Senate Bill 16**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb16/bill.pdf)**,** sponsored by Sen. John Schickel (R-Union), designates commercial food production facilities as critical infrastructure and prohibiting the flying of drones and recording of animal production facilities. It makes a person who does use a drone without permission, and who records and distributes recordings guilty of trespassing. The bill passed the Senate after changes to the legislation to make it a part of other critical infrastructure assets that are protected from drones’ flights. An amendment was adopted to allow utilities to be exempt from the requirements. The bill passed the Senate 30-6 and the House voted 72-25 to adopt the legislation. Beshear vetoed **SB 16**, but the legislature to override the veto and the bill will become law.

**Delivery Service Insurance Requirements:** [**House Bill 280**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb280/bill.pdf) establishes insurance requirements for delivery network companies (DNCs). It requires DNC companies to provide insurance for delivery drivers while the driver is driving for the DNC and while they are available to accept applications. The bill applies to policies issued or renewed on or after Jan. 1, 2025. The bill was signed by the governor.

**Food Safety Legislation**: There were several bills filed that would impact food safety or food production in the Commonwealth. This includes [**HB 597**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb597/orig_bill.pdf) on cultivated meat as it would prohibit the manufacturing, distribution, or selling of any meat or food product from cultured animal cells, and any violation would be subject to disciplinary action by the Cabinet for Health & Family Services. The bill did not advance in the 2024 legislative session.

Another measure, [**HB 229**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb229/orig_bill.pdf), would address genetically modified foods that would have required labeling of genetically modified food (GMO) products. It would have also required a manufacturer, distributor, or seller of GMOs to respond to a request from any resident of this state to provide any information related to ways an individual may be exposed to the product or its components. Finally, it would have required any entity selling the product to obtain informed consent from all individuals who could be exposed GMOs prior to exposure. The Republican-sponsored bill did not advance.

Two bills were filed that would exempt farmers selling poultry products to consumers at farmers markets, roadside, or on the farmer itself from federal food safety requirements for processing poultry. Neither of the bills advanced, but this is not the first session that these measures have been introduced ([**SB 156**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb156/orig_bill.pdf) and [**HB 242**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb242/orig_bill.pdf)).

[**House Bill 16**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb16/orig_bill.pdf) would have moved the milk safety branch from the Cabinet for Health and Family Services to the Department of Agriculture, but it was never considered for a vote by the legislature.

**General Business Issues:**

**Uniform Commercial Code:** [**Senate Bill 155**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb155/bill.pdf), sponsored by Senate Judiciary Chair Whitney Westerfield (R-Crofton), is the annual uniform commercial code changes that were not adopted last year after legislators raised concerns about provisions of the legislation that allows banks to collateralize digital currency and adopts parameters for accepting digital currency payments. But this year, the legislation was finally adopted after those concerns were discussed and addressed. Kentucky is a member of the uniform law commission. A provision was added to the legislation stating that nothing in this measure adopts or requires the adoption of a national digital currency. The bill was signed by the governor and takes effect Jan. 1, 2025.

**One-Stop Business Portal:** Sen. Shelley Funke Frommeyer (R-Ft. Thomas) filed [**SB 346**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb346/orig_bill.pdf) that would streamline additional business red tape by requiring the Secretary of State to establish a business process by which a person can apply for business permits, professional licensing and other requirements within the one-stop business portal. It would also require the transfer of all technology necessary to implement one-stop business portal to the Secretary of State. The bill died without receiving a committee hearing.

**Consumer Lawsuit Lending:** Sen. Phillp Wheeler (R-Pikeville) filed [**SB 148**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb148/orig_bill.pdf) that would regulate and legitimize consumer lawsuit lending, where a lawsuit plaintiff can receive a loan against future lawsuit receipts in order to pay for everyday expenses. The business community adamantly opposed the legislation, arguing that it would increase litigation costs and delay settling of tort claims. The bill was referred to the Senate Banking & Insurance Committee, where it failed to receive a committee hearing.

**Health Insurance Issues:**

**Cost Defrayal**: An obscure provision of the Affordable Care Act requires states expanding health insurance mandates beyond those adopted in its qualified health benefit plans to pay for the cost of implementing such health insurance mandates. [**House Bill 186**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb186/bill.pdf), sponsored by House Banking & Insurance Committee Chair Michael Meredith (R-Oakland), requires that any new health benefit mandated proposed in legislation have a healthcare cost defrayal statement developed and attached to the legislation. If it applies to state employees plan, a state employees insurance plan statement needs to be developed as well. If a new health benefit mandate is determined to cause a cost defrayal or payment by the state for cost of the insurance benefit, the proposals would not take effect. Health insurers are required to provide any projected costs associated with a health benefit mandate to the Department of Insurance. The Department of Insurance will prepare the statement along with the existing health benefit mandate statement.

**Electronic delivery of health insurance**: [**Senate Bill 194**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb194/bill.pdf), signed by the governor and sponsored by Sen. Julie Raque Adams (R-Louisville), allows health insurance contracted with employers to provide employer-sponsored communicating to beneficiaries by electronic means, so long as the employer agrees to electronic communications on behalf of beneficiaries. The bill easily passed both chambers, it will take effect July 15, 2024.

**Pregnancy and Health Insurance Enrollment:** [**House Bill 10**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb10/bill.pdf), commonly referred to as the ‘Momnibus’ bill was a priority for the House. It passed the House, but when it got to the Senate, floor amendments were filed to the legislation expanding abortion access, leading Senate leadership to let the legislation languish. The bill found new life in [**SB 74**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb74/bill.pdf), legislation relating to child fatalities review. For retailers, it establishes pregnancy as a qualifying event for the purpose of an employee enrolling in the employer-sponsored health insurance program outside of the regular annual enrollment period. Starting Jul. 1, 2025, employers will need to be aware that if an employee becomes pregnant, and they are not enrolled in the employer-sponsored health insurance plan, pregnancy will be a qualifying for enrollment outside of the normal enrollment period. The governor signed the legislation.

**Health Insurance Mandates**: There were two health insurance mandates that were adopted in this legislation session. [**House Bill 115**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb115/bill.pdf) prohibits commercial health insurers from collecting cost sharing for diagnostic mammograms or supplemental exams, which could include an MRI. It would also apply to the state employees plan, including universities and nonprofit hospitals, and takes effect on Jan. 1, 2025.

Another health insurance mandate adopted by the legislators requires commercial health insurers to cover all preventative cancer screenings, test, and procedures. It would require that the Department of Insurance determine if the coverage of cancer detection would expand the list of essential health benefits and apply for a waiver from cost defrayal requirements if required. The cancer detection health insurance coverage applies to health insurance plans issued or renewed on Jan. 1, 2025 ([**HB 52**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb52/bill.pdf)).

**Prior Authorizations:** Health insurers continued to oppose prior authorization reform even though physicians support it, leading to legislation to fail. Prior authorization is the practice where health insurers require a phone call from the prescribing physician explaining the reason for the medication in order to fill the prescription. . Health insurers and PBMs strongly oppose the legislation. House Health Services Chair Kim Moser (R-Taylor Mill) filed [**HB 317**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb317/orig_bill.pdf) that would require health insurers to establish a process to evaluate prescribers’ prior authorization experience and subsequently determine if they should be exempt from prior authorization requirements, which could be reevaluated by the PBM. The bill was referred to the House Banking & Insurance Committee, but it never received a committee hearing. [**Senate Bill 270**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb270/orig_bill.pdf)was its companion legislation in the Senate, but it stayed in the Senate Banking & Insurance Committee until the end of the session. [**House Bill 318**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb318/orig_bill.pdf) was the health insurance industry alternative proposal to **HB 317** and it would have required a health insurer to establish a program for exempting healthcare providers from prior authorizations, but there were no structural requirements of the program, and so healthcare providers opposed it and it did not move in the 2024 session.

**Labor and Workforce Issues:**

**Wage Mandates:** There were a variety of bills filed on wages, many filed by the minority Democrats but only one of the bills was assigned to a committee.

*Local Minimum Wage:* [**House Bill 297**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb297/orig_bill.pdf) would have allowed local governments to establish a minimum wage higher than the state minimum wage. It was not assigned to a committee.

*Living Wage:* [**House Bill 128**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb128/orig_bill.pdf)would have required any employer doing business in Kentucky to pay a “living wage” of at least 130% of the poverty level of the county the employee physically is in for employment. It would have applied to a business receiving state, federal or local grants or incentives, located in an enterprise or opportunity zone, or contracts with any local, state or federal government agency. The bill was not assigned to a committee.

*Minimum wage and Tipped Employees:* As usual, bills were filed to increase the minimum wage in Kentucky. [**Senate Bill 42**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb42/orig_bill.pdf)would have increased the minimum wage to $10 per hour upon effective date the law is implemented, then increase to $11.50 on July 1, 2025; $12.50 on July 1, 2026; $14 on July 1, 2027; and $15 on July 1, 2028. Local governments could enact higher minimum wages than the state rate. Tipped employees that receive more than $30 a month would have been paid no less than the hourly wage rate required by federal minimum wage law. It was assigned to the Senate Appropriations and Revenue Committee where it died.

There were two bills filed in the House to raise the minimum wage too. [**House Bill 417**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb417/orig_bill.pdf)also would have raised the minimum wage; this one raising the minimum wage to $9.50 per hour when the bill would have taken effect; then increasing to $11 on July 1, 2025; $12.50 on July 1, 2026; $14 on July 1, 2027 and $15 an hour on July 1, 2028. This bill was also not assigned to a committee. [**House Bill 797**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb797/orig_bill.pdf) would have increased the minimum wage to $11 an hour in 2024 and then increase annually until minimum wage reaches $17 on July 1, 2028. After that date, all employers would be required to pay a minimum wage based on the CPI of urban U.S. cities. It also would have increased wages for tipped employees to $8 per hour this year then increase it annually until it reaches $17 per hour. It was not assigned to a committee.

*Salary Disclosure*: [**House Bill 539**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb539/orig_bill.pdf) would have prohibited employers from requiring job applicants to disclose salary history and refusing to hire an applicant if they would not disclose that history. The bill was never assigned to a committee.

**Employment discrimination:** There were several bills filed to address discrimination in the workplace, but of note to members were measures that prohibited discrimination based on weight ([**HB 291**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb291/orig_bill.pdf)), hairstyles historically association with race ([**HB 232**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb232/orig_bill.pdf),[**SB 230**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb230/orig_bill.pdf), [**SB 291**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb291/orig_bill.pdf)), sexual orientation and gender identification ([**SB 134**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb134/orig_bill.pdf) and [**HB 391**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb391/orig_bill.pdf)), but none of these measures passed.:

**Wage Theft:** Once again legislation was filed to make wage theft a crime with a bill that was never assigned to a committee. Wage theft was defined in [**House Bill 284**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb284/orig_bill.pdf) when an employer fails to pay an employee all pay due him, directly or indirectly causes an employee to give a receipt for wages greater than actually paid, demands a rebate or refund from wages owed the employee or make it appear the wages paid were greater than what the employee actually received. In this bill, wage theft of $500-$10,000 would be a Class D felony, or $10,000 or more would be a Class C felony.

**Predictive Scheduling:** [**House Bill 237**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb237/orig_bill.pdf) would have required employers to inform any new employee the number of hours to be worked and notification of an on-call scheduling process. It also required employers to provide a seven-day schedule to employees and be required to post the schedule, including on-call shifts. Workers would be compensated for employer changes to the schedule. The bill was never assigned to a committee.

**“Ban the Box”:** [**House Bill 89**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb89/orig_bill.pdf) would have made it illegal to ask a job applicant to disclose their criminal record or history, including past or pending felony charges, until the applicant had been selected for an interview or a conditional offer of employment is made. The bill was not assigned to a committee.

**Working While Impaired:** Bills were filed to address driving while under the influence. These bills would have provided guidance for employers on how to handle workers who may be under the influence at work, especially operating equipment or driving work vehicles, on substance such as Delta-8, marijuana, and outside cannabis use by employees ([**SB 72**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb72/orig_bill.pdf), [**SB 32**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb32/orig_bill.pdf), [**HB 90**](https://apps.legislature.ky.gov/record/24RS/hb90.html), [**HB 72**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb72/orig_bill.pdf))

**Immunizations:** Even though the COVID pandemic happened four years ago, some lawmakers continue to file legislation to restrict requiring vaccinations, including employers requiring vaccinations of employees. Only one bill gained any sort of traction. [**Senate Bill 295**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb295/bill.pdf)would have prohibited requiring any COVID-19 vaccine for employment, including internships and work-based learning. The bill passed the Senate, but was never assigned to a committee in the House.

**Workforce:** There were a pair of resolutions addressing the continuing workforce issues in the state, especially the low workforce participation rate. However, neither survived the legislative process. [**Senate Joint Resolution 176**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sjr176/bill.pdf)would have established the Workforce Attraction and Retention Task Force to study how the state can attract and retain skilled workers. The Cabinet for Economic Development would have been required to hire a consultant and strategic firm to provide a report to the task force by Nov. 1, 2024, and the task force would submit a report to the appropriate committee by Dec. 1, 2024. It passed the House 95-1 after representatives returned from the veto recess, sending it to the governor, who vetoed the measure stating that this was an unfunded mandate and also that the resolution was unnecessary since the General Assembly had already funded a working group within the Legislative Research Commission to study the issue. In the budget, funding was provided for a talent and workforce attraction campaign within the Economic Development Cabinet. [**House Concurrent Resolution 104**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hcr104/orig_bill.pdf) would have established the Workforce Growth and Solutions Task Force to study the challenges of workforce participation and recommend solutions. It had two readings after passing out of the House Economic and Workforce Investment Committee, but that was as far as it moved.

[**House Concurrent Resolution 79**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hcr79/orig_bill.pdf) would have established the Workforce Innovation Task Force to study current education and workforce development programs to facilitate the training and employment of historic untapped workforce populations in the Commonwealth. Employers across the state are beginning to reach out to these populations, such as veterans and people who have served their time for committing crimes, as ways to fill vacancies. The resolution was posted for passage in March where it sat until the end of the session.

**Statute of Limitations on Wage-and-Hour Violations:** [**House Bill 320**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb320/bill.pdf)**,** which changes the statute of limitations on wage-and-hour violations against employers and worker protections laws, became law without the governor’s signature. **House Bill 320** changes the statute of limitations to three years of wage and hour violations, willful violations, and civil rights and actions against an employer for wrongful discharge. Under current state law, claims against employers for wage-and-hour violations and willful discharge fall under the five-year statute of limitations.

**Paid Leave Insurance Benefit:** Insurers can now offer a paid leave benefit product to employers to purchase if they choose. [**House Bill 179**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb179/bill.pdf) allows voluntary paid family leave to be offered as an insurance product. Companies could choose to purchase this insurance to benefit their employees. Paid family leave insurance would provide a temporary wage replacement for workers who need to take leave to provide care to a sick family member; take time off after a child’s birth, adoption, or placement for foster care; care for a family member in the military or a first responder who was injured in the line of duty; or for other reasons as outlined in the employer’s benefit plan. The employer’s plan would also determine the length of paid leave benefits.

**Childcare Assistance Program:** Changes were made to the Employee Childcare Assistance Program, which passed last year and put in place funds that if employers help employees with child care costs, the state would match those contributions. [**House Bill 561**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb561/bill.pdf)requires that if an employee and a childcare facility severe a relationship, that must be reported to the employer within three days. Any reimbursements to the employer or the state must be returned by the childcare provider within five days of receiving payments. It also requires the Cabinet for Economic Development and Education & Workforce to promote the program, which was touted as a way to help employees with rising child care costs so that they can remain in the workforce. **House Bill 561** was signed into law by the governor.

**Portable benefits:** [**House Bill 465**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb465/bill.pdf) would have allowed employers to offer portable employee benefits to independent contractors, including health, unemployment, disability, life insurance and retirement, and those benefits could move between employers. The bill was touted as a way to offer benefits to contract employees, however, there was concern that employers would offer these portable benefits and classify those workers as contractors instead of employees. A Senate floor amendment was adopted to prohibit classifying workers based on contributions being made to a portable benefit plan. The bill passed the House, but lawmakers never concurred with the Senate floor amendment.

**Employment of minors:** [**House Bill 255**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb255/bill.pdf) would ensure Kentucky’s Department of Workplace Standards could not file regulations on child labor that would be more stringent than federal rules. The bill was touted as expanding opportunities for 16 and 17-year-olds to gain valuable experience in the workplace, but critics feared that minors would end up working in dangerous jobs. The bill did stipulate that minors would be prohibited from working certain jobs in alignment with Occupational Safety and Health Administration (OSHA) rules. After passing the House, the bill passed out of the Senate Economic Development, Tourism and Labor Committee, but some Republicans voted against the bill. Floor amendments were filed to further specify what jobs minors would be prohibited from working, then Sen. Jason Howell (R-Murray) gutted the bill and added language to provide funding for continuing recovery efforts in western Kentucky from the tornadoes that ravaged the region. House members then tacked **HB 255** language to SB 369 which is the executive branch reorganization bill. However, the House never took a final vote on SB 369.

**Wage and Hour:** A bill that defined when employees would get paid for commuting, when they can take breaks, and who is exempt from some labor rules did not pass. [**House Bill 500**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/HB500/HCS1.pdf)was proposed as bringing Kentucky’s law more in line with federal law, stating that employees who commute to their job would not be required to be paid, but if they come to their workplace, clock in and get their company vehicle they would then be paid as they go from job to job. It was also touted as protecting people who are told to work during their lunch break. However, critics of the bill said they were not sure it would ensure workers get paid as they go from job to job, like HVAC workers who drive a company truck home. The bill passed out of the Small Business and Information Technology Committee, but was reassigned to the Appropriations and Revenue Committee where it died.

**Workplace violence:** Gov. Beshear signed [**House Bill 194**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb194/bill.pdf)that in its original form would have made assaulting a healthcare worker in a hospital a third-degree assault crime. Current law is limited to emergency rooms within hospitals. Rep. Steve Riley (R-Glasgow) filed a floor amendment that was adopted by the House to extend those privileges to anyone in a doctor’s office, long term care facility, dental office, or health clinics.

Other bills on workplace violence were not as lucky. [**House Bill 739**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb739/orig_bill.pdf) established a process that an employer could request a protection order on behalf of an employee for workplace safety issues, including domestic violence. The bill passed out of the Economic Development and Workforce Investment Committee, but was recommitted to Appropriations and Revenue where it languished. [**House Bill 824**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb824/orig_bill.pdf)required employers to grant leave or a reduced schedule, with notice, to an employee seeking law enforcement, legal or medical assistance due to domestic violence. It also prohibited an employer from retaliating against or refusing to hire an employee because of domestic violence, and created a civil cause of action if that occurred. The bill was never assigned to a committee.

**Expungement:** Bills were filed to aid in expunging records, with supporters saying this is a way to help those who have served time find jobs which would help employers fill vacancies and help those needing a job stay out of legal trouble. However, none of the bills were able to get out of committee. [**Senate Bill 218**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb218/orig_bill.pdf) and [**House Bill 569**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb569/orig_bill.pdf) also would have required the Administrative Office of Courts to automatically review non-violent felonies and expunge felony convictions five years or older with no more criminal infractions. It did give county and commonwealth attorneys the right to object.

**Unemployment Insurance benefits:** [**Senate Bill 140**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb140/bill.pdf)was signed into law and is in effect because it contains an emergency clause. It requires the Secretary of Education and Workforce to forgive any and all COVID-19 pandemic-related overpayment of benefits. The current law gives those who received unemployment payments 30 days to request forgiveness of overpayment, and the Secretary had discretion whether or not to approve the request.

**Workers Compensation:** A process was established to calculate benefits of injured workers who were previously receiving unemployment benefits under [**House Bill 401**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb401/bill.pdf), which was signed into law. In short, if a person was receiving unemployment benefits, then took a job and was injured, their unemployment benefits earned previously would be added to their wages earned during the 13-week period, then divided by 13, the average weekly wage shall be the most favorable to the employee. It also expanded the definition of physician in determining benefits.

**Employment leave:** There were a plethora of bills filed governing or expanding employee leave, but they either died in committee or were not assigned to a committee. Most were filed by Democrats, meaning they had little chance of survival with a Republican supermajority. These measures required leave be provided for crime victims ([**HB 362**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb362/orig_bill.pdf). [**HB 540**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb540/orig_bill.pdf)), bereavement leave ([**HB 537**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb537/orig_bill.pdf)), unpaid family leave ([**HB 195**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb195/orig_bill.pdf)), paid sick leave ([**HB 196**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb196/orig_bill.pdf)), and domestic violence ([**HB 824**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb824/orig_bill.pdf)).

**Regulatory and Licensure Issues:**

**Regulation of Kratom:** Another bill that finally became law in 2024 targeted the sale of Kratom. **House Bill 293** prohibits a retailer from selling Kratom to anyone under the age of 21. It would also require Kratom products to be manufactured as unadulterated products, and all products would be required to be labeled with ingredients. The Department of Public Health within the Cabinet for Health & Family Services would be responsible for enforcement. It does establish a civil penalty of $500 for the first violation and $1,000 for the second violation. The House agreed to a Senate change that if the federal government ever does regulate Kratom, the federal law shall supersede the state law.

**Assistance animals:** After falling short of becoming law for several years, the misrepresentation of an assistance animal finally became law after Gov. Beshear signed [**HB 335**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb335/bill.pdf). The law defines what is an assistance dog.. A business would be allowed to ask if the dog is for assistance, what tasks they can perform and maintain a no-pets policy unless the animal is for assistance. If it is determined the assistance dog would cause harm to others, a business could refuse admittance of the dog. The animal handler would be liable for any damages caused by the animal. Misrepresentation of an assistance dog is now punishable up to a $1,000 fine.

**Law fighting human trafficking gets an update:** Kentucky’s human trafficking legislation passed in 2020 is now in line with federal law. [**House Bill 3**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb3/bill.pdf) would still require various entities such as hotels and truck stops to post signs or window clings of a certain size containing contact information for assistance for victims of human trafficking. It also establishes penalties on these businesses for noncompliance, which would be a warning for the first violation and $50 for the second and subsequent violations. Each day of noncompliance would be a separate offense. The proceeds would benefit the new human trafficking fund within the Attorney General’s office which will now house the Human Trafficking Task Force within the Attorney General’s office.

**Adult-oriented business:** Rep. Nancy Tate (R-Brandenburg) and Sen. Lindsey Tichenor (R-Smithfield) both filed bills regulating adult-oriented businesses, but for a second straight session, no legislation became law regulating adult oriented businesses. In 2023, a Senate bill specifically targeted drag shows; but this year, the lawmakers used language to include strip clubs, adult bookstores, adult theatres and any restaurant bar or other commercial business that consistently hosts material or entertainment that would be harmful to minors. [**House Bill 402**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb402/orig_bill.pdf)never was assigned to a committee as they focused instead on [**SB 147**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb147/bill.pdf). The Senate version passed out of that chamber, prohibiting these businesses from locating within 933 feet of an educational setting, childcare setting, or park. The bill passed the Senate 32-6 with two floor amendments – one removed the requirement that existing businesses located within 933 feet of parks, schools or childcare settings move locations within five years. Another removed the word drag from the definition of adult cabaret, but kept the description of drag performances. It moved out of its assigned House committee, but the bill got mired down with House floor amendments that effectively killed its chances from passing. The first floor amendment, filed by Rep. Nancy Tate (R-Brandenburg), amended the definition of adult cabaret and adult-oriented business to the Senate-adopted definition of adult cabaret and adult-only businesses from “predominantly conducting nudity” to regularly conducting nudity.” This change, if it had been adopted, would likely encompass more restaurants who occasionally host drag shows. Another floor amendment filed by Rep. Rachel Roberts (D-Newport) would have deleted the reference to cabaret performances that contain an exaggerated gender performance.

**One-stop business portal:** The Secretary of State would have been required to implement a one-stop business portal that people could use to apply for business permits, professional licensing and other requirements. [**Senate Bill 346**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb346/orig_bill.pdf)would have required the portal to be open to the public by Jan. 1, 2026, and included universal industry codes to match businesses with the appropriate regulatory agencies. It died in the Senate State and Local Government Committee.

**Governor’s emergency powers:** Lawmakers continue to file bills to limit the governor’s emergency powers. [**Senate Bill 133**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb133/orig_bill.pdf) would have restricted and even eliminated the governor’s authority during a declared emergency, including the ability to declare an emergency. It would have limited the powers of the Division of Emergency Management and prohibited the director from promulgating administrative regulations as well. The bill died in the Senate State and Local Government Committee.

**Revenue & Taxation Issues:**

**Local Tax Constitutional Amendment**: Once again, the Kentucky House prioritized [**HB 14**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb14/orig_bill.pdf)**,** a proposed constitutional amendment giving the legislature the ability to give local governments the authority to levy “any tax not in conflict with the Constitution.” What the language of the proposed constitutional amendment did not explain is that the amendment itself eliminates any constitutional restrictions on local taxes, meaning that the General Assembly could authorize any local tax they could imagine. Fortunately, while the legislation did receive some procedural advancements, it did not receive a committee vote and died as a result.

[**House Bill 724**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb724/orig_bill.pdf) was a companion to **HB 14**, in that it would have prohibited any local government from immediately enacting a local sales tax if the constitutional amendment had passed. Instead, it required the General Assembly to pass laws to give local governments such authority. This is a protection from overzealous local governments who may have tried to enact local sales taxes immediately after the passage of the constitutional amendment. Regardless, neither of the measures passed.

**Revenue Bills**: When the General Assembly adopts its biennial budget, it does so in conjunction with a revenue bill, which makes changes to tax laws some of which impact retailers ([**HB 8**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb8/bill.pdf)). The first tax change in **HB 8** extends the Petroleum Storage Tank Funds used for corrective action for leaky petroleum storage tanks until 2031.

Additionally, the General Assembly is requiring additional transparency from the Department of Revenue (DOR) to legislators and to taxpayers. The department will be required to submit an annual report to the Interim Joint Committee on Appropriations & Revenue describing tax changes and how the department is implementing them. It will also require DOR to publish all its administrative writings on its official website for taxpayers to access. Finally, the General Assembly will review tax expenditures, tax credits and tax exemptions, to see if they should be allowed to sunset or if they should continue.

**House Bill 8** also removes non-plug-in hybrids from the definition of an electric vehicle, meaning non plug-in hybrid vehicles owners will no longer be required to pay the ownership fee. The bill also exempts currency and bullion from the state sales tax, but the definition of currency and bullion does not include gold jewelry that could be melted down to gold bars. Data centers locating in Kentucky will receive sales tax exemptions on equipment they purchase for the data center and other tax incentives to encourage the location of such entities to Kentucky.

The final version of the legislation included an extension of the tax amnesty program for delinquent taxpayers through 2024. Those taxpayers participating in tax amnesty will not be required to pay interest and penalties. Beshear did veto portions of the revenue bill, but the General Assembly quickly overrode the vetoes. While the bill was enacted on April 12, the legislature still had additional changes.

To address additional revenue changes the House amended [**HB 122**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb122/bill.pdf). The change relevant to retailers is that they exempted 20-kilowatt electric vehicle charging stations from the requirement to collect and remit the three-cent per kilowatt hour charging tax and made it retroactive to the Jan. 1, 2024, when the electric vehicle charging tax went into effect.

**Department of Revenue Publications**: Rep. Patrick Flannery (R-Olive Hill) filed [**HB 122**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb122/orig_bill.pdf), that as originally introduced would have required the Department of Revenue to publish all administrative writings of the department, including technical advisory memos, rulings, presentations, general correspondence, final private letter rulings, and training materials and manuals. The provisions of [**HB 122**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb122/orig_bill.pdf)were included in [**HB 8**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb8/bill.pdf). The law now requires that these materials be published promptly by the department on its public website, but no later than 120 days after the documents were published.

**Local Property Recall Petitions**: Two bills addressing local recall petitions for property tax rates became law without the governor’s signature and another failed to receive a committee vote. When a local government levies a property tax that generates a 4% revenue increase or more, voters can create a petition to request the increase go on the ballot for a recall vote. [**House Bill 147**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb147/bill.pdf),sponsored by Rep. Ken Fleming (R-Louisville), passed, and it requires that the local government place the recall vote on the next regular election ballot and require the question on the ballot to voters clearly indicate they are voting to increase property taxes. The impetus for the bill was that Jefferson County Public Schools did a big property tax increase and the question used was unclear to some voters. In addition, [**SB 58**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb58/bill.pdf), sponsored by Sen. Gary Boswell (R-Owensboro), expands the local recall property tax petition process for all districts to match what Louisville is doing, which requires 5,000 or 10 percent of voter signatures on a petition to make the recall of the property tax go on the ballot. Finally, [**SB 69**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb69/orig_bill.pdf) failed to move, but it would have reformed the property tax recall petition process to allow a simple majority of voters to recall a property tax, establish question standards, disallow local, state, and federal tax dollars to be used to advocate for the rate, and require voters be notified about the ballot question.

**Property tax exemptions**: Two measures would have given motor vehicle owners a break on property taxes that apply to cars, but neither measure advanced. [**House Bill 150**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb150/orig_bill.pdf) would have exempted all motor vehicles from state and local property taxes, and [**HB 590**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb590/orig_bill.pdf) would have given motor vehicle owners whose used car values had spiked a refund.

[**House Bill 59**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb59/orig_bill.pdf) was a proposed constitutional amendment to ask voters if they support giving the General Assembly the ability to eliminate property taxes on all property or only on certain classes of property, but the bill did not advance.

**Tax Credits**: There were several tax credit bills filed in the legislature, but few were adopted. One that was introduced by the House Economic Development Committee Chair Josh Branscum (R-Russell Springs) was [**HB 667**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb667/orig_bill.pdf)that would have created a work opportunity nonrefundable tax credit, similar to the federal work opportunity tax credit. An employer could receive an income tax credit of up to $500 per employee for hiring an unemployed military veteran, disconnected youth, felons, SNAP beneficiaries, or a longtime public assistance beneficiary. The bill was referred to the House Appropriations & Revenue Committee, but it did not receive a hearing.

Another proposed tax credit was on sustainable jet fuel. [**Senate Bill 313**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb313/orig_bill.pdf),sponsored by Sen. Shelley Funke Frommeyer (R-Fort Thomas), would have created a nonrefundable sustainable jet fuel income tax credit. The tax would be recalculated for every $2.50 of sustainable jet fuel consumed, and a cap of $10 million statewide would be placed on the tax credit. It was referred to the Senate Appropriations & Revenue Committee and did not receive a hearing.

Additionally, there were bills introduced to incentivize families and children, including [**HB 380**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb380/orig_bill.pdf) that would have created a child tax credit of up to 20% of the federal child tax credit, but the bill did not advance. Also, [**SB 12**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb12/orig_bill.pdf) would have a created a child tax credit of up to $1,000 per child for single families making $50,000 or less, but like the others, it did not even receive a committee hearing.

**Tax Rebates for State Venues:** [**Senate Bill 363**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb363/orig_bill.pdf) would have allowed state venues in Louisville hosting multi-day concerts with certain attendance levels to receive a sales tax rebate in the amount collected at the event to be used for the state facilities hosting the event, but it was never considered by the legislature and it died. This is not the first attempt to allow state venues including state parks to keep and collect that sales tax.

**Income Tax**: The General Assembly did not meet the automatic revenue triggers for lowering the personal income tax, but they certainly left a significant amount of revenue in the rainy day fund to try and reach those triggers in the next budget cycle. Other income tax bills were filed including a democratic proposal ([**HB 731**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb731/orig_bill.pdf)) that would set a graduated personal income tax maximizing at 6% for those making $150,000 annually or more, but it did not move in the legislature. [**Senate Bill 129**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/sb129/orig_bill.pdf) would extend the calculation basis for the automatic lowering of the personal income tax beyond the current limit of 2024. Although this measure wasn’t taken up, [**HB 8**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb8/bill.pdf) included a provision that extended the calculation through 2026.

**Special Taxing Districts:** [**House Bill 425**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb425/orig_bill.pdf) would have created a new special taxing district for early learning services that could levy a property tax for the purposes of funding childcare services, but it did not get a vote.

**Sales Tax Exemptions**: There are always several sales tax exemptions filed each legislative session, but this session the sales tax exemptions were focused on mother and baby. There were several proposals that would have exempted diapers, breastfeeding supplies ([**HB 365**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb365/orig_bill.pdf)**,** [**HB 340**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb340/orig_bill.pdf)**,** [**HB 276**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb276/orig_bill.pdf)and [**SB 97**](https://apps.legislature.ky.gov/record/24rs/sb97.html)**)**, and feminine hygiene products ([**HB 64**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb64/orig_bill.pdf)**)** from the sale tax. These were bipartisan issues, but none of them became law. The only new sales tax exemption created was on currency and bullion ([**HB 8**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb8/bill.pdf)**)**, and many child advocates cried foul arguing that diapers and baby supplies are for families and only the rich can afford gold bars.

**Limited Liability Entity Tax**: Since its creation, the limited liability entity tax (LLET) has been a concern for Kentucky businesses, and this year there were two measures introduced to try and lessen the burden of the LLET. [**House Bill 120**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb120/orig_bill.pdf), sponsored by Rep. Patrick Flannery (R-Olive Hill), would have eliminated the LLET for businesses with gross revenues of less than $100,000 and [**House Bill 55**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb55/orig_bill.pdf), sponsored by Rep. Ken Fleming (R-Louisville), would have eliminated the LLET completely. Neither of these measures were considered by the legislature, but the LLET remains a concern for the business community.

**Tax Expenditures:** For a number of years, Rep. Ken Fleming (R-Louisville) has raised concerns about tax expenditures, which are either tax exemptions, tax credits and economic development incentives, and this year was no different as he filed [**HB 58**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb58/orig_bill.pdf). The bill as filed would have created the Tax Incentive and Economic Development Review Board. The board would require agencies to provide reporting on tax expenditures and incentives. This language was adopted in the budget, in part to create a process where the legislature will review a limited number of tax expenditures over the biennium.

**Budget:** In even-numbered years, the legislature is required to adopt a two-year budget and did so, in three parts this session. The state executive branch budget was adopted in [**HB 6**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb6/bill.pdf), and a note for retailers, the General Assembly appropriated funding for the study of PFAS in Kentucky waterways. Originally the language said the funding could be used for the regulation of the PFAs, but the word “regulation” was removed prior to its final passage. The General Assembly did not appropriate funding for an organized retail crime task force as requested by retailers, instead opting to see the voluntary efforts of Attorney General Coleman to bring together all interested parties and determine what is needed to adequately fight retail theft.

[**House Bill 1**](https://apps.legislature.ky.gov/record/24rs/hb1.html) is the projects bill which is the first time the legislature has separated out projects from the state budget. The bill appropriated all one-time monies to agencies to provide clear direction of where the money is going.

**Transportation Issues:**

**Autonomous vehicles:** Autonomous vehicle legislation finally passed after the legislature overrode the governor’s veto. Some Republicans voted against the bill before Beshear vetoed it, but then voted to override the veto and there were just enough votes to push [**House Bill 7**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb7/bill.pdf) out of the chamber and become law. The Senate voted 21-15 and the House 58-40 to override Beshear’s veto.

Sponsor Rep. Josh Bray (R-Mount Vernon) said the framework would ensure AVs comply with safety laws, meets or exceeds federal safety standards, be able to pull itself off the road if an issue prevents it from functioning, and submits a law enforcement interaction plan with the state police and transportation cabinet. Companies are increasingly looking toward autonomous vehicles as a possible solution to the truck driver shortage that continues to worsen.

AV semi-trucks that are a fully autonomous vehicle for which the declared gross weight is more than 62,000 pounds shall be required to have an appropriately credentialed human driver in the vehicle for two years to monitor the automated driving system and intervene if necessary. The bill sets the liability insurance requirements at $1 million.

**Electronic/hybrid vehicle charging stations:** At the very last minute of the session, lawmakers passed a revenue fix on electric vehicle charging stations affecting retailers. [**House Bill 122**](https://apps.legislature.ky.gov/recorddocuments/bill/24RS/hb122/bill.pdf) includes an exemption for Level 1 and Level 2 electric vehicle charging stations from collecting the currently required 3-cent per kilowatt hour vehicle charging tax under current law. The bill exempts electric vehicle charging stations with 20 volts or less from collecting the electric vehicle charging tax. Fast chargers and charging stations with more than 20 volts would still be required to collect the 3 cents per kilowatt hour tax. The governor has signed the legislation, and because it contains an emergency clause, it is now in effect.