

2023 Legislative Outcomes



From the CEO

Kentucky has seen record-breaking investments and continued economic momentum over the past two years and GLI continues to capitalize on this by advocating for innovative, pro-growth policies. Last year GLI helped land 1,427 new jobs and \$953 million in direct economic investment for the Greater Louisville region with no signs of slowing down. Through the advocacy efforts of our dedicated government affairs team, GLI succeeded in passing several key bills to make our region more competitive, introduce new streams of revenue, and set our region up for success for decades to come.

Heading into 2023, GLI's top priority was continuing the momentum from last year's tax reform legislation in reducing and eventually eliminating the state's personal income tax. The General Assembly took quick action to pass House Bill 1, which has already gone into effect and reduced the state's personal income tax to 4.5 percent for 2023 and will further reduce it to four percent beginning January 2024. In addition, GLI successfully advocated for further changes to modernize the state's tax code by implementing measures like state and local tax parity and updating the state's Internal Revenue Code conformity date. While Kentucky's tax structure continues to modernize, more work is needed to provide additional revenue options for local city and county governments. GLI continues to work with local and statewide partners toward local tax reform legislation and we stand ready to push that forward in 2024.

As Greater Louisville strives to better compete with peer regions, we know new streams of revenue are critical. After a multi-year push, GLI successfully advocated for legalized sports wagering. The estimated \$23 million in annual revenue will be used to pay down the state's pension liabilities after covering administrative costs and will keep revenue that was previously going to neighboring states in Kentucky.

While a modernized, competitive tax structure is vital to long-term growth, GLI recognizes that continued economic growth is dependent on many factors. Workforce participation is a pain point for many companies. Even though Louisville's rate is above the national average, critical industries face serious shortages of talent. That's why GLI championed a number of industry-specific workforce bills, as well as broader legislation to address barriers to work. The General Assembly passed a number of workforce bills including legislation to establish the Kentucky Healthcare Workforce Investment fund, funding for recruiting teachers, and legislation to address workforce barriers like those created for workers when they experience a sudden loss of public benefits as a result of an increase in earnings.

GLI also actively worked to block several discriminatory bills filed during the 2023 session. Bills that negatively target LGBTQ+ communities are harmful to the attraction of talent and business to our region. As a community that prides itself on inclusivity and is striving towards equity, GLI publicly took a stand against these harmful bills while also working behind the scenes to lobby against them. Despite the pressure from GLI and other organizations, some of these bills did unfortunately pass.

This is just a snapshot of this year's session and what GLI accomplished for the business community. Thank you to each of our investors who supported our advocacy efforts, participated in a policy committee, contacted your legislators, or attended our Advocacy Day in Frankfort. Your engagement with GLI's advocacy work helps to create opportunities to advance our regional economy and to create a stronger Greater Louisville.



Sarah Davasher-Wisdom
GLI President & CEO

WINS

Benefits Cliff

House Joint Resolution 39 (J. Dixon) directs the Cabinet for Health and Family Services to review public assistance programs and address the benefits cliff in order to increase Kentucky's workforce participation rate. While Louisville's workforce participation rate is above the national average, Kentucky's rate remains one of the lowest in the nation. Easing the sudden and often unexpected decrease in public benefits for working families will provide solutions that encourage them to remain in the workforce and advance their careers and will create a larger talent pool for Kentucky employers.

Bourbon Barrel Tax

House Bill 5 (J. Petrie) phases out the tax on aging barrels of spirits, eliminating the competitive disadvantage that threatened the long-term viability of Kentucky's homegrown bourbon industry. The eventual phase-out of the tax will ensure that Kentucky remains the international home for the bourbon industry and will help to attract new distilleries, jobs, and vital economic investment.

Employer Child Care Assistance Program

House Bill 165 (N. Wilson) improves previously passed legislation for the Employee Child Care Assistance Program, a top GLI priority during the 2022 session, which strengthens support for families and will increase workforce participation. Changes in HB 165 will allow for more comprehensive reporting for future expansion of the program. The program began taking applications on April 1.

Expungement

House Bill 369 (S. Miles) allows for the expungement of juvenile records with multiple related felonies, rather than requiring separate applications for individual offenses. Making the expungement process easier for juvenile offenders enables formerly justice-involved youth to obtain gainful employment and reduce recidivism as adults.

Gray Machine Ban

House Bill 594 (K. Timoney) bans the unregulated gambling devices that have proliferated throughout Kentucky in recent years. These coin-operated machines of chance fall outside of the legal forms of gambling in the state and threatened legal forms of gambling like the Kentucky state lottery and our signature horse racing industry, which both contribute to critical education funding.

Harm Reduction

House Bill 353 (K. Moser) decriminalizes fentanyl testing strips, which were previously classified as drug paraphernalia. Public health officials now regard the testing strips as a harm reduction effort that will ultimately prevent deaths, rather than paraphernalia that contributes to illicit drug use. Fentanyl is the leading cause of overdose deaths in Kentucky and access to testing strips will provide public agencies another tool to address substance abuse and support recovery for individuals.

Healthcare Workforce

House Bill 200 (K. Fleming) establishes the Kentucky Healthcare Workforce Investment fund to remove barriers to careers in the healthcare field and address the industry's workforce shortages. The bill creates partnerships between the state, higher education entities, and employers to enable training and upskilling for healthcare professionals.

"Now more than ever, our community recognizes the importance of a strong healthcare workforce. While all industries are facing staffing shortages, healthcare has been hardest hit. That's why I was proud to work with GLI and other partners to pass legislation that will help efficiently and effectively train the workforce of the future in this critical field. With GLI's help, Congress is now currently pointing to HB 200 as the national model."

Rep. Ken Fleming



Rep. Ken Fleming presents House Bill 200 to the House Appropriations & Revenue Committee.

WINS

Identity Documents

House Bill 21 (R. Bridges) streamlines the process for people experiencing homelessness to receive state identification cards. State IDs are critical for access to vital services and opportunities like housing and employment.

Income Tax Reduction

House Bill 1 (B. Reed) reduces the individual income tax to 4.5 percent beginning January 1, 2023, and to four percent beginning January 1, 2024. This puts the Commonwealth on the path of reducing, and eventually eliminating the individual income tax. HB 1 was a top priority for GLI during this legislative session and positions Kentucky to compete with surrounding states for top talent and businesses.

Internal Revenue Code Conformity

House Bill 360 (J. Petrie) updates Kentucky's internal revenue code conformity date which reduces compliance costs for the many Kentucky businesses that operate in multiple states.

Juvenile Justice

House Bill 3 (K. Bratcher) addresses challenges in the state's juvenile justice system by implementing much-needed changes. The bill provides \$19.9 million in funding to renovate, reopen, and operate the juvenile detention facility in downtown Louisville and to renovate the regional youth detention facility in Lyndon. This will ensure that justice-involved youth remain close to home and have access to resources in our community, including education and mental health services. These resources are critical to ensure a smooth reentry for justice-involved youth and to reduce crime.

KEES Expansion

Senate Bill 54 (J. Carpenter) expands the use of Kentucky Educational Excellence Scholarship (KEES) funds to include qualified proprietary programs and a workforce training solutions program offered by Kentucky Community and Technical College System. This expansion will help more students access training and meaningful employment opportunities with less financial burden and help employers fill openings for in-demand skilled jobs.

Officer Recruitment

House Bill 380 (S. Witten) expands eligibility for law enforcement agencies to hire individuals at the age of 20 for the purpose of sending them to basic training if that person will turn 21 by the completion of their training. HB 380 will aid law enforcement agencies in recruiting qualified individuals and relieve officer shortages that exist in many agencies, including LMPD.



Senate Majority Caucus Chair Julie Raque Adams speaks on the Senate floor.



Representative Keturah Herron asks a question on the House floor.

WINS

Recovery Housing

House Bill 248 (S. Heavrin) creates minimum standards for recovery residences in Kentucky, requiring that each residence support individuals in key areas such as employment training and self-help meetings. These standards will ensure quality recovery facilities for individuals with substance abuse disorders and will bolster workforce development for that population.

Regulatory Sandbox Program

House Bill 264 (P. Pratt) creates a program that allows businesses to apply to have certain regulations waived while introducing innovative products, services, and business models. This bill will make Kentucky more attractive and competitive for new businesses and products by alleviating regulatory burdens.

Sports Betting

House Bill 551 (M. Meredith) authorizes retail and online sports wagering on professional, college, amateur, and international sports events. The regulation and taxation of sports wagering will add an estimated \$23 million in annual revenue and make Kentucky more competitive with surrounding states that have already enacted similar legislation.

"After many years of debate, Kentucky now has a clear path to regulated and legal sports wagering that will generate important revenue for our state. GLI continues to be an integral partner in passing pro-growth policies that set our state up for future success and economic growth and I thank them for their help getting this across the finish line."

Rep. Michael Meredith



Representative Michael Meredith presents House Bill 551 on the House floor.

State and Local Tax (SALT) Parity

House Bill 360 (J. Petrie) clarifies Kentucky's tax code and allows business owners to deduct a greater share of their state and local taxes from federal income tax liability. This can save Kentucky employers an estimated \$40 million annually in reduced federal income taxes.

Teacher Workforce

House Bill 319 (J. Tipton) addresses critical teacher shortages by funding and promoting recruitment efforts, adopting an interstate mobility compact to allow licensed educators in eligible states to obtain equivalent licenses in Kentucky, and expanding the Teacher Scholarship Program. Skilled educators are critical to the overall success of students and these programs will equip the state to attract and retain more candidates.

Unemployment Insurance

House Bill 146 (R. Webber) contains technical fixes and clarifications for the unemployment insurance overhaul passed during the 2022 session. Among the changes is an increase to the minimum duration of unemployment benefits eligibility from 12 to 16 weeks. The changes preserve the original intent of the unemployment insurance reform that passed last year, which was to encourage rapid reemployment and ensure the sustainability of the state's unemployment insurance trust fund.

BLOCKED BY GLI

In every legislative session, lawmakers file legislation that could harm economic growth or workforce development in Greater Louisville. GLI works aggressively to keep these bills from advancing through the legislative process and becoming law. Some of the bills that GLI helped block in 2023 addressed the following issues:

- Legislation that would infringe on an employer's ability to issue health and safety standards in their businesses.
- Data privacy laws that would have been excessively burdensome on businesses operating in Kentucky.
- Legislation that would establish nonrecourse consumer legal funding.
- Legislation that would allow for discrimination of patients in medical settings.
- Changes to taxation for manufacturing that would have weakened Kentucky's largest industry.
- Employer mandates for increased wages and paid leave that would have increased costs for employers.
- Efforts to roll back GLI wins in the past including the reinstatement of prevailing wage.

MISSED OPPORTUNITIES

Capital for Small Businesses and Startups

Senate Bill 109 (C. McDaniel) would have aligned Kentucky with industry standards in exempting private fund advisers from registration. Kentucky remains a national outlier in requiring venture capital and private fund investors to register as Registered Investment Advisors (RIA). This administrative step causes Kentucky to be overlooked by investors who move their dollars to other markets. This legislation would have attracted more investors to Kentucky and is critical to unlocking more early-stage capital for startups and small businesses. The General Assembly passed this legislation but it was vetoed by Governor Beshear.

Expungement Reform

House Bill 588 (K. Moser) and House Bill 417 (D. Grossberg) would have established an automatic process for felony records expungements, removing the barriers to expungement for more justice-involved individuals. These critical workforce bills could increase opportunities for individuals with felony records to access gainful employment and reduce recidivism. Many pro-business states have taken this step.

Kentucky Cyber Security Center

Senate Bill 33 (M. Nemes) would have established the Kentucky Cyber Security program at the University of Louisville, an ecosystem for cybersecurity training, education, support services, and innovation that will work with educational institutions across the state. Building a pipeline for the more than 4,000 unfilled cyber security jobs in Kentucky is a key step in keeping businesses competitive and secure.

"While our advocacy team works hard to pursue pro-business policies, they also have to step in when anti-business policies threaten our region's economic progress. When legislation in the 2023 General Assembly was filed that would disadvantage Kentucky businesses and deter growth and investment in the Greater Louisville region, GLI quickly opened constructive dialogue with impacted stakeholders and legislators. Thanks to our proactive advocacy, we were able to stop some potentially harmful legislation from advancing during the 2023 legislative session. "

Tim Hagerty
Frost Brown Todd
GLI Public Policy
Council Chair



MISSED OPPORTUNITIES

Limited Liability Entity Tax Exemption

House Bill 123 (P. Flannery) would have repealed limited liability entity tax (LLET) for businesses with gross receipts under \$100,000. The LLET is an inefficient revenue source, is time-consuming for businesses to comply with, and is disproportionately costly to small businesses. Kentucky is an outlier in maintaining the LLET, and, while limited in scope, HB 123 would have been a step in the right direction to bring Kentucky in line with other states in repealing LLET to improve business competitiveness.

Persistent Felony Offender Law Reform

Senate Bill 225 (B. Storm) would have reduced mandatory sentence enhancements for certain non-violent offenders. Kentucky's current persistent felony offender laws can lead to longer incarceration times for lower-level offenses and have been found to disproportionately affect minority populations.

School Choice Funding

House Bill 174 (J. Calloway) would have been the first step in amending Kentucky's constitution to allow the General Assembly to fund educational costs for elementary, middle, and high school students outside the public school system, expanding educational choice for families across the Commonwealth.

Taxpayer Transplant Program

House Bill 152 (R. Webber) proposed a state program to attract remote workers using private investment to fund incentives. With a large percentage of the workforce shifting to permanent remote work, Kentucky must capitalize on this trend and implement a program that seeks to recruit this sector to our region.

Workforce Innovation Task Force

House Concurrent Resolution 50 (N. Kulkarni) would have established the Workforce Innovation Task Force to study current education and workforce development programs. This task force would have studied critical information on how to engage and utilize historically untapped workforce populations in the Greater Louisville region more effectively.

"The Greater Louisville business community will certainly benefit from the tireless efforts of the GLI advocacy team during the 2023 General Assembly. From reducing the state's personal income tax to passing historic legislation to legalize sports wagering, GLI continues to work at all levels of government to make our region more competitive and forward-thinking."



Russ Cox
President & CEO
Norton Healthcare
2023 GLI Board Chair



House Majority Whip Jason Nemes asks a question during the House Judiciary Committee.



2023 MOST VALUABLE POLICY MAKERS

GLI recognizes lawmakers from our region who support key legislative priorities of the Greater Louisville business community. The lawmakers below voted in line with GLI priorities 100% of the time. Lawmakers like these are vital to improving our region's business competitiveness. See the next two pages to read more about the voting records of lawmakers from Greater Louisville and legislative leadership.



Senate President Robert Stivers



**Senate Majority Floor Leader
Damon Thayer**



**Senate Majority Caucus Chair
Julie Raque Adams**



**Speaker of the House
David Osborne**



**House Majority Caucus
Chair Suzanne Miles**



Representative Steve Bratcher



Representative Ken Fleming



Representative Samara Heavrin



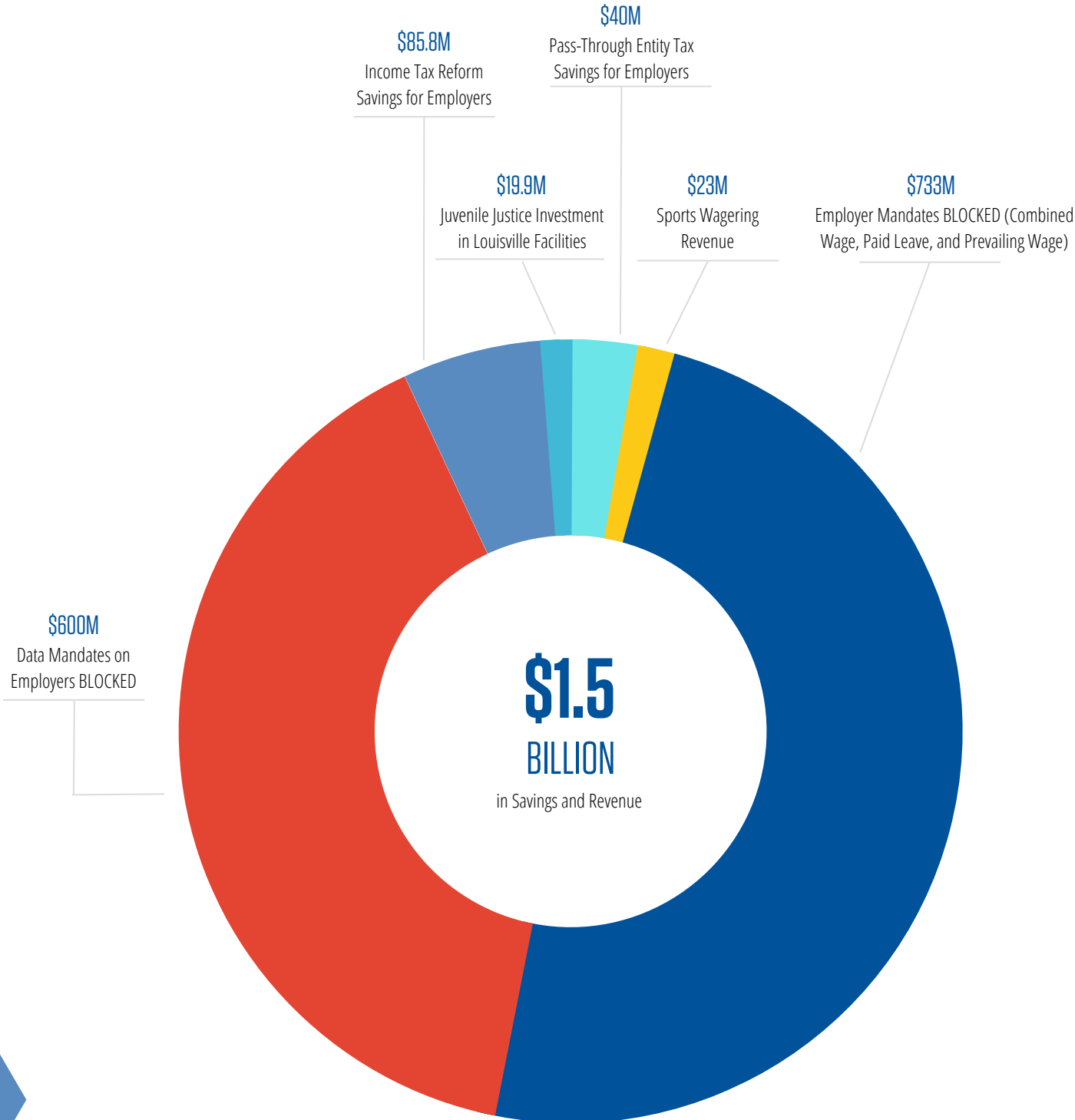
Representative John Hodgson





STATEWIDE ECONOMIC IMPACT

At the end of every legislative session, GLI staff quantifies the impact of select legislation to establish projected estimates of a bill's economic impact on the Greater Louisville region and statewide. All bills supported by GLI have economic impacts, but not all are clearly quantifiable.



LEGISLATIVE SCORECARD

The votes in this record reveal how lawmakers from the Greater Louisville region voted on some of the priority bills that GLI supported during the 2022 General Assembly. The percentages represent how a legislator voted in relation to bills GLI supported in 2023.

Senate Voting Record

Legislator Name	Counties	Support %	HB1 Tax Reform	HB3 Juvenile Justice	HB5 Aging Spirits	HB200 Healthcare Workforce	HB319 Teacher Shortage	HB360 Tax Measures	HB551 Sports Wagering	HB594 Gray Machines	HJR39 Benefits Cliff	SB15 Data Mandates	SB54 KEES Expansion
Maj. Caucus Chair Julie Raque Adams	Jefferson	100.0%	✓	✓	✓	⊖	✓	✓	✓	✓	✓	⊖	⊖
Sen. Cassie Chambers Armstrong	Jefferson	80.0%	⊖	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sen. Karen Berg	Jefferson	80.0%	⊖	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sen. Matthew Deneen	Hardin, Jefferson	81.8%	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓
Pres. Pro Tem David P. Givens	Senate Leadership	81.8%	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓
Sen. Denise Harper Angel	Jefferson	72.7%	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sen. Jimmy Higdon	Nelson, Spencer	77.8%	✓	✓	✗	✓	✓	✓	✗	✓	✓	⊖	⊖
Sen. Stephen Meredith	Meade	72.7%	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓	✓
Min. Floor Leader Gerald A. Neal	Jefferson	72.7%	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sen. Michael J. Nemes	Bullitt, Jefferson	72.7%	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓	✓
Sen. Adrienne Southworth	Henry, Jefferson, Shelby	36.4%	✓	✓	✗	✗	✗	✗	✗	✗	✓	✓	✓
Pres. Robert Stivers	Senate Leadership	100.0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	⊖	✓
Maj. Floor Leader Damon Thayer	Senate Leadership	100.0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓
Min. Caucus Chair Reginald Thomas	Senate Leadership	72.7%	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sen. Lindsey Tichenor	Jefferson, Oldham, Trimble	90.9%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Maj. Whip Mike Wilson	Senate Leadership	81.8%	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓
Min. Whip David Yates	Jefferson	72.7%	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓

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✓ Yes ✗ No ⊖ No Vote

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House Voting Record

Legislator Name	Counties	Support %	HB1 Tax Reform	HB3 Juvenile Justice	HB5 Aging Spirits	HB200 Healthcare Workforce	HB319 Teacher Shortage	HB360 Tax Measures	HB551 Sports Wagering	HB594 Gray Machines	HJR39 Benefits Cliff	SB54 KEES Expansion
Rep. Jared Bauman	Jefferson	90.0%	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓
Rep. Tina Bojanowski	Jefferson	50.0%	✗	✗	✗	✓	✓	✗	✓	✗	✓	✓
Rep. Kevin D. Bratcher	Jefferson	90.0%	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓
Rep. Steve Bratcher	Hardin	100.0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Emily Callaway	Bullitt, Jefferson	80.0%	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓
Rep. Josh Calloway	Hardin	77.8%	✓	✓	✗	✗	✓	✓	✗	✓	✓	✓
Rep. Beverly Chester-Burton	Jefferson	70.0%	✗	✓	✗	✓	✓	✗	✓	✓	✓	✓
Rep. Jennifer Decker	Shelby	80.0%	✓	✓	✗	✓	✓	✓	✗	✓	✓	✓
Rep. Ken Fleming	Jefferson, Oldham	100.0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Alan Gentry	Jefferson	80.0%	✗	✓	✓	✓	✓	✗	✓	✓	✓	✓
Min. Floor Leader Derrick Graham	House Leadership	60.0%	✗	✗	✗	✓	✓	✗	✓	✓	✓	✓
Rep. Daniel Grossberg	Jefferson	66.7%	✗	⊖	✓	✓	✓	✗	✓	✗	✓	✓
Rep. Samara Heavrin	Hardin	100.0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Keturah Herron	Jefferson	66.7%	✗	✗	✓	⊖	✓	✗	✓	✓	✓	✓
Rep. John Hodgson	Jefferson	100.0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Thomas Huff	Bullitt	80.0%	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓
Rep. Nima Kulkarni	Jefferson	50.0%	✗	✗	✗	✓	✓	✗	✓	✗	✓	✓
Rep. Candy Massaroni	Nelson	70.0%	✓	✓	✗	✓	✓	✓	✗	✗	✓	✓
Speaker Pro Tem David Meade	House Leadership	90.0%	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Maj. Caucus Chair Suzanne Miles	House Leadership	1000%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Maj. Caucus Whip Jason Nemes	Jefferson, Oldham, Shelby	90.0%	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓
Speaker David W. Osborne	Oldham	100.0%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rep. Felicia Rabourn	Henry, Trimble	60.0%	✓	✓	✗	✗	✓	✗	✓	✗	✓	✓
Rep. Josie Raymond	Jefferson	50.0%	✗	✗	✗	✓	✓	✗	✓	✗	✓	✓
Rep. Rachel Roarx	Jefferson	40.0%	✗	✗	✗	✓	✓	✗	✓	✓	✓	✓
Min. Whip Rachel Roberts	House Leadership	70.0%	✗	✗	✓	✓	✓	✗	✓	✓	✓	✓
Maj. Floor Leader Steven Rudy	House Leadership	90.0%	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Rep. Sarah Stalker	Jefferson	40.0%	✗	✗	✗	✓	✓	✗	✗	✗	✓	✓
Maj. Caucus Chair Cherynn Stevenson	House Leadership	70.0%	✗	✗	✓	✓	✓	✗	✓	✓	✓	✓
Rep. Pamela Stevenson	Jefferson	50.0%	✗	✗	✗	✓	✓	✗	✓	⊖	✓	⊖
Rep. Nancy Tate	Hardin, Meade	80.0%	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓
Rep. James Tipton	Spencer	77.8%	✓	⊖	✗	✓	✓	✓	✗	✓	✓	✓
Rep. Russell Webber	Bullitt, Hardin	90.0%	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓
Rep. Lisa Wilner	Jefferson	50.0%	✗	✗	✗	✓	✓	✗	✓	✗	✓	✓
Rep. Susan Witten	Jefferson	90.0%	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓

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✓ Yes ✗ No ⊖ No Vote



GLI PUBLIC POLICY TEAM



Sarah Davasher-Wisdom
President & CEO



Shelby Somervell
VP, Government Affairs
& Communications



Olivia Sievert
Sr. Director of
Communications & PR



Liz McQuillen
Director of Government
Affairs & Public Policy