

2022 LEGISLATIVE PRIORITIES

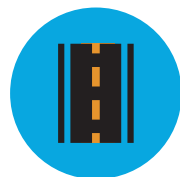
BUILD A COMPETITIVE TAX SYSTEM

Kentucky took important steps forward in building a modern, competitive tax code in 2018 and 2019. Now is the time to build on those reforms. The General Assembly should pass bold tax reform measures that will position the Commonwealth to compete aggressively for jobs and workers. To keep unemployment insurance (UI) taxes on Kentucky employers competitive, reforms should incorporate changes to the UI tax structure, and lawmakers should fully restore the state UI trust fund to pre-pandemic levels.



INVEST IN KENTUCKY'S INFRASTRUCTURE

Investment in infrastructure will spur job growth and protect Kentucky's status as a global logistics hub. Kentucky has waited far too long to make the investments that our surrounding states are already pursuing. Investments must be made in all forms of infrastructure, including roads, bridges, highways, water, wastewater, aviation, freight, and broadband.



PROTECT EMPLOYER RIGHTS

The Kentucky Chamber strongly believes in the rights of employers to decide on the best vaccination policies for their workplaces and staff. Every workplace is different, and decisions regarding vaccines should be left up to employers, as is currently long-standing Kentucky law. The Chamber will oppose any effort to roll back these rights. This includes efforts to restrict the ability of employers to mandate vaccines as well as efforts to require employers to mandate vaccines.



ENSURE LIABILITY PROTECTIONS FOR BUSINESSES

Kentucky's liability climate is a major barrier to economic growth. Lawmakers should pass meaningful reforms to Kentucky's legal liability system and extend the protections in Senate Bill 5, passed in the 2021 regular session, which helps support Kentucky's economic recovery by protecting businesses from unwarranted COVID-related lawsuits.



REFORM THE CRIMINAL JUSTICE SYSTEM

Reducing incarceration and recidivism should remain top priorities for lawmakers. The General Assembly made progress with criminal justice reform through passage of legislation such as felony theft and juvenile justice reform. The Kentucky Chamber supports reclassifying possession charges as a misdemeanor and reforming Kentucky's cash-bail system.



GROW KENTUCKY'S SIGNATURE INDUSTRIES

Lawmakers should ensure that signature industries in Kentucky are allowed to flourish by working with leaders from the agricultural, bourbon, and equine sectors to ensure regulations and taxes are designed to foster growth, not impede it. The Chamber will advocate for measures to keep Kentucky horse racing competitive nationally with such features as historical horse racing and sports betting at racetracks.



SOLVE THE WORKFORCE CRISIS

As the Kentucky Chamber Foundation's report, "20 Years in the Making: Kentucky's Workforce Crisis," illustrates, the Commonwealth needs a multi-faceted approach to solving our workforce crisis.



CHILD CARE: Remove child care as a barrier to employment by investing in the Child Care Assistance Program, supporting the development of the child care workforce, and cultivating a mixed-delivery model of high-quality care.

UNEMPLOYMENT AND RE-EMPLOYMENT: Emphasize rapid re-employment for unemployment claimants by enhancing Kentucky's work search requirement, providing more effective re-employment services, and implementing reforms to reduce the amount of time individuals spend on unemployment.

RE-ENTRY: Support successful re-entry for formerly incarcerated Kentuckians by repealing the ban on KEES eligibility for ex-felons, removing barriers to second-chance licensing, ensuring exiting inmates have photo-IDs, and increasing access to expungement.

POST-SECONDARY: Invest in higher education to increase post-secondary attainment, and make FAFSA a requirement for high school graduation.

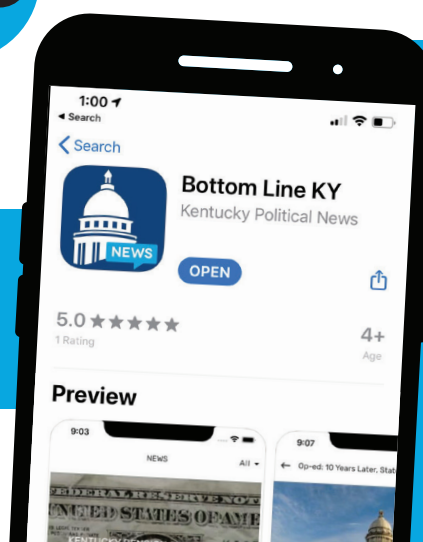
SUBSTANCE USE DISORDER: Reignite efforts to fight the opioid epidemic and substance use disorder crisis by leveraging federal relief dollars and providing necessary resources to communities in most need.

HEALTH: Improve Kentucky's health outcomes, including reducing smoking rates by raising the cigarette tax and removing smokers as a protected class.

RESOURCES ALIGNMENT: Support the success of Kentucky's workforce development programs through improved resource alignment, tracking workforce spending, and evaluating programs for return on investment.

WANT TO READ MORE?

You can read more about these and other priorities in the full **2022 Legislative Agenda** at kychamber.com.



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POLITICAL AND BUSINESS NEWS
FROM THE KENTUCKY CHAMBER





WESTERN KENTUCKY TORNADO RELIEF FUND

KENTUCKY SPORTS RADIO – KENTUCKY CHAMBER FOUNDATION *Tornado Relief Fund Exceeds \$1.4 Million*

To help those impacted by deadly storms that devastated western Kentucky in December, Kentucky Sports Radio (KSR) and the Kentucky Chamber Foundation partnered to build a relief fund to assist efforts for business and job recovery.

One month after the fund was created over seven thousand businesses, individuals and groups donated over \$1.4 million for western Kentucky relief efforts.

With the money raised in this fund, Kentucky Sports Radio and the Kentucky Chamber Foundation will be working with local communities, local chambers, as

well as our state and local elected officials to ensure the needs of these areas are met and local businesses can recover in the wake of tragedy.

The Kentucky Chamber will continue to work closely with the Governor's office and state and federal lawmakers to ensure the most coordinated effort.

SCAN TO
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OP-ED:

Tax Reform is Key to Growth



ASHLI WATTS
PRESIDENT & CEO
Kentucky Chamber of Commerce

Debating tax reform is almost as Kentucky as basketball, horses, or bourbon. Studies have been conducted. Proposals have been put forth. Legislation has even been passed. Nonetheless, we continue to watch from afar as tax codes in neighboring states foster the dynamic growth that has eluded Kentucky for decades.

In 2018 and 2019, the Kentucky General Assembly enacted pro-growth reforms that have accelerated our economy. These measures included reductions to individual income taxes and lowering taxes on businesses. Since then, Kentucky employers have announced record-breaking investments, while rising state revenues have allowed the legislature to increase investments in services such as education, health care, pensions, and economic development.

While the success of these measures illustrates the positive impact of tax reform, a comparison of Kentucky's economic progress to other states underscores the urgency of taking bolder steps to truly reform Kentucky's tax code and position the Commonwealth as a top-tier state for economic growth.

There are many policy levers state leaders will need to pull to ensure Kentucky reverses course, but tax reform is the most powerful one.



As highlighted in a recent report on Kentucky's tax code by the nonpartisan think-tank, The Tax Foundation, states with no or low income taxes have seen stronger population growth than higher-income tax states like Kentucky.

Not surprisingly, low taxes on labor and strong population growth have fueled workforce participation in low- and no-income tax states. In 2021, 12 states reduced taxes on income, including states like Missouri, Ohio, and North Carolina. Kentucky can no longer afford to stand still.

Now is the time to build a competitive tax code to attract new residents and support working families, keep our kids from moving to other states after graduation, increase our skilled workforce, and attract and retain businesses, investments, and opportunity for all.

READ MORE

Read the full op-ed on kychamberbottomline.com.

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KNOW YOUR Legislators

With many significant pieces of legislation moving through the Kentucky General Assembly, your elected officials need to hear from **YOU** on key issues to help improve the state's business climate. Watch for action alerts from the Kentucky Chamber throughout session and call your legislators at **1-800-372-7181** to express your support for priority bills important to the business community.

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REPRESENTATIVE'S HOME COUNTY

PARTY TOTALS
■ Republican 75
■ Democrat 25

Last modified on 12/20/21

COMMONWEALTH OF KENTUCKY 2022 SENATE

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SENATOR'S HOME COUNTY

PARTY TOTALS
■ Republican 30
■ Democrat 8

Last modified on 12/20/21

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Dr. Aaron Thompson
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Postsecondary Education



Ashli Watts
President & CEO
Kentucky Chamber of
Commerce

KENTUCKY CHAMBER FOUNDATION LAUNCHES CENTER FOR DIVERSITY, EQUITY, AND INCLUSION *Hires Joe Frazier to Lead*



JOE FRAZIER
EXECUTIVE DIRECTOR
*The Center for Diversity, Equity,
and Inclusion*
Kentucky Chamber Foundation

To help create meaningful, long-term change for Kentucky businesses, families, and communities, the Kentucky Chamber Foundation has announced the launch of the Center for Diversity, Equity, and Inclusion. Joseph Frazier has been hired to serve as its Executive Director, spearheading the organization's efforts to help educate business leaders and transform workplaces across Kentucky.



The Center for Diversity, Equity, and Inclusion will work closely with the Kentucky Chamber Foundation Diversity, Equity & Inclusion Task Force, made up of business, education and state leaders, to work toward the Chamber's goals to make Kentucky a better place to live, work and do business. Last year, the Task Force published the "Achieving Equity to Build a Stronger Kentucky" report offering long and short-term solutions to make aggressive progress in addressing racial inequality across the Commonwealth.

The Kentucky Chamber Foundation is a 501 (c)(3) nonprofit and is the philanthropic arm of the Kentucky Chamber of Commerce. This program is launched in partnership with the Kentucky Chamber Foundation, Toyota Motor Manufacturing, Kentucky, Inc., UPS, Columbia Gas of Kentucky, and the Brown-Forman Corporation.

"After publishing the Equity Report, we pledged this report would not sit on the shelf and that we would pull forward an agenda for Kentucky to help overcome the racial inequality that has hampered our progress for so many generations," said Kentucky Chamber Foundation Senior Vice President Beth Davisson. "Racial diversity, equity, and inclusion are good for businesses, and we are excited to build upon this work with Kentucky employers. Joe Frazier is the right leader to launch the Center for DE&I, and we are excited to work with him and get to work on all that we have ahead."

"There's good work to be done, and it's an honor to be entrusted with this initiative to better serve the people of Kentucky," Frazier said.

2022 KENTUCKY CHAMBER DAY DINNER *Rescheduled*

TUESDAY, MARCH 8 — LEXINGTON
RECEPTION 5:00 P.M. | DINNER 6:30 P.M.

The Kentucky Chamber Day Dinner has been rescheduled for Tuesday, March 8, 2022 at the Central Bank Center in Lexington. The new date comes after the Chamber postponed the event the first week of January in response to the rise in coronavirus cases and dangerous winter weather.



The event will feature remarks from the Commonwealth's top political leaders, including Governor Andy Beshear, Senate President Robert Stivers, Speaker of the House David Osborne, Senate Minority Leader Morgan McGarvey, and House Minority Leader Joni Jenkins, sharing their vision for Kentucky over the next year.

The Chamber is taking precautions to help reduce risk for the coronavirus pandemic, which includes a masking requirement for all individuals and staff, a larger event space with more spread-out registration and dinner tables, and more.



READ MORE

For more information or to register for the 2022 Kentucky Chamber Day Dinner visit kychamber.com/events/kychamberday.

GENERAL ASSEMBLY EXTENDS *COVID-19 Liability Protections For Businesses*

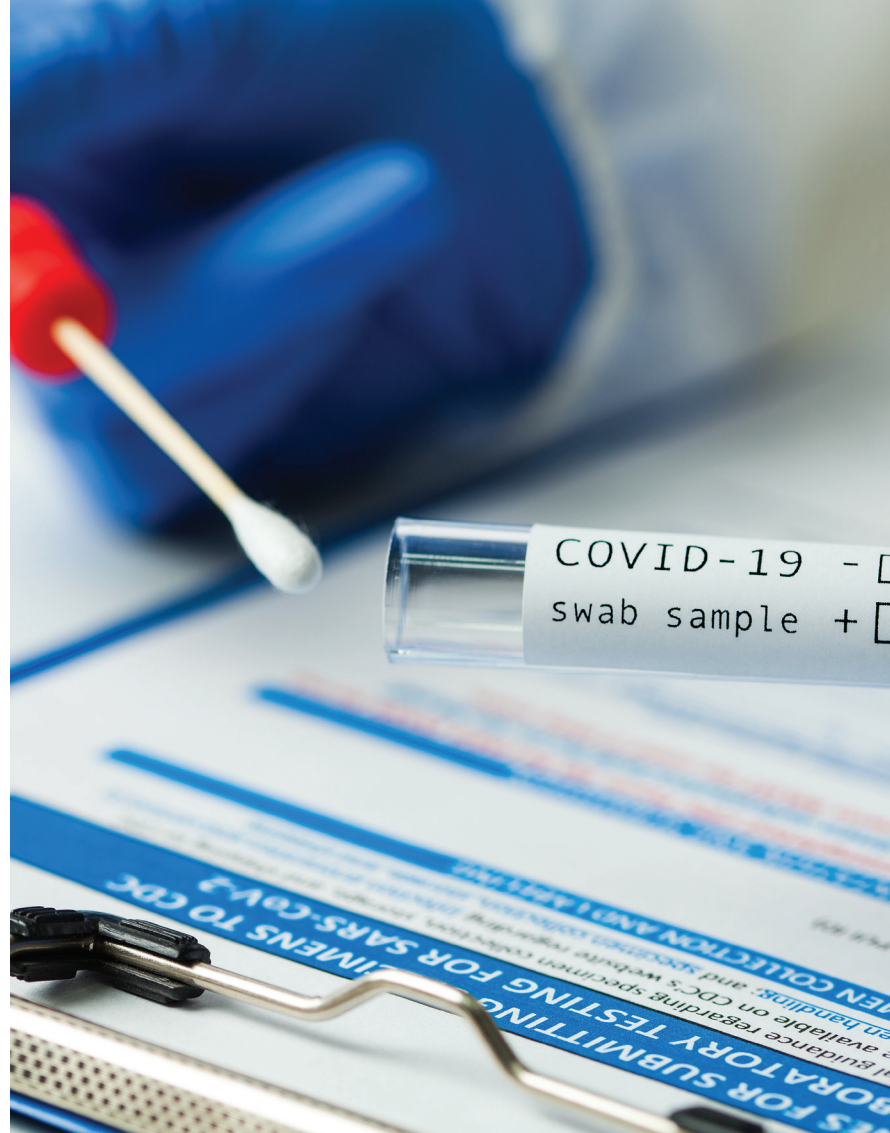
In an effort to shield businesses from frivolous lawsuits related to the COVID-19 pandemic, the Kentucky General Assembly gave final passage to Senate Bill 25, sending it to the governor's desk.

Sponsored by Senator Max Wise, Senate Bill 25's original language would provide up to Ten days of remote instruction per school for school districts to use at the school, classroom, grade, or group level for the 2021-2022 school year and temporarily revise retirement reemployment provisions until June 30, 2022.

"The Kentucky Chamber applauds members of the House and Senate for extending these crucial protections to businesses, as the omicron variant of COVID-19 continues to spread at alarming rates throughout the Commonwealth," said Kate Shanks, Senior Vice President of Public Affairs at the Kentucky Chamber.

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Stay tuned to The Bottom Line for updates throughout the 2022 session at kychamberbottomline.com.



KENTUCKY BOURBON POURING BILLIONS INTO STATE'S ECONOMY, *Leaders Call For Policies to Support Continued Growth*

The governor, legislative leaders, and the business community joined Kentucky distillers at the Capitol to release the results from the latest comprehensive study detailing the significant growth and impact of Kentucky's signature Bourbon and distilled spirits industry.

The "Economic Distilling in Kentucky Report" shows the state's signature bourbon industry has expanded in recent years and is now pouring \$9 billion into the Bluegrass economy every year and generating more than 22,500 jobs with \$1.23 billion in payroll.

Gov. Beshear said Kentucky is known internationally for its bourbon production and the great jobs the industry creates. He noted that Kentucky has seen many new distilleries and the continued success and expansion of others which has seen unprecedented production levels even throughout a global pandemic.

Kentucky Chamber President and CEO Ashli Watts noted Kentucky bourbon is in high demand around the country and globally but there are distilleries popping up in other states as well. To maintain Kentucky's competitive edge, she said the state must be proactive in order to maintain its place as the number one state for distilleries, distilling jobs, and bourbon tourism.

"The Chamber believes tax reform is key to keeping Kentucky competitive across all sectors – and making Kentucky the most attractive place to live, work, raise a family. Kentucky has everything a distillery needs to grow and thrive – except for a tax structure making it attractive to locate here. But there are some tax reforms specific to the distilling industry that could help make us more competitive with other states," Watts said.

House Speaker David Osborne said the General Assembly has passed 17 bills in the last decade to help modernize the industry and said many of those policies have helped the bourbon producers grow.

As for what comes next, Osborne said the legislature is committed to passing comprehensive tax reform in the 2022 session to make meaningful changes to advance Kentucky and the state's signature industries.

Kevin Smith of Beam Suntory, Chairman of KDA Board of Directors and Chair-Elect of the Kentucky Chamber, spoke about the future of the bourbon industry. He also pointed to work with the Kentucky Chamber Foundation's Talent Pipeline Management program and other initiatives that will build a strong foundation for generations of Kentuckians to come.

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KENTUCKY CHAMBER NEWS

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- Mar. 1-2, 2022** | 2nd Annual State and Federal Tax Conference – Lexington
- Mar. 8, 2022** | 27th Annual Kentucky Chamber Day – Lexington
- Mar. 10-11, 2022** | 20th Annual Kentucky Environmental Conference – Lexington
- Mar. 16, 2022** | Kentucky Wage & Hour Update – Lexington
- Mar. 24-25, 2022** | 13th Annual Health Care and Worksite Wellness Conference – Lexington
- April 13-14, 2022** | OSHA Fall Protection Competent Person Certification – Lexington
- April 15, 2022** | OSHA Forklift - Train the Trainer – Lexington
- April 21, 2022** | Advanced Workers' Compensation – Lexington
- May 3-4, 2022** | 34th Annual Kentucky Human Resources Update – Lexington (Hybrid)
- May 24-25, 2022** | OSHA 10-Hour General Industry Voluntary Compliance – Louisville
- May 24-27, 2022** | OSHA 30-Hour General Industry Voluntary Compliance – Louisville
- June 9, 2022** | 18th Annual Best Places to Work in Kentucky – Lexington
- June 13, 2022** | Golf Invitational at Valhalla – Louisville
- June 15-16, 2022** | Supervising and Managing People – Louisville
- June 21, 2022** | 4th Annual Kentucky Recovery in the Workplace Conference – Lexington
- July 21, 2022** | 2nd Annual Women's Summit – Lexington
- Aug. 30-Sept. 1, 2022** | 38th Annual KYSHRM Conference – Louisville
- Sept. 14, 2022** | Annual Meeting – Louisville

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TIME TO COMPETE

