

2023 Session in Summary

This year there were more than 1200 bills and resolutions drafted and 191 bills and resolutions passed. There is interesting statistical information after the bill summaries to show how the Session ended, by the numbers.

Bills that impact the banking industry are summarized below. If a bill contains more than one subject, only the portion that impacts banks is summarized. Each bill, unless it contains an emergency clause will go into effect 90 days from the end of session, July 3, 2023. If you need more information on any of these bills, please contact Debra Stamper at dstamper@kybanks.com.

1. **SB47 – Medicinal Cannabis Legal**

Eligible individuals may obtain a “registry identification card” from a qualified physician, which allows that person to use medicinal cannabis in accordance with restrictions establish under this statute. Qualifying conditions include cancer, epilepsy, debilitating pain, MS, PTSD, chronic nausea etc. Eligible individuals may not grow or smoke cannabis. Consuming medicinal cannabis while operating a vehicle will be treated the same as operating under the influence of alcohol. Employers are not required to allow the use of medicinal cannabis in the workplace. Employers may continue drug testing policies. ADA, however is still a concern.

Medical cannabis producers, processors and sellers must be properly licensed and operated in accordance with state law and regulations. If banking a medicinal provider, bank should ensure that the entity is properly licensed and follows all regulations. We will notify you of upcoming regulations.

This bill does not apply to hemp or hemp products.

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/sb47/bill.pdf>

2. **SB48 – Attorney General Powers in Child Support Enforcement.**

The child support data match system that requires financial institutions to identify accounts of persons owing child support will be administered and enforced by the Office of the Attorney General—previously administered by the Cabinet for Health and Family Services. Nothing of substance should change in the data match program unless the AG decides to draft new regulations. (Sections 9, 18, 30-34, 82)

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/sb48/bill.pdf>

3. **SB52 – County Clerk Fees retained for Storage of necessary documents.**

County clerks are currently receiving a \$10 fee on certain filed documents, designated specifically to assist with permanent storage of documents. However, before this law, any unused amounts collected were swept into a general fund at the end of the year. This limited the county clerks’ ability to plan updated systems for electronic storage of documents. Now, those funds can be retained by the county in a separate fund for the sole purpose of proper retention of necessary documents.

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/sb52/bill.pdf>

4. **SB75 – Enforcement of Code Violation Fees.**

Allows a code enforcement lien to be itemized on a property tax bill as a separate item from ad valorem tax liability.

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/sb141/bill.pdf>

5. [SB120](#) – **Residential Communities with HOAs**

Kentucky now has a comprehensive legal system for regulating HOAs. HOAs may take a lien against a lot/real estate in the community for unpaid assessments and other charges. That lien must be properly filed and recorded. It will take the same priority position as a properly filed mortgage/lien and only in front of other, subsequent, properly filed mortgages/property liens.

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/sb120/bill.pdf>

6. [SB126](#) – **Venue Shopping for lawsuits Against State Agencies or raising Constitutional Issues.**

A plaintiff, defendant, or the AG (as an intervening Defendant) can request a change of venue, in certain cases, which will be selected by the Ky Supreme Court by random.

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/sb126/bill.pdf>

7. [SB123](#) – **Out of State Notarial Acts**

A Kentucky notary may perform notarial acts in other states for civil and legal proceedings originating in Kentucky.

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/sb123/bill.pdf>

8. [HB5](#) and [HB360](#) – **Tax on Pass-through Entities**

Both HB5 and HB360 allow for the procedures to follow for taxable years beginning January 1, 2022 and thereafter for an authorized person may elect annually to have tax imposed on the entity to be passed through to partners, member, shareholders etc and a credit to be taken by the entity.

Because each of these bills have impacting language in KRS CHAPTER 141, we must wait until language has been officially adopted into the statutes by the Statute Reviser. Once we receive final information, we will send out a full summary. Regulations will also be necessary for implementing the process.

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/hb5/bill.pdf>

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/hb360/bill.pdf>

9. [HB83](#) – **Judgment Liens**

Judgment liens shall terminate after the expiration of 10 years, unless 120 days before the expiration of the judgment lien, a notice of renewal has been filed for an additional five years.

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/hb83/bill.pdf>

10. [HB303](#) – **WKY Risk Assistance Fund**

Last year Senator Howell introduced and successfully passed the Western Kentucky Risk Assistance Fund, which allowed banks to make commercial loans to businesses willing to open or reopen in areas impacted by the Tornadoes of December 2021, knowing that a portion of any losses would be subsidized by the state. Although this was a wonderful program, there were some minor amendments that needed to be made. Those were made this year, as follows:

- Clarifies that the covered loans cannot exceed \$100M per lender.
- Requests for payments on losses will be paid in the order of submissions for coverage.

- Provides that an administrative fee of 1% will be paid to the Cabinet for Economic Development if there is a loss and it may be deducted from the amount paid by the Cabinet.

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/hb303/bill.pdf>

11. **HB360 – Property Tax Valuation on Low Income Multi-Unit Housing**

Low income multi-unit housing is often valued as if it were market priced rental units. This has become an increasing problem, as the prices (and therefore the value) of market priced rental properties have increased. In the past owners of low-income properties have challenged the tax valuation and have sometimes succeeded, but this change makes it certain. “Government restricted” multi-unit rental housing will be valued through a specific determination based upon actual income and USPAP, as specified in the law. It is specified that federal tax credits received “shall not” be included in the valuation. The owner is required to notify the property valuation administrator that the property is subject to this valuation limitation, using a form that will be provided by the PVA. Regulations will be necessary for process.

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/hb360/bill.pdf>

12. **HB392 – Licensing of Motor Vehicles and Operation**

Eliminates the use of circuit court clerks’ offices for processing motor vehicle titling and registration and increases some operator’s licensing fees.

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/hb392/bill.pdf>

13. **HB429 – Legal Lending Limits**

Limits the amount of collateral needed to lend over the 20% threshold and less than the 30% maximum to only the excess over 20%.

<https://apps.legislature.ky.gov/recorddocuments/bill/23RS/hb429/bill.pdf>

Hannah News Service - KLS Reports
2023 Regular Session

The Final Count

Total of 176 Bills & 13 Resolutions Enacted during the 2023 Regular Session

(98.9% of all Enrolled Bills / 100.0% of all Enrolled CRs & JRs)

(20.1% of all Filed Bills / 18.3% of all Filed CRs & JRs)

- **148 Bills Signed by Governor** (84.1% of Enacted Bills / 83.1% of Enrolled Bills)
 - 90 HBs (60.8% of all Signed Bills) / 58 SBs (39.2% of all Signed Bills)
- **14 Bills Enacted Over Governor's Veto** (7.9% of Enacted Bills / 87.5% of Vetoed Bills)
 - 5 HBs (35.7% of all Overridden Vetoes) / 9 SBs (64.3% of all Overridden Vetoes)
- **14 Bills Became Law Without Governor's Signature** (7.9% of Enacted Bills / 7.9% of Enrolled Bills)
 - 5 HBs (35.7% of all Non-signed Bills) / 9 SBs (64.3% of all Non-signed Bills)
- **10 Joint Resolutions Signed by Governor** (76.9% of Enacted Resolutions)
 - 6 HJRs / 4 SJRs
- **2 Concurrent Resolutions Signed by Governor** (15.4% of Enacted Resolutions)
 - 2 HCRs
- **1 Joint Resolution Enacted Over Governor's Veto** (7.7% of Enacted Resolutions)
 - 1 HJR
 - **Total of 100 House Bills Enacted**
 - 11.4% of all Filed Bills
 - 16.8% of all HBs
 - 56.2% of all Enrolled Bills
 - 56.8% of all Enacted Bills
 - 99.0% of all Enrolled HBs
 - **Total of 76 Senate Bills Enacted**
 - 8.7% of all Filed Bills
 - 26.9% of all SBs
 - 42.7% of all Enrolled Bills
 - 43.2% of all Enacted Bills
 - 98.7% of all Enrolled SBs
 - **Total of 9 House Resolutions Enacted**
 - 20.0% of all Filed HCRs & HJRs
 - 69.2% of all Enacted CRs & JRs
 - 100.0% of all Enrolled HCRs & HJRs
 - **Total of 4 Senate Resolutions Enacted**
 - 15.4% of all Filed SCRs & SJRs
 - 30.8% of all Enacted CRs & JRs
 - 100.0% of all Enrolled SCRs & SJRs
- **23.5% decrease** in bills enacted from **2022** Regular Session's **230** (154 House/76 Senate)
- **12.0% decrease** in bills enacted from **2021** Regular Session's **200** (119 House/81 Senate)
- **39.7% increase** in bills enacted from **2020** Regular Session's **126** (76 House/50 Senate)
- **30.0% increase** in resolutions enacted from **2022** Regular Session's **10** (7 House/3 Senate)
- **160.0% increase** in resolutions enacted from **2021** Regular Session's **5** (4 House/1 Senate)
- **225.0% increase** in resolutions enacted from **2020** Regular Session's **4** (4 House/0 Senate)

Filed Breakdown

- **876 Bills Filed**
 - **594 House Bills** (67.8% of all Filed Bills)
 - **282 Senate Bills** (32.2% of all Filed Bills) (Bill Nos. 1, 2, 6, and 8 not utilized)
 - **24.7% decrease** in bills **filed** from **2022** Regular Session's **1,164** (783 House/381 Senate)
 - **0.5% decrease** in bills **filed** from **2021** Regular Session's **880** (595 House/285 Senate)
 - **6.0% decrease** in bills **filed** from **2020** Regular Session's **932** (647 House/285 Senate)
- **371 Resolutions Filed**
 - **100 House Resolutions** (26.9% of all Resolutions)
 - 16 Concurrent Resolutions (16.0% of all HRs)
 - 29 Joint Resolutions (29.0% of all HRs)
 - 55 Simple House Resolutions (55.0% of all HRs)
 - **271 Senate Resolutions** (73.1% of all Resolutions)
 - 7 Concurrent Resolutions (2.6% of all SRs)
 - 19 Joint Resolutions (7.0% of all SRs)
 - 245 Simple Senate Resolutions (90.4% of all SRs)
 - **21.9% decrease** in resolutions **filed** from **2022** Regular Session's **475** (152 House/323 Senate)
 - **6.3% increase** in resolutions **filed** from **2021** Regular Session's **349** (100 House/249 Senate)
 - **19.7% decrease** in resolutions **filed** from **2020** Regular Session's **462** (137 House/325 Senate)

Enrollment Breakdown

- **178 Bills Enrolled** (20.3% of all Bills Filed)
 - 101 House Bills (56.7% of all Enrolled Bills / 17.0% of all Filed HBs)
 - 77 Senate Bills (43.3% of all Enrolled Bills / 27.3% of all Filed SBs)
 - **23.9% decrease** in bills **enrolled** from **2022** Regular Session's **234** (157 House/77 Senate)
 - **12.3% decrease** in bills **enrolled** from **2021** Regular Session's **203** (120 House/83 Senate)
 - **40.2% increase** in bills **enrolled** from **2020** Regular Session's **127** (76 House/51 Senate)
- **13 Resolutions Enrolled:** (18.3% of all CRs & JRs Filed)
 - 7 House Joint Resolutions (53.8% of all Enrolled Resolutions / 24.1% of all filed HJRs)
 - 4 Senate Joint Resolutions (30.8% of all Enrolled Resolutions / 21.1% of all filed SJRs)
 - 2 House Concurrent Resolutions (15.4% of all Enrolled Resolutions / 12.5% of all filed HCRs)
 - **18.2% increase** in resolutions **enrolled** from **2022** Regular Session's **11** (8 House/3 Senate)
 - **160.0% increase** in resolutions **enrolled** from **2021** Regular Session's **5** (4 House/1 Senate)
 - **225.0% increase** in resolutions **enrolled** from **2020** Regular Session's **4** (4 House/0 Senate)

Veto Breakdown

- **16 Bills Vetoed** (9.0% of all Enrolled Bills)
- **14 Vetoes Overridden** (87.5% of all Vetoed Bills)
 - **6 House Bills Vetoed** (37.5% of all Vetoed Bills / 5.9% of all Enrolled HBs)
 - **5 HB Veto Overrides** (83.3% of all Vetoed HBs)
 - **1 HB Veto Sustained** (16.6% of all Vetoed HBs) - HB135 Vetoed after Sine Die
 - **10 Senate Bills Vetoed** (62.5% of all Vetoed Bills / 13.0% of all Enrolled SBs)
 - **9 SB Veto Overrides** (90.0% of all Vetoed SBs)
 - **1 SB Veto Sustained** (10.0% of all Vetoed SBs) - SB109 Vetoed after Sine Die
 - **55.5% decrease** in bills **vetoed** from **2022** Regular Session's **36** (26 House/10 Senate)
 - **57.9% decrease** in bills **vetoed** from **2021** Regular Session's **38** (23 House/15 Senate)
 - **60.0% increase** in bills **vetoed** from **2020** Regular Session's **10** (8 House/2 Senate)
- **1 Resolution Vetoed** (7.7% of all Enrolled JRs & CRs)
- **1 Resolution Veto Overridden** (100% of all Vetoed Resolutions)
 - **50.0% decrease** in resolutions **vetoed** from **2022** Regular Session's **2** (1 House/1 Senate)
 - **0.0% increase** in resolutions **vetoed** from **2021** Regular Session's **1** (1 House/0 Senate)
 - **100.0% increase** in resolutions **vetoed** from **2020** Regular Session's **0** (0 House/0 Senate)

The Death of Bill

Total of 700 bills died in the attempt to become law during the 2023 Regular Session
(79.9% of all Filed Bills)

- **698 Bills Died without being Enrolled** (79.6% of all Filed Bills / 99.7% of all Dead Bills)
 - **493 House Bills** (83.0% of all HBs / 70.4% of all Dead Bills)
 - **205 Senate Bills** (72.7% of all SBs / 29.3% of all Dead Bills)

- **2 Bills Died from post Sine Die Vetoes** (0.2% of all Filed Bills / 0.3% of all Dead Bills / 1.1% of all Enrolled Bills)
 - **1 House Bill** (0.2% of all HBs)
 - **1 Senate Bill** (0.4% of all SBs)

- **458 House Bills Died without a House Third Reading** (77.1% of all HBs / 92.7% of all Dead HBs)
 - 295 HBs Introduced but never referred to House committee (49.7% of all HBs / 59.8 of Dead HBs)
 - 155 HBs Referred to House committee but never received Third Reading (26.1% of all HBs / 31.4% of Dead HBs)
 - 8 HBs Withdrawn by Sponsor (1.3% of all HBs / 1.6% of Dead HBs)

- **35 House Bills Died in the Senate** (5.9% of all HBs / 7.1% of Dead HBs)
 - 28 HBs died in the possession of Senate committees (4.7% of all HBs / 5.7% of Dead HBs)
 - 3 HBs received in Senate but never Referred to committee (0.5% of all HBs / 0.6% of Dead HBs)
 - 4 HBs died with Senate committee report but no Senate Third Reading (0.7% of all HBs / 0.8% of Dead HBs)

- **1 House Bill Vetoed after Sine Die** (0.2% of all HBs / 0.2% of Dead HBs)

- **183 Senate Bills Died without a Senate Third Reading** (64.9% of all SBs / 89.3% of Dead SBs)
 - 177 SBs Referred to Senate committee but never received a Third Reading (86.3% of all SBs / 87.9% of Dead SBs)
 - 3 SBs Withdrawn by Sponsor (1.1% of all SBs / 1.5% of Dead SBs)
 - 3 SBs died with Senate committee report but no Senate Third Reading (1.1% of all SBs / 1.5% of Dead SBs)

- **22 Senate Bills Died in the House** (7.8% of all SBs / 10.7% of Dead SBs)
 - 16 SBs died in the possession of House committees (5.7% of all SBs / 7.8% of Dead SBs)
 - 4 SBs received in House but never Referred to committee (1.4% of all SBs / 1.9% of Dead SBs)
 - 1 SB died in House regular orders (0.4% of all SBs / 0.5% of Dead SBs)
 - 1 SB died in House receding Orders (0.4% of all SBs / 0.5% of Dead SBs)

- **1 Senate Bill Vetoed after Sine Die** (0.4% of all SBs / 0.5% of Dead SBs)

Resolution Breakdown

- **16 House Concurrent Resolutions**
 - 7 Dead in House
 - 5 Adopted by House and died in Senate
 - 2 Signed by Governor
 - 1 Adopted by House (Recess adjournment resolution)
 - 1 Adopted by Both Chambers (Sine Die adjournment resolution)
- **29 House Joint Resolutions**
 - 22 Dead in House
 - 6 Signed by Governor
 - 1 Veto Overridden
- **55 House Resolutions**
 - 41 Adopted by House
 - 11 Dead in House
 - 2 Appointing Impeachment Committee
 - 1 Articles of Impeachment
- **7 Senate Concurrent Resolutions**
 - 3 Dead in Senate
 - 2 Adopted by Senate (Adjournment resolutions)
 - 1 Withdrawn by Sponsor
 - 1 Dead in House
- **19 Senate Joint Resolutions**
 - 12 Dead in Senate
 - 4 Signed by Governor
 - 3 Adopted by Senate and died in House
- **245 Senate Resolutions**
 - 232 Adopted by Senate
 - 10 Dead in Senate
 - 3 Withdrawn by Sponsor