



THE KENTUCKY GENERAL ASSEMBLY ADJOURNS ITS 2023 SESSION SINE DIE

The Kentucky General Assembly concluded the final two days of its 30-day session Thursday evening by giving final approval to several key legislative measures, including medical marijuana, sports wagering, and a repeal of the bourbon barrel tax, and over-riding all 15 of Gov. Andy Beshear's vetoes to make the measures law despite his objections.

On the session's final day, the House voted to approve **Senate Bill 47**, paving the way for the legalization of medical marijuana in Kentucky and allowing it to be prescribed for a specific list of conditions, including cancer, multiple sclerosis, chronic pain, epilepsy, chronic nausea and post-traumatic stress disorder. Under the legislation, which had been approved by the House earlier in the 2023 session, individuals would have to be approved for a card allowing the use of medical marijuana and patients under 18 years of age cannot possess or acquire medical cannabis without assistance from a designated caregiver. The bill will not take effect until the start of 2025, to allow state health officials time to craft regulations to oversee the program.

Also on Thursday, the Senate gave final approval to **House Bill 551**, a bill which will legalize, regulate and tax sports betting in Kentucky. Under the legislation, the Kentucky Speedway and horse racing tracks could pay a fee to operate as sports betting facilities, with bets allowed there and on licensed websites and phone apps. Wagers placed at tracks would have an excise tax of 9.75% and online wagers a rate of 14.25 percent.

Gov. Beshear is scheduled to sign both SB 47 and HB 551 into law at 10 a.m., Friday.

House Bill 5, a bill that would repeal the property tax on stored, aging whiskey barrels in warehouses in Kentucky, was also approved on the final legislative day. The bill will slowly phase out the "property tax on distilled spirits stored or aging in bonded warehouse or premises," throughout the state. HB 5 would take effect starting in January 2026, with the bill reaching 100% tax exemption by 2039.

Senate Bill 15, which attempted to restrict drag shows and criminalize performers in Kentucky, did not receive a vote in the House after being approved in the Senate prior to the veto break and is

dead for the 2023 session.

All legislation approved during the last two days of the 2023 session can be vetoed by the governor and not overridden by the legislature.

Other legislative measures from the 2023 session include:

BILLS PASSED BY BOTH THE HOUSE AND SENATE THAT WERE SIGNED INTO LAW BY THE GOVERNOR

House Bill 1 lowers the state's personal income tax rate from 4.5% to 4%

House Bill 3 and Senate Bill 162 are two measures aimed at improving Kentucky's troubled Department of Juvenile Justice. House Bill 3 would allocate almost \$20 million for renovating and reopening a juvenile detention center in Louisville, following the city's closure of its facility at the end of 2019 due to budget cuts. Senate Bill 162 raises salaries for starting DJJ security workers and prison security staff while also emphasizing greater care for the mental health of youths within the system.

House Bill 200 seeks to address Kentucky's healthcare worker needs by creating the Kentucky Healthcare Workforce Investment Fund. The House and Senate approved this legislation and it has been signed by the governor.

House Bill 448 allocates \$20 million to the Rural Housing Trust Fund in the wake of natural disasters in Eastern and Western Kentucky, both of which created their own housing issues. The money comes from already-established WKSAFE and EKSAFE funds formed after tornadoes wracked Western Kentucky and historic floods ravaged Eastern Kentucky.

House Bill 594, which would ban "grey" gambling machines, has been approved by both the House and the Senate and signed by the governor.

Senate Bill 20 bans TikTok from state-owned devices and networks.

BILLS THAT BECAME LAW WITHOUT GOV. ANDY BESHEAR'S SIGNATURE:

Senate Bill 4 is designed to keep older coal-fired power plants in service longer by requiring utilities to ask the Kentucky Public Service Commission for permission.

Senate Bill 5 requires schools put a complaint resolution policy in place for parents who allege that materials taught in school are harmful to minors.

House Bill 153 would prevent local law enforcement from enforcing federal firearms bans and would not allow tax dollars to be spent enforcing such federal bans.

BILLS APPROVED BY THE KENTUCKY GENERAL ASSEMBLY THAT RECEIVED THE GOVERNOR'S VETO AND WILL BECOME LAW DESPITE HIS OBJECTIONS:

Senate Bill 7 would prohibit the automatic deduction of union dues of public-school teachers from being used on political activities. While such employees can already opt out of having their dues go to political activities, under SB 7 teachers would have to opt in to contribute.

House Bill 4 requires operators of merchant electric generating facilities to submit plans for decommissioning facilities. A board overseeing such facilities would no longer be allowed to enforce elements of construction certificates it approves.

House Bill 329 shifts the ability to ultimately OK a state government contract, initially chosen by the governor's office or cabinets, to the State Treasurer. Similar bills passed in the last two sessions were stuck down by the courts.

House Bill 395 creates the Investments in Information Technology Improvement and Modernization Projects Oversight Board, which reviews plans submitted by state agencies.

House Bill 519 adds the president and chief executive officer of the Kentucky State Fair Board to the tourist and convention commission in counties containing a city of the first class or consolidated local governments.

House Bill 568 would move the Jefferson County Public Defender's Office under the Kentucky Department of Public Advocacy.

Senate Bill 37 changes the membership of the advisory council to the Kentucky Board of Pharmacy.

Senate Bill 65 would strike down Beshear's emergency administrative regulations that expanded Medicaid coverage for dental, vision and hearing care in the state, which went into effect January 1.

Senate Bill 107 requires the commission hired by the Kentucky Board of Education be confirmed by the Senate every four years.

Senate Bill 122 gives the legislature more control over parking spaces at the Capitol grounds.

Senate Bill 126 would allow defendants to request a change of venue for civil cases challenging the constitutionality laws, orders or regulations, which typically take place in the Franklin Circuit Court, where Frankfort is located.

Senate Bill 150 is a wide-ranging bill that bans all forms of gender-affirming care for transgender youths, prohibits discussion of sexual orientation or gender identity in school for students of all grades, requires school districts to forbid trans students from using the bathroom tied to their gender identities and allows teachers to refuse to use a transgender student's preferred pronouns and name.

Senate Bill 226 is intended to speed up environmental permitting applications under the Clean Water Act and Surface Mining Control and Reclamation Act.

Senate Bill 241 gives the Department of Fish and Wildlife Resources the sole power to acquire perpetual conservation easements over roughly 54,000 acres of property.

House Joint Resolution 69 directs the governor to certify to the Environmental Protection Agency that the Kentucky Board of Radon Safety has legal and administrative authority to enter into a grant with the EPA, including specifically the receipt and administration of EPA State Indoor Radon Grant funding.

Legislation that received final passage will go into effect in 90 days unless the bill has an emergency clause or a provision that sets a different effective date.

Interim committee meetings of the legislature start in June. Unless called into special session, the Kentucky General Assembly will re-convene January 2, 2024, for its 60-day, biennial budget session held in even-numbered years.

Sincerely,

Your KBA Legislative Team