



2016 Legislative Priorities (KY Chamber Issue Description)

LIFT – Local Option Sales Tax: Support local option flexibility

The Kentucky Chamber supports an amendment to the Kentucky Constitution that would allow cities and counties the choice, with voter approval, to enact a local sales tax with a sunset provision, dedicated for the funding of transformational local projects.

Enact right-to-work legislation

The Chamber strongly supports legislation to prohibit requiring any worker to join a union as a condition of employment. We believe union membership should be a matter of personal choice, and the freedom not to affiliate with a labor union is no less deserving of protection than the freedom to affiliate. States with right-to-work laws report faster per capita

Income growth, faster growth in manufacturing and non-agricultural jobs, greater capital expenditures, lower unemployment and fewer work stoppages. As Kentucky struggles to recruit new businesses and to retain existing and expanding businesses, Kentucky's failure to enact right-to-work legislation has allowed the Commonwealth to cede competitive ground to other states.

In fact, Kentucky is the only southern state not to have enacted right-to-work legislation, and, with Indiana and Michigan's new right-to-work laws, stands as a conspicuous outlier in this much needed area of reform.

Revise Kentucky's prevailing wage laws

As pressing budget issues persist, it is time lawmakers get serious about examining Kentucky's prevailing wage law. While total repeal of the state prevailing wage law has long been and remains a goal advocated by the Chamber, we support a series of steps that would make Kentucky's economic and infrastructure development more competitive in the near term:

- Kentucky's prevailing wage laws must be made more representative of local wages by utilizing more effective methods of data collection than the current hearings process.
- The definition of localities should be replaced with one that would reduce the number of unrelated counties grouped together.
- If no changes are made to make the wage determination process more representative of local wages, then federal prevailing wages should be adopted wherever they exist.
- Kentucky should reinstate a prevailing wage exemption on education projects. By once again allowing an exemption for these projects, greater investments can be made in technology and improved facilities and in the classroom.

Enact statewide smoke-free law

According to the U.S. Centers for Disease Control and Prevention, Kentucky is second in the nation in the number of adult smokers, with 29% of the population. The situation is not improving with our youth – Kentucky is first in the nation in smoking prevalence among both middle and high school students. Smoking-attributable health expenditures are estimated at more than \$1.5 billion annually in Kentucky, and smoking-attributable economic productivity loss is estimated at more than \$2.3 billion each year in the state. The business community believes Kentucky should build on recent legislative advances, such as the funding of a smoking cessation program under Medicaid, to improve the state's public policies with regard to smoking. The Chamber supports enacting a comprehensive statewide smoking law that prohibits smoking in indoor workplaces and public places, including restaurants, bars and hotels.

(Statewide smoke-free continued)

While the Chamber is not typically supportive of policies that focus on a particular business or industry disproportionately, the body of evidence on smoking and its negative impact on public health and the economy is too significant to ignore. A recent survey of Chamber members shows that 90% are in favor of a statewide law prohibiting smoking in public places. Already, at least 23 Kentucky communities (covering more than 3% of Kentucky's population) and 24 states have passed comprehensive smoking laws, which have proven to curb smoking rates and lower health care costs without negatively impacting business.

Improve Kentucky's medical liability climate

The rising costs associated with medical malpractice liability are taking a significant financial toll on the health care industry, resulting in increased costs for consumers and a continued inability to attract and retain sufficient numbers of physicians in all regions of the Commonwealth. The high price of liability insurance and the lack of reasonable tort limitations in Kentucky have contributed to the shortage of medical professionals. To curb this trend, the Chamber supports allowing voters to consider a constitutional amendment that would permit the legislature to consider comprehensive tort reform. State and federal lawmakers should pass reasonable limits on damages and require alternative dispute resolution to help reduce escalating malpractice insurance premiums and the resulting burden passed on to consumers in the form of higher prices, fewer health care providers and fewer choices. Since 2000, numerous states have passed ballot initiatives to amend their constitutions, and 16 states have passed a cap on non-economic damages.

The Chamber also supports the establishment of a medical review panel process that would provide an independent, expert review of proposed claims against health care providers. Medical review panels have been successful in other states, including Indiana, to provide another layer of accountability for providers by providing expert findings that are admissible in court. Legitimate claims against providers are validated while meritless claims are quickly exposed before clogging the court system.

Enact enabling legislation for Public-Private Partnerships

Kentucky is once again at a competitive disadvantage when it comes to other states because we lack enabling legislation allowing the use of public-private partnerships (P3s) for transportation projects and encouraging the use of P3s for education, construction, water and sewer lines and even the management of state parks. The use of P3s in other states has led to significant cost savings for taxpayers, as well as improved expertise and efficiency on state projects. The Chamber encourages lawmakers to pass comprehensive P3 enabling legislation that:

- encourages the creation of public-private partnerships for a wide range of infrastructure projects at all levels of state and local governments
- allows the use of public-private partnerships for transportation infrastructure