

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection

Minutes of the 1st Meeting of the 2019 Interim

June 4, 2019

Call to Order and Roll Call

The first meeting of the Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection of the Interim Joint Committee on Appropriations and Revenue was held on Tuesday, June 4, 2019, at 8:00 AM, in Room 154 of the Capitol Annex. Representative Lynn Bechler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Lynn Bechler, Co-Chair; Representatives Terri Branham Clark, Savannah Maddox, Dean Schamore, and Les Yates.

Guests: Don Parkinson, Secretary, Tourism, Arts, and Heritage Cabinet (TAHC); Regina Stivers, Deputy Secretary, TAHC; Chris Reece, Executive Director, Office of Finance, TAHC; John Cox, Communications Director, TAHC; Donnie Holland, Commissioner, Department of Parks, TAHC; Laura Prewitt, Executive Director, Kentucky Horse Park, TAHC; David Beck, President and CEO, Kentucky Venues, TAHC; Gail Russell, Secretary, Public Protection Cabinet (PPC); Matthew Thacker, Fiscal Division Director, Office of Administrative Services, PPC; and, Carol Beth Martin, Commissioner, Department of Alcoholic Beverage Control (ABC), PPC.

LRC Staff: Sara Rome, Nick Peak, and Amie Elam.

Tourism, Arts, and Heritage Cabinet

Secretary Parkinson and staff provided an overview of the TAHC and their budgetary issues.

In response to a question from Chair Bechler regarding timing of the submittal of their budget request, Mr. Reece said it would be submitted to the Governor's office in the fall.

In response to questions from Chair Bechler regarding revenue producing events at the Horse Park, Ms. Prewitt said it is full eighty percent of the year, and eighty-five to ninety percent of weekends are full as well. There are over 250 events scheduled that generate revenue, with about 100 to 120 of those being equine related. Events for draft horses include a trolley for visitors, and the process has been started to bring in an exhibition of the Anheuser-Busch Clydesdales in the near future. There are not many draft horse competitions in the Lexington area, but they are open to including them in the future. Chair Bechler commented that the Clydesdale exhibition would help to attract more draft horse events to the Horse Park.

In response to a question from Chair Bechler regarding revenue producing events at the Kentucky Venues facilities, Mr. Beck said there are less than 30 days at the Exposition Center that are not utilized for events. Some of those days are spent on the logistics of moving events in and out of the venue. The Convention Center has many more vacant days, but there is a sales team working to grow the business, which was shut down for years due to comprehensive facility renovations. There is a partnership with Louisville Tourism that helps book many long-term dates and works with Kentucky Venues to help fill the short-term dates in between. There are many opportunities to recruit business to the Convention Center.

In response to a question from Chair Bechler regarding expanding to other areas of the state besides the urban areas, Secretary Parkinson said the Department of Fish and Wildlife does a lot around the state, with one of the most significant projects being fighting Asian carp in western Kentucky and turning it into a revenue producing venture. He said the Louisville Orchestra is building another urban/rural relationship by touring eight communities in the state. Ms. Stivers said the Tourism Department has the Office of Adventure Tourism which works on opening and improving existing trails for horseback riding, hiking, overlooks, motorcycle trails, and the culinary trail.

In response to a question from Chair Bechler regarding past controversy in the Department of Fish and Wildlife, Secretary Parkinson said they are working on increasing transparency and effectiveness. Mr. Storm said they have communicated with and engaged the public in town hall meetings. Communication also includes a television show called *Kentucky Afield* on KET with approximately 250,000 people watching each episode, as well as a YouTube channel and other social media accounts that engage over a million people. Hunting and fishing licenses are a source of revenue. There were approximately 22,000 in-state and about 17,000 out-of-state applications for hunting elk in Kentucky, with about ninety percent of the tickets drawn being for hunters within the state.

Representative Schamore commended Secretary Parkinson, Commissioner Holland, and David Beck for their good work.

Public Protection Cabinet

Secretary Russell and staff provided an overview of the PPC and their budgetary issues.

In response to a question from Chair Bechler regarding licensing and occupations, Secretary Russell said Kentucky is participating in a national consortium, along with seventeen other states, studying the necessity and viability of licensing for certain occupations. Some of the occupations do not have enough members to warrant the cost of the license and support the Board. Secretary Russell mentioned registries as a possible alternate to licensing boards. Chair Bechler requested that a list of those occupations be provided to the subcommittee.

In response to a question from Chair Bechler, Secretary Russell said the wrestling mentioned here is the professional type, such as the WWE. Also included is Mixed Martial Arts, which is both professional and amateur.

In response to a question from Chair Bechler regarding the Alcoholic Beverage Control board, Ms. Martin said the gross income fee varies. Some cities change the percentage of the regulatory license fee each year; however, there is a now five percent cap. The law requires an annual audit but does not specify how the funds must be used.

In response to a question from Chair Bechler, Ms. Martin said when a city or county votes to go wet, a business could open as early as ninety days following the certification of the vote. After the first sixty days following certification of the vote, thirty more days allow for a protest period before a business could operate.

In response to a question from Chair Bechler regarding an invited guest to a private party held in a dry place who brings alcohol, Ms. Martin said it is important to distinguish between private versus public places.

In response to a question from Chair Bechler regarding Sunday alcohol sales, Ms. Martin explained that state law says there are to be no alcohol sales on Sunday unless the local community passes an ordinance allowing it. Once the ordinance is passed, there is a special Sunday sales license available from the state which allows distilled spirits and wine to be served on Sunday, but the sale of beer on Sunday does not require that license.

In response to a question from Chair Bechler regarding the statute requiring a three-year waiting period, Ms. Martin said when a community has voted yes on alcohol sales, they do not have to wait the required three years to change back to dry. Since there are differences between cities, counties, and precincts, Ms. Martin will provide more information at a later date.

Chair Bechler announced the next meeting will take place on July 9, 2019. There being no further business before the subcommittee, the meeting was adjourned at 9:55 AM.

