

INTERIM JOINT COMMITTEE ON APPROPRIATIONS & REVENUE

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

Minutes of the 2nd Meeting of the 2022 Interim

August 17, 2022

Call to Order and Roll Call

The 2nd meeting of the Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection of the Interim Joint Committee on Appropriations & Revenue was held on Wednesday, August 17, 2022, at 9:00 AM, in Room 154 of the Capitol Annex. Senator Matt Castlen, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Matt Castlen, Co-Chair; Senators Morgan McGarvey, and Wil Schroder; Representatives Al Gentry, Bart Rowland, and Russell Webber.

Guests: Jamie Eads, Interim Executive Director, Kentucky Horse Racing Commission; Shan Dutta, Deputy General Counsel, Kentucky Horse Racing Commission; Waqas Ahmed, Director of Pari-Mutuel Wagering and Compliance, Kentucky Horse Racing Commission; Jeff Noel, Secretary, Cabinet for Economic Development; Katie Smith, Commissioner, Cabinet for Economic Development.

LRC Staff: Sara Rome, Kevin Newton, Joseph Holt, and Amie Elam

Pari-mutuel Wagering Licensing and Taxation

Representatives from the Kentucky Horse Racing Commission gave a presentation to the committee focusing on Pari-Mutuel wagering and excise tax. The presentation outlined changes related to 2022 Regular Session House Bill 607.

In response to a question from Senator McDaniel, Ms. Eads said that the Thoroughbred Development Fund is a supplemental purse incentive program to benefit owners of Kentucky-sired and Kentucky-foaled runners.

In response to a question from Sen Schroder, Mr. Ahmed said that the Kentucky Standardbred Development Fund would only be in effect at harness tracks.

In response to a question from Representative Gentry, Mr. Ahmed explained that each Historical Horse Racing licensee is required to conduct live racing.

In response to a question from Chair Castlen, Mr. Ahmed said that Ellis Park in Henderson, Kentucky, has been permitted to have Historical Horse Racing at an off-track betting site nearly 40 miles away in Owensboro.

In response to a question from Senator Schroder, Ms. Eads said that Equine Drug Research Council is established by law and appointed by the Governor to allocate dollars to fund research for the betterment of the equine industry.

In response to a question from Chair Castlen, Mr. Ahmed said that Advance-Deposit Wagering is mobile betting and is only offered for live racing. He added that Historical Horse Racing is only offered at brick-and-mortar facilities.

Cabinet for Economic Development Budget Overview

The Cabinet's presentation included information on electric vehicle batteries, wage growth, and international investment. Jeff Noel, Secretary, Cabinet for Economic Development, said that performance-based incentives and workforce programs were essential to attracting new corporate investors.

In response to a question from Senator McDaniel, Mr. Noel said that the Cabinet would provide the subcommittee with information regarding the Chinese involvement with lithium batteries. Mr. Noel said that the incentives the Commonwealth offers to companies are performance-based.

In response to a question from Representative Webber, Mr. Noel said there is a need to enhance workforce training and ways to identify a potential workforce. He noted the importance of collaborating with universities and regional hubs around technology.

In response to a question from Representative Gentry, Mr. Noel said that Kentucky is aggressive and will pursue funding and opportunities relative to recent coal industry legislation.

There being no further business before the committee, the meeting adjourned at 10:16 a.m.