

INTERIM JOINT COMMITTEE ON AGRICULTURE

Subcommittee on Rural Issues

Minutes of the 1st Meeting of the 2019 Interim

November 18, 2019

Call to Order and Roll Call

The 1st meeting of the Subcommittee on Rural Issues of the Interim Joint Committee on Agriculture was held on Monday, November 18, 2019, at 8:30 AM, in Room 131 of the Capitol Annex. Senator Stan Humphries, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stan Humphries, Co-Chair; Representative Walker Thomas, Co-Chair; Representatives Larry Elkins, Mark Hart, Richard Heath, Kim King, John Sims Jr, and Nancy Tate.

Guests: Erran F. Persley, Commissioner, Department for Business Development, Cabinet for Economic Development.

LRC Staff: Nathan Smith, Kelly Ludwig, and Rachel Hartley.

Economic Development Projects in Rural Kentucky

Senator Humphries stated Ebonite in Hopkinsville moved manufacturing production to Mexico and Dean Foods filed for bankruptcy.

Erran F. Persley stated during the Bevin administration there were 59,000 new jobs added, \$22 billion in investments announced, and more than 1,200 new projects. Most of the investments are from companies in Kentucky and are in rural areas.

Mr. Persley provided a brief overview of small business and entrepreneurship development programs including: the Small Business Tax Credit, Small Business Credit Initiative, Selling Farmer Tax Credit, State Trade Expansion Program, and Regional Innovation for Startups and Entrepreneurs Hubs.

The Cabinet for Economic Development (CED) utilizes a regional approach, because the workforce in Kentucky is willing to commute to work outside of the county in which they reside. By using a regional approach, CED is able to better convince foreign investors to use the regional workforce.

There are 84 counties in Kentucky that have Opportunity Zones that are low-income and undeveloped areas. There are tax incentives to attract investment in these zones.

The Product Development Initiative is an investment program with an objective to promote corporate investment and job growth. Qualified applicants will receive monetary assistance to create more competitive sites and buildings. The two-year budget is \$6 million and applicants can be awarded up to \$500,000 for property improvements.

Mr. Persley provided a brief overview of the CED budget requests including: funding for 16 vacant positions plus two additional new positions, marketing funds, additional funds needed for cabinet programs, and funding for the Rural Jobs Act.

Representative Thomas provided an update on the Ebonite closure in Hopkinsville. There were 171 jobs lost, but job fairs are providing opportunities for the unemployed.

There being no further business, the meeting was adjourned.