

INTERIM JOINT COMMITTEE ON LICENSING, OCCUPATIONS, AND ADMINISTRATIVE REGULATIONS

Minutes of the 6th Meeting of the 2024 Interim

November 19, 2024

Call to Order and Roll Call

The sixth meeting of the Interim Joint Committee on Licensing, Occupations, and Administrative Regulations was held on November 19, 2024, at 11:00 AM in Room 154 of the Capitol Annex. Senator John Schickel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator John Schickel, Co-Chair; Representative Matthew Koch, Co-Chair; Senators Donald Douglas, Jimmy Higdon, Jason Howell, Christian McDaniel, Michael J. Nemes, Damon Thayer, and Reginald Thomas; Representatives Kim Banta, Kevin D. Bratcher, Mike Clines, Jonathan Dixon, Daniel Fister, Patrick Flannery, Al Gentry, Samara Heavrin, Keturah Herron, Thomas Huff, Kevin Jackson, Michael Meredith, Amy Neighbors, Ruth Ann Palumbo, Tom Smith, and Killian Timoney.

Guests: Senator Gex Williams; Brian Miller, Executive Vice President, Building Industry Association of Northern Kentucky; Jamie Eads, President & CEO, Kentucky Horse Racing and Gaming Corporation; Susan Speckert, Chief Operating Officer, Kentucky Horse Racing and Gaming Corporation; Shannon C. Smith, Founding Attorney, Law Offices of Shannon C. Smith, Co-founder, Revival Vintage Spirits and Bottle Shop; Brad Bonds, Co-founder, Revival Vintage Spirits and Bottle Shop; Dr. Brit Anderson, Vice President, Kentucky Chapter of the American Academy of Pediatrics; Griffin Nemeth, #iCANendthetrend Youth Advisory Board Coordinator; Philena Ash, #iCANendthetrend Youth Advisory Board Member; Abbie Gilbert, Partner, The Denton Group; Elizabeth A. Morgan, B.S., R.T.(R), Executive Director, Kentucky Board of Medical Imaging and Radiation Therapy; and Carson Kerr, Legal Counsel, Kentucky Board of Medical Imaging and Radiation Therapy.

LRC Staff: Bryce Amburgey, Wendy Craig, CaraBell Preece, Jasmine Williams, and Lisa W. Moore.

Approval of Minutes of the October 24, 2024, Meeting

Representative Fister motioned to approve the minutes from the October 24, 2024, meeting and Representative Palumbo seconded the motion. Motion carried on a voice vote and the minutes were approved.

Kentucky Horse Racing and Gaming Corporation Updates

Jamie Eads, President & CEO, Kentucky Horse Racing and Gaming Corporation (KHRGC), provided an update on incentives and development, historical horse racing, sports wagering, and the implementation of 2024 Regular Session Senate Bill 299 (SB 299). Ms. Eads said the Kentucky Thoroughbred Development Fund (KTDF) distributions have grown 176.25 percent since 2020. The Kentucky Standardbred Development Fund/KSBF/KY Proud distributions have quadrupled in the last five years. In 2024, the Kentucky Quarter Horse, Paint Horse, Appaloosa and Arabian Development Fund (KQHPAA) made the first distributions of \$17,000. In addition to general fund and development fund contributions, Historical Horse Racing (HHR) tax revenue contributed \$2.6 million to the Equine Drug Research, Equine Industry Program, and Higher Education Equine Trust funds collectively. Sports wagering exceeded all expectations in its first year of implementation with \$2.6 billion wagered and \$43.1 million earned in state excise tax between September 2023 through September 2024.

Susan Speckert, Chief Operating Officer, KHRGC, said SB 299 implementation was effective on July 1, 2024, and is moving swiftly. Transition and hiring committees were established. A Request for Proposal (RFP) was issued to outsource the central functions in the short-term, and to identify long-term finance and human resource services. The RFPs have been scored and the selection will be announced in the near future. The board also adopted a new organizational chart that provided clarity to team members. Charitable gaming will be joining the KHRGC in 2025, and procurement regulations and a legislative package are forthcoming.

Chair Schickel said horse racing is strong and has been a priority during his 14 years serving as Chair of the committee. Responding to Chair Schickel, Ms. Eads said Turfway Park is a committed training facility and she will relay the desire for Turfway to provide the public with an authentic thoroughbred racing experience. She said all horse racing training facilities are operating at full capacity and thriving.

Representative Meredith thanked the KHRGC for their work on sports wagering, and said the \$43.1 in revenue is \$20 million more than the General Assembly had projected. This resulted in larger than expected distributions to the state pension fund and to the problem gambling assistance fund. He thanked Senator Thayer for all his work on sports wagering in the Senate.

Chair Schickel expressed concerns on keeping charitable gaming simple with minimal regulations. He said citizens will not participate in charitable gaming if the government adds too many regulations.

Senator Thayer stated this was his last Licensing, Occupations, and Administrative Regulations Committee meeting after a span of 20 years. He thanked the staff at the KHRGC and his colleagues, Chair Schickel and Representative Meredith, for sponsoring the HHR and sports wagering bills.

Representative Timoney said the prosperity of the state relies on our equine and bourbon industries, and the stars are aligning for a very prosperous era. He noted Keeneland is the crown jewel in the 45th district and thanked everyone for their hard work at the KHRGC.

Representative Smith said the Turfway Park facility is outstanding. He urged the KHRGC to consider racing dates so scheduling can correlate with participation.

Vintage Distilled Spirits

Chair Schickel introduced Shannon C. Smith, Founding Attorney, Law Offices of Shannon C. Smith, Co-founder of Revival Vintage Spirits and Bottle Shop. Ms. Smith said parts of the distilled vintage spirits law make it difficult to conduct business and compete with other states. She explained desired changes and asked for their support. Brad Bonds, Co-founder, Revival Vintage Spirits and Bottle Shop, said Kentucky is losing tax dollars and tourism to the expanding secondary market operating outside of any laws. Shipping laws are antiquated and many consumers cannot drive to the retail shop to pick up purchases. Consumers are being forced to buy rare products on social media sites or drive long distances to see if their rare liquors can be resold.

Chair Schickel said his bill will need a new sponsor for the 2025 Regular Session and offered to share his bill draft language with anyone interested. Senator Thayer hopes the bill finds a new sponsor and is passed in the 2025 Regular Session of the General Assembly.

Building Trades

Senator Gex Williams said Kentucky needs to increase the production of houses to reduce the housing shortage and on-the-job training is essential to provide the skills needed to build quality homes. Brian Miller, Executive Vice President, Building Industry Association of Northern Kentucky, said skilled trade training facilities produce workers without college debt, have a valued trade, are marketable, and build wealth early in life. He discussed the dual credit bill for licensure education that passed in the 2024 General Assembly, and the need for the construction sector to be on a level playing field with other in-demand sectors. On-the-job training hours vary among the construction trades for licensure attainment. The dual credit and on-the-job training requirements need alignment. Legislation is needed to allow high school students to receive on-the-job training hours during internships or traditional cooperative arrangements made between high schools and employers.

Vaping Issues

Senator Higdon said Kentucky's vaping law needs to include penalties for retailers who break the law. Under his proposal, retailers would face a loss of their license with a two-year waiting period before reapplying to active status; fines would be established and attributed to the clerk who sold the product to a minor, and after the first offense, would be applicable to the retailer; tobacco products would be banned from all school properties; police could charge a minor with possession; and students would be required to complete a smoking cessation program if caught off campus vaping. Representative Nemes and Senator Higdon are working together on a bill draft. Senator Higdon said many retailers are following the rules, but there continue to be bad actors. Chair Schickel said underage vaping remains a top public concern.

Philena Ash, #iCANendthetrend Youth Advisory Board Member, Bullitt County high school student, discussed student athletes and the health consequences of vaping. Many high school students frequent convenience stores and purchase vape products without showing identification, and e-cigarette sales increased from 2021 to 2023. Griffin Nemeth, #iCANendthetrend Youth Advisory Board Coordinator, University of Kentucky, said middle and high schoolers use e-cigarettes at high rates despite the national rates steady or decreasing. The exact number of retailers selling these vape products in Kentucky is unknown because there is no licensing law. Stronger laws are needed to regulate retailers and curb underage vaping. A tobacco licensing law would make it much easier to reach retailers with evidence-based training on how to properly check and verify IDs.

Brit Anderson, MD, Vice President, Kentucky Chapter of the American Academy of Pediatrics, shared stories of addicted youth that she treats and the harmful effects of vape products. Nicotine is proven to be highly addictive, and has devastating effects on a developing brain, including diminished impulse control, learning difficulties, problems with attention, and mood disorders, such as depression. Tobacco and nicotine is responsible for over 8,000 deaths annually in Kentucky, highlighting the significant health impact of unregulated sales. Tobacco and nicotine use costs Kentucky over \$2.23 billion in healthcare expenditures each year, significantly burdening the state's economy and health systems.

Chair Schickel said a bill sponsor is needed and a bill draft that includes specific language.

Senator Douglas said the General Assembly should provide guardrails and help inform the public on general health practices. He said government cannot legislate good parenting, self control, and community involvement. He said buy-in from the public and parents is essential to change.

Senator Nemes said parents have to be involved in curbing the youth vaping epidemic. In response to a question, Ms. Ash said Bullitt County is trying to implement a mandatory

summer school session for students and parents to hear the harmful effects of vaping.

Representative Jackson was impressed with the student testimony and thanked them for their efforts. Senator Higdon thanked the panel and the students for their advocacy. He will keep working on their behalf to get a solid bill draft that can pass the General Assembly.

Abbie Gilbert, Partner, The Denton Group, said The Vapor Technology Association is the leading national trade association representing manufacturers, wholesalers, distributors, and small business owners of the independent vaping industry. The industry employs tens of thousands of people across the country and in Kentucky. She provided an update on House Bill 11, passed in the 2024 Regular Session, which effectively banned flavored vaping products. The Federal Food and Drug Administration has only authorized 34 products, and removing all other products would economically cripple the state, costing \$174 million in wages and other losses. SCOTUS will be making a ruling on this issue in 2025.

Senator McDaniel said vaping products are accessible to Kentucky's youth. Adults can make their own decisions, but the products will be scrutinized if minors can access them.

Medical Imaging and Radiation Therapy

Representative Neighbors discussed her proposed Kentucky Board of Medical Imaging and Radiation (KBMIRT) bill draft for the 2025 Regular Session of the General Assembly. According to a national certification website, there are 800 individuals certified in MRI and 1600 individuals certified in sonography in Kentucky. There is currently no regulatory oversight of these professionals in the state, no guarantee the MRI technologist or sonographer is qualified to perform the exam, and no administrative recourse should the patient have a complaint, leaving the courts as a patient's sole remedy.

Elizabeth A. Morgan, B.S., R.T.(R), Executive Director, KBMIRT, said the bill provides for two new board members to represent these professions on KBMIRT, and provides peace of mind for patients, employers, and insurers that professionals are qualified. It would license student medical imaging technologists, and would require a federal and state fingerprint criminal background check for applicants. The bill does not prohibit licensed healthcare practitioners from engaging in the full scope of practice authorized by the license for that person's profession or training (e.g. nurses, physicians, physical therapists, etc.). It does not prohibit persons from performing ultrasounds for therapeutic or non-diagnostic purposes, and safeguards the Commonwealth from unqualified individuals providing diagnostic images.

Responding to a question from Senator Nemes, Ms. Morgan said background checks come from all over and the bill will direct applicants to get the background check from the Kentucky State Police (KSP), including fingerprints. KSP keeps the fingerprints on file and

releases the criminal background check.

Carson Kerr, Legal Counsel, KBMIRT, said KSP will standardize the background checks for all applicants, and ensure background checks have not been photoshopped. KSP said fingerprinting language must be specified in statute.

Adjournment

Chair Schickel shared highlights and closing statements of his tenure as Chair of the committee. He and Co-Chair Koch recognized retiring members. With no further business before the committee, the meeting adjourned at 12:15 PM.