

A RESOLUTION reauthorizing the Tobacco Task Force.

WHEREAS, for decades, tobacco production has been an integral part of Kentucky's agricultural economy; and

WHEREAS, in recent years, two significant events have affected tobacco production in Kentucky, the finalization of the Master Settlement Agreement between settling states and major tobacco companies in 1998 and the Congressional buyout legislation in 2004 that ended the decades-long federal price support and quota system on all types of tobacco; and

WHEREAS, even in the post-MSA and buyout periods in which tobacco production landscape has declined from just under \$800 million in 1999 to the current \$300 to \$350 million range, the leaf remains a relevant part of Kentucky's expanding agricultural economy; and

WHEREAS, tobacco stands as a valuable commodity in the world marketplace, and ranks as one of the state's top agricultural exports to foreign countries; and

WHEREAS, many issues confront Kentucky's tobacco industry, including fluctuating purchase contract prices, labor shortages and rising labor costs, infrastructure, machinery, fuel, chemical, supply, and land costs, the national impact of the United States Food and Drug Administration tobacco regulations, plus worldwide pressures to not include tobacco in trade agreements, and competing in an unpredictable national and world marketplace; and

WHEREAS, any continuing reductions in tobacco production will have an adverse ripple effect throughout rural areas of Kentucky, affecting local economies, and ultimately leading to an erosion of local and state revenues; and

WHEREAS, the Tobacco Task Force was created by the Legislative Research Commission in 1984 to address problems that threatened Kentucky's tobacco economy and was instrumental in helping resolve those problems; and

WHEREAS, Kentucky's tobacco industry remains in jeopardy because of the

problems and concerns evident at this time;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

➔Section 1. The Tobacco Task Force shall be reauthorized through December 31, 2015, to help address the continuing problems facing the tobacco industry in Kentucky.

➔Section 2. Provisions of this Resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.