



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

Andy Beshear
GOVERNOR

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VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 604 OF THE
2022 REGULAR SESSION

Section 1.

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 1, lines 4 through 27, in their entirety.
Page 2, lines 1 through 8 in their entirety.

I am vetoing these parts because they require the Kentucky Department of Revenue to disclose federal tax information in violation of federal law and an agreement between the Department and the Internal Revenue Service ("IRS"). Under federal law – the Internal Revenue Code – the IRS is authorized to provide federal tax information only to the Department of Revenue as the state agency that administers the Commonwealth's tax laws, and the disclosure of federal tax information is allowed only to Department employees and representatives who are authorized to receive it under an agreement between the IRS and the Department.

Federal law prohibits the identification of a taxpayer from federal tax information included on that taxpayer's State tax return, which protects the confidentiality of the federal tax information attached to or included on the return. Further, the federal Internal Revenue Code requires Kentucky to have adopted laws that safeguard the confidentiality of the federal tax return attached to and the federal tax information in a Kentucky state tax return in order for Kentucky to receive federal tax information from the IRS. Kentucky has adopted such laws in KRS 131.190 and KRS 131.081 (the Taxpayers' Bill of Rights). The above parts of House Bill 604 conflict with these laws and current Kentucky tax confidentiality policies.

The General Assembly has no legitimate need to obtain tax information in a format that would disclose taxpayers' personal and proprietary federal tax information to perform its legislative functions. Members of the General Assembly should discuss with the Department of Revenue and understand the type of tax information and data that may be disclosed under federal law before mandating that broad tax information be disclosed to the General Assembly, the Legislative Research Commission, or an individual. The Department stands ready to have that discussion.

Section 3.

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

- Page 10, line 10, after "Cannabis" delete "Research".
- Page 10, line 15, after "derivatives" delete ",".
- Page 10, lines 16 through 17 in their entirety.
- Page 10, line 18, delete "diseases".
- Page 11, line 10, after "Kentucky" delete the rest of the line.
- Page 11, lines 11 through 27 in their entirety.
- Page 12, lines 1 through 5 in their entirety.
- Page 12, line 6, delete "University of Kentucky".
- Page 13, lines 26 through 27 in their entirety.
- Page 14, line 1 in its entirety.

I am vetoing these parts because they limit the purpose of the Center and dictate who the president of the University of Kentucky should consider appointing to the advisory board after giving the president of the university sole appointing power. I am also vetoing these parts because ongoing appropriations may be necessary.

Section 5., Section 6., Section 7.

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

- Page 16, line 11, after "equipment" delete the rest of the line.
- Page 16, lines 12, delete "pursuant to Section 6 of this Act".
- Page 17, lines 4 through 13 in their entirety.
- Page 18, lines 10 through 27 in their entirety.
- Page 19, lines 1 through 3 in their entirety.

I am vetoing these parts because Kentucky already offers financial assistance for heavy and specialized equipment to an individual under other agencies and similar programs, making these duplicative parts unnecessary.

The bill expands eligible equipment to include heavy and specialized equipment where a soil and water conservation district applies jointly to lease equipment to an individual under a program that is intended to carry out operations for the conservation of soil resources. The amendment broadens eligible applicants from districts to now include individuals and businesses to use that equipment outside of the provisions and intent of KRS 262.330.

Additionally, the amendments in these parts conflict with each other. Section 5 requires the equipment to be used on the lands of the lessee for the purpose of conservation of soil resources, but Section 7 allows the lessee to use equipment not only on other lands in the district but outside of the district with prior approval.

Section 13.

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 20, line 12, after “curriculum” delete “using Plasma Games’ STEM and Chemistry education tool”.

I am vetoing this part because through it the General Assembly appropriates funds for a specifically named software product of a specific company, making it special legislation in violation of Section 59 of the Kentucky Constitution. These parts are analogous to the General Assembly appropriating funds for a road project and naming a specific contractor for the project in the legislation.

Section 19.

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 21, line 9, after “Cannabis” delete “Research”.

Page 21, line 11, in its entirety.

Page 21, line 12, delete “Research and shall only be appropriated once.”.

Page 21, line 16, after “Cannabis” delete “Research”.

I am vetoing these parts because they limit the purpose of the Center and because ongoing appropriations may be necessary.

Section 20.

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 21, line 20, delete “Research” and after “shall” delete “, within 120 days after the effective date of this Act,”.

I am vetoing these parts because they limit the purpose of the Center and because the Center may need more than 120 days to prepare and submit the referenced application to the United States Drug and Enforcement Agency.

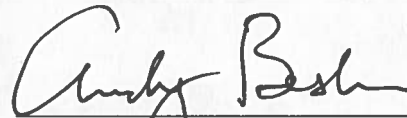
Section 21.

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following parts:

Page 22, lines 10 through 19 in their entirety.

I am vetoing these parts because the General Assembly has included appropriations in House Bill 1 to implement the Basic Health Program in both the Medicaid Benefits and the Medicaid Administration budget units – \$123.1 million in Fiscal Year 2022-2023 and \$234.2 million in Fiscal Year 2023-2024. The General Assembly cannot now withhold the execution of the authority it provided to spend these appropriated funds. The Basic Health Program will provide more affordable health coverage for low-income individuals with plans that include lower premiums and cost sharing amounts. The Basic Health Program will increase access to health care coverage and reduce the number of uninsured individuals in Kentucky. It will minimize the impact of churn, gaps in coverage, and improve continuity of care for individuals whose income fluctuates above and below the Medicaid income limits.

This the 26th day of April, 2022.

A handwritten signature in black ink, appearing to read "Andy Beshear", written over a horizontal line.

Andy Beshear
Governor