

## “Cooling-Off” Needed Before Possible Special Session

**T**he 2007 Kentucky legislative session ended with a bang. In this case, the bang was the slamming of doors as the House and Senate were unable to reach agreement on a number of major issues.

One prominent issue left unsettled is how to address the unfunded liability in the state retirement program. The Senate had proposed issuing \$800 million in bonds to provide relief for the beleaguered fund. In addition, the plan called for the conversion of benefits for new state hires from a defined-benefit pension plan to a defined-

contribution program, similar to what many private-sector businesses have adopted.

The House refused to consider the change in retirement benefits and deadlocked on the issue. Gov. Ernie Fletcher said he believes the two chambers need a cooling-off period before he'll consider calling a special session to address the proposed pension overhaul.

The fact that 2007 was a 30-day or “short” session did not dissuade lawmakers from filing mountains of proposed legislation. More than 850 bills were filed, almost equal to the number normally filed in a 60-day session.



State Sen. Gary Tapp, an NFIB member, continues to battle on behalf of small business.

## Bad Workers' Comp Bills Fail

**MORE THAN A DOZEN** workers' compensation bills that would have caused your premiums to increase failed. NFIB worked with the business coalition to scuttle these harmful measures.

That wasn't the only good news for small business. In one important victory, Sen. Gary Tapp (Shelbyville) attached NFIB-sponsored language to H.B. 296, which requires workers' comp insurers to provide a 5 percent premium reduction for employers who voluntarily adopt a drug-testing program for their workers. Gov. Fletcher signed the bill into law, which was a highlight of the 2007 session.

**84%**

**OF NFIB/KENTUCKY MEMBERS SAID KENTUCKY SHOULD PROVIDE A 5 PERCENT WORKERS' COMP DISCOUNT TO EMPLOYERS WHO VOLUNTARILY ADOPT A RANDOM DRUG-TESTING PROGRAM IN THEIR WORKPLACE.**

## Don't Forget Kentucky's Election Season

**THE GOVERNOR'S MANSION and every other statewide elected official will be up for reelection this fall. This gives you an opportunity to let those leaders know the importance of supporting small business.**

**Please make plans to vote and support candidates who will best represent you and other members of the small-business community. You must register at least 21 days in advance of the election to be eligible to vote. NFIB has posted links to the candidates' Web sites and other helpful election information at [www.NFIB.com/KY](http://www.NFIB.com/KY).**

**For additional information about ways you can be involved, more information about voting or any questions, contact the NFIB/Kentucky office at (502) 223-5322.**

## Minimum-Wage Increase Approved

**THE NATIONAL TIDAL WAVE** on minimum wage reached Kentucky this year. H.B. 305, sponsored by J.R. Gray (Benton) raises Kentucky's minimum wage to \$5.85 per hour, effective July 1. The wage will increase to \$6.55 per hour on July 1, 2008, and to \$7.25 per hour on July 1, 2009.

Tremendous political pressures behind this issue made it impossible to combat. The bill originally called for an immediate increase to \$7 per hour, removed the credit for tipped employees and included annual cost-of-living indexing. Thankfully, those components were removed.

## Helpful Tax Measure Stalls

**A GOOD SMALL-BUSINESS BILL, H.B. 460, filed by Rep. Tanya Pullin (South Shore) and Rep. Brad Montell (Shelbyville), would have allocated economic-development tax credits to an exclusive fund for small business. Large corporations have been the primary beneficiary of economic-development programs and tax credits since their inception, even though small businesses employ more than half of all Kentuckians.**

The bill would have set aside \$5 million in credits for which small businesses could apply in exchange for hiring at least one additional employee and investing in new technology or equipment. House and Senate members strongly supported the measure, which the House Economic Development Committee approved unanimously. NFIB/Kentucky members voted overwhelmingly in support of this initiative.

Unfortunately, the bill sputtered in the Appropriations and Revenue Committee without a House floor vote. Leadership from both chambers were opposed to opening the budget for all but a few items this year and postponed debate until 2008. Because of its interest to NFIB/Kentucky members, this legislation will remain a priority for future sessions.