

LEGISLATIVE AGENDA

 **KAED**
KENTUCKY ASSOCIATION
for
ECONOMIC DEVELOPMENT



2022
KENTUCKY GENERAL ASSEMBLY



OVERVIEW

The Kentucky Association for Economic Development (KAED) consists of more than 600 members that represent 325 unique companies. KAED's membership represents diverse professionals across the state who share a common interest in building and growing Kentucky. KAED continues to work with the Cabinet for Economic Development and other state organizations that support economic development. KAED serves as the leading advocate for economic development in the Commonwealth by championing policies that promote and advance Kentucky's economic engine. During the 2022 Legislative Session, KAED will be supporting policy development in the following areas: 1) **budget**, 2) **tax policy**, 3) **workforce development**, and 4) **competitiveness**.



BUDGET

The state biennial budget is the Commonwealth's ultimate policy document, outlining priorities identified by the Governor and General Assembly. Many of Kentucky's economic development policies are tied directly to our state budget and rely on state appropriations to fund grant programs that help attract and retain new projects. KAED urges the Governor and General Assembly to support the following budget items:

- **An increase in funding for the Kentucky Economic Development Finance Authority (KEDFA) to assist with financial support for new and existing economic development projects through an array of financial assistance and tax credit programs.**
- **An increase in the budget allocation for site identification and product development programs.**



TAX POLICY

Competitive tax policy is the gold standard for a state's success in attracting economic development projects. To bring Kentucky's tax code up to par, KAED supports:

- **Legislation that allows for a constitutional amendment to give local governments more flexibility in the types of tax revenue they can generate.**
- **Statewide tax reform that allows Kentucky to compete with other states in attracting additional economic development investment.**
- **Modernizing the way in which the Commonwealth collects revenue in the Road Fund, including increasing funding for transportation infrastructure to ensure that Kentucky remains competitive with surrounding states.**



WORKFORCE DEVELOPMENT

The pandemic exemplified the need for Kentucky to look towards the workforce of the future. A qualified workforce is critical to attracting economic development investment in the Commonwealth. KAED supports:

- **Legislation that creates a tax credit for individual remote workers who relocate or stay in Kentucky. Many businesses survived the initial shutdowns of the pandemic due to the success of remote work, and the trend seems here to stay.**
- **Policies that encourage Kentuckians to go back to work to fulfill current workforce needs.**
- **Funding educational programs that assist with workforce participation, whether in traditional higher education, vocational training, or other skills training.**



COMPETITIVENESS

The success of continued investment in the Commonwealth has largely been due to the foresight of state policymakers in structuring successful economic development incentive programs.

- **KAED encourages the careful review of any suggested changes to state incentive programs to ensure that the incentives that are currently utilized to attract new investment remain in place.**
- **KAED supports the protection of performance-based incentives.**
- **KAED opposes the creation of redundant, burdensome, and damaging bureaucratic oversight of economic development incentives.**
- **KAED supports policies that will create additional investment and further economic development efforts.**
- **KAED supports policies that advance the Commonwealth as a diverse, open, and welcoming state. Policies that allow for talent attraction and retention are critical to the efforts of our economic development agencies.**

