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Bridges, economic growth bills added to session

Williams' proposal is left out

By Stephenie Steitzer

ssteitzer@courier-journal.com

FRANKFORT, Ky. -- Gov. Steve Beshear is adding bills to create economic-development incentives and a way to fund the Ohio River Bridges Project to the June 15 special session.

But Beshear said he would not add to the agenda a proposal by Senate President David Williams, R-Burkesville, to aid the horse industry.

Beshear on Wednesday issued a call for a special session to address a \$996 million revenue shortfall for the fiscal year that begins July 1. The next day he added a bill that would allow video lottery terminals at racetracks.

"I believe my initiatives collectively represent a limited and doable agenda," he said. "It is an agenda that will go far in protecting Kentucky's families and businesses in this time of economic crisis, while making investments that move the state forward in the future."

Beshear said the bridges bill is still being drafted but would create a mechanism to fund construction of the Louisville bridges project, including the possible use of tolls.

Progress on the \$4.1 billion bridges project -- two new spans at Louisville and a redesigned Spaghetti Junction near downtown -- has slowed as Kentucky lawmakers debate how to pay for the state's \$2.9 billion share. Indiana's money is largely coming from a Northern Indiana toll-road lease.

House Speaker Pro Tem Larry Clark said the bill would also address the planned Interstate 69 extension near Henderson.

Clark, D-Okolona, said the House proposal creates an 11-member statewide authority appointed by the governor but which also includes the state finance and transportation secretaries. The Senate would have to approve the governor's picks, he said.

The legislation also would clear the way for local authorities with officials from Kentucky and Indiana, Clark said. The authorities are expected to play a role in financing decisions.

Clark said the legislation has attempted to address concerns voiced by Williams, and he predicted it will be approved.

"I think we'll definitely pass the bridge authority legislation. I feel very comfortable with it. I think it's good public policy," he said.

Williams said he is concerned about the various authorities the bill would create, as well as other parts of the bill. Williams has previously said that he would prefer to use the Kentucky Turnpike Authority rather than create a new layer of bureaucracy.

"We have some problems with the bill as it was presented," he said. "We will try to work through that."

The economic-development bill would include incentives to try to lure a NASCAR Sprint Cup race to the Kentucky Speedway in Gallatin County, Beshear said.

It also would contain updates to the state's tax-incentive programs and an expansion of a tax exemption to lure a Breeders' Cup World Championship to Kentucky.

"In a time when every job is sacred and every economic investment a cause to celebrate, Kentucky must be aggressive in identifying and seizing every opportunity," Beshear said.

Beshear also said yesterday that he would not add Williams' proposal to aid the horse industry -- offered as an alternative to his video lottery terminal plan -- to the session agenda but expects the proposal to be discussed.

Williams' approach would add a 10 percent surcharge on lottery sales, charge a 1.5 percent tax on wagers placed out of state on Kentucky horse races and use about \$19 million in tax revenues from the horse industry that currently go to the state's general fund.

Beshear said he fears Williams' proposal would hurt lottery sales, taking money away from the lottery-funded scholarship program for high school students.

"Let me say this very clearly: I very much appreciate President Williams' willingness as a leader to engage in this important public policy debate on behalf of an industry that means 100,000 jobs and \$4 billion in economic investment for Kentucky," he said.

Williams yesterday said his measure takes into account a slight decline in lottery sales and supplements the scholarship program with some of the projected tax revenue.

"I hope the governor will change his mind about that," he said of Beshear's decision to leave his bill off the agenda.

Williams, who opposes expanded gambling, said Beshear's gambling bill would get fair treatment in the Senate if it clears the House.

"I already think there was not sufficient support in the House to pass the gambling proposal before there was an alternative," he said. "Since there is a viable alternative, it's bound to affect the amount of support that exists."

House Speaker Greg Stumbo, D-Prestonsburg, said he is reviewing Williams' proposal and is glad there is full agreement that the horse industry needs help.

"It contains many recommendations that have been offered by the horse industry in the past and should be part of the debate," he said.

Reporter Stephenie Steitzer can be reached at (502) 875-5136.

Reporter Marcus Green also contributed to this report.

Additional Facts

ECONOMIC DEVELOPMENT PROPOSAL

- Updates the state's economic-development incentives to focus on helping businesses expand.
- Creates a tax credit for small businesses.
- Uses tax incentives to try to attract a NASCAR race to the Kentucky Speedway in Gallatin County.

- Includes tax incentives for the film and television industry.
 - Expands a tax exemption to attempt to lure a Breeders' Cup World Championship to Kentucky.
 - Allows land in Hardin County to be used for a proposed advanced battery manufacturing facility.
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