

Highlights of Gov. Beshear's proposals for 2009 Special Session

Budget proposal

- No new taxes on working families and Kentucky businesses.
- Preserves commitments to primary, secondary and higher education and maintains Medicaid funding through the use of federal stimulus dollars.
- Preserves funding for state police and local jails, as well as funding for prosecutors, public defenders and corrections.
- Requires enhanced government cuts through further reductions of other areas of government by 2.6 percent.

Video lottery terminal proposal

- Video Lottery Terminals (VLTs) would be administered and regulated by the Kentucky Lottery Corporation at approved tracks licensed by the Kentucky Horse Racing Authority.
- Minimum payout or handle returned as prizes would be 85 percent of the amount wagered.
- Track facilities would pay an initial application fee of \$25,000 plus additional license fees of \$360 million. Licenses would be for 10 years with subsequent five-year renewals.
- A significant portion of the revenue generated would be allocated to equine interests due to the current state of Kentucky's signature horse industry.
- Revenues generated by VLTs would support tax relief for citizens through an individual income tax credit equal to 50 percent of the state property tax on motor vehicles, a savings of approximately \$30 million to Kentucky taxpayers.
- Active duty military pay would be exempt from individual income tax, an estimated cost of \$18 million, which would also be offset by VLT revenues.
- Some purchases related to the breeding, raising, training or transporting of horses would be exempt from Kentucky sales tax.

Economic incentives proposal

- Revises economic incentives statutes to help existing businesses remain and expand in Kentucky and helps Kentucky lure major tourism development projects.
- Allows Kentucky to secure necessary funding for a proposed advanced battery manufacturing complex in Hardin County.
- The proposal was developed following months of consultation with legislators, local economic development organizations, site selection consultants and existing Kentucky businesses.
- Most of the proposal's components were approved by both chambers during the 2009 General Assembly.

Megaproject proposal

- Establishes the Kentucky Public Transportation Authority (KPTA) to review and approve transportation projects eligible for construction and financing that connect Kentucky and Indiana.
- Authorizes the KPTA to facilitate construction and financing of transportation projects. The authority may issue project revenue bonds.
- Authorizes the establishment of bi-state authorities between Indiana and Kentucky to finance, construct and operate projects, subject to approval by the state authority.
- Allows the creation of financing authorities for other projects within Kentucky in addition to authorities to finance projects between Kentucky and Indiana.