



HB 444 - Payday Lending - Bill passed and signed into law – 3/25/09

Note: HB444 passed without critical protections advocated by AARP KY and the KY Coalition for Responsible Lending (a coalition of 30-plus citizen advocacy groups – read more online at: <http://kyresponsiblelending.wordpress.com/>). More work to improve consumer protections is expected and necessary in the 2010 KY General Assembly.

Payday loans are small cash advances based on personal checks held by the lender for a small period of time, generally until the next payday or a one or two-week period. Payday loans target households with low and moderate incomes, households without deposit accounts, minority households, and households with little or no savings. A significant consequence of payday loans is that the loans may actually worsen the financial situation of consumers. Frequent refinancing of debt often result in the accumulation of debt far beyond the consumer's ability to pay. In Kentucky, payday loan rates are 392% APR.

Some payday lenders have begun targeting Social Security beneficiaries and other older people who received federal benefits. As studies show, older people are incurring greater debt than before they may find their usual sources of credit are no longer available.

AARP KY supports a stronger law delivering more protections to consumers:

- Capping the payday loan rate at 36%
- No borrower shall have more than one short term loan outstanding at any one time
- No loan should exceed \$500.00
- A borrower shall have 31 days to repay

State Budget Cuts Effect on Senior Services – funding was not restored in the Regular Session, but there may be some funding restored in a possible Special Session of the General Assembly in 2009

16,000 of Kentucky's most vulnerable citizens await new or additional services that would allow them to age with dignity in their homes and communities. Yet instead of increasing these needs the state is looking at cuts to these services if new revenue is not provided. Over 7,000 of Kentucky's elders are on the Meals on Wheels waiting list. Homecare, transportation and adult day all have significant waiting lists. Grandparents raising grandchildren, thus keeping them from becoming wards of the state, have had their assistance cut. Currently there are 34,000 grandparents raising 57,000 grandchildren. **Aging services received only one increase of \$7.5 million in the last 15 years.**

Funding Home and Community Based Services for seniors and persons with disabilities can save taxpayers more than \$50,000.00 per person by keeping people at home. State dollars spent for home and community based programs save Kentucky taxpayers' money by helping seniors live in their own home and out of nursing homes.

Funding senior services is a good use of taxpayer dollars. State dollars serving seniors are vital to meeting basic human needs in **every** Kentucky County. These services provide more meals, in-home care, adult day care, personal attendant services, transportation, and a variety of other support services.

[AARP Kentucky](#) supported the following bills:

[HB 50](#)

Bill failed to pass; committee hearing only.

Allows for early voting in Kentucky in County Clerk's offices for a period no longer than twelve (12) working days before the Sunday prior to Election Day.

[HB 88](#)

Bill failed to pass; no committee hearing.

Strengthens bicyclists' rights by specifying conditions under which a bicyclist need not ride at the right-hand edge of the road. The bill clarifies the bicyclists' legal responsibilities and establishes safety as the governing factor in determining a bicyclists' acceptable position in the travel lane.

[HB 106](#)

Bill passed and signed into law – 3/27/09

Brings Kentucky law into compliance with new federal law under the S.A.F.E. Mortgage Licensing Act. If KY fails to amend state law by July 31, 2009 the S.A.F.E. Act requires HUD to become the primary regulator of mortgage loan originators and to license mortgage originators in the state.

[HB 139](#)

Bill passed and signed into law – 3/20/09

Permits volunteers to provide transportation services to elderly and persons with visual impairments without requiring "livery" or taxi service licensing.

[SB 22](#)

Bill passed and signed into law - 3/24/09

Establishes a certification requirement for agencies that perform non-medical personal services for individuals who need that care. Personal services are non-medical services which a client could perform if he or she were physically or mentally capable. The Cabinet is directed to promulgate regulations that address administrative processes and also requirements for criminal background checks, means to ensure competency of individuals performing the care, client services agreements and service plans.

Tobacco Tax Increase: Measure passed and KY's cigarette excise tax increased from \$0.30 to \$0.60 on April 1, 2009

AARP Kentucky supported increasing the state's tobacco excise tax and urged members of Kentucky's General Assembly to support a **70-cent increase**. Increasing tobacco taxes is a proven and effective way to reduce the health costs of tobacco-related diseases, youth and adult smoking rates and the financial burden to state taxpayers. Across the country and in Kentucky, **voters routinely** support increasing state tobacco taxes. In Kentucky, AARP polling showed that 69% of voters would support a 75-cent increase.

More information is available online at the KY General Assembly's website:

<http://www.lrc.ky.gov/home.htm> and AARP Kentucky's homepage: www.aarp.org/ky