

Scorecard @ Feb 10
(28/60 days)

	Senate	House
# bills filed	178	561
# resolutions filed	183	165
# bills passed 1 chamber	32	102
# bills passed both chambers	0	1
# bills into law	0	1
# bills vetoed	0	0

LRC Contact Numbers

Bill Status	877/257-5541
Mtg info	800/633-9650
Legislators msg	800/372-7181
TTY msg	800/896-0305
Spanish msg	877/287-3134
LRC web	www.lrc.ky.gov

Key Session Dates

Jan 4	Convenes
Jan 9	Gov's State of Commonwealth Address
Jan 17	Gov's Budget
Feb 17	Last day to have a new bill drafted
Feb 27	Last day to file House bills
Mar 1	Last day to file Senate bills
Mar 24 & 27	Concurrence days
Mar 28- Apr 7	Veto days (GA not in session)
Apr 11	Adjourns

Legislators concentrated on core issues last week as the session moved toward the halfway point. Budget committees continued to hear from agencies on their proposed FY 2006-08 budgets contained in **HB 380**. Bills on transportation and traffic safety, education and health insurance coverage began moving out of committees. Some bills, such as **HB 378** to increase the minimum wage, were recommitted to committees for further study. This often means the bill is dead for the session without significant revision. Both chambers worked reasonably well together again last week.

Tech Day in Kentucky was celebrated last Wednesday with a rally, award presentations and an evening reception recognizing the efforts of ConnectKentucky to expand broadband across the state. A progress report reported that increased broadband investment by telecom and other providers has made broadband service available to 77% of Kentucky households, up from 60% in 2003. The state goal is 100% broadband availability by the end of 2007. Special awards recognizing actions to advance technology went to Humana (company), John Williams, chairman of Computer Services in Paducah (individual) and Jarad Fugate, Breathitt County High School (student). The 2006 ConnectKentucky Progress Report is available at www.connectkentucky.org.

Governor Fletcher proclaimed Feb 9 as *First Responder Day* in a rally of hundreds of law enforcement, fire, police and EMS workers. He called for legislation to provide an additional \$6.5M to 911 centers, incentives to merge 911 centers, and to lower the E911 surcharge on wireless phones from \$.70 to \$.65/month. He also announced initiatives to improve the first responders' communications interoperability issues with the goal of a statewide public safety communications infrastructure.

On PSC matters, the appointment of PSC Vice-Chair Teresa Hill (**HR 146**) has been approved by the Senate Agriculture and Natural Resources committee. Rep. Mike Weaver (D-Elizabethtown) followed through with a commitment by filing **HB 524** to require any complaint filed by the Attorney General be addressed, at least with a procedural schedule, within 60 days. This was in response to the PSC admitting that a complaint by the Attorney General had been pending for a year before any substantial action was taken.

Telecom Issues

Last week was busy for telecom and it promises to continue throughout the remainder of the session.

Supporters continued to meet with opponents of **HB 337**, *telecom's Emerging Technology and Consumer Choice Act of 2006*, on compromise language. The bill may be heard again by the House Tourism Development and Energy committee as early as Thursday. The bill now has 46 sponsors in the House.

HB 522 was filed to prevent florists from providing misleading advertising in telephone directories and other directory assistance database. Florists would have to display their geographical location in their ads.

HB 536 would remove the Attorney General's role in maintaining the state zero-call list by *adopting the national Do Not Call Registry maintained by the Federal Trade Commission*. This means telecom would report number changes (including wireless) only to the FTC and telemarketers would only need to comply with 1 list.

HB 543 is a reaction to recent national news stories involving the public release of wireless numbers. The bill would *make obtaining or selling a telephone customer record without authorization a felony*. Telcos would be required to establish procedures to protect the records from unauthorized use.

HB 550 was filed by Rep. Ruth Ann Palumbo (D-Lexington) to establish *tax incentives for the deployment of broadband to unserved areas and to county courthouses*. A Broadband Deployment Account would be established in the Kentucky Infrastructure Authority to fund the projects.

Ins & Outs

Congratulations to Tom Rowland, President/CEO of North Central Telephone Cooperative (Lafayette, TN) on his election last week as President of the NTCA Board of Directors. North

Central serves Allen County, KY and Tom is on the KTA Board.

Parties of every type were held last Wednesday to celebrate the *10th anniversary of the Telecom Act of 1996*. Congress, however, has on its agenda to revisit the act this year. Deregulation, broadband deployment and the Universal Service Fund are key issues to be explored. No industry segment has transformed itself as much as telecom in the last 10 years.

Cell phone companies (#2) and cable and satellite providers (#8) made the *2005 top 10 complaint list* of the Better Business Bureau of Central and Eastern Kentucky. The bureau covers a 64 county area.

HB 337 Sponsors in the House

(46 sponsors - new sponsors in italics)

Primary Co-Sponsors: Joni Jenkins (D-Louisville) and Scott Brinkman (R-Louisville)

Democratic Co-Sponsors: Royce Adams (Dry Ridge), Eddie Ballard (Madisonville), Carolyn Belcher (Owingsville), Kevin Bratcher (Louisville), Tom Burch (D-Louisville), Mike Cherry (Princeton), Larry Clark, (Louisville), Hubert Collins (D-Wittensville), Teddy Edmonds (Jackson), Jim Gooch (Providence), JR Gray (Benton), Charlie Hoffman (Georgetown), Dennis Horlander (Shively), Mary Lou Marzian (Louisville), Chuck Meade (McDowell), Reggie Meeks (Louisville), Charlie Miller (Louisville), Fred Nesler (Mayfield), Darryl Owens (Louisville), *Ruth Ann Palumbo (D-Lexington)*, Steve Riggs (Louisville), Arnold Simpson (Covington), Tommy Thompson (Owensboro), and Brent Yonts (Greenville).

Republican Co-Sponsors: Joe Bowen (Owensboro), Jim Carr (Hopkinsville), Ron Crimm (Louisville), Jim DeCesare (Bowling Green), Milward Dedman (Harrodsburg), Bob DeWeese (Louisville), David Floyd (Bardstown), Danny Ford (Mt. Vernon), Mike Harmon (Junction City), Jimmy Higdon (Lebanon), Mary Harper (Shepherdsville), Jeff Hoover (Jamestown), Tom Kerr (Taylor Mill), Paul Marcotte (Union), Brad Montell (Shelbyville), Marie Rader (McKee), Steve Rudy (La Center), Charlie Siler (Williamsburg), Terry Shelton (Magnolia) and Addia Wuchner (Burlington).

Senate Bills & Resolutions

SB 49 GIFT CARD RESTRICTIONS

(Roeding) – Would define and place restrictions of the sale of gift cards. *Exempts prepaid calling cards. [Filed 1/4. Senate Banking & Insurance Cmte passed cmte substitute, 1/27. Senate passed 35-0 w/1 amendment, 2/6. Now in House Banking & Insurance.]*

SB 53 CMRS BOARD

(Buford) – Would clarify that prepaid calling cards are subject to the wireless E911 surcharge. Reallocates surcharge monies to fund the state 911 Office, create a fund for a direct grant or matching funds program and restrict provider cost recovery to Tier III carriers. *A cmtc sub bill has been drafted but not filed; a similar administrative sponsored bill is now expected to be filed. [Filed 1/4; now in Senate Appropriations & Revenue (A&R).]*

SB 59 HOMELAND SECURITY

(Kelly) – Confirms a 2005 Executive Order to establish an Office of Homeland Security in the Governors office. *The CMRS Board is transferred from COT into this new office. [Filed 1/5. Senate State & Local Government passed cmtc substitute, 1/11. Passed Senate 32-0, 1/17. Now posted in House State Government (SG).]*

SB 88 TDD DISTRIBUTION PROGRAM

(Buford) – Would rename the a) program to Telecommunications Access Program and b) TDD equipment to specialized telecommunications equipment (STE), and expand types of STE available in the program. *[Filed 1/17. Senate Agriculture & Natural Resources (Ag&NR) passed, 1/26. Senate passed 34-0, 2/1. Now in House Education.]*

SB 111 AERIAL IMAGERY

(Tori) – Would require all entities in state that creates or purchase aerial images using public funds to give free copy to state. *[Filed 1/23; now in Senate A&R.]*

SB 131 SYNTHETIC GAS SUPPLY CONTRACTS

(Stivers) – Would require PSC to approve a 20-year supply contract for pipeline quality synthetic natural gas produced through a gasification process if certain limitations are met. *[Filed 1/3. Senate Ag&NR passed, 2/9.]*

SB 167 PUBLIC RIGHT OF WAY

(Harris) – Would define unmarked public ROW. Same as HB 501. *[Filed 2/8; now in Senate Transportation.]*

SR 146 PSC APPOINTMENT

(Williams) – To confirm the appointment of Teresa Hill as PSC commissioner and vice-chair for term ending July 1, 2009. *[Filed 2/1; Senate Ag&NR adopted, 2/9.]*

House Bills & Resolutions

HB 9 MOBILE PHONE RESTRICTIONS

(Marcotte) – Would prohibit use of mobile phones while driving. Exempts emergency personnel & hand-free phones. *[Filed 1/3; now in House Transportation (Trans) Cmtc.]*

HB 48 FRANCHISE FEES/TAXES

(Rasche) – Would redefine franchise fee/taxes to exclude any in-kind cost or property "required by a franchise agreement to be incurred by a provider for a capital items for public, educational, or governmental access facilities. *[Filed 1/3. House Appropriations & Revenue (A&R) passed w/amendment to exclude telecom, 1/24. House passed 93-2 w/cmtc & floor amendments limiting bill to cable. Now in Senate A&R.]*

HB 52 PUBLIC SERVICE COMMISSION

(Cherry) – Would expand the Executive Branch Ethics Commission (EBEC) definitions to include the PSC and its orders. *[Filed 1/3. House SG passed cmtc substitute, 2/7. Now on House floor.]*

HB 74 RURAL ENHANCEMENT & DEVELOPMENT CMTE

(Denham) – Would create the Rural Enhancement & Development Cmtc as a new permanent LRC sub-cmtc. Part of its duties would be to review rural "infrastructure development, including telecommunications and broadband access". *[Filed 1/3. House SG passed, 2/7. Now on House floor.]*

HB 82 JOINT MUNICIPAL OPERATIONS

(Cherry) – Would allow separate municipal electric systems to jointly own and provide electric services. All related provisions in KRS 278 are maintained. Electric (IOUs & RECCs) have submitted a Statement of Principles. *[Filed 1/3; now posted in House Tourism Development & Energy (TD&E).]*

HB 175 IDENTITY THEFT

(Lindsey) – Would require businesses and government agencies notify persons if a breach of security of their computerized personal information occurs. *[Filed 1/3. House Judiciary approved cmtc substitute, 1/11. Recommended to Judiciary, 2/7.]*

HB 185 SMALL BUSINESS CONTRACTS

(Farmer & Palumbo) – Would require governments to give preferences to small businesses in defined purchases and contracts. *[Filed 1/3; now posted in House SG.]*

HB 298 GOVERNMENT ETHICS

(Vincent) – Would establish an annual \$125 registration fee paid by lobbyists to the Executive Branch Ethics Commission. *[Filed 1/10. House SG passed, 1/31. House passed 95-0, 2/8. Now in Senate.]*

HB 337 TELECOM REGULATORY REFORM

KTA SUPPORTS

(Brinkman, Jenkins et al) – Would limit PSC jurisdiction to basic service, redefine minimum service standards and allow alternative regulation and bundling of services. Opponents at the Feb 2 hearing were the Attorney General, AARP, SouthEast Telephone, Time Warner Telecom & the Catholic Conference of KY. The PSC was neutral but raised substantial questions/concerns. *The cmte chair withdrew posting Feb 7. [Filed 1/12; now in House TD&E w/cmte substitute and amendments. Hearing held 2/2.]*

HB 341 SCHOOL TECHNOLOGY

(Draud & Jenkins) – Would require all technology systems used in K-12 schools meet guidelines to ensure the integration of multi-vendor software applications. *[Filed 1/12; now in Education.]*

HB 348 METROPOLITAN & MICROPOLITAN CMTE

(Riggs et al) – Would create the Metropolitan & Micropolitan Cmte as a new permanent LRC sub-cmte. Part of its duties would be to review rural *"infrastructure development, including telecommunications and broadband access and needed improvements"*. *[Filed 1/12. House Local Government passed, 1/24. Now posted on House floor w/floor amendment on cmte makeup.]*

HB 364 TAX MODERNIZATION CLARIFICATIONS

(Farmer & Belcher) – Would amend corporate tax sections, including the alternative minimum tax provisions. *[Filed 1/17; now in House A&R.]*

HB 374 ADMINISTRATION REGULATIONS

(Palumbo et al) – Would require a cost-benefit analysis be part of issuing new regulations, new notification procedures and each cabinet to have a small business ombudsman. *[Filed 1/17. House Economic Development passed, 1/24. House passed 95-0 w/floor amendment, 2/7. Now in Senate A&R.]*

HB 378 INCREASE MINIMUM WAGE

(Gray et al) – Would increase the minimum wage to \$6 in July, \$6.50 in July, 2007 and adopt federal minimum wage if higher. *[Filed 1/17. Labor & Industry (L&I) passed, 1/24. Recommitted to L&I, 2/7.]*

HB 380 EXECUTIVE BRANCH BUDGET

(Moberly & Hoover) – Gov. Fletcher's budget seeks \$17.7 billion to fund the state government for FY 2006-08. *PSC budget proposal is \$15.1 M, after returning \$5.3M to the state general fund in FY 2007. [Filed 1/17; now in House A&R.]*

HB 390 EXECUTIVE ORDERS

(Barrows) – Would add restrictions to the scope and terms of executive orders. *[Filed 1/18. House SG passed 1/31. Now on House floor.]*

HB 396 LEGISLATIVE ETHICS

(Cherry) – General overhaul of legislative ethics law, providing more definitions and clarifications of what legislators can and cannot do with, among other things, lobbyists and campaign funding. *[Filed 1/18; now posted in House SG.]*

HB 403 TAX MODERNIZATION CLARIFICATIONS

(Moberly) – Would clarify tax changes made in the Tax Modernization Act of 2005, *including sourcing of communications and cable tax revenues and establishing new penalties for non-compliance.* *[Filed 1/17. House A&R passed 1/24. House passed 95-0 w/telecom supported floor amendment, 1/30. Senate A&R passed, 2/9.]*

HB 468 TDD SURCHARGE INCREASE

(Westrom & Siler) – Would raise the TDD Distribution Program surcharge to "not less than 2 cents/access line" from "not to exceed 1 cent". *[Filed 1/30; now posted in House TD&E.]*

HB 485 UTILITY SALES TAX EXEMPTION

(Owens) – Would expand the residential utility sales tax exemption apartments and mobile home parks. The exemption applies to electric, gas and water residential sales. *[Filed 2/1; now in House A&R.]*

HB 501 PUBLIC RIGHT OF WAY

(Collins et al) – Would define unmarked public ROW. Same as SB 167. *[Filed 2/2. House Trans passed cmte substitute, 2/9.]*

HB 522 DIRECTORY RESTRICTIONS

(Ford et al) – Defines & prohibits “misleading telephone directory advertising by florists” and establishes penalties. Telco providing directory is exempt. *[Filed 2/6; now in House Licensing & Occupations.]*

HB 524 PSC COMPLIANTS

(Weaver) – Would require PSC to establish procedural schedule within 60 days of AG filing a complaint. *[Filed 2/7; now posted in House TD&E.]*

HB 536 TELEMARKETING

(Adkins) – Would define the state zero call list as the national Do Not Call registry maintained by the FTC, removes the AG from maintaining a state list and makes wireless numbers eligible for inclusion to the zero call list. *[Filed 2/8; now in House State Gov't.]*

HB 538 CLEANCOAL SURCHARGE

(Webb) – Would allow electric utilities to charge a “clean coal generation surcharge” during power plant construction to recover capital, financing and related expenditures. *[Filed 2/8; now in House TD&E.]*

HB 543 TELEPHONE CUSTOMER RECORDS

(Adkins) – Would prohibit obtaining and selling telephone records without authorization and establishes penalties, exempts law enforcement and telcos with limitations and requires telcos to establish procedures to maintain privacy of customer records. *[Filed 2/9; now in House Judiciary.]*

HB 550 BROADBAND DEPLOYMENT INCENTIVES

(Palumbo) – Would establish the “Kentucky Broadband Account” within the Kentucky infrastructure Authority to fund “broadband deployment projects” for private and local governments. *Broadband projects are defined as a) areas with no broadband service or are underserved and b) wireless broadband service for a county courthouse.* *[Filed 2/9; now in House TD&E.]*

HCR 26 PSC RATE FREEZE

(Nelson) – Requests the PSC not authorize utility rate increases in 2006. *[Filed 1/3; now posted in House TD&E.]*

HCR 28 E-SCRAPE TASK FORCE

(Webb) – Creates legislative task force to assess recycling of e-scrap waste report by Dec 1, 2006. *[Filed 1/3. House Natural Resources & Environment passed w/cmtte amendment, 1/31. Now on House floor w/floor amendment.]*

Editors Note. This news bulletin is published weekly via email during sessions of the General Assembly for the benefit and information to KTA members and friends. Special issues and Member Alerts will also be published as needed to notify members of significant action or bills affecting members. Contact the KTA office to be added or deleted from the distribution list, or to receive it in a different medium. Each edition will also be available on the KTA web site at www.ktaoffice.org. Questions and comments should be directed to Forest M. Skaggs at 859/223-9001 or forest@ktaoffice.org.