

Scorecard @ Feb 17
(33/60 days)

	Senate	House
# bills filed	203	612
# resolutions filed	196	185
# bills passed 1 chamber	43	127
# bills passed both chambers	1	2
# 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

The long expected *gambling bills* were finally filed last week. **HB 600** would amend the Kentucky Constitution to permit casino gaming at 8 horse racing tracks across the state, provide for new state regulations and designate the allocation of any new tax revenues to specific government services. **HB 601** was filed as companion legislation for implementation purposes. If passed, voters will be able to vote on a constitutional amendment to allow expanded gambling in the Nov elections. Similar bills were also filed in the Senate as **SBs 198 and 199** respectively. These bills are supported by the Kentuckians Equine Education Project (KEEP), a major supporter of gambling at racetracks. Considerable opposition is expected as well as efforts to allow casinos beyond racetracks. Governor Fletcher has previously stated he is neutral but would sign a gambling bill if passed.

The General Assembly reached the halfway point last Tuesday. Both chambers are passing their own bills but have met little success at the opposite ends of the Capitol. Only 1 of 43 Senate bills has passed the House while only 2 of 127 House bills have passed the Senate. Look for more deals, political maneuvering and partisan politics on bills as legislators move into a higher gear for the remainder of the session. The next big session dates are *Feb 27 and Mar 1*, the last days bills can be filed in the House and Senate, respectively.

HB 403 is back in the House for expected concurrence with a Senate version of the bill. The bill clarifies various provisions of the Tax Modernization Act of 2005 including sections on the communications tax laws. Telecom supported amendments remain in the Senate version.

The Rural Electric Cooperatives are sponsoring **HB 568** to clarify that they can provide services other than the provision of electric power. A state Supreme Court ruling last fall restricted electric coops to only providing electric power to its members even though some were also providing services such as propane gas, satellite TV and internet services. Rep. Rob Wilkey (D-Scottsville) is the bill sponsor.

In *special elections held in Louisville on Valentine's Day*, Democrats won seats in both the House and Senate 37th districts. Former Rep. Perry Clark (D) defeated Debbie Peden (R) for the vacant Senate seat while Ron Weston (D) defeated Carolee Allen (R) for the vacant House seat. Both were sworn in last week bringing the party make-up in the House to 56 Dem & 44 Rep. In the Senate it is now 21 Rep, 16 Dem & 1 Ind. Only 20% in each district voted.

Telecom Issues

Supporters continued to meet with opponents of **HB 337**, *Telecom's Emerging Technology and Consumer Choice Act of 2006*, on compromise language. Sessions with the Attorney General and PSC have resulted in some movement but more meetings are planned this week. The earliest the bill may be reconsidered by the House Tourism Development and Energy committee is Mar 2.

HB 468 was passed out of the House TD&E committee last week should be on the House floor this week. The bill will *increase the TDD Distribution Program wireline surcharge from 1 cent to "not less than 2 cents*. The bills sponsor's, Rep. Susan Westrom (D-Lexington), would not consider a telecom amendment to lower the surcharge and apply the surcharge to wireless and testified that it is not a tax increase.

HB 543 is now posted in the House Judiciary committee. The bill would *make obtaining or selling a telephone customer record without authorization a felony*. Telecom is working on an amendment to clarify that existing CPNI rules are sufficient. The FCC has also opened an investigation on telecom's privacy rules.

HB 550, an economic development bill promoting broadband was reassigned to the House Economic Development committee and posted for hearing this week. The bill provides no new funds but would expand an existing state program to provide broadband loans or grants for projects providing broadband to unserved or underserved areas. The bill would also allow funding for *wireless broadband service for county courthouses* even if broadband service is already available.

Ins & Outs

Gov. Fletcher is in a Lexington hospital recovering from a tough week physically after bouts of

pancreatitis and gallstones, gall bladder surgery and now a blood infection. He is expected to be back at the Governor's Mansion by midweek but not at full strength for several more days. Wonder if he still thinks politics is so tough?

Some bills just don't get any respect. **HB 208** would make *clogging* the official state dance. Floor amendments proposed to the bill would change the state dance to "*The Watusi*" and make "*Ring Around the Rosie*" the official children's nursery rhyme.

The General Assembly is closed today for *President's Day*. Although most local and federal government is also closed, state government remains open.

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 cmte 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 cmte 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. House Education passed 2/15. Now in Rules.]*

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. Senate passed 37-0, 2/16. Now in House.]*

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. Now on Senate floor.]*

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) Cmte.]*

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/cmte & floor amendments limiting bill to cable 1/30. 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 cmte substitute 2/7. Now on House floor.]*

HB 74 RURAL ENHANCEMENT & DEVELOPMENT CMTE

(Denham) – Would create the Rural Enhancement & Development Cmte as a new permanent LRC sub-cmte. 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 cmte substitute 1/11. Recommitted 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 State & Local Government.]*

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. *Negotiations with opponents ongoing. [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/1 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 \$15.1M, after returning \$5.3M to the state general fund in FY 2007. [Filed 1/17; now posted 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. Recommitted to Senate A&R & passed cmte substitute 2/15. Senate passed cmte sub 37-0, 2/15. Now in the House.]*

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. House TD&E passed 2/16. Now in Rules.]*

HB 485 UTILTIY 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 cmtte substitute 2/9. House passed 96-2, 2/15. Now in the Senate.]*

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. House TD&E passed 2/16. Now in Rules.]*

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 posted in House State Govt.]*

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 posted 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. *Telecom seeking amendments. [Filed 2/9; now posted 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. Reassigned from House TD&E to Economic Development (EconDev) 2/14. Now posted in House EconDev.]*

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.