

Scorecard @ Feb 3  
(23/60 days)

	Senate	House
# bills filed	158	511
# resolutions filed	157	146
# bills passed 1 chamber	19	85
# 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	<a href="http://www.lrc.ky.gov">www.lrc.ky.gov</a>

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 General Assembly passed its first bill last week and Governor Fletcher quickly signed it into law. **HB 283** will provide an immediate \$10 million in additional funding to the state low-income energy assistance program, LIHEAP.

The election filing deadline passed last Tuesday, and there appears to be plenty of candidates for both the House and Senate seats up for re-election. In the House, 93 Representatives will seek re-election but only 49 face opposition. Of the 7 Representatives not seeking re-election, 5 are retiring and 2 are seeking other offices. In the Senate, only 10 of 19 Senators seeking re-election will face opposition. The primary election will be May 16; the general election is on Nov 7.

Since legislators now know who they will face in their elections this year, *more controversial issues are now expected to be introduced* and heard in committees. Two such issues are *casino gambling* and *higher cigarette taxes*. Although some gambling bills have already been filed, a bill to place the issue on the Nov ballot as a constitutional amendment is expected to be filed soon with substantial support from the racing industry. The Governor has proposed a \$4 excise tax on a carton of cigarettes to replace the states revenue share from the national tobacco master settlement agreement. The Governor estimates the new excise tax would generate \$150 million more than the settlement agreement. Opponents, such as Phillip Morris, argue that breaking the agreement will be challenged in court and could result in the loss of the guaranteed revenues and other benefits intended to reduce smoking.

A bill to *raise the speed limits* on interstate and parkways is moving in the Senate. The Senate Transportation committee passed **SB 103** last week and sent on to the floor where it is expected to be approved. A study by the Kentucky Transportation Center concluded that driver safety would not be significantly affected by the increasing the speed limit to 70 mph. Senate and House leaders as well as Gov. Fletcher support the bill.

In an act that may take "brown bagging" to a new level, the Senate passed **SB 56** to allow restaurants to let patrons take home partially consumed, resealed bottles of wine. The bill passed 31-2 and is now in the House Licensing & Occupations committee.

The Senate will soon take up the *confirmation of PSC Vice-Chair Teresa Hill*. Sen. David Williams filed **SR 131** last week to confirm her appointment for a term ending July 1, 2009. The bill will be heard by the Senate Agriculture & Natural Resources committee.

## Telecom Issues

The House Tourism Development and Energy committee heard **HB 337**, *telecom's Emerging Technology and Consumer Choice Act of 2006* last week but passed over it without a vote. Legislators and supporters were surprised with the large amount of opposition surfacing only days before the hearing. Testifying or filing comments against the bill included the Attorney General, AARP, SouthEast Telephone, Time Warner Telecom & the Catholic Conference of KY. The PSC was "neutral" but raised so many questions and concerns that it left no doubt that it was also opposed. The committee did adopt several changes in the original bill and may reconsider the bill later in the session. The primary bill sponsors want to work with the opponents to determine if a compromise can be reached.

Last week, **HB 468** was filed to double the TDD Distribution Program surcharge to at least 2 cents/access line. It has been sent to the House Tourism Development & Energy committee.

The House passed **HB 48** after amending it to limit new provisions allowing in-kind services or property agreements separate from a franchise agreement to cable. The House also passed **HB 403** with an amendment to define any penalty provisions be calculated on a monthly basis rather than per billing cycle. The bill clarifies certain communications tax provisions in the Tax Modernization Act of 2005.

## Ins & Outs

The PSC admitted it failed to act on a complaint filed by the Attorney General for almost a year and, as a result, a legislator will file a bill to require the PSC to respond to complaints within 60 days. The complaint stated that a gas company was over-earning and that its rates should be reduced. Rep. Mike Weaver said he will sponsor the bill for the Attorney General.

Remember when the 511 program to obtain traffic and road conditions was established a few years

ago? Telecom companies worked with the Kentucky Transportation Cabinet to assure a smooth transition to allow access to current road conditions to help drivers. The program has now been expanded to include tourism. By dialing 511 or visiting [www.511.ky.gov](http://www.511.ky.gov), you can access motels, restaurants and local tourism sites. The program is now called the *511 Traffic and Travel Information*.

Allen Gillum, Manager of Mountain Telephone Cooperative, spent 1½ days at the capitol last week. He lobbied for HB 337 as well as some economic development issues in his service area.

### **HB 337 Sponsors in the House**

*(45 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), 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. Now on Senate floor w/3 floor amendments.]*

### 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 is expected. [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 in House State Gov't.]*

### 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 type 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 1/30; now in Senate Ag&NR.]*

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### SR 26 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; now in Senate Ag&NR.]*

## 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 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. 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; now posted in House State Gov't (SG).]*

### 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; now posted in House SG.]*

### 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 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. Now on House floor w/floor amendments filed.]*

#### 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 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. Now posted on House floor.]*

#### 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. [Filed 1/12; now in posted 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 LG 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. Now posted on House floor w/3 floor amendments.]*

#### 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 passed, 1/24. Now posted on House floor w/6 floor amendments.]*

#### 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 381 LEGISLATIVE BRANCH BUDGET

(Moberly) – Legislative branch seeks \$97.2 million to fund the LRC and GA operations for FY 2006-08. *[Filed 1/17; now in House A&R.]*

#### HB 382 JUDICIAL BRANCH BUDGET

(Moberly & Lindsey) – Judicial branch seeks \$615.2 million to fund the state courts system in FY 2006-08. *[Filed 1/17; now 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 KLEC RESTRICTIONS

(Cherry) – General overhaul of legislative ethics law, providing more definitions and clarifications to 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. Now in Senate A&R.]*

#### 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 1cent”. *[Filed 1/30; now in House TD&E.]*

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. *[Filed 2/2; now in House Transportation.]*

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HR 26 PSC RATE FREEZE

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

HR 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](http://www.ktaoffice.org). Questions and comments should be directed to Forest M. Skaggs at 859/223-9001 or [forest@ktaoffice.org](mailto:forest@ktaoffice.org).