

Scorecard @ Jan 20
(13/60 days)

	Senate	House
# bills filed	109	430
# resolutions filed	111	108
# bills passed 1 chamber	5	21
# billed passed both chambers	0	0
# bills into law	0	0
# 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- Apl 7	Veto days (GA not in session)
Apl 11	Adjourns

The Governor's budget was introduced last Tuesday. **HB 380** proposes a \$17.7 billion budget for FY 2006-08, a 13% increase. Primary, secondary and higher education would get the majority (59%) of the budget, including funds to upgrade technology in all classrooms. Medicaid gets the next biggest share (12%). The Governor also proposes to revamp the alternative minimum calculation provision in the tax code and provide health insurance subsidies to small business.

About \$60 million in savings built into the budget come from *eliminating the prevailing wage law (HB 217)* and a *new right to work law (HB 38)*. If these bills do not pass, budget cuts will have to be made to make up the estimated savings. Organized labor held rallies protesting both provisions and House Democrats have said they will strongly oppose the bills.

Gov. Fletcher also reduced the Attorney General's budget even while the AG is investigating the hiring practices of his administration. The Governor's office denied it was in retaliation to the investigation and that the AG was treated the same as everyone else in determining budget priorities.

The Public Service Commission (PSC) budget provides for a 10% increase in General Funds and a total budget of \$13.7M in FY 2007 and \$14.1M in FY 2008. The PSC will also let lapse and return the to General Fund \$5.3M in unused funds. With this much unused funds, the current assessment rate appears high because utilities are paying more than necessary to fund the PSC.

The budget will fund almost \$1 billion in new construction projects. Two big projects are Louisville's downtown area (\$75M) and a new indoor arena (\$35M) at the Kentucky Horse Park. Both projects are backed by economic development studies indicating more jobs, local revenues and state tax revenues will result.

In committee testimony last week supporting **HB 299**, House Majority Floor Leader Rocky Adkins called energy one of the biggest issues we face because it affects every Kentuckian. The bill, called the *Energy Independence Act*, promotes continued research, development and demonstration of coal-to-liquid conversion technology and greater use of renewable energy resources. The House Tourism Development and Energy committee easily passed the bill and sent it to the House floor.

Feb 14 will be Election Day in Louisville to fill both the House and Senate 37th District seats. The Senate election was set in the 1st week of the session. The House election was recently set when Rep. Perry Clark resigned to run for the senate seat. Ron Weston (D) will run against Carolee Allen (R) for the house seat.

HB 337 Sponsors in the House

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

Democratic Co-Sponsors: 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), J R Gray (Benton), Charlie Hoffman (Georgetown), Dennis Horlander (Shively), Mary Lou Marzian (Louisville), Chuck Meade (McDowell), Reggie Meeks (Louisville), Charlie Miller (Louisville), Fred Nesler (Mayfield), Steve Riggs (Louisville), 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), 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) and Addia Wuchner (Burlington).

Telecom Issues

HB 337, *telecom's Emerging Technology and Consumer Choice Act of 2006*, is expected to be heard in the House Tourism Development and Energy Committee on Thursday. Representatives from KTA, ALLTEL and Cincinnati Bell are expected to testify. The bill now has 40 sponsors when Mike Cherry (D-Princeton), Jamie Carr (R-Hopkinsville) and Hubert Collins (D-Wittensville) signed on late last week. A list of the sponsors is shown in the shaded box on this page.

After meeting with legislators, regulators and various interest groups, some changes are being made to the bill but the overall intent remains the same. *Continued member support is critical; keep contacting your local legislator for their support.*

Sen. Tom Buford filed **SB 88** to rename the TDD Distribution Program to *Telecommunications Access Program* and expand the type of equipment that the program provides to the deaf and hard of hearing community.

HB 403 was filed to clarify certain provisions in the Tax Modernization Act of 2005, including provisions to prevent multi-state taxation of cable and telecom services, especially the new provider taxes. The bill also *creates a new penalty for not applying the taxes correctly of \$25/purchaser offense not to exceed \$10,000/billing cycle.*

Ins & Outs

Steve Robertson has been appointed commissioner of the Governor's Office of Local Development (GOLD) replacing *Ellen Williams* who had earlier resigned.

Just mark this under "interesting state terms". The Division of Forestry administers best management practices for the timber industry. After all else fails to bring a logger into compliance with the practices, the Division can seek to impose civil penalties and call the logger a "bad actor". Wonder if the logger fears the civil fine or being called a bad actor more.

The Kentucky Democratic Party has set Jan 25 for its *State of the Party*. Events are planned throughout the day concluding in an evening reception open to all Democrats.

Check out the new KTA web site at www.ktaoffice.org.

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; now in Senate Banking & Insurance Cmte.]*

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. *[Filed 1/4; now in Senate Appropriations & Revenue.]*

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; now Senate Agriculture & Natural Resources.]*

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; now posted in House Appropriations & Revenue.]*

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 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 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. *[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 amendment 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 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; now in House SG.]*

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. *[Filed 1/12; now in House TD&E.]*

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 & MICROPOLITIAN 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; now posted in House LG.]*

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; now posted in House Economic Development.]*

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; now posted in Labor & Industry]*

HB 380 EXECUTIVE BRANCH BUDGET

(Moberly & Hoover) – Gov. Fletcher's budget seeks \$17.7 B 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 M 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 M 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; now in House SG.]*

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 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; now in House A&R.]*

HR 26 PSC RATE FREEZE

(Nelson) – request 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; now posted in House Natural Resources & Environment.]*

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.