

Scorecard @ Mar 17  
(52/60 days)

	Senate	House
# bills filed	258	754
# resolutions filed	286	269
# bills passed 1 chamber	83	213
# bills passed both chambers	28	41
# bills into law	6	14
# 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

In the sessions final full week, few committees are expected to meet during their regular times and many will not meet at all. If bills are not out of committee by Wednesday, there is little likelihood of passage this year. Committee chairs will, however, be calling *special meetings* to act on bills favored by leaderships in both houses.

Sometimes, special meetings are even held on the chamber floor. For example, the Senate Agriculture and Natural Resources committee heard the rural electric cooperative line of business bill (**HB 568**) last Thursday but called a special meeting during a floor recess later in the day to vote it out of committee. It should receive a Senate floor vote this week and is expected to pass.

This week will also help mark the level of partisan politics in this session because the budget (**HB 380**) is expected to move from the Senate to a conference committee for final negotiations. The Senate usually makes significant modifications to the House version of the budget, and failure to reach a compromise in the 2002 and 2004 sessions lead to budgets not being passed.

*Governor Fletcher spoke out against the House budget* stating that the state employees and teachers health insurance portion is under-funded by \$140 million and changes made in the road fund will jeopardize completion of road work for the 2010 World Equestrian Games at the state Horse Park. Look for more political rhetoric this week but all sides expect a budget to be passed on time.

The Senate passed **HB 508** to limit the use of eminent domain to specific public purposes, including roads, public utilities and to clean up blighted areas. The bill is a reaction to a US Supreme Court ruling last year which allowed the use of eminent domain for private purposes. The Senate made changes in the House version and it now goes back to the House for concurrence.

**HB 277**, to allow posting of the Ten Commandments in schools and governmental buildings as part of historic displays, passed the Senate and is now with the Governor. If signed, opponents are likely to file suit claiming that the bill blurs the line of separation between church and state. Similar bills in past sessions have been overturned in court.

Sen. Walter Blevins (D-West Liberty), along with 18 co-sponsors, filed a resolution (**SR 267**) to recognize and honor *Otto Ingram* on his 90<sup>th</sup> birthday. Mr. Ingram was instrumental in the formation and growth of Mountain Telephone Cooperative. No vote was taken on the resolution.

## Telecom Issues

The House passed **HB 337**, *Telecom's Emerging Technology and Consumer Choice Act of 2006*, in an 83-14 vote last Tuesday after a spirited floor debate. Prior to the vote, a floor amendment to add additional predatory pricing restrictions was rejected 36-64. Two other floor amendments were not called.

AARP and some CLECs undertook a massive public and political campaign opposing the bill, but only 1 original co-sponsor voted against the bill -- Rep. Danny Ford (R-Mt Vernon). The bill started with 26 co-sponsors and had 51 by the time of the vote.

Opponents have not given up and are still working hard against the bill. An editorial and cartoon in the Lexington Herald-Leader last Thursday were highly critical of the House vote and offensive to the supporters and many in the industry. KTA sent a response the same day, but the editorial board decides if and when any response letter is published.

*The bill is now in the Senate Agriculture & Natural Resources committee* where it is expected to be heard in a special meeting early this week. The committee has passed similar bills in 2 previous sessions; the Senate passed a similar bill in 2004.

The *broadband deployment bill (HB 550)* passed out of the Senate Agriculture & Natural Resources committee last week and is now on the Senate Rules committee. A floor vote is expected this week.

The House passed **HB 656** last week by a 96-0 vote. The bill, to reorganize the makeup and

functions of the state *CMRS Board*, is now in the Senate Appropriations and Revenue committee. A meeting between sponsors, opponents and the administration today may determine the fate of the bill. If more changes are made, there may not be enough time left in the session to pass the bill. One issue to be discussed is whether KTA should have a voting board seat. KTA currently has a non-voting board seat.

No action has been taken on the 2 bills (**HBs 9 & 635**) to restrict use of mobile phones while driving and are considered dead for this session. Supporters had at least expected a hearing before the House Transportation committee.

## Ins & Outs

*Gov. Fletcher was released from a Lexington hospital last week and began working on legislation, including the budget and penalties for failure to wear seat-belts (HB 86).* The administration has not been very active this session, due in part to the fact the Governor has been ill for a much of it. Look for a final big push to get at least some of his legislative agenda passed.

Dates for the largest international sports event to date in Kentucky were announced last week. The 37<sup>th</sup> *Ryder Cup will be held at the Valhalla Golf Club in Louisville on September 16-21, 2008.* The golf match between European and American pro golfers is expected to bring more than 210,000 spectators and \$115 million into the state. TV coverage is expected to reach 177 countries. *[Editors note. Don't look for any conflicting KTA events during this week.]*

The House adjourned last Friday in celebration of St. Patrick's Day wishing everyone the "luck of the Irish".

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## 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. House Banking & Insurance passed w/amendment 2/23. House passed 95-2 w/floor amendment, 3/6. Senate concurred 37-0, 3/10. Now w/Governor.]*

SB 53 CMRS BOARD

(Buford) – Would a) clarify that prepaid calling cards are subject to the wireless E911 surcharge, b) reallocates surcharge monies to fund the state 911 Office, c) create a fund for a direct grant or matching funds program and d) restrict provider cost recovery to Tier III carriers. See HB 656. *A similar administrative sponsored bill is 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 (S&LG) passed cmtte substitute 1/11. Passed Senate 32-0, 1/17. Now posted in House State Government (SG).]*

#### SB 88 TDD DISTRIBUTION PROGRAM

Law

(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. House passed 98-0, 3/8. Governor signed 3/17.]*

#### 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. *Cmtte substitute restricts usage & access to gov't use only. [Filed 1/23. Senate A&R passed cmtte substitute 2/23. Senate passed 27-1, 3/2. House A&R passed 3/14. Now posted on House floor.]*

#### 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. House Tourism Development & Energy (TD&E) passed 3/9. House passed 98-0, 3/17.]*

#### SB 167 PUBLIC RIGHT OF WAY

(Harris) – Would define unmarked public ROW. Same as HB 501. *[Filed 2/8. Senate Transportation passed 2/22. Senate passed 38-0, 3/1. Now in House Transportation.]*

#### SB 228 SCHOOL TECHNOLOGY

(Seum) – Would require all technology systems used in K-12 schools meet guidelines to ensure the integration of multi-vendor software applications. See HB 341. *[Filed 2/27; now in Senate Education.]*

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#### 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. Senate adopted 38-0, 2/22.]*

#### SJR 226 PAUL R. GEARHEART RECOGNITION

(Turner) – To recognize the career and accomplishments of Paul R. Gearheart by naming a Floyd County bridge after him. *Sponsor withdrew SJR 205 to refile this resolution. [Filed 2/27; now in Senate Transportation.]*

#### SR 267 OTTO INGRAM RECOGNITION

(Blevins, et al) – To recognize Otto Ingram on his 90<sup>th</sup> birthday. *[Filed 3/1; now on Senate floor.]*

## House Bills & Resolutions

#### HB 9 MOBILE PHONE RESTRICTIONS

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

#### 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/cmtte & 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 cmtte substitute 2/7. House passed 96-0, 3/6. Now in Senate Ag&NR.]*

**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. House passed 98-0, 2/22. Now in Senate Ag&NR.]

**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 TD&E. Hearing 2/23.]

**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**

Law

(Vincent) – Would establish an annual \$125 registration fee from lobbyists to the Executive Branch Ethics Commission. [Filed 1/10. House SG passed 1/31. House passed 95-0, 2/8. Senate S&LG passed 2/22. Senate passed 38-0, 3/1. Governor signed 3/15.]

**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 called a Mar 2 negotiations meeting which resulted in a 2<sup>nd</sup> cmte substitute that led to House vote on the bill. [Filed 1/12. House TD&E passed cmte substitute 3/7. House passed 83-14, 3/14. Now in Senate Ag&NR.]

**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. See SB 228. [Filed 1/12. House Education passed committee substitute 3/8. House passed 98-0, 3/15. Now in Senate.]

**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. House passed 98-0 w/floor amendment, 2/28. Now in Senate S&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. House Economic Development passed 1/24. House passed 95-0 w/1 floor amendment 2/7. Senate A&R passed committee substitute 3/14. Now in Rules.]

**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 \$27.8M, after returning to the state general fund \$5.3M in FY 06, \$1M in FY07 & FY08.* [Filed 1/17. House A&R passed 2/21; recommitted to cmte 2/22. House A&R passed cmte substitute 3/6. House passed 97-0-1 w/4 of 13 floor amendments, 3/7. Now in Senate 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 w/floor amendment.]

**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

Law

(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 and passed cmte substitute 2/15. Senate passed cmte sub 37-0, 2/15. House concurred in Senate version 98-0, 2/22. Governor signed 3/6.]*

#### 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”. Sponsor filed floor amendment to limit increase to “2 cents/access line”. *[Filed 1/30. House TD&E passed 2/16. House passed 98-0 w/floor w/amendment 2/28. Now in Senate Ag&NR.]*

#### HB 485 UTILTY SALES TAX EXEMPTION

(Owens) – Would expand the residential utility sales tax exemption to 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 Transportation passed cmte substitute 2/9. House passed 96-2, 2/15. Senate Transportation passed committee substitute 3/15. Now in Rules.]*

#### 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. House passed 85-13, 3/1. Now in Senate Ag&NR.]*

#### 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. House SG passed 2/28. House passed 97-0, 3/8. Now in Senate Ag&NR.]*

#### 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 supported amendments are expected in a cmte substitute.* *[Filed 2/9; now posted in House Judiciary.]*

#### HB 550 BROADBAND DEPLOYMENT INCENTIVES

KTA Supports Cmte Sub

(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. Cmte substitute filed w/telecom supported amendments limiting projects to unserved areas. *KTA testified in support at House cmte hearing.* *[Filed 2/9. Reassigned from House TD&E to Economic Development (EconDev) 2/14. House EconDev passed cmte substitute 3/1. House passed 94-0 w/floor amendment 3/9. Senate Ag&NR passed 3/16. Now in Rules.]*

#### HB 568 RECC LINES OF BUSINESS

(Wilkey) – Would allow rural electric cooperative cooperatives to enter other lines of business. RECCS sponsored bill in response to a state Supreme Court ruling that current law limits sales to electric power only. *Parties agree to compromise committee substitute. Floor amendment filed to make telecom services a primary line of business.* *[Filed 2/13. House TD&E passed cmte substitute 3/9. House passed 95-3, 3/13. Senate Ag&NR passed 3/16. Now in Rules.]*

#### HB 635 MOBILE PHONE RESTRICTIONS

(Meeks & Marcotte) – Would prohibit use of mobile phones while driving. Emergency personnel & hand-free phones are exempt. See HB 9. *[Filed 2/21; now in House Transportation.]*

#### HB 656 CMRS BOARD

(Barrows & Damron) – Would a) clarify that prepaid calling cards are subject to the wireless E911 surcharge, b) revise Board membership (*KTA rep would become voting member*), c) *revise duties to include “developing standards & protocols of 911 services”*, d) create a fund for a direct grant or matching funds program to expand E911 statewide and e) revise funding allocations to carriers and PSAPs. Supported by KENA. See SB 53. *[Filed 2/22; now in House SG. House A&R passed cmtte substitute w/amendment 3/10. House passed 96-0, 3/14. Now in Senate A&R.]*

HB 662 TAX PENALTY WAIVER

(Kerr) – Would provide 1-year waiver of any penalty directly resulting from tax changes in the 2005 Session. *[Filed 2/23; now in House Judiciary.]*

HB 707 COMMERCIAL DRIVERS LICENSE

(Belcher) – revises CDL testing procedures and establishes new \$100 test fee. *[Filed 2/27. House Transportation passed 3/9. House passed 97-0 w/floor amendment 3/16. Now in Senate.]*

HB 714 MOBILE PHONE RESTRICTIONS

(Dedman & Bowen) – Would prohibit use of mobile phones while driving a school bus. *[Filed 2/27; now in House Transportation.]*

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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. House adopted w/floor amendment 97-0, 2/22. Now in Senate Ag&NR.]*

***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).