

Scorecard @ Mar 24  
(57/60 days)

	Senate	House
# bills filed	258	754
# resolutions filed	286	269
# bills passed 1 chamber	60	166
# bills passed both chambers	59	108
# bills into law	13	28
# 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

Three days and counting to the end of the 2006 Regular Session. Each day will be busy with deals being made to pass bills that otherwise would be dead and conference committee meetings to negotiate different versions of bills already passed by both chambers. Today's session was postponed until Wednesday to allow more time for the conference committees, especially the committee working on the budget (**HB 380**).

The budget conference committee met in private session over the weekend with hopes of having a compromise budget by Wednesday. All parties stressed that a budget will be approved this session and that progress had been made but substantial differences still remain.

The first debate was on which version to use as a baseline. The Senate wanted to use its version while the House wanted to use their version. Other significant differences included education funding, bonded capital projects and the Governor's rainy day fund.

The Governor moved closer to getting his *primary seat belt proposal* passed after the Senate approved it in as amendment to **HB 117**. The bill now goes back to the House for concurrence. The original seat belt bill (**HB 86**) has been stalled on the House floor for several weeks.

The Senate also passed the Governor's proposal to create the *Council on Wellness and Fitness* (**HB 646**). The proposal will initially create a website of physical activity and information tools for use by all Kentuckians. Both the House and Senate versions of the budget included monies for this project.

The RECC line of business bill (**HB 568**) was approved by the Senate in a 36-1-1 vote last week. The bill is now with the Governor.

Bills approved by both chambers go to the Governor's office for final action before becoming law. The Governor can sign the bill, permit it to become law without signature or veto it, and has 10 days to act after receipt of the bill. A veto can be overridden by a majority vote of both chambers.

The *casino proposal appeared to be dead last week* when House leadership recommitted **HB 600** to the House Appropriations & Revenue committee. The compromise bill, passed last week by the House Licensing & Occupations committee, called for a constitutional amendment for voters to approve up to 9 casinos. It will now likely become a campaign issue for elections this fall and the 2007 governor's race.

### Telecom Issues

The Senate Agriculture & Natural Resources committee heard testimony on **HB 337**, *Telecom's Emerging Technology and Consumer Choice Act of 2006*, last Thursday but did not take a vote. Sen. Tom Jensen (R-London), chair, announced that the committee would vote on the bill in another session. Rep. Scott Brinkman testified for the bill; opponents speaking against the bill included the Kentucky Resources Council, AARP, Time Warner Telecom and SouthEast Telecom. Committee member Sen. Ernesto Scorsone (D-Lexington) filed 3 floor amendments after the hearing. All 3 amendments are opposed by bill supporters.

A vote was expected last Friday but the committee did not meet. Senate leadership has indicated the committee will meet to vote on the bill Wednesday and that the full Senate could vote on the bill on the same day.

The Lexington Herald-leader published the KTA response to its March 16 editorial today - <http://www.kentucky.com/mld/kentucky/news/editorial/14183684.htm>.

The *broadband deployment bill* (**HB 550**) passed the Senate last week on a 37-0 vote and Gov. Fletcher is expected to sign it into law.

The Senate Appropriations & Revenue committee passed a cmtte substitute to **HB 656** last Friday and

the Senate later passed it by a 38-0 vote. The bill, to reorganize the makeup and functions of the state *CMRS Board*, now goes back to the House for concurrence. *The Senate version keeps the monthly wireless surcharge at 70 cents, expands the CMRS Board to 10 members (with KTA having a voting board seat), establishes a loan/grant program funded by the surcharge to expand E911 statewide and establishes a work group to recommend how the surcharge can be collected from pre-paid card customers.* The House version did not include the work group and set out a pre-paid card collection methodology.

### Ins & Outs

Looks like the bill to allow the *buying and selling of coyotes* will not pass this session. **HB 608** passed the House by an 85-15 vote but is still in a Senate committee. The coyote lobby must be stronger than farmers and hunters supporting the bill.

The Kentucky Boxing and Wrestling Authority has filed regulations to define a "*battle royal*". All they had to do was watch wrestling on TV and talk to our kids to get the real definition. The authority also filed regulations to set out what constitutes fouls during a match. Fouls include eye gouging, stomping, spitting and even using abusive language. Good luck on enforcement.

### Senate Bills & Resolutions

SB 49 GIFT CARD RESTRICTIONS Law  
(Roeding) – Would define and place restrictions of the sale of gift cards. *Exempts prepaid calling cards. [Filed 1/4. Senate Banking & Insurance Cmte passed cmtte 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. Governor signed 3/24.]*

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. House State Government (SG) passed cmte substitute 3/21. 5 floor amendments filed. House passed 91-5 w/floor amendments 2 & 4, 3/24. Now in Senate for concurrence.]*

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. *Cmte substitute restricts usage & access to gov't use only. [Filed 1/23. Senate A&R passed cmte substitute 2/23. Senate passed 27-1, 3/2. House A&R passed 3/14. House passed 95-0, 3/24. Now in Senate.]*

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. Now w/Governor.]*

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. Senate adopted by voice vote 3/24.]*

### 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/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. 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. *The Senate cmte heard testimony in a 3/23 hearing; another cmte mtg to vote is expected 3/29. The Senate has already had 2 of 3 readings required prior to a vote. The floor amendments are intended to kill the bill. [Filed 1/12. House TD&E passed cmte substitute 3/7. House passed 83-14, 3/14. Now in Senate Ag&NR. 3 floor amendments filed.]*

#### 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 to require study 3/8. House passed 98-0, 3/15. Senate Education passed cmte substitute 3/24. Senate passed 36-0, 3/24.]*

#### 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. Senate passed 38-0, 3/21. House concurred 97-0, 3/24. Now w/Governor.]*

#### 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. Senate A&R passed cmte substitute w/7 amendments 3/21. Senate passed 38-0, 3/21. House refused to concur 3/22. Conference committee appointed 3/22 and issued report 3/23. Free conference cmte appointed 3/23.]*

#### 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 UTILTIY 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. Senate passed 38-0, 3/22. House concurred 89-5, 3/24.]

## 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. Senate passed 37-0, 3/23. Now w/Governor.]

## 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. Senate passed 36-1-1, 3/21. Now w/Governor.]

## 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 cmte substitute w/amendment 3/10. House passed 96-0, 3/14. Senate A&R passed cmte substitute 3/24. Senate passed 38-0, 3/24.]*

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 Transportation.]*

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/cmte 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).