

Scorecard @ Mar 3
(42/60 days)

	Senate	House
# bills filed	258	754
# resolutions filed	243	238
# bills passed 1 chamber	82	183
# bills passed both chambers	1	9
# bills into law	0	2
# 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 4	Last day to file Senate bills
Mar 24 & 27	Concurrence days
Mar 28- Apr 7	Veto days (GA not in session)
Apr 11	Adjourns

Last week marked the final days for new bills in both the House and Senate. There have been 1,012 bills filed this session but only a small fraction will be passed. Resolutions, however, can be filed through the last day of the session. To date, only 10 bills have passed both chambers. Governor Fletcher has only signed 2 bills into law.

The House Appropriations and Revenue committee passed the House version of the FY 06-08 budget (**HB 380**) on Friday and the full House is expected to vote on it Tuesday. The committee's \$17.7 billion budget included several significant changes to the budget originally proposed by the Governor. In particular, the committee reduced the state's emergency fund (rainy-day fund) from \$118 million to \$38 million, doubled the new debt to help pay for the extra spending in their budget plan and provided more money for K-12 teachers pay. Gov. Fletcher has already expressed concern with reducing the emergency fund and the impact it may have on debt ratings.

The committee also authorized \$75 million to a new downtown arena in Louisville, but at a different site than proposed by the Governor and the site committee selection. The site set out in the House budget is less expensive but, according to city officials, has less economic development potential. Look for this to be a continuing issue in the budget debate as it moves to the Senate.

Usually, the Democratic controlled House makes few changes to the committee budget. The Republican controlled Senate, however, often makes wholesale changes and a budget conference committee will meet in the closing days to work out a compromise budget. Senate President David Williams (R-Burkesville) has already echoed the Governor's concerns about using so much of the emergency funds, and the House language dictating the site of the Louisville arena.

A bill worth watching is **HB 662** which would waive any penalty directly attributable to a tax increase from tax legislation passed in the 2005 session for the 2005 tax returns. In general, the telecom industry did not receive fair or equal treatment in the Tax Modernization Act passed last session and many questions remain, especially on the new internal provider tax. The bill, filed by Rep. Tom Kerr (R-Taylor Mill) could provide some relief if interpretations to the new taxes are proven to be incorrect and result in penalties.

The RECC line of business bill (**HB 568**) is still under discussions among the parties and a committee substitute is expected to be filed in committee this week. RECCs are facing opposition from the retail industry.

Telecom Issues

HB 337, *Telecom's Emerging Technology and Consumer Choice Act of 2006*, was posted in the House Tourism Development and Energy committee last week but was not called. Supporters had expected a vote on the bill and were clearly surprised. On Thursday, the committee chairman convened a meeting between the bill sponsors, supporters and opponents and gave them until tomorrow morning to reach a compromise. The meeting lasted almost 3 hours and some movement was noted. More meetings are expected to be held today but agreement among all parties is unlikely.

HB 337 Sponsors in the House

(47 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), *Ron Weston (D-Louisville)* 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).

HB 468 passed the House 98-0 with an amendment by its sponsor to limit the TDD Distribution Program surcharge increase to “not to exceed 2 cents/access line” rather than “not less than 2 cents”. The bill is now in the Senate.

A committee substitute to **HB 550** passed the House Economic Development committee last week. *The substitute would limit use of state funds by eligible private and public providers to expand broadband service to unserved areas in the state.* The House budget was expected to set aside up to \$15 million for broadband projects. KTA testified in support of the committee substitute.

HB 707 was filed by Rep. Carolyn Belcher (D-Owingsville) to revise some testing procedures for the *commercial driver's license* and set a \$100 fee to take knowledge and skills tests. The bill is in the House Transportation committee.

HB 714 will *prohibit school bus drivers from using mobile phones* while driving. Reps. Milward Dedman (R-Harrodsburg) and Joe Bowen (R-Owensboro) filed the bill for parents, not their local school districts. The bill is in the House Transportation committee along with **HBs 9 & 635** which would restrict other drivers from using mobile phones.

Ins & Outs

Gov. Fletcher was released from the hospital last Wednesday and is resting in the governors' mansion. He is to have a limited public schedule this week.

Jupiter Research reports that *the average US household spends 14 hours per week on the internet* and another 14 hours watching TV. TV and the print media are at risk in losing a generation of readers to cyberspace unless they make major changes in their methods of delivery to consumers.

AT&T and BellSouth announced yesterday an agreement to merge in a stock transaction worth \$67 billion. The deal will need approval from federal and state authorities, including the PSC. Both BellSouth and Cingular Wireless may be renamed.

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. Now on House floor.]*

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 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 on Senate floor.]*

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. Now in House.]*

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 posted in House TD&E.]*

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.]*

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.]*

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.]*

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. 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. 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. Electrics (IOUs & RECCs) have submitted a Statement of Principles. *[Filed 1/3; now posted in House Tourism Development & Energy (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

(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. Now w/Governor.]*

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 posted 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. See SB 228. *[Filed 1/12; now posted 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. 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/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, 2006, \$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. House A&R passed 2/21; recommitted to cmte 2/22.]*

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

(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. Now w/Governor.]*

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. Now in the Senate Transportation.]*

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.]*

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 State Gov't passed 2/28. Now on House floor.]*

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. 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 working on compromise committee substitute.* *[Filed 2/13; now posted in House TD&E.]*

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 State Gov't. Reassigned to House A&R, 3/2.]*

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; now in House 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.]*

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/cmtc 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. Questions and comments should be directed to Forest M. Skaggs at 859/223-9001 or forest@ktaoffice.org.