

**2008  
REGULAR SESSION**

Scorecard @ Apl 4  
(58/60 days)

|                              | Senate | House |
|------------------------------|--------|-------|
| # bills filed                | 256    | 775   |
| # resolutions filed          | 244    | 261   |
| # bills passed 1 chamber     | 102    | 293   |
| # bills passed both chambers | 55     | 103   |
| # bills into law             | 0      | 3     |
| # bills vetoed               | 0      | 0     |

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Key Session Dates

|                           |                                     |
|---------------------------|-------------------------------------|
| <del>Jan 8</del>          | Session convenes                    |
| <del>Feb 26</del>         | Last day to have a new bill drafted |
| <del>Mar 4</del>          | Last day to file House bills        |
| <del>Mar 6</del>          | Last day to file Senate bills       |
| <del>Mar 31 - Apr 1</del> | Concurrence days                    |
| Apr 2 - 12                | Veto days (GA not in session)       |
| Apr 15                    | Session adjourns                    |

The GA passed **HB 406**, *executive branch budget*, last Wednesday and then adjourned for the 10-day veto period. In floor speeches prior to the vote and immediately after, many members claimed it was a bad bill and would not move the state forward. The budget restored some of the cuts to education and social services originally proposed but most cabinets and agencies face budget cuts over the next 2 fiscal years. A deal to add some local projects was cobbled together and added to **HB 410** to help give many House members a reason to vote for the bill. The projects were in coal producing counties and funded, in large part, by coal severance funds. In the end, however, even the House budget chair voted against the budget.

The approved budget is closer to the Senate's version than the House and is balanced on what some experts say are questionable revenue assumptions of about \$400 million. It did not include any of the new taxes the House version had proposed, leaving some House members upset with having to go on record supporting new taxes that didn't pass. Gov. Steve Beshear called the budget inadequate and may apply the line item veto to parts of it. He has also stated he would call a special session on tax increases this summer if revenue projections continue to fall short of projections. See the box on page 2 for more budget details.

The budget negotiations took longer than expected and that caused some bills to remain in committee or on the House or Senate floor. For example, **HB 600**, *state employee pension reform*, and **HB 250**, *executive branch ethics*, are still in free conference committees and were not seriously considered last week. Although the conference committee first met on March 25, serious negotiations did not begin for several days and an agreement was not reached until last Tuesday morning. To give the budget conference more time, leadership decided not to hold sessions last Monday by declaring it was a legislative Holiday.

The GA now returns to Frankfort on April 14 for its final 2 session days. These final 2 days are traditionally used to consider any vetoes by the Governor but can also be used to pass bills.

## Telecom Issues

Amendments made in the Senate Judiciary committee to **HB 106**, the *copper theft* bill, were passed by the Senate 37-0 and later by the House 93-0 last week. The amendments do not change the substance of the bill to provide more legal protection against metals theft. The bill is now with the Governor where he is expected to sign it into law.

Senate changes to **HB 262**, including the *multi-channel video service amendment* were not acted on by the House and the bill appears dead at this time.

The Senate passed **HB 649**, the *811 or call-before-you dig* bill, by a 38-0 vote on Apr 2. The bill now goes to the Governor's office where he is expected to sign the bill into law.

The Senate Appropriations and Revenue Committee did not consider **HJR 88**, a *study of 911 center funding*, last week. The bill will likely remain in committee. House members supporting the bill have indicated they would take up the issue during interim committees.

*No other telecom related bills made it through the GA process.* Most bills remained in their original committee without hearing.

### Ins & Outs

*Judges get no respect!* The state court system's budget in **HB 408** was reduced by \$13.6 million. The Administrative Office of

the Courts stated that rising costs may now force layoffs. The courts were also given the authority to raise court fees to partially offset the budget cuts. Rep. Robin Webb (D-Grayson), a practicing lawyer, stated that the court system could become more efficient.

*Lawmakers make their own respect!* The legislative branch budget in **HB 407** was approved as proposed. To no one's surprise, their budget calls for increases in both fiscal years.

#### HB 406 Budget Bill - Some Ins & Outs

- ▶ \$19 billion spending plan for next 2 fiscal years - FY08-10.
- ▶ \$10.3 million for capitol improvements at the Kentucky Horse Park for the World Equestrian Games.
- ▶ \$1.6 million for Ryder Cup (security, parking & PGA fees).
- ▶ \$18 million to COT for the state KEWS system.
- ▶ \$2 million in grants to ConnectKentucky.
- ▶ \$26 million for PSC (same as proposed by Gov. Beshear).
- ▶ \$275,000 for the Attorney General's Expert Witness Fund.
- ▶ \$85 million in assumed savings by not filling 3,400 positions vacant due to retirement.
- ▶ \$30+ million in assumed savings due to early release of more non-violent prisoners.
- ▶ \$7 million in higher payments from the Lottery by requiring at least 28% allocations of revenues.
- ▶ \$40+ million in cuts to health & human service programs.
- ▶ 3% cut in base funding for higher education.
- ▶ \$66.2 million cuts in selected secondary education programs (such as tutoring & professional development).
- ▶ 1% raise for teachers and state employees each fiscal year.
- ▶ \$43.6 million addition to state employees' pension funds.
- ▶ Establishes new funding method for the State Horse Racing Authority that may lead to less to racing oversight.
- ▶ 197 pages in the original bill, 359+ in the House version, 230+ in the Senate version and 247+ in the approved version.

## Senate Bills & Resolutions

SB 1 STUDENT CURRICULUM AND TESTING

(Williams et al) – Would replace the state student achievement testing system with a national system and make other curriculum changes. The current system (called CATS) was developed as part of the KERA reforms. *Senate passed the bill on party line vote; not likely to be considered in the House. [Filed 2/19. Senate Education Committee passed 3/6. Senate passed 22-15, 3/7. Now in House Appropriations & Revenue (A&R).]*

## SB 7 PUBLIC INFRASTRUCTURE AUTHORITIES

(Williams & Roeding) – Would allow local governments to establish public infrastructure authorities to build roads and bridges, issue bonds and set tolls. The local authority would be similar to a mini DOH. HB 689 provides similar state authority. *The sponsor has indicated he would not call bill. [Filed 1/8. Now in Senate Transportation. 4 floor amendments filed.]*

## SB 106 PSAP EMPLOYEE CLASSIFICATIONS

(Kerr & Buford) – Would clarify law that “dispatch communications personnel” is an employee classifications subject to same rights as other local government employee classifications. *[Filed 1/23. Reassigned to Senate Judiciary from State & Local Gov’t (S&LG), 3/6. Senate Judiciary passed 3/13. Senate passed 31-4, 3/19. Now posted in House Local Government (LG).]*

## SB 116 PROHIBIT TEXTING WHILE DRIVING

(Harper Angel) – Would prohibit operator from texting while driving and make enforcement a secondary offense. *[Filed 1/28. Now in Senate Judiciary.]*

## SB 162 CDL DRUG TESTING AND REPORTING

(Jensen) – Would establish new CDL drug and alcohol test results reporting requirements for employers and medical review officers, including penalties for non-compliance. *[Filed 2/14. Now in Senate Transportation.]*

## SB 230 PSC – GAS COMPANY COMPETITION

(Thayer) – Would require PSC to mandate retail gas competition under certain conditions. *[Filed 3/4. Now in Senate Agriculture & Natural Resources (Ag&NR).]*

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## SR 33 PSC APPOINTMENT

CONFIRMED

(Williams) – Confirm the appointment of Mark David Goss as PSC commissioner and chairman for term ending July 1, 2011. *[Filed 1/16. Senate State & Local Gov’t (S&LG) passed 1/23. Senate adopted 36-0, 1/24.]*

## SR 36 PSC APPOINTMENT

CONFIRMED

(Williams) – Confirm the appointment of Carolyn Clark as PSC commissioner for term ending July 1, 2008. *[Filed 1/16. Senate S&LG passed 1/30. Senate adopted 32-1-1, 2/6.]*

## SJR 76 ELECTRONIC WASTE STUDY

(Harper Angel) – Directs the EPPC Cabinet to recommend a statewide electronic waste disposal and recycling system by 12/15/08. *[Filed 1/28. Senate Ag&NR passed 2/14. Senate adopted 38-0, 2/20. House Natural Resources & Environment passed 3/6. House adopted 95-0, 3/13. Now w/Governor.]*

## SJR 80 PRISON REFORM STUDY

(Neal et al) – Would create a commission to study prison reform; report by July 2011. Proposed by Gov. Beshear. *[Filed 1/29. Senate Judiciary passed committee substitute (cmte sub) to reduce the study timeframe, 2/21. Senate adopted w/2 floor amendments 38-0, 3/4. House Judiciary passed 3/26. House adopted 90-4, 4/1. Now w/Governor.]*

### House Bills & Resolutions

## HB 56 MOBILE PHONE RESTRICTIONS

(Burch & Meeks) – Would restrict use of hand-held wireless communications devices with limited exceptions. *Cmte tabled the bill after testimony. [Filed 1/8. Posting waived in House Transportation.]*

## HB 69 PUBLIC SERVICE COMMISSION

(Cherry) – Would expand the Executive Branch Ethics law to include the PSC and its orders, and *extend lobbying restrictions to the PSC. [Filed 1/8. Now posted in House State Government (SG).]*

## HB 90 PROHIBIT AUTOMATED CALLING IN ELECTIONS

(Higdon et al) – Would prohibit use of automated or recorded messages by political parties and create penalties. *[Filed 1/8. Now in House Labor & Industry (L&I).]*

## HB 95 HIRING OF UNAUTHORIZED ALIENS

(Nelson et al) – Would prohibit, among other things, the hiring of unauthorized aliens and create penalties. *[Filed 1/8. Now in House Judiciary.]*

## HB 106 COPPER WIRE THEFT

(Denham et al) – Would expand the reporting requirements of junk dealers for purchases/sales of copper and other “ferrous or nonferrous” metals & materials, transfer of the sale records to local law enforcement, and penalties for non-reporting sales. *The cmte*

*sub removes ferrous materials from reporting requirements. [Filed 1/8. House Judiciary passed cmte sub 3/5. House passed w/floor amendment 91-0, 3/14. Senate Judiciary passed cmte sub 3/27. House concurred 93-0, 4/2.]*

#### HB 125 MOBILE PHONE AND TEXTING RESTRICTIONS

(Stacy) – Would prohibit certain classes of drivers from using “personal telecommunications devices” to cover voice, data & texting. *[Filed 1/8. House Transportation passed cmte sub 2/26. House passed w/2 floor amendments 95-0, 3/4. Now in Senate Transportation.]*

#### HB 209 UTILITIES SALES TAX EXEMPTION

(Owens) – Would expand the sales tax exemption to sewer, water, & fuel service billed to a multi-unit residential facility or mobile home park owner. *[Filed 1/8. Now in House A&R.]*

#### HB 212 LEGISLATIVE BRANCH ETHICS

(Cherry) – Would revise and expand the legislative branch code of ethics by restricting acceptable legislators’ and lobbyists activities, restrict campaign donations during elections and expand investigative powers. *[Filed 1/8. Now in House SG.]*

#### HB 247 UNAUTHORIZED FAX TRANSMISSIONS

(Glenn et al) – Would prohibit unauthorized fax transmissions, establish procedures and opt-out requirements and create penalties. *[Filed 1/10. House L&I passed 1/31. House Banking & Insurance passed a cmte sub 2/13. House passed 93-1, 2/19. Now in Senate Ag&NR.]*

#### HB 250 EXECUTIVE BRANCH ETHICS

(Cherry et al) – Would overhaul the executive branch code of ethics laws, including definition of public service, appointments to and operation of the EBEC. *[Filed 1/10. House SG passed 1/17. House passed w/2 floor amendments 94-0, 1/30. Senate S&LG passed cmte sub 3/19. Senate passed 29-7 w/floor amendment. House refused to concur. Conference cmte could not agree 4/2. Now in a Free Conference Cmte.]*

#### HB 257 UTILITY GROSS RECEIPTS TAX FOR SCHOOLS

(Moberly) – Would replace the local utility gross receipts license tax to fund public schools with a new statewide 3% tax, effective 1/1/09. The tax would apply to telecom, cable & satellite, electric, gas & water services. *The cmte chair indicated he would not call the bill. [Filed 1/10. Now posted in House A&R.]*

#### HB 262 HOUSE TAX BILL

(Wayne et al) – The House revenue enhancement, or tax, bill to fund the budget proposal in HB 406. This bill was originally filed as a tax bill to replace the current income tax system, and then changed to provide a sales tax exemption to camels. The chair of the House A&R changed the bill to support the budget bill. *Senate cmte stripped bill and inserted tax breaks for military and movies; cmte amendment included to define multi-channel video service. [Filed 1/10. House A&R passed cmte sub 3/11. House passed w/1 floor amendment 50-45, 3/12. Senate A&R passed cmte sub w/2 cmte amendments 3/26. Senate passed 33-0, 3/27. Now in House for concurrence.]*

#### HB 277 BROADCAST TOWERS & ANTENNA PROPERTY TAX EXEMPTION

(Webb et al) – Would clarify that television, radio, telephonic and broadcast equipment, including towers and antenna are exempt from local property local taxes, and add weather equipment to the exemption list. *The House cmte sub excludes telecom towers. [Filed 1/10. House A&R passed cmte sub, 2/19. House passed 95-0 2/26. Senate A&R passed 3/11. Senate passed 36-0, 3/26. Now w/Governor.]*

#### HB 279 COPPER WIRE THEFTS

(Harmon & Simpson) – Would expand the reporting requirements of junk dealers for purchases/sales of copper to “ferrous or nonferrous” metals & materials. See HB 106 for more detailed bill. *[Filed 1/11. Now posted in House Judiciary.]*

#### HB 281 HARRASSING COMMUNICATIONS OVER THE INTERNET

(Hoffman & Riner) – Would expand “harassing communications” to include actions via the internet or electronic communications, and penalties for multiple offenses. *[Filed 1/11. Now in House Judiciary.]*

#### HB 304 ILLEGAL IMMIGRATION

(Damron et al) – Would enact several measures to identify and reduce illegal immigrants, including identify theft measures, employment verification measures and expand local law enforcement authority. *Cmte mtgs seeking public comments are being held but no vote is scheduled. Cmte chair refused to call for vote. [Filed 1/16. Now in House Judiciary.]*

#### HB 323 OMIBUS BILL FOR BUSINESS ENTITIES

(Brinkman & Crimm) – A general revision to Kentucky business law to reenact and clarify HB 334 passed in 2007; reflect current provisions of the Model Business Corporation Act, and clarify bidding & contracting provisions. *[Filed 1/17. House Judiciary passed 3/7. House passed 96-0 w/floor amendment 3/21. Now in Senate Judiciary.]*

## HB 326 LICENSE TAXES

(Webb) – Would limit license fees imposed by 2<sup>nd</sup>-5<sup>th</sup> class cities to 1.5%, and a flat amount in 6<sup>th</sup> class cities and establishes new tax bases, but exempts any higher local tax already in effect. *The communications providers' exemptions remain. [Filed 1/17. Now in House Local Government (LG).]*

## HB 337 PSC PENALTIES

(Wilkey) – Would increase the range of penalties for violations of PSC law and regulations, and create a new penalty of up to \$25,000 for violations resulting in serious bodily injury or death. *PSC sponsored cmtte sub expected after mtg with utilities. [Filed 1/22. Now in House Tourism Development & Energy (TD&E).]*

## HB 361 LOCAL SALES AND USE TAX CONSTITUTIONAL AMENDMENT

(Stein) – Would provide for a constitutional amendment in the Nov elections to authorize the GA to impose a local sales or use tax and restrictions. *[Filed 1/24. Posting waived in House Elections, Constitutional Amendments and Intergovernmental Affairs (E,CA&IA).]*

## HB 382 COMPARABLE WORTH PAY

(Marzian) – Would prohibit sex-based wage discrimination on jobs of "comparable worth", and sets out the definition of comparable worth. *[Filed 1/28. House L&I passed 2/14. House passed w/1 floor amendment 81-14, 3/11. Now in Senate S&LG.]*

## HB 406 EXECUTIVE BRANCH BUDGET

(Moberly et al) – Gov. Beshear's budget seeks \$18.2 billion to fund state government for FY 2008-10. The PSC budget proposal is \$16 million, including returning \$4.75M in surplus funds to the state general fund. *The Governor and House leadership are split on revenue measures in the budget bill. [Filed 1/29. House A&R passed cmtte sub 3/11. House passed w/2 floor amendments 84-14, 3/12. Senate A&R passed cmtte sub & cmtte amendment 3/24. Senate passed 36-2, 3/24. House refused to concur & Senate refused to recede 3/24. Conference cmtte could not agree 3/25. Free Conference Cmtte report w/new budget adopted in Senate 35-3 & in House 74-21, 4/2. Now w/Governor.]*

## HB 407 LEGISLATIVE BRANCH BUDGET

(Moberly et al) – Legislative branch seeks \$111.5 million to fund the LRC and GA operations for FY 2008-10. *[Filed 1/29. House A&R passed 3/11. House passed 89-7, 3/12. Senate A&R passed 3/24. Senate passed 37-0, 3/24. Now w/Governor.]*

## HB 408 JUDICIAL BRANCH BUDGET

(Moberly et al) – Judicial branch seeks \$791.5 million to fund the state courts system in FY 2008-10. *[Filed 1/29. House A&R passed cmtte sub 3/11. House passed 95-3, 3/12. Senate A&R passed cmtte sub 3/24. Senate passed 37-0, 3/24. House refused to concur & Senate refused to recede 3/24. Conference cmtte could not agree 3/25. Free Conference Cmtte report w/new budget adopted by Senate 38-0 & House 81-14, 4/2. Now w/Governor.]*

## HB 443 CIGARETTE TAX INCREASE

(Watkins et al) – Would increase the cigarette tax by 70 cents to \$1.00/pack and increase the tax rates on other tobacco products too. *[Filed 2/1. Now in House A&R.]*

## HB 464 COMMUNICATIONS TAX EXEMPTION

(Wilkey) – Would exempt from gross revenues sales for resale to other providers (CLECs). *[Filed 2/5. Now in House A&R.]*

## HB 502 PLANNING COMMISSION NOTICE REQUIREMENTS

(Weston) – Would allow for notice of local planning commission actions, including cell tower matters, to be made by first class mail. *[Filed 2/11. Now posted in House LG.]*

## HB 506 LOCAL ANNEXATION OF UTILITY INFRASTRUCTURE

(Wilkey) – Would require cities proposing to annex any area with utility infrastructure of another city to notify that city of its proposal. Utility infrastructure is defined as electric, gas water or sewage property. *[Filed 2/11. House LG passed 3/4. House passed 93-0, 3/11. Senate S&LG passed 4/2. Senate passed 38-0, 4/2.]*

## HB 527 COMMUNICATION TAX

(Crimm et al) – Would require state to increase the hold-harmless amount of the communication tax earmarked to replace local franchise taxes by about \$8 million to \$44 million. Supported by Kentucky League of Cities. *[Filed 2/13. Now in House A&R.]*

## HB 537 CASINO GAMING

(Hoffman et al) – Governor's bill to establish the parameters for casino gaming, including locations, fees and allocations for use of tax revenues. Companion bill to HB 550. *[Filed 2/14. Now in House Licensing & Occupations]*

## HB 542 PSC - DISPOSAL OF NUCLEAR WASTE

(Rudy & Nesler) – Would require nuclear waste disposal plans be in accordance with federal law and regulations. *PSC would continue to be required to monitor plans. [Filed 1/28. Now in House TD&E.]*

## HB 550 CONSTITUTIONAL AMENDMENT FOR CASINO GAMING

(Owens et al) – Governor’s bill for a constitutional amendment to allow casino gaming be submitted to voters in the fall election; requires 2/3 votes for passage. *House leadership is split on cmte sub; w/o agreement, enough votes for passage is unlikely. [Filed 2/14. House E,CA&IA passed cmte sub 2/28. 10 floor amendments filed. Now on House floor.]*

## HB 553 IDENTIFY THEFT

(Webb et al) – Would increase consumer protection laws for identify theft, security breaches and *phishing*, including requirements for all business entities to provide notice and penalties for non-compliance. *[Filed 2/15. Reassigned to House Judiciary from L&I 2/28. House Judiciary passed cmte sub 3/12. 4 floor amendments filed. House passed 96-0 w/floor amendment, 3/18. Now in Senate Judiciary.]*

## HB 563 CDL DRUG TESTING AND REPORTING

(Combs) – Would establish new CDL drug and alcohol test results reporting requirements and require immediate license suspension for positive tests. Also see SB 162. *[Filed 2/19. Now in House Transportation w/ posting waived.]*

## HB 599 JUDICIAL ELECTION REFORM

(Koenig) – Would change the election process for judges beginning in 2014. *[Filed 2/21. Now in House E,CA&IA.]*

## HB 600 PUBLIC EMPLOYEE RETIREMENT REFORM

(Cherry et al) – Governor’s bill to amend the public employee pension system by increasing fees and reducing benefits, primarily to future hires. House passed floor amendments to add similar provisions of the retirement plans for judicial and legislative branch. *[Filed 2/21. House SG passed cmte sub 2/26. House passed w/4 floor amendments 96-0, 2/28. Senate S&LG passed cmte sub 3/12. Senate passed 33-3 3/12. House refused to concur w/Senate cmte sub 3/19. Senate refused to recede 3/20. Conference Cmte would not agree 3/26. Now in a Free Conference Cmte.]*

## HB 649 UNDERGROUND FACILITY DAMAGE PREVENTION - 811

(Webb-Edgington et al) – Would amend the current 811 law to recognize a state one-call center, tighten requirements for both facility owners and excavators, and expand penalty provisions. *[Filed 2/27. House S,MA&PS passed cmte sub 3/5. House passed 93-2 w/floor amendment, 3/19. Senate Ag&NR passed 3/27. Senate passed 38-0, 4/2.]*

## HB 689 PUBLIC INFRASTRUCTURE AUTHORITIES

(Pasley et al) – Would establish a new state Public Transportation Infrastructure Authority to manage mega projects, including authority to contract, issue bonds and finance (tolls). SB 7 provides local authority some similar projects. *[Filed 2/29. House A&R passed 3/5. House passed w/1 floor amendment 84-13, 3/13. Now in Senate Transportation.]*

## HB 704 TAX CLARIFICATIONS &amp; NEW UTILITY SCHOOL TAX PENALY

(Moberly) – Would clarify and amend various sections of tax laws; *establish new penalty procedures on utilities for school tax billing errors. [Filed 3/3. House A&R passed 3/7. House passed w/2 floor amendments 94-2, 3/13. Now in Senate A&R.]*

## HB 716 PSC - ELECTRIC UTILITY PLANNING REQUIREMENTS

(Pasley & Moberly) – Would require the PSC to study electric utility emissions reduction plans, including demonstration projects, cost recovery procedures and issue biennial reports. *[Filed 3/3. Now in House TD&E.]*

## HB 725 911 REFORM

(Bell et al) – Would amend 911 law to allow other entities collect the landline 911 fee, limit uses of 911 funds and reform CMRS Board & operations, including wireless fee authority. *Cmte heard testimony 3/19. [Filed 3/4. Now posted in House S,MA&PS.]*

## HB 763 TV BROADCASTS

(Rasche) – Would require television & cable providers to offer all non-HD TV programming on channels 2-99 in analog format until 2017. *[Filed 3/4. Now in House TD&E.]*

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## HJR 88 PSAP (911 CENTER) FUNDING STUDY

(Glenn & Webb-Edgington) – Would require LRC to study funding of local 911 emergency call centers (PSAPs) and report by 12/1/08. CMRS Board has endorsed. *Senate leadership generally opposes “studies” and bill may not be called in cmte; may need to pursue in interim cmte process. [Filed 1/31. House LG passed 2/19. Telecom supported a floor amendment to require study of a combined 911 fee. House adopted w/floor amendment 87-1, 2/29. Now in Senate A&R.]*

**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).