

**2008
REGULAR SESSION**

Scorecard @ Feb 8
(23/60 days)

	Senate	House
# bills filed	145	498
# resolutions filed	109	111
# bills passed 1 chamber	28	47
# bills passed both chambers	0	0
# bills into law	0	0
# bills vetoed	0	0

LRC Contact Numbers

Mtg info	800/633-9650
Legislators msg	800/372-7181
TTY msg	800/896-0305
En Espanola	866/840-6574
LRC web	www.lrc.ky.gov

Key Session Dates

Jan 8	Session convenes
Feb 25	Last day to have a new bill drafted
Mar 3	Last day to file House bills
Mar 5	Last day to file Senate bills
Mar 28 & 31	Concurrence days
Apl 1 - 11	Veto days (GA not in session)
Apl 15	Session adjourns

The gloves came off and the budget battles began last week. And *the honeymoon with Governor Steve Beshear appears to be over* as both the Democrats and Republicans in the GA began to exert more influence over the budget bill and other issues.

In House budget committee hearings, Cabinet officials began reporting on the budget details and members were surprised at how the deep cuts will impact agencies in their provision of many basic services. In response, House leadership began drafting a tax bill to restore some of the Governor's budget cuts. Sources indicated that the tax bill would impact most businesses and raise up to \$400 million in new revenues. *Telecom is likely to be included with changes in the communications taxes first enacted in the 2005 Tax Modernization Act. Look for some of the current tax bills to be rolled into the new overall tax bill, such as **HB 257**, the new school tax on utility services.*

Senate leadership, however, has indicated there is little support for tax increases. This may work to slow down the House tax bill since many representatives would not want to vote for tax increases if it did not have a chance to pass the Senate. Senate leadership has also begun speaking against any efforts to allow casino gambling, in direct opposition to Gov. Beshear's pet project.

The elections last Tuesday also appear to have given Senate leadership new life. Republican candidate Brandon Smith's victory in the open Senate District 30 was the first political defeat of Gov. Beshear's young administration and came after the Governor and many in his administration had campaigned hard for the democratic candidate. The election victory will give the Republicans a solid 22-15-1 majority in the Senate making it even harder to pass legislation without their support. Democrats won the 2 open House races to bring the Democratic majority in the House to 63-37. All 3 winners will be sworn in this week. *Political compromise will be essential in the Senate.*

There is also an underlying sense of frustration in the GA because so few of the Governor's bills have been filed. Administration officials have cited the complexity of many of the issues and a desire to propose long term solutions, and not take the "band-aid" approaches of previous administrations as reasons for the delay. The Governor

did announce that he would not file a prison reform bill due to the budget situation and, instead, will form a committee to study criminal law reform. The over-crowding and under-funding of state and local prisons has been cited as a major issue that needs immediate attention and may now be addressed by the GA. *Look for the casino bill to be filled this week and prison reform to be added to the budget bill.*

Telecom Issues

*The Senate confirmed PSC Commissioner Carolyn P. Clark to a term ending in July. **SR 33** was adopted by a 32-1-2 vote last Wednesday.*

*There was no action again last week on **HB 257**, the new state school tax on utility services. Jefferson County schools, the largest school system that would be forced to impose the new tax, is concerned about the impact it may have on current school funding sources.*

Telecom interests are working with Rep. Jim Glenn (D-Owensboro) on changes to his **HJR 88** to study *911 emergency call center funding*. The major change sought is to clarify that a combined 911 rate is a study option.

*The PSC met with utilities last week to discuss its bill to increase penalties, **HB 337**. According to the staff, the primary reasons to increase the maximum level of penalties are the time value of money since the last change occurred over 10 years ago and to be closer to surrounding states. Most utilities objected to the amount of increase in maximum penalty levels and other proposed changes. Telecom interests also proposed a full telecom exemption and/or a small company carve-out. Changes are expected to be made by the PSC to move the bill.*

Rep. Rob Wilkey (D-Scottsville) filed **HB 464** to exempt wholesale purchases for resale from the telecom excise tax. The bill was filed on behalf of CLECs.

Ins & Outs

It didn't take the GA long to piggy-back onto the federal tax rebate Congress passed last week. **HB 497** was filed Friday to exempt from state tax any portion of the tax rebate.

The animal rights group PETA is opposing **HB 331** which designates original recipe KFC as the official picnic food of the Commonwealth. *Maybe PETA likes the extra crispy recipe more!*

The 2-year Lincoln Bicentennial celebration kicks off tomorrow with a nationally televised ceremony at the Abraham Lincoln Birthplace National Historic Site near Hodgenville. The House and Senate will hold their sessions in the Old State Capitol Building in downtown Frankfort.

Meanwhile, out in the real world an attorney was assaulted by his client during trial in Georgetown last week. The defendant later said he couldn't take it any more and just snapped. The attorney got a black eye, minor cuts and bruises but said he would not file charges. By the way, the defendant will be assigned a new attorney.

Tornadoes and storms proved devastating in Kentucky and Tennessee last week. Service outages and damages to homes and business were reported by many of our members. An employee of North Central Telephone Cooperative lost her husband and home to the storm. *Our condolences to the North Central Telephone extended family.*

Senate Bills & Resolutions

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. [Filed 1/8. Now in Senate Transportation Cmte w/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. Now in Senate State & Local Gov’t (S&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.]*

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 passed 32-1-1, 2/6.]*

SJR 76

(Harper Angel) – Directs the EPPC Cabinet to recommend a statewide electronic waste disposal and recycling system by 12/15/08. *[Filed 1/28. Now in Senate Agriculture & Natural Resources.]*

House Bills & Resolutions

HB 26 LIMITED LIABILITY ENTITY FEE

(DeCesare et al) – Would establish a new \$175 annual fee on corporations and limited liability pass-thru entities. *Exemptions to this new tax include companies exempt under Section 501 of the IRS code. [Filed 1/18. Now in House Appropriations & Revenue (A&R) Cmte.]*

HB 56 MOBILE PHONE RESTRICTIONS

(Burch & Meeks) – Would restrict use of hand-held wireless communications devices with limited exceptions. *[Filed 1/8. Now 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 THEFTS

(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. *[Filed 1/8. Now posted in House Judiciary.]*

HB 125 MOBILE PHONE AND TEXTING RESTRICTIONS

(Stacy) – Would prohibit certain classes of drivers from using “personal telecommunications devices”. *[Filed 1/8. Now in House 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. Recommitted & posted in House Banking & Insurance. 5 floor amendments filed; FA1 prohibits prerecorded political messages, similar to HB 90, FA3 expands bill to prohibit certain telephone solicitations.]*

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. Now in Senate S&LG.]*

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. *[Filed 1/10. Now in House A&R.]*

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. *[Filed 1/10. Now in House A&R.]*

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 in House Judiciary.]*

HB 281 HARRASING COMMUNICATIONS OVER THE INTERENT

(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 immigrates, 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. [Filed 1/16. Now in House Judiciary.]*

HB 314 EMPLOYMENT RIGHTS OF VETERANS

(Greer et al) – Would establish rights to leave on military duty and re-employment rights on return from service; termed the "Kentucky Uniformed Services Employment and Reemployment Rights Act". *[Filed 1/16. Now in House Seniors, Military Affairs & Public Safety.]*

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. Now in House Judiciary.]*

HB 326 LICENSE TAXES

(Webb) – Would limit license fees imposed by 2nd-5th class cities to 1.5%, and a flat amount in 6th 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 Gov't.]*

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 cmte substitute bill expected after mtg with utilities. [Filed 1/22. Now in House Tourism Development & Energy.]*

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 sales or use tax and restrictions. *[Filed 1/24. Now in House Elections, Constitutional Amendments and Intergovernmental Affairs.]*

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. Now posted in House L&I.]*

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. [Filed 1/29. Now in House A&R.]*

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. Now in House A&R.]*

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. Now in House A&R.]*

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.]*

HJR 88 PSAP (911 CENTER) FUNDING STUDY

(Greer) – Would require LRC to study funding of local 911 emergency call centers (PSAPs) and report by 12/1/08. *Telecom interests seeking changes to study a combined rate alternative. [Filed 1/31. Now in House Local Government]*

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.