

**2008
REGULAR SESSION**

**Scorecard @ Jan 25
(13/60 days)**

| | <u>Senate</u> | <u>House</u> |
|------------------------------|---------------|--------------|
| # bills filed | 109 | 365 |
| # resolutions filed | 67 | 76 |
| # bills passed 1 chamber | 9 | 12 |
| # bills passed both chambers | 0 | 0 |
| # bills into law | 0 | 0 |
| # bills vetoed | 0 | 0 |

LRC Contact Numbers

| | |
|-----------------|--|
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Key Session Dates

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|------------------|-------------------------------------|
| 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 |
| Apr 1 - 11 | Veto days (GA not in session) |
| Apr 15 | Session adjourns |

The behind the scenes activities in the budget battle become public this week as Gov. Steve Beshear unveils his budget for the next 2 fiscal years. The Governor gives his Budget Address to a joint session of the GA on Tuesday night and will file his budget bill on Wednesday. *Look for more sad faces than happy ones because the budget is expected to show cuts to most agencies funding to make up for a forecasted \$500 million revenue shortfall.*

About this time last year, the Consensus Forecasting Group projected a \$410 million revenue surplus that prompted then Gov. Ernie Fletcher to propose a surplus spending plan to the GA. Partisan politics in an election year help doom the spending plan when the House and Senate could not agree on a final plan. Gov. Beshear announced last week that 2 big-ticket items in that surplus spending plan will now be funded.

The Governor signaled his support for the 2010 World Equestrian Games (WEG) at the Kentucky Horse Park by transferring \$30 million in already approved other state park capital expenditures to the horse park. He also announced that his budget will include money to build a new runway at Bluegrass Airport in Lexington, for safety purposes but also in preparation of the WEG. *Don't look for too many new capital projects in the budget, and projects with homeland security and economic development support have the best chance to be included. Even the other state parks are not expected to recover the \$30 million lost to the WEG at the State Horse Park.*

Another bill caught in the surplus spending plan impasse last year is moving on its own again. The House has passed **HB 111** to give public colleges and universities more flexibility and freedom to finance their own capital projects without adding to the state debt levels. Testimony in committee hearings claimed that 43 states have passed similar legislation.

The Senate also passed several education bills last week including 2 that will have a budget impact and are likely not funded in the Governors budget. **SB 2** would pay for the exams for high school students taking advanced placement or similar type classes and cost the state \$6 million per year but, on the other hand, would save families the same amount. **SB 64** would provide incentive funds and a loan-forgiveness program to increase the number of math and science teachers in the state. *Look for funding of these bills to be a key Republican issue in the budget battle by the end of the session.*

The illegal immigration issue also began its journey in the GA last week. The House Judiciary Cmte began a series of informational hearings on **HB 304** which would give local law enforcement more authority, place additional sanctions on employers for illegal hiring and create new identity theft restrictions.

Telecom Issues

The PSC is seeking to raise the penalty amounts for violations of PSC law. **HB 337**, filed by Rep. Rob Wilkey (D-Scottsville), would raise the overall penalty level ranges and impose a new civil penalty of up to \$25,000 for a violation that results in serious injury or death. The bill has been assigned to the House Tourism Development & Energy Cmte.

The new school tax bill did not move last week. **HB 257** would impose a new 3% state gross receipts tax on utilities for schools and replace the current local tax. Any action by the House Appropriations & Revenue Cmte is not expected until after the Governor’s budget bill is filed. Interested parties, including KTA, have not taken official positions on the bill but have been meeting with state officials and stakeholders to determine the bills impact on schools, state revenue and utilities.

The Senate confirmed PSC chairman Mark David Goss to a new 4-year term. **SR 33** was adopted by a 36-0 vote last Thursday. The resolution to confirm Carolyn Clark to the commission (**SR 36**) is still pending in the Senate State & Local Government cmte.

An 811 meeting was held last week to review potential changes in the current call-before-you-dig law. Kentucky811, the state designated one-call center, sponsored the meeting and is expected to seek legislation to enhance and promote the new 811 number and increase the enforcement provisions in the law.

Ins & Outs

House and Senate leadership are key players in the movement of any bill. They appoint committee

chairs, assign bills to various committees and determine which bills are brought to the floor after they move out of committee. See the box below for the current leadership of both chambers.

In a sign that the nations economic downturn is here too, the House Banking & Insurance Cmte heard testimony last week that *Kentucky now ranks 7th nationally in mortgage foreclosures*, based on September data of loan nonpayment.

Charles Geveden, former outside counsel to Ballard Telephone Cooperative, is now the Deputy Secretary of the Justice and Public Safety Cabinet. He was also a State Representative (District 1) for 17 years and a strong supporter of telecommunications.

In life outside Frankfort, *the FCC began its 700 MHz action last week* among continuing criticism of the rules and threatened interference by Congress. Winners won’t be announced until the end of the auction next month.

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| <p><u>House Leadership</u></p> <p><i>Speaker</i> – Jodie Richards (D-Bowling Green) <i>Speaker Pro Tem</i> – Larry Clark (D-Louisville) <i>Democrats</i>: Floor Leader - Rocky Adkins (D-Sandy Hook), Caucus Chair – <i>Charlie Hoffman</i> (D-Georgetown) & Whip – <i>Rob Wilkey</i> (D-Scottsville) <i>Republicans</i>: Floor Leader - Jeff Hoover (R-Jamestown), Caucus Chair - Bob DeWeese (R-Louisville) & Whip – <i>Stan Lee</i> (R-Lexington)</p> <p><u>Senate Leadership</u></p> <p><i>President</i> – David Williams (R-Burkesville) <i>President Pro Tem</i> – Katie Kratz Stine (R-Ft. Thomas) <i>Republicans</i>: Floor Leader - Dan Kelly (R-Springfield), Caucus Chair - Dan Seum (R-Fairdale) & Whip – Carroll Gibson (R-Leitchfield) <i>Democrats</i>: Floor Leader - Ed Worley (D-Richmond), Caucus Chair - Johnny Ray Turner (D-Drift) & Whip - Joey Pendleton (D-Hopkinsville)</p> |
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Senate Bills & Resolutions

SB 7 PUBLIC INFRASTRUCTURE AUTHORITIES (Williams) – 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.]*

SB 106 PSAP EMPLOYEE CLASSIFICATIONS

(Kerr) – 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.]*

SR 33 PSC APPOINTMENT

(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

(Williams) – Confirm the appointment of Carolyn Clark as PSC commissioner for term ending July 1, 2008. *[Filed 1/16. Now in Senate S&LG.]*

House Bills & Resolutions

HB 26 LIMITED LIABILITY ENTITY FEE

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

HB 106 COPPER WIRE THEFTS

(Denham & Combs) – 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) – Would prohibit unauthorized fax transmissions, establish procedures and opt-out requirements and create penalties. *[Filed 1/10. Now in House L&I.]*

HB 250 EXECUTIVE BRANCH ETHICS

(Cherry & Vincent) – 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. Now on House floor w/3 floor amendments.]*

HB 257 UTILITY GROSS RECEIPTS TAX FOR SCHOOLS

(Moberly) – Would replace the local utility gross receipt 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) – 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 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) – 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 Govt.]*

HB 337 PSC PENALTY INCREASE

(Wilkey) – would increase the range of penalties for violations of PSC law and regulations, including a new penalty of up to \$25,000 for violations resulting in serious bodily injury or death. *[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.]*

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.