

**2008  
REGULAR SESSION**

Scorecard @ Mar 14  
(46/60 days)

	Senate	House
# bills filed	256	775
# resolutions filed	192	219
# bills passed 1 chamber	87	226
# bills passed both chambers	1	18
# bills into law	0	3
# bills vetoed	0	0

LRC Contact Numbers

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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
Mar 28 & 31	Concurrence days
Apr 1 - 11	Veto days (GA not in session)
Apr 15	Session adjourns

The budget passed the House last week in substantially different form than proposed by Gov. Steve Beshear and is now in the Senate, where it is expected to undergo even more changes.

**HB 406** passed the House by an 84-14 vote after members had less than 24 hours to review the bill passed out of the House Appropriations and Revenue Committee. Earlier, the House passed a companion tax bill, **HB 262**, to raise enough new revenues to ensure a balanced budget. The tax bill passed on a much closer 50-45 vote. Republicans generally opposed the new taxes and some paid the price by having their projects removed from the budget. Even the Governor claimed some of the budget assumptions were unrealistic, could result in layoffs and larger cuts than he proposed. He supports higher tobacco taxes and may work the Senate for his revenue plan. *Look for more verbal fireworks on the budget all week.*

The House budget plan restores many of the Governor's program cuts, especially in education and human services. *To pay for these expenditures, the House plan will re-finance existing state debt, reduce state payroll from attrition, apply the 6% sales tax to certain services and raise tobacco taxes, including a 25 cent hike in the cigarette tax.* No telecom related taxes, such as the communications excise tax were changed.

The Senate has less than 2 weeks to prepare its own budget plan and leave time to meet in conference committee with the House to hammer out a compromise budget. The GA is scheduled to recess for 10 days on April 1 and then come back for 2 final days on April 14.

The Senate passed its version of **HB 600**, the *state pension reform* bill. The most significant change made to the House bill was to split the pension fund for future employees into defined contribution and defined benefit plans. The House objected to this proposal in the last session. A conference committee is expected, but the Senate President, David Williams (R-Burkesville) may have already tipped his hand by saying the Senate would accept the House version if necessary.

**SB 72**, a *prison reform* bill is moving in the House but may need budget help too. Sen. Dan Kelly (R-Springfield) is seeking to reduce prison costs by allowing alternative sentences for non-violent drug

crimes and extend a pilot program to add social workers in public defenders offices. *More new social workers would require more budget money than is in the House plan, so look for this change to be made in the Senate.*

This will probably be the *last week for the Governor's casino bill*. The House is expected to consider **HB 550** again even though leadership is still split on whether horse racetracks should be guaranteed casino locations. The Governor just wants the bill moved out of the House, but the odds are still low that it would pass the Senate.

### Telecom Issues

It appears that **HJR 88** will not be called in the Senate Appropriations and Revenue Committee. Senate leadership is generally opposed to "studies" because they often end without taking action. An alternative would be having the issue heard during the interim committee process and seek legislative support next session. The resolution would require the LRC study the funding of local 911 call centers, including a combined 911 fee.

The House passed **HB 106**, the *copper theft* bill, by a 91-1 vote last week. A floor amendment was also passed to specifically exempt ferrous materials and returnable bottles. The bill now moves to the Senate.

**HB 337**, the PSC penalty bill, has not moved in the House Tourism Development & Energy Committee. Following a meeting last month with utilities, the PSC indicated it would make changes in the bill. To date, a committee substitute has not been filed.

**HB 649** is now on the House floor with a floor amendment to clarify the bill's intent. The bill recognizes a single, PSC designated state one-call center to receive 811 calls, tightens the requirements for both excavators and underground facility owners, and imposes new penalties for non-compliance with the *call-before-you-dig law*.

**HB 725**, the 911 bill, has been posted in the House Seniors, Military Affairs and Public Safety Committee. A committee substitute is expected to correct language and

technical errors. The bill would authorize local governments to designate an entity other than the telco to collect the 911 fee, combine the spending limits of the separate wireline and wireless fees, remove the CMRS Administrator from the CMRS Board, double the grant fund to \$4 million and allow the Board to raise the wireless fee under certain conditions.

### Ins & Outs

*Others share the budget pain.* It wasn't widely reported, but both the legislative and judicial branches also made 3% cuts in their current fiscal year budgets to match the executive branch cuts imposed by Gov. Beshear in January. This saved \$2.9 million to help cover the budget shortfall.

*Better late than never?* Over 1,500 coal miners held a rally at the Capitol last week to protest **HB 526**, the new so-called "stream-savers" bill, that many said would close mines in Eastern Kentucky. The bill failed to get out of committee 2 days before the rally.

Some committees will shut done this week and not hear any more bills. *For most bills still in their original committee, it's now time to move or wait until next session.*

*Update to fight at courthouse.* A January altercation between a lawyer and his client in a Georgetown courtroom has resulted in an additional 6 months sentence. As the sentence was announced, the client probably thought ... *Give me a break, Judge, I only hit the attorney once.*

## 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 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. Now in Rules.]*

### 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 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 Agriculture & Natural Resources (Ag&NR) passed 2/14. Senate adopted 38-0, 2/20. House Natural Resources & Environment passed 3/6. House passed 95-0, 3/13.]*

### 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. Now posted in House Judiciary.]*

## 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 substitute 3/5. House passed w/floor amendment 91-0, 3/14.]*

#### 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. Recommended to House Banking & Insurance which passed a committee substitute passed 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. Now in Senate S&LG. 2 floor amendments filed.]*

#### 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. *[Filed 1/10. House A&R passed cmte sub 3/11. House passed w/1 floor amendment 50-45, 3/12. Now in Senate w/1 floor amendment.]*

#### 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. Now in Rules.]*

#### 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. [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. Now on House floor.]*

#### 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 cmte sub 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 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 cmte sub 3/11. House passed w/2 floor amendments 84-14, 3/12. Now in Senate.]*

#### 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. Now in Senate.]*

#### 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 cmte sub 3/11. House passed 95-3, 3/12. Now in Senate.]*

#### 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. Now in Senate S&LG.]*

#### 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 cmtte sub; w/o agreement, enough votes for passage is unlikely. [Filed 2/14. House E,CA&IA passed cmtte 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 cmtte sub 3/12. 4 floor amendments filed. Now on House floor.]*

## 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 cmtte sub 2/26. House passed w/4 floor amendments 96-0, 2/28. Senate S&LG passed cmtte sub 3/12. Senate passed 33-3 3/12. Now in House for concurrence w/Senate changes.]*

## 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 cmtte sub 3/5. Floor amendment filed. Now on House floor.]*

## 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.]*

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

(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.]*

## 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. *[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 cmtte; may need to pursue in interim cmtte process. [Filed 1/31. House Local Government 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).