

**2008  
REGULAR SESSION**

Scorecard @ Feb 29  
(36/60 days)

|                              | Senate | House |
|------------------------------|--------|-------|
| # bills filed                | 208    | 689   |
| # resolutions filed          | 170    | 181   |
| # bills passed 1 chamber     | 61     | 117   |
| # bills passed both chambers | 0      | 2     |
| # bills into law             | 0      | 1     |
| # 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 |
| Mar 4             | Last day to file House bills        |
| Mar 6             | 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 GA is posed to begin serious work on major bills this week. In the House, the budget and casino bills will take the most attention. In the Senate, education and state pensions should be in the forefront. Meanwhile, the Governor must make a concerted effort to help heal a House leadership split over his casino bill to have a chance for it to pass.

*The House Appropriations and Revenue Committee will consider 2 budget proposals this week.* One version will be similar to Gov. Steve Beshear's proposal in **HB 406** with major funding cuts to balance the budget with no new taxes. The other version will include significantly more revenues to restore some of the funding cuts. There have been estimates that over \$400 million from new and increased taxes are on the table, but getting buy-ins for such large tax increases from the full House, the Governor and the Senate will be difficult. Businesses in general will look for any tax proposal this week that might impact them. Telecom lobbyists will pay close attention to any changes to the communication taxes, particularly the excise and gross receipts taxes.

*A majority in the House appear to support some new revenues, especially an increase in cigarette taxes that has already been proposed in **HB 443**.* House leaders and key budget committee members met yesterday to begin putting final touches on the budget proposals. The budget is expected to move out of the House next week leaving less than 3 weeks for the Senate to make its changes and allow any differences to be resolved in conference committees. Senate leaders have already complained about the short period of time for their budget review.

**HB 550**, the casino amendment bill, is on the House floor and may be voted on this week, but only if there are enough votes to pass. The House Elections, Constitutional Amendments and Intergovernmental Affairs Committee passed a committee substitute for 9 casinos in the state and up to 5 of them "may" be at horse racetracks. Gov. Beshear's proposal called for 12 casinos statewide (7 free standing and 5 at horse racetracks). *The bill on the floor does not guarantee any casinos at horse racetracks and has lead to a major split in House leadership as well as opposition from the horse industry.* Currently, there does not appear to be enough votes to get the bill out of the House, and Senate leaders say it will not pass the Senate in any form.

The Senate will begin considering **HB 600** amending the public employee pension reform after the House passed the bill 96-0 last week. Last session, the Senate proposed pension reforms that were not accepted by the House. It will be interesting to see how the House proposal is received, especially since it does little to reduce \$ 26 billion unfunded liability in the short term. The state pension plan covers 445,000 teachers, state and local government employees.

*All house bills must be filed by Mar 4 and Senate bills by Mar 6.* There were 2,365 bill requests made but, thankfully, all won't end up as filed bills. To date, 1,248 bills and resolutions have been filed. The Governor signed the first bill into law last week. **HB 168** will give persons returning from military service 90 days to renew an expired driver's license.

### Telecom Issues

**HB 257**, a new statewide school tax on utilities, is not expected to move out of the House A&R Committee. *The bill's sponsor and cmte chair, Rep. Harry Moberly (D-Richmond), indicated he will not call the bill due to widespread opposition.*

**HJR 88** was adopted by the House last week by an 87-1 vote after a KTA sponsored floor amendment was added. The resolution requires the LRC study the funding of local 911 call centers; the amendment requires the study to look at a combined statewide 911 fee. It now moves on to the Senate.

The bill to strengthen the state *copper theft* laws - **HB 106** - is expected to begin moving after the sponsor and various stakeholders agreed to a compromise last week. The House Judiciary Cmte is expected to reconsider a committee substitute this week.

The 2 bills restricting cell phone use while driving were heard in the House Transportation Committee last week. **HB 56**, the perennial bill that prohibits the use of hand held phones while driving, was tabled and will not be considered again this session. A committee substitute to **HB 125**, which prohibits the use of "personal communications devices" (audio & texting devices) by drivers with instructional or intermediate permits, did pass and is now

on the House floor. A floor amendment to exempt the use of GPS devices has been filed. The bill would apply to drivers of 2- or 4-wheel vehicles.

A bill amending the *call-before-you-dig law* was filed last week. **HB 649** would recognize a single, PSC designated state one-call center to receive 811 calls, tighten the requirements for both excavators and underground facility owners, and impose new penalties for non-compliance. The bill is now in the House Seniors, Military Affairs and Public Safety. Opposition to the bill is expected.

A *911 bill* is expected to be filed today to amend the laws relating to both wireline and wireless service. It is expected to have only a minor impact on wireline providers, according to the chief promoters of the bill - the Kentucky Emergency Numbering Association (KENA).

### Ins & Outs

State Auditor Crit Luallen has released the 1<sup>st</sup> of 2 parts of the *annual audit of state government*. The report contains 65 findings of significant deficiencies of internal controls throughout state agencies. The 2<sup>nd</sup> report, due later this month, will cover the state's use of federal funds. The full report is at [www.auditor.ky.us](http://www.auditor.ky.us).

**HB 684** has been filed to regulate *kickboxing and mixed martial arts* events in

the state. The Kentucky Boxing and Wrestling Authority would take on the new duties of licensing and regulating these increasingly popular events.

*The state now has 88 special license plates and maybe more on the way. HBs 207 & 236 would add an "In God We Trust" plate. HB 207 is now in the Senate and would require 900 users to sign up before the plate would be printed. The initial fee is \$28 and renewal fees are \$15/year. Opponents have indicated they would sue on constitutional grounds if the bill becomes law.*

*Politics maybe?* The Senate passed **SB 14** to abolish the Treasurers office and make the Attorney General and Auditor non-partisan positions like judges. Democrats currently hold these positions; no changes were proposed to Republican held offices.

*Politics for sure!* Prior to the 1<sup>st</sup> casino amendment vote in committee last week, House Speaker Jodie Richards (D-Bowling Green) appointed 2 new members and replaced one. The 2 new members voted for the Richards-backed proposal; the replaced member supported another proposal.

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### 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 was developed as part of the KERA reforms. *The cmtte has heard testimony but has not scheduled a vote. [Filed 2/19. Now in Senate Education.]*

#### 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.]*

#### 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.]*

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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 passed 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 passed 2/14. Senate passed 37-0, 2/20. Now in House Natural Resources & Environment.]*

#### 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. Now in Senate Judiciary passed cmtte substitute to reduce the study timeframe, 2/21. 2 floor amendments filed. Now on Senate floor.]*

## 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. *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 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. *The cmte heard testimony and approved a cmte sub 2/28 but passed over voting on bill to allow more time for parties to compromise. [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. House Transportation passed cmte sub 2/26. 2 Floor amendments filed. Now on House floor.]*

### 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 to House Banking & Insurance which passed a committee substitute passed 2/13. 5 floor amendments filed; FA1 prohibits prerecorded political messages, similar to HB 90, FA3 expands bill to prohibit certain telephone solicitations. House passed 93-1, 2/19 w/no floor amendments. Now in Senate A&R.]*

### 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. 5 floor amendments filed. 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. *The cmte chair indicated he would not call the bill. [Filed 1/10. Now posted 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. *The House cmte substitute excludes telecom towers. [Filed 1/10. House A&R passed cmte substitute, 2/19. House passed 95-0 2/26. Now in Senate 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 posted 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 clarity bidding & contracting provisions. *[Filed 1/17. Now in House 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 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 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. 5 floor amendments filed. Now posted on House floor.]*

#### 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 posted 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 posted 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 posted 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.]*

#### 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. Now posted in House 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 House A&R.]*

#### HB 537 CASINO GAMING

(Hoffman et al) – Would establish the parameters for casino gaming, including locations, fees and allocations for use of tax revenues. *[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. *[Filed 1/28. Now in House TD&E.]*

#### HB 550 CONSTITUTIONAL AMENDMENT FOR CASINO GAMING

(Owens et al) – Would provide for a constitutional amendment to allow casino gaming be submitted to voters in the fall election; requires 2/3 votes for passage. *[Filed 2/14. House E,CA&IA passed cmte sub 2/28. 5 floor amendments filed.]*

#### 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 from House L&I to Judiciary 2/28.]*

#### 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. Posting waived in House Transportation.]*

#### 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) – Would amend the public employee pension system by increasing fees and reducing benefits, primarily to future hires. House passed amended bill to amend some similar provisions of the retirement plans for judicial and legislative branch. *[Filed 2/21. House SG passed cmte sub 2/26. 8 floor amendments filed. House passed w/4 floor amendments 96-0, 2/28. Now in Senate.]*

#### 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. Now in House Seniors, Military Affairs & Public Safety.]*

#### 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.]*

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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. *Telecom interests seeking changes to study a combined rate alternative. [Filed 1/31. House Local Government passed 2/19. Telecom supported floor amendment filed. House adopted w/floor amendment 87-1, 2/29.]*

**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).