



**Kentucky Legislative Report
March 3, 2014 - Regular Session Update
Smith Management Group Government Solutions
Prepared by
Scott R. Smith and Kori Andrews**

scottr.smith@smithmanage.com 859-231-8936 x116

Scott's Thoughts

This legislative session is moving slowly - at least from the environmental and energy standpoint. A few new items were recently introduced such as HB 486, which will provide tax credits for purchasers of Energy Star manufactured homes. Manufactured homes are a huge hole in Kentucky's energy efficiency bucket, so anything to help this sector along would be a good thing. Now, if the legislation would only require the destruction of the old home, that would be a *real* accomplishment! The bill was introduced to the House on February 27.

Another energy efficiency bill, SB 153, authorizes the use of Pollution Prevention Funds to match federal funds for the purpose of providing energy efficiency technical assistance.

A bill that has received a lot of attention is HB 388. This bill's focus is carbon dioxide emission reductions. It passed the House 99-0 and was received in the Senate on February 27th. This proposed legislation allows the legislature to have oversight of plan preparations and submittals that Kentucky's Cabinet for Energy and Environment create and make to EPA for New Source Performance Standards for Carbon Dioxide. The legislation is aimed in part at the EPA's proposed rule that applies only to *new* fossil fuel fired electric utility generating units. Under the proposed rule, coal fire units must implement carbon capture and storage for a portion of their greenhouse gas emissions. One of the problems with EPA's approach that HB 388 addresses is that carbon capture has not been adequately demonstrated to be properly considered in the analysis of best system emission reductions under CAA, Section 111. EPA's proposal talks about giving states flexibility to develop the carbon dioxide strategies. This bill spells out how far Kentucky can go to gain the agency's approval. I look for the Senate to pass the bill and then let's see if the Governor will veto it? From the administration's point of view, legislative involvement could take more time and cause them to miss EPA deadlines, which, in turn, would allow EPA to place their own carbon requirements on Kentucky. This one will be interesting to watch. EPA's approach is a lawyer's dream. There will be a multitude of lawsuits filed over EPA's approach. It could take years before this idea is finalized.

Stay tuned!

The bill numbers found in this document are linked to the Kentucky Legislative Review Commission’s web page so you can review the legislation.

This is by no means an all encompassing list of bills. Don’t hesitate to contact me if you want me to add additional issues, need copies of the proposed legislation or have questions about these or other bills you’ve heard about.

DO YOU KNOW SOMEONE WHO WANTS TO RECEIVE THESE UPDATES?

Send this to a colleague and tell them to write us at scottr.smith@smithmanage.com if they want to receive notice when these postings are updated.

QUESTIONS, COMMENTS, ADDITIONAL INFORMATION

Scott R. Smith, scottr.smith@smithmanage.com, 859-231-8936 x 116 or Kori Andrews, koria@smithmanage.com, 502-587-6482 x207.

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Administrative Regulation

[SB 1 - J. Bowen, R. Stivers II, J. Carpenter, D. Givens, S. Gregory, E. Harris, J. Higdon, P. Hornback, J. Schickel, D. Thayer, M. Wilson](#)

AN ACT proposing to amend Section 29 of the Constitution of Kentucky relating to administrative regulations.

Create a new section of the Constitution of Kentucky to permit the General Assembly by

general law to prohibit the adoption of administrative regulations that it has found to be deficient.

[SB 1](#) - AMENDMENTS

[SCS](#) - Propose to amend Section 29 of the Constitution of Kentucky to permit the General Assembly or an agency or committee it creates to review, approve, or disapprove any administrative regulation of the executive branch during or between regular sessions of

Lexington
 1405 Mercer Road
 Lexington, KY 40511
 859-231-8936
 859-231-8997 fax

Louisville
 1860 B Williamson Court
 Louisville, KY 40223
 502-587-6482
 502-587-6572 fax



the General Assembly; submit to the voters for approval or disapproval; supply ballot language. [SCA \(1/Title, J. Bowen\)](#) - Make title amendment.

Jan 7-introduced in Senate
 Jan 13-to State & Local Government (S)
 Jan 29-reported favorably, 1st reading, to Calendar with Committee Substitute, committee amendment (1-title)
 Jan 30-2nd reading, to Rules
 Feb 3-posted for passage in the Regular Orders of the Day for Wednesday, February 5, 2014
 Feb 5-passed over and retained in the Orders of the Day
 Feb 6-3rd reading, passed 24-14 with Committee Substitute, committee amendment (1-title) ; received in House
 Feb 11-to Elections, Const. Amendments & Intergovernmental Affairs (H)

[HB 229 - R. Damron, J. Gooch Jr., T. Mills, T. Thompson](#)

AN ACT relating to state agency administrative requirements for regulated entities.

Amend KRS 13A.240 to require agencies to consider the impact of additional paperwork on regulated entities in order to comply with proposed administrative regulations.

Jan 17-introduced in House
 Jan 21-to State Government (H)
 Jan 28-posted in committee
 Jan 30-reported favorably, 1st reading, to Consent Calendar
 Jan 31-2nd reading, to Rules; taken from Rules; placed in the Consent Orders of the Day for Tuesday, February 4, 2014

Feb 4-3rd reading, passed 99-0
 Feb 5-received in Senate
 Feb 7-to State & Local Government (S)

[HB 230 - A. Wuchner, J. Fischer, M. Harmon](#)

AN ACT relating to administrative regulations.

Create a new section of KRS Chapter 13A to delay the effective date of ordinary administrative regulations with a major economic impact until the effective date of legislation ratifying the administrative regulation; amend KRS 13A.010 to define major economic impact as an overall annual economic impact from an administrative regulation of \$500,000 or more on state and local government and regulated entities as determined by the promulgating administrative body; amend KRS 13A.250 to require the fiscal note to include a cost analysis of the administrative regulation's effect on regulated entities and a determination by the promulgating administrative body as to the overall economic impact of the administrative regulation; amend KRS 13A.330 and 13A.331 to conform; specify short title of the Act.

Jan 17-introduced in House
 Jan 21-to State Government (H)

Budget/General Fund

[HB 15/LM - F. Steele, L. Combs](#)

AN ACT relating to coal severance revenues and declaring an emergency.

Amend various sections in KRS Chapter 42 to distribute 100% of coal severance revenues among the coal producing counties on the basis of the tax collected on coal severed or

Lexington
 1405 Mercer Road
 Lexington, KY 40511
 859-231-8936
 859-231-8997 fax

Louisville
 1860 B Williamson Court
 Louisville, KY 40223
 502-587-6482
 502-587-6572 fax



processed in each respective county; amend KRS 143.090 and 164.7891 to make conforming changes; repeal KRS 42.490; EMERGENCY.

Sep 4-To: Interim Joint Committee on Appropriations and Revenue

Jan 7-introduced in House; to Appropriations & Revenue (H)

[HB 46](#) - [W. Stone](#), [K. Imes](#), [B. Rowland](#)

AN ACT relating to TVA in-lieu-of-tax payments, making an appropriation therefor, and declaring an emergency.

Amend KRS 96.895 to provide that, beginning in fiscal year 2014-2015, a portion of the Tennessee Valley Authority in-lieu-of-tax payment made to the Commonwealth and deposited into the general fund shall be transferred to the regional development agency assistance fund to be distributed among fiscal court-designated local industrial development authorities for economic development and job creation activities; provide that the transfer will not affect the portion of the total TVA payment that is currently distributed among local government entities; provide that these transfers will be phased-in over a five-year period, with an amount equal to 50 percent of the general fund portion of the total TVA annual payment being transferred in fiscal year 2018-2019, and each fiscal year thereafter, not to exceed \$6,000,000 each year; APPROPRIATION; EMERGENCY.

Sep 4-To: Interim Joint Committee on Appropriations and Revenue

Jan 7-introduced in House; to Appropriations & Revenue (H)

[HB 235](#) - [R. Rand](#), [G. Stumbo](#), [R. Adkins](#), [L. Clark](#), [S. Overly](#), [T. Thompson](#)

AN ACT relating to appropriations and revenue measures providing financing and conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state-supported activities.

Jan 22-introduced in House

Jan 23-to Appropriations & Revenue (H)

Feb 28-posted in committee

[HB 237](#) - [R. Rand](#), [G. Stumbo](#), [R. Adkins](#), [L. Clark](#), [S. Overly](#), [T. Thompson](#)

AN ACT relating to road projects and declaring an emergency.

Set out the fiscal year 2014-2016 Biennial Highway Construction Plan; EMERGENCY.

Jan 22-introduced in House

Jan 23-to Appropriations & Revenue (H)

Feb 28-posted in committee

[SB 135/LM](#) - [P. Hornback](#), [W. Blevins Jr.](#), [D. Parrett](#), [J. Rhoads](#)

AN ACT proposing to amend Section 181 of the Constitution of Kentucky relating to local levies of sales and use taxes.

Propose to amend Section 181 of the Constitution of Kentucky to authorize the General Assembly to confer upon the proper authority of any city or county the power to levy a local option sales and use tax, subject to specifically enumerated conditions and

Lexington

1405 Mercer Road
Lexington, KY 40511
859-231-8936
859-231-8997 fax

Louisville

1860 B Williamson Court
Louisville, KY 40223
502-587-6482
502-587-6572 fax



limitations; submit to the voters for approval or disapproval; supply ballot language.

Feb 11-introduced in Senate
Feb 13-to Appropriations & Revenue (S)

Energy

[SB 14 - J. Higdon](#)

AN ACT relating to eminent domain.
Amend KRS 278.502 to allow eminent domain to be used only in cases where the condemner is a utility regulated by the Public Service Commission.

Nov 6-To: Energy Special Subcommittee
Jan 7-introduced in Senate
Jan 13-to Judiciary (S)

[SB 21 - J. Higdon](#)

AN ACT relating to eminent domain and declaring an emergency.
Amend KRS 278.502 to limit the scope of the eminent domain authority created by that section; declare amendments retroactive to October 1, 2013; EMERGENCY.

Jan 7-introduced in Senate
Jan 13-to Judiciary (S)

[SB 67 - B. Leeper](#)

AN ACT relating to nuclear power.
Amend KRS 278.600 to define "storage" and amend a definition to require that nuclear power facilities have a plan for the storage of nuclear waste rather than a means of permanent disposal; amend KRS 278.610 to delete the requirement that the Public Service

Commission certify the facility as having a means for disposal of high-level nuclear waste; change all references to disposal of nuclear waste to storage of nuclear waste; prohibit construction of low-level waste disposal sites in the Commonwealth except as provided in KRS 211.852; require the Public Service Commission to determine whether the construction or operation of a nuclear power facility, including one constructed by an entity regulated under KRS Chapter 96, would create low-level nuclear waste or mixed wastes that would be required to be disposed of in low-level waste disposal sites in the Commonwealth; repeal KRS 278.605, relating to construction of nuclear power facilities.

Jan 10-introduced in Senate
Jan 15-to Natural Resources & Energy (S)
Jan 29-reported favorably, 1st reading, to Calendar
Jan 30-2nd reading, to Rules
Feb 3-posted for passage in the Regular Orders of the Day for Tuesday, February 4, 2014
Feb 4-3rd reading, passed 29-6-1
Feb 5-received in House
Feb 10-to Natural Resources & Environment (H)

[SB 102 - S. Humphries](#)

AN ACT relating to geothermal wells.
Amend KRS 223.400 to create new definitions for "geothermal borehole" and "geothermal vertical closed loop well"; amend KRS 223.435, 223.445 and 223.455 to include geothermal borehole drilling and geothermal vertical closed loop well installation under the regulatory authority of the Cabinet for Energy and Environment and the Kentucky Water Well Certification Board.

Lexington
1405 Mercer Road
Lexington, KY 40511
859-231-8936
859-231-8997 fax

Louisville
1860 B Williamson Court
Louisville, KY 40223
502-587-6482
502-587-6572 fax



Jan 27-introduced in Senate
Jan 29-to Natural Resources & Energy (S)

[SB 153 - E. Harris](#)

AN ACT relating to energy efficiency.
Amend KRS 224.46-330 to authorize use of the pollution prevention fund dollars to match federal funds for the purpose of providing energy efficiency technical assistance.

Feb 21-introduced in Senate
Feb 26-to Natural Resources & Energy (S)

[HB 31 - J. Tilley, D. Floyd, J. Kay, K. King, M. Marzian, T. Mills](#)

AN ACT relating to eminent domain.
Amend KRS 278.502 to condition the exercise of condemnation authority upon approval of the Public Service Commission, which may be given only after review of delineated statutory criteria.

[HB 31 - AMENDMENTS](#)

[HCS](#) - Replace original bill text with provisions to amend KRS 278.502 to exclude natural gas liquids from the definition of oil or gas or oil and gas products as used in that statute; include transitional provision making the bill's provision retroactive to cover any eminent domain action filed under KRS 278.502; EMERGENCY.

[HFA \(1, J. Fischer\)](#) - Replace bill's provisions with new text amending KRS 278.502 to require that the oil or gas pipeline condemnation be for a public use in lieu of the current requirement of public service.

Oct 2-To: Interim Joint Committee on Energy Special Subcommittee

Jan 7-introduced in House; to Judiciary (H)
Feb 18-posting waived
Feb 26-reported favorably, 1st reading, to Calendar with Committee Substitute
Feb 27-2nd reading, to Rules; floor amendment (1) filed to Committee Substitute

[HB 52 - G. Watkins](#)

AN ACT relating to nuclear power.
Amend KRS 278.600 to define "storage" and require that nuclear power facilities have a plan for the storage of nuclear waste rather than a means for permanent disposal; amend KRS 278.610 to delete the requirement that the Public Service Commission certify the facility as having a means for disposal of high-level nuclear waste; change all references to the disposal of nuclear waste to the storage of nuclear waste; prohibit construction of low-level waste disposal sites in the Commonwealth, except as provided in KRS 211.852; require the Public Service Commission to determine whether the construction or operation of a nuclear power facility, including one constructed by entities regulated under KRS Chapter 96, would create low-level nuclear waste or mixed wastes that would be required to be disposed of in low-level waste disposal sites in the Commonwealth; repeal KRS 278.605.

Jan 7-introduced in House; to Tourism Development & Energy (H)

[HB 60 - D. Floyd, K. King, M. Harmon](#)

AN ACT relating to eminent domain and declaring an emergency.
Amend KRS 278.502 to limit the scope of the eminent domain authority created by that

Lexington
1405 Mercer Road
Lexington, KY 40511
859-231-8936
859-231-8997 fax

Louisville
1860 B Williamson Court
Louisville, KY 40223
502-587-6482
502-587-6572 fax



section; declare amendments retroactive to October 1, 2013; EMERGENCY.

Jan 7-introduced in House; to Judiciary (H)

[HB 63 - J. Gooch Jr.](#)

AN ACT relating to utilities.

Create a new section of KRS Chapter 278 to require retail electric suppliers to maintain a 30-day supply of fuel for electricity generation.

Jan 7-introduced in House; to Tourism Development & Energy (H)

Feb 11-posted in committee

[HB 170 - K. Flood, W. Stone](#)

AN ACT relating to the utility gross receipts license tax for schools.

Amend KRS 160.613 to clarify that if a manufacturer, processor, miner, or refiner chooses to claim that a portion of the energy or energy producing fuels purchased by that entity is exempt from the utility gross receipts license tax, the entity claiming the exemption becomes responsible to report and pay the portion of the tax due directly to the Department of Revenue; amend KRS 160.6156 to specify who may request a refund or credit of any overpayment of the tax and require that an appeal of the denial of a requested refund to the Circuit Court shall be made within 30 days from the mailing date of the denial.

Jan 8-introduced in House

Jan 9-to Appropriations & Revenue (H)

Jan 31-posted in committee

Feb 4-reported favorably, 1st reading, to Consent Calendar

Feb 5-2nd reading, to Rules; posted for

passage in the Consent Orders of the Day for Friday, February 7, 2014

Feb 7-taken from the Consent Orders of the Day, placed in the Regular Orders of the Day

Feb 11-3rd reading, passed 70-27

Feb 12-received in Senate

Feb 14-to Appropriations & Revenue (S)

[HB 195/LM - M. Marzian, J. Jenkins](#)

AN ACT relating to energy.

Create new sections of KRS Chapters 278 and 96 to require retail electric suppliers to use increasing amounts of renewable energy; require retail electric suppliers to take energy-efficiency measures and implement energy-efficiency programs that increase energy savings over a period of time; provide for alternative compliance plans for public utilities who fail to meet renewable energy or efficiency requirements; define renewable energy; specify reporting requirements to the Public Service Commission regarding progress in diversifying energy sources and energy savings; require the Public Service Commission to develop tariff guidelines for purchase of renewable power.

Jan 13-introduced in House

Jan 14-to Tourism Development & Energy (H)

[HB 291/FN - M. Denham](#)

AN ACT relating to construction of unregulated electric generation facilities and declaring an emergency.

Create a new section of KRS Chapter 278 to require an unregulated utility which is considering the siting of a generation facility to hold a public meeting in each county where the facility will be located if requested by a local government; specify how notice of the meeting

Lexington

1405 Mercer Road
Lexington, KY 40511
859-231-8936
859-231-8997 fax

Louisville

1860 B Williamson Court
Louisville, KY 40223
502-587-6482
502-587-6572 fax



shall be given; require notification of state government entities; provide penalty for violations; create a new section of KRS Chapter 65 to allow a local government to require a code of conduct between it and utility; allow Public Service Commission to create a model code; direct Public Service Commission to study effects of wind farms; EMERGENCY.

[HB 291](#) - AMENDMENTS

[HCS/FN](#) - Delete existing language; amend definition of "Merchant electric generating facility" in KRS 278.700 to use aggregate output of all structures and facilities; amend KRS 278.704 to include all generation facilities in setback requirements and add requirement for public meeting to inform and answer questions about a proposed facility construction project to be held upon request of local government or PSC; specify notice requirements; require that state agencies be notified; apply to any project currently acquiring property rights; amend KRS 278.706 to require additional public meeting prior to filing application with the Siting Board; amend KRS 278.708 to add land use changes to site assessment report; amend KRS 278.710 to extend time in which siting board shall act on merchant plant application from 90 to 120 days and, if a hearing is requested, from 120 to 180 days; amend KRS 278.714 to extend time in which siting board shall act on transmission line or CO2 pipeline application from 90 to 120 days and, if a hearing is requested, from 120 to 180 days; create new section of KRS Chapter 278 to specify that home rule sections of the KRS are not diminished by this act; create new section of KRS Chapter 96 to require city-owned utilities to hold public meeting to inform and answer questions about a proposed wind generation facility construction project to be held upon

request of local government; specify notice requirements; applicable to any project currently acquiring property rights; declare an EMERGENCY.

[HFA \(1\)](#), M. Denham) - Amend KRS 278.710, referring to setback requirements, to conform.

[HFA \(2\)](#), M. Denham) - Amend KRS 278.704, concerning notice of merchant generation project plans, to include notice to Attorney General; amend KRS 278.710, referring to setback requirements, to conform with changes to 278.704.

Jan 29-introduced in House
 Jan 30-to Tourism Development & Energy (H)
 Feb 11-posted in committee
 Feb 13-reported favorably, 1st reading, to Calendar with Committee Substitute
 Feb 14-2nd reading, to Rules; posted for passage in the Regular Orders of the Day for Tuesday, February 18, 2014
 Feb 18-floor amendment (1) filed to Committee Substitute
 Feb 19-floor amendment (2) filed to Committee Substitute
 Feb 20-3rd reading, passed 98-0 with Committee Substitute, floor amendment (2)
 Feb 21-received in Senate
 Feb 26-to Natural Resources & Energy (S)

[HB 336](#) - [T. Pullin](#)

AN ACT relating to removal of electrical distribution installations on surface mine sites.

Amend KRS 350.090 to require a mining permittee to include in the reclamation plan removal of electric distributions installations on the surface including poles, wires, other attachments unless the permittee has been granted an alternative post-mine use that is industrial, commercial, or residential.

Lexington

1405 Mercer Road
 Lexington, KY 40511
 859-231-8936
 859-231-8997 fax

Louisville

1860 B Williamson Court
 Louisville, KY 40223
 502-587-6482
 502-587-6572 fax



Feb 5-introduced in House
 Feb 6-to Natural Resources & Environment
 (H)
 Feb 10-posted in committee

[HB 388/LM](#) - [J. Gooch Jr.](#), [T. Couch](#), [M. Dossett](#),
[C. Embry Jr.](#), [S. Miles](#), [R. Quarles](#), [D. St. Onge](#), [F. Steele](#),
[R. Webber](#), [J. York](#)

AN ACT relating to best system emission reduction for existing electric generating units.

Create new sections of KRS Chapter 224 to establish criteria by which the Energy and Environment Cabinet can establish performance standards for the regulation of carbon dioxide emissions from existing fossil fuel-fired electric generating units; establish different criteria for coal-fired electric generating units and natural gas-fired electric generating units; allow performance standards to be adjusted on a case-by-case basis; require that any state plan to regulate carbon dioxide emissions be issued under Section 111(d) of the federal Clean Air Act; direct the cabinet to promulgate administrative regulations to establish standards in a state plan; prohibit development or proposing of a state plan to the United States Environmental Protection Agency unless the plan is consistent with Sections 1 to 7 of this Act and is prepared in consultation with the Kentucky PSC; declare that any plan or performance standard has no legal effect if the United States Environmental Protection Agency does not issue federal rules or guidelines for regulating carbon dioxide emissions from existing electric generating units or if the rules are withdrawn or invalidated by a court of competent jurisdiction.

Feb 13-introduced in House
 Feb 18-to Natural Resources & Environment

(H); posted in committee

Feb 20-reported favorably, 1st reading, to Consent Calendar

Feb 21-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Wednesday, February 26, 2014

[HB 387](#) - [D. Floyd](#)

AN ACT relating to natural gas liquids pipelines.

Amend KRS 278.700 to include a definition for natural gas liquids transmission pipeline; amend KRS 278.714 to require anyone constructing a natural gas liquids transmission pipeline apply for a construction certificate from the Kentucky State Board on Electric Generation and Transmission.

Feb 13-introduced in House
 Feb 18-to Natural Resources & Environment
 (H); posted in committee
 Feb 20-reported favorably, 1st reading, to Consent Calendar
 Feb 21-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Wednesday, February 26, 2014
 Feb 26-3rd reading, passed 99-0
 Feb 27-received in Senate

[HB 404/LM](#) - [J. Kay](#), [K. Hall](#)

AN ACT relating to energy project assessment districts.

Create new sections of KRS Chapter 65 to allow local governments to establish energy project assessment district programs in order to advance the efficient use of energy and water resources by allowing for energy projects to be financed by assessments imposed on only those properties participating in a program; define

Lexington
 1405 Mercer Road
 Lexington, KY 40511
 859-231-8936
 859-231-8997 fax

Louisville
 1860 B Williamson Court
 Louisville, KY 40223
 502-587-6482
 502-587-6572 fax



terms; establish the basic required parameters of a program; allow local governments to impose assessments on participating properties and provide the terms for the collection of the assessments, including the grant of senior tax lien status therefor; allow local governments to issue bonds for the financing of a program; prohibit a local government from imposing an assessment on property under a program, except upon the request of the owner of record; declare short title of the Act.

Feb 19-introduced in House

Feb 20-to Tourism Development & Energy
(H)

[HB 439 - L. Combs](#)

AN ACT relating to mineral leasehold liens.

Amend KRS 376.140 to modify the operation of a mechanic's lien relative to oil, gas, or other mineral leases.

Feb 24-introduced in House

Feb 25-to Natural Resources & Environment
(H)

[HB 466 - K. Hall](#)

AN ACT relating to the development of the market for natural gas as an alternative transportation fuel.

Amend KRS 154.20-410 to direct the deposit of the petroleum environmental assurance fees, also referred to as underground storage tank fees, imposed on liquefied and compressed natural gas used as alternative transportation fuel into the Kentucky alternative fuel and renewable energy fund; amend KRS 154.20-415 to specifically provide that the fund may be used to provide funding to Kentucky-based

companies that undertake activities to develop and expand the market for using liquefied and compressed natural gas as alternative transportation fuel in Kentucky including development of fueling station infrastructure; amend KRS 224.60-140 and 224.60-145 to conform.

Feb 26-introduced in House

Feb 27-to Tourism Development & Energy
(H)

[HB 474 - R. Adkins, G. Stumbo, H. Collins, L. Combs, W. Coursey, M. Denham, J. Gooch Jr., K. Hall, R. Nelson, J. Short, K. Sinnette, G. Watkins, B. Yonts](#)

AN ACT relating to economic development incentives for the coal industry.

Amend KRS 154.31-010 to allow coal mining or processing companies to potentially qualify for sales and use tax incentives offered through the Kentucky Enterprise Initiative Act (KEIA) and to define terms; create a new section of KRS Chapter 154.31 to define terms; amend KRS 154.32-010 to allow coal mining or processing companies to potentially qualify for income tax incentives offered through the Kentucky Business Investment Act (KBI) and to define terms; create a new section of KRS Chapter 154.32 to define terms; amend KRS 154.32-020, 154.32-030, and 154.32-060 to conform; direct the Cabinet for Economic Development to work with various foreign trade partners and the Kentucky coal industry to promote increased exports of Kentucky coal.

Feb 26-introduced in House

Feb 27-to Appropriations & Revenue (H)

[HB 486 - K. Hall](#)

Lexington

1405 Mercer Road
Lexington, KY 40511
859-231-8936
859-231-8997 fax

Louisville

1860 B Williamson Court
Louisville, KY 40223
502-587-6482
502-587-6572 fax



AN ACT relating to tax credits for purchasers of ENERGY STAR manufactured homes.

Amend KRS 141.437 to establish an individual income tax credit for taxable years beginning after December 31, 2016 but before January 1, 2021, for taxpayers who purchase ENERGY STAR manufactured homes; amend KRS 141.0205 to provide the order in which the credit may be taken.

Feb 27-introduced in House

[HB 489](#) - [S. Riggs](#)

AN ACT relating to energy.

Amend KRS 45A.345 to expand definition of "qualified provider" and add definitions of other terms; amend KRS 45A.352 to limit bidders for guaranteed energy savings performance contracts to qualified providers; add total outstanding obligations under other such contracts to evaluation criteria; add a measurement and verification protocol to those acceptable; set penalties for failure to provide annual reconciliation statement; local agency may waive measurement and verification for lighting projects after two years; amend KRS 45A.353 to direct that exempted debt service obligations shall be added back into agency debt limits in the event of a guarantee termination; new section of KRS 45A created to set requirements for qualified provider status, renewal requirements and regulatory authority; amend KRS 103.200, 210, 220, 240, and 286, pertaining to city and county private activity revenue bonds, and create a new section of KRS Chapter 103 to reserve 10% of the state private activity bond cap for small or medium manufacturing facility energy efficiency bond projects during the first half of the bond cap allocation period after which unused cap shall

revert to the single allocation pool; set requirements for issuance of manufacturing energy efficiency bonds; create new section of KRS 147A to allow DLG to establish an information clearinghouse to educate on issuance and uses of industrial revenue bonds; amend KRS 154.34-010, 070, 080, and 110 of the Kentucky Reinvestment Act to create a separate tax incentive tier for industries that invest a minimum of \$300,000, applicable only to energy efficiency investments for small and medium sized industries previously ineligible.

Feb 27-introduced in House

Environment/Natural Resources

[HB 147/FN](#) - [M. Marzian](#)

AN ACT relating to child-care articles containing bisphenol-A.

Create a new section of KRS Chapter 217 to define "baby food," "infant formula," and "reusable food or beverage container"; prohibit the manufacture, sale, or distribution of any reusable food or beverage container containing bisphenol-A; prohibit the manufacture, sale, or distribution of any infant formula or baby food stored in container containing bisphenol-A; require manufacturers to use least toxic alternatives; prohibit replacement of bisphenol-A with carcinogens or reproductive toxicants; amend KRS 217.990 to assess a fine of not more than \$10,000 for violations; EFFECTIVE JANUARY 1, 2014.

[HB 147](#) - AMENDMENTS

[HFA \(1\)](#), J. Gooch Jr.) - Delete all sections of the bill and prohibit banning a product or component of a product used as a food,

Lexington
1405 Mercer Road
Lexington, KY 40511
859-231-8936
859-231-8997 fax

Louisville
1860 B Williamson Court
Louisville, KY 40223
502-587-6482
502-587-6572 fax



beverage, or container unless the product or component is banned by the United States Food and Drug Administration for the same purpose.
[HFA \(2/Title, J. Gooch Jr.\)](#) - Make title amendment.

Jan 7-introduced in House
 Jan 8-to Health & Welfare (H)
 Jan 21-posted in committee
 Feb 13-reported favorably, 1st reading, to Calendar
 Feb 14-2nd reading, to Rules
 Feb 18-floor amendments (1) and (2)-title filed
 Feb 21-posted for passage in the Regular Orders of the Day for Monday, February 24, 2014

[HB 241/LM - J. Jenkins](#)

AN ACT relating to the disposal of coal combustion wastes.

Create new sections of subtitle 50 of KRS Chapter 224 to define "CCR or coal combustion residual," "EAP," "encapsulated CCR," and "unencapsulated CCR"; express sentiment favoring a balanced approach to disposal of CCRs that protects the health and safety of the public and the environment and the need for beneficial reuse of CCRs; require disposal of CCRs as solid waste or in impoundments permitted by the Energy and Environment Cabinet and prohibit permit-by-rule or registered permit-by-rule for disposal of CCRs; require liners, groundwater monitoring, and toxic substance monitoring; require emergency action plans for surface CCR impoundments that are deemed as high hazard potential by the United States Environmental Protection Agency; require the cabinet to promulgate administrative regulations for coal ash CCR

emergency action plans within 180 days of the effective date of the Act; establish specific contents of the EAP; amend KRS 109.012 to include CCR as a solid waste; amend KRS 151.250 to prohibit exemption for surface CCR impoundments regardless of size or type and prohibit use of permit-by-rule or registered permit-by-rule for surface CCR impoundments; amend KRS 224.50-760 to delete utility wastes and wastes from coal gasification facilities approved by the cabinet from the definition of special wastes.

Jan 22-introduced in House
 Jan 23-to Natural Resources & Environment (H)

[HB 288 - J. Wayne, T. Riner, T. Burch, J. Crenshaw, J. Donohue, K. Flood, D. Graham, J. Jenkins, M. Marzian, R. Meeks, D. Owens, R. Smart](#)

AN ACT relating to surface mining.

Amend KRS 350.450 to require coal mine permittees for all types of mining practices to dispose of remaining overburden in the mined area, areas under the abandoned mine land program, or areas approved by the cabinet; require use of lifts and compacted fills; prohibit disposal of overburden in streams; amend KRS 350.440 to prohibit disposal of spoil or overburden in intermittent, perennial, and ephemeral streams or any other waters of the Commonwealth; prescribe areas where spoil may be disposed; amend KRS 350.410 to make internal reference corrections and specify that restoration to approximate original contour includes configuration and elevation of the area prior to mining and require disposal of remaining overburden in the mined area, areas under the abandoned mine land program, or areas approved by the cabinet and the use of

Lexington
 1405 Mercer Road
 Lexington, KY 40511
 859-231-8936
 859-231-8997 fax

Louisville
 1860 B Williamson Court
 Louisville, KY 40223
 502-587-6482
 502-587-6572 fax



lifts and compacted fills; prohibit deposition of overburden in streams.

Jan 29-introduced in House
Jan 30-to Natural Resources & Environment (H)

[HB 328 - F. Steele, K. Hall](#)

AN ACT relating to reciprocal interstate agreements pertaining to coal mining.
Amend KRS 224.10-100 to authorize the secretary or designee to enter into, execute, and enforce reciprocal agreements with other states relating to compliance with KRS Chapters 350, 351, and 352 and the administrative regulations promulgated under those chapters.

Feb 4-introduced in House
Feb 5-to Natural Resources & Environment (H)
Feb 26-posted in committee

[SB 31/LM - J. Schickel, T. Buford, R. Webb](#)

AN ACT relating to the prohibition against implementing the United Nations Agenda 21.
Create a new section of Subchapter 1 of KRS Chapter 224 to prohibit a state agency or political subdivision of the state from implementing any part of the United Nations Agenda 21 that is contrary to the United States or Kentucky Constitution, or being a member of or expending any public funds on a group or organization that will implement any part of the United Nations Agenda 21.

Jan 7-introduced in Senate
Jan 13-to State & Local Government (S)
Feb 5-reported favorably, 1st reading, to Calendar

Feb 6-2nd reading, to Rules
Feb 10-posted for passage in the Regular Orders of the Day for Tuesday, February 11, 2014
Feb 11-3rd reading, passed 32-5
Feb 12-received in House
Feb 13-to State Government (H)

[SR 60 - A. Kerr](#)

Promote the benefits of green schools in the Commonwealth.

Jan 17-introduced in Senate
Jan 22-to Senate Floor

[HCR 93 - L. Combs](#)

Direct the Legislative Research Commission to establish a Timber Theft and Trespass Reduction Task Force; provide that the purpose of the task force is to study issues regarding timber theft and trespass and to develop consensus recommendations to address those issues; name the membership of the task force; require the task force to meet three times before submitting its final report; require its final report to be submitted to the Legislative Research Commission by December 5, 2014; and provide that the Legislative Research Commission has authority to alternatively assign the issues identified in the Resolution to interim joint committees or subcommittees thereof.

Jan 31-introduced in House
Feb 3-to Natural Resources & Environment (H)
Feb 20-posted in committee

[HB 376 - J. Kay, L. Combs, J. Greer, M. Meredith, R. Quarles, R. Rand, G. Stumbo](#)

Lexington
1405 Mercer Road
Lexington, KY 40511
859-231-8936
859-231-8997 fax

Louisville
1860 B Williamson Court
Louisville, KY 40223
502-587-6482
502-587-6572 fax



AN ACT relating to tax credits promoting land conservation.

Create a new section of KRS Chapter 141 to establish a qualified conservation contribution income tax credit; amend KRS 141.0205 to provide for the ordering of the credit; amend KRS 146.560 to include the Kentucky Heritage Land Conservation Fund Board in the development of qualification for certification of qualified real property interests; amend KRS 262.908 to include the PACE board in the development of qualifications for certification of qualified real property interests.

Feb 11-introduced in House
Feb 12-to Appropriations & Revenue (H)
Feb 28-posted in committee

[HB 380 - F. Steele, J. Gooch Jr.](#)

AN ACT relating to unmined minerals tax.
Amend KRS 132.820 to predicate the collection of the unmined minerals tax on the issuance of a permit to mine, drill or otherwise extract the mineral resource.

Feb 12-introduced in House
Feb 13-to Appropriations & Revenue (H)

[HB 434 - R. Smart, T. McKee, M. King, Ji. Lee, S. Overly, B. Yonts](#)

AN ACT relating to the eradication of noxious weeds and invasive plants.

Amend KRS 176.051 to revise the list of the noxious weeds to be cleared from state rights-of-way; urge continued university research on noxious weeds and invasive plants.

Feb 21-introduced in House
Feb 24-to Transportation (H)
Feb 28-posted in committee

[HB 491 - J. Kay, B. Yonts](#)

AN ACT relating to rare plant protection.

Create new sections of KRS Chapter 146 to establish a database of endangered or threatened plant species and prohibit any person from engaging in an activity which would threaten or harm the species; require the State Nature Preserves Commission to promulgate administrative regulations related to protecting endangered or threatened plant species; exempt ginseng and give permissive authority to exempt commercially propagated species from regulation by State Nature Preserves Commission; create a registry for people that sell endangered or threatened species; require those who sell endangered or threatened plant species to keep records for 2 years; create a certification for those propagating nursery stock of endangered or threatened plant species; prohibit state agencies from undertaking actions that would harm endangered or threatened plant species; exempt information concerning the location of endangered or threatened plant species from Open Records Act; amend KRS 146.605 to add definitions; amend KRS 146.990 to add a civil penalty of up to \$500 for violation.

Feb 27-introduced in House

[SB 170 - D. Parrett, P. Hornback](#)

AN ACT relating to noxious weeds and invasive plants.

Amend KRS 176.051 to revise the list of noxious weeds and invasive plants to be

Lexington
1405 Mercer Road
Lexington, KY 40511
859-231-8936
859-231-8997 fax

Louisville
1860 B Williamson Court
Louisville, KY 40223
502-587-6482
502-587-6572 fax



eradicated from the state rights-of-way; provide that the Department of Highways shall promote awareness of the eradication program through the use of electronic media and the Cooperative Extension Service; provide that the department may by administrative regulation add noxious weeds and invasive plants to or delete them from the list; establish factors the department may consider in making a determination regarding the addition or deletion of a plant; provide that the department shall review the regulation at least once every four years.

Feb 27-introduced in Senate

Sustainability

[HB 356](#) - [M. Marzian](#)

AN ACT relating to the recycling of construction materials.

Create a new section of subchapter 40 of KRS Chapter 224 to require the Energy and Environment Cabinet to promulgate administrative regulations establishing the Commonwealth Conservation Builder voluntary certification program; define terms; require the administrative regulations to set forth the application and certification process; require the cabinet to establish minimum certification requirements, including: compliance with relevant federal, state, and local recycling and waste disposal requirements, compliance with minimum debris diversion requirements to be determined by the cabinet, and submission of a plan from the builder detailing how the builder will comply with the diversion requirements; require the cabinet to publicize and promote participation in the program; require re-

examination of the minimum debris diversion requirements once every 5 years; amend KRS 198B.050 to require the Uniform State Building Code, to the extent practicable, to include minimum debris diversion requirements; amend KRS 224.40-120 to require applicants for off-site disposal permits of 1 acre or less to comply with the minimum debris diversion requirements included in the Uniform State Building Code.

Feb 6-introduced in House
Feb 10-to Natural Resources & Environment (H)
Feb 26-posted in committee

[HB 481/CI](#) (BR 1607) - [De. Butler](#)

AN ACT relating to the recycling of motor vehicles.

Create a new section of KRS Chapter 186A to permit an automotive recycling dealer or secondary metals recycling dealer to purchase a motor vehicle, ten years or older, without a title; amend KRS 186A.990 to establish penalties; exempt the sale of a motor vehicle under this Act from the provisions of KRS 433.890.

Feb 27-introduced in House

Boards and Commissions

[SB 35/LM](#) - [R. Jones II](#)

AN ACT relating to the Public Service Commission.

Amend KRS 278.050 to increase membership of the Public Service Commission (PSC) from three to seven commissioners; require an election of the commissioners in accordance

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1405 Mercer Road
Lexington, KY 40511
859-231-8936
859-231-8997 fax

Louisville

1860 B Williamson Court
Louisville, KY 40223
502-587-6482
502-587-6572 fax



with KRS Chapter 118; provide that initial election of PSC commissioners shall be at the regular election in November 2016; provide that each member of the commission shall be eligible for membership in the Kentucky Employees Retirement System as set forth in KRS 61.515 to 61.705; amend KRS 278.060 to change qualifications of the commissioners; amend KRS 278.120, 278.702, 11A.010, 11A.040, and 11A.050 to conform; repeal KRS 278.070.

Nov 6-To: Special Subcommittee on Energy
Jan 7-introduced in Senate
Jan 13-to Natural Resources & Energy (S)

[SB 48/LM](#) - [J. Carroll](#)

AN ACT relating to combined electric and water plant boards.

Amend KRS 96.172 to create a new governing board for certain electric and water plant boards, establish size of board, establish municipal appointees, establish county appointees, make the new board subject to the same ethical and legal criteria as other electric and water plant boards; amend KRS 96.174 to require the new board to alternate chairs between city and county appointees.

Jan 7-introduced in Senate
Jan 13-to Natural Resources & Energy (S)

[SB 74](#) - [J. Higdon](#), [T. Buford](#)

AN ACT relating to disaster and emergency response.

Amend KRS 39A.280 to provide civil liability protections to licensed professional engineers and licensed architects who voluntarily provide professional services at the request of officials

during or after a declared emergency, disaster, or catastrophe; establish limitations to liability protection; require the Division of Emergency Management to promulgate administrative regulations.

[SB 74](#) - AMENDMENTS

[SCS](#) - Amend KRS 39A.280 to provide civil liability protections to licensed professional engineers and licensed architects who voluntarily provide professional services at the request of officials during or after a declared emergency, disaster, or catastrophe; establish limitations to liability protection.

[SFA \(1\)](#), J. Higdon) - Amend KRS 39A.280 to authorize liability protection for licensed professional engineers and licensed architects and to specify that this liability protection occurs if the services rendered arise out of a declared emergency and if the professional rendering the services acts as an ordinary reasonably prudent member of the profession.

Jan 13-introduced in Senate
Jan 15-to Veterans, Military Affairs, & Public Protection (S)
Jan 23-reported favorably, 1st reading, to Calendar with Committee Substitute
Jan 24-2nd reading, to Rules
Jan 27-posted for passage in the Regular Orders of the Day for Tuesday, January 28, 2014
Jan 28-passed over and retained in the Orders of the Day
Jan 29-passed over and retained in the Orders of the Day; floor amendment (1) filed to Committee Substitute
Jan 30-3rd reading, passed 37-0 with Committee Substitute, floor amendment (1)
Jan 31-received in House

Lexington
1405 Mercer Road
Lexington, KY 40511
859-231-8936
859-231-8997 fax

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1860 B Williamson Court
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502-587-6482
502-587-6572 fax



Feb 3-to Veterans, Military Affairs, & Public Safety (H)

[HB 381](#) - [D. Graham](#), [R. Damron](#)

AN ACT relating to the Kentucky Infrastructure Authority.

Amend KRS 224A.030 to decrease the board membership of Kentucky Infrastructure Authority from eleven to ten members and to decrease the number of members the Governor appoints from six to five by deleting the representative of a for-profit water company.

Feb 12-introduced in House
Feb 13-to Local Government (H)
Feb 18-posted in committee

Taxation

[HB 220/LM](#) - [J. Wayne](#), [T. Burch](#), [K. Flood](#), [D. Graham](#), [J. Jenkins](#), [M. Marzian](#), [R. Meeks](#), [D. Owens](#), [T. Riner](#), [R. Smart](#)

AN ACT relating to taxation.

Amend KRS 140.130 to decouple from changes to the federal estate tax since 2003; amend KRS 141.010 to provide for a reduction and phase-out of the pension exclusion, disallow the domestic production activities deduction, establish a cap for itemized deductions, update the Internal Revenue Code reference date, and define "taxpayer"; amend KRS 141.020 to provide for changes to income tax rates; amend KRS 141.0401 to lower the exclusion threshold; amend KRS 141.120 to change apportionment methods to use a "throwback" rule; amend KRS 141.200 to require "combined" reporting for corporations;

amend KRS 136.310, 136.530, 141.040, 141.121, 141.205, 141.206, and 141.420 to conform; amend KRS 141.066 to provide for a refundable earned income credit; amend KRS 141.0205 to recognize changes in income tax credits; amend KRS 141.383, 148.544, and 148.546 to make the film industry tax credit nonrefundable and nontransferable; create a new section of KRS 6.900 to 6.935 to require review and sunset of all economic development tax credits; amend KRS 131.190 to allow LRC employees to review selected tax documents; amend KRS 138.210 to set the "floor" price at \$2.616 per gallon; amend KRS 138.220 to reduce dealer compensation to 1%; amend KRS 132.020 to make the real property tax rate 12.2 cents per \$100, remove the rate adjustment provision, and remove the recall provision; amend KRS 132.260 to clarify requirements for reporting of rental space for mobile/manufactured homes, private aircraft, and certain boats/vessels; amend KRS 132.730, 132.751, 132.810, and 132.815 to clarify property tax treatment of manufactured homes; amend KRS 140.300 to clarify the treatment of agricultural valuation on inherited property; amend KRS 279.200, 279.530, 279.220, and 139.530 to repeal rural electric and telephone co-op taxes; amend KRS 132.097 and 132.099 to amend the exemption for personal property shipped out of state; amend KRS 139.105, 139.200, 139.220, 139.270, 139.340 and 139.740 to impose sales tax on selected services; amend KRS 243.0305 and 243.990 to recognize changes in the distilled spirits case tax; amend KRS 138.130, 138.140, and 138.143 to change the tax on cigarette rolling papers, to raise the tobacco taxes, to impose a floor stock tax, and to tax e-cigarettes; amend KRS 65.125, 65.674, 67.862, 67.938, 67A.843, 68.245, 68.248, 82.095, 97.590,

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1405 Mercer Road
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859-231-8936
859-231-8997 fax

Louisville
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502-587-6482
502-587-6572 fax



132.0225, 132.023, 132.024, 132.027, 132.029, 157.440, 160.470, 160.473, 67C.147, 78.530, and 342.340 to remove the provisions of HB 44 that allow for recall of certain tax rates and make conforming and technical changes; create a new section of KRS 138.510 to 138.550 and amend KRS 138.511, 138.530, and 138.550 to provide for an excise tax on advance deposit wagering; repeal KRS 132.017, 132.018, 132.025, 132.720, 143A.035, and 243.710; provide that income tax provisions apply for tax years beginning on or after January 1, 2015, estate tax provisions apply for deaths occurring on or after August 1, 2014, sales tax provisions are effective for periods beginning on or after October 1, 2014, motor fuels tax provisions are effective August 1, 2014, property tax provisions are for assessments on and after January 1, 2015, and advance deposit wagering provisions apply to licensees beginning August 1, 2014.

Jan 16-introduced in House
Jan 21-to Appropriations & Revenue (H)

Other

[HB 91 - R. Meeks](#)

AN ACT relating to the definition of "American Indian."

Amend KRS 446.010 to define "American Indian" to mean a person having origins in any of the original peoples of North and South America, including Central America, and who maintains tribal affiliation or community attachment to the tribe of origin or to the community of original peoples.

Jan 7-introduced in House; to State Government (H)

[SB 97 - M. McGarvey](#)

AN ACT relating to airport noise overlays.
Create a new section of KRS Chapter 100 to allow a planning unit to incorporate airport noise overlay districts within its zoning texts and maps; allow the planning unit to incorporate guidelines on building techniques and materials that are designed to provide acoustical insulation benefits to structures within the zone; affirm that nothing in the bill is to be construed to allow a planning unit to have authority to restrict, permit, prohibit, approve, or control uses or building standards on airport lands, or airport lands that are leased.

Jan 23-introduced in Senate
Jan 28-to State & Local Government (S)

[HB 407 - L. Combs, S. Overly, R. Adkins, L. Clark, H. Collins, W. Coursey, R. Damron, J. DeCesare, J. Gooch Jr., J. Greer, G. Stumbo, T. Thompson, K. Upchurch, S. Westrom](#)

AN ACT relating to financing of public-private partnerships.

Amend KRS 45A.030 and 45A.075 and create a new section of KRS Chapter 45A to define "public-private partnership" and "private partner"; allow the use of a public-private partnership as an alternative method to finance a project; provide for evaluation and oversight, and ratification by the General Assembly; amend KRS 65.025 and create a new section of KRS Chapter 65 to allow the use of a public-private partnership by local governments; provide for evaluation and oversight; provide for a model system for the use of a public-private partnership to be developed; require use of the model and approval by the Finance and Administration Cabinet before a local

Lexington
1405 Mercer Road
Lexington, KY 40511
859-231-8936
859-231-8997 fax

Louisville
1860 B Williamson Court
Louisville, KY 40223
502-587-6482
502-587-6572 fax



government can utilize a public-private partnership; create a new section of KRS Chapter 175B and amend KRS 175B.005, 175B.010, 175B.020, 175B.030, 175B.035, 175B.040 and 175B.095 to define "public-private partnership"; and "private partner"; allow the use of a public-private partnership by an authority to provide an alternative structure for developing and financing a major transportation project.

[HB 407](#) - AMENDMENTS

[HFA \(1, S. Santoro\)](#) - Require ratification by the General Assembly for use of a public-private partnership within a bi-state authority that includes the state of Ohio.

Feb 19-introduced in House

Feb 20-to Appropriations & Revenue (H);
floor amendment (1) filed

[SB 129](#) - [J. Carpenter](#)

AN ACT relating to reorganization.

Amend KRS 12.020 to confirm Executive Order 2013-893 and abolish the Environmental Protection Legal Division within the Office of the General Counsel.

Feb 7-introduced in Senate

Feb 12-to Natural Resources & Energy (S)

Lexington

1405 Mercer Road
Lexington, KY 40511
859-231-8936
859-231-8997 fax

Louisville

1860 B Williamson Court
Louisville, KY 40223
502-587-6482
502-587-6572 fax

