

## Key Bills as of 2/8/2016

### Competitiveness:

- **Public Private Partnerships** ([HB 309/SB 132](#)) provides an explicit framework for the use of public-private partnerships (P3s) as an alternative method of procurement, construction or financing of capital projects and services by state government.
  - **Pension Transparency** ([SB 2](#)) would require more transparency and accountability for the state pension systems, including fees and transactions with third party services. SB 2 was passed out of the **Senate** and now awaits action by the House.
  - **Legislative Pension Transparency** ([SB 45](#)) would bring transparency to the legislative retirement system and make information available to the public. Senate Bill 45 passed out of the Senate 38-0 and now awaits a hearing in the House.
  - **Pension System Administration and Transparency** ([HB 271](#)) would require benefit information for each member or recipient to be disclosed by the retirement systems and require the Public Pension Oversight Board to study and provide a report by December 1, 2016, as to whether or not legislative action should be taken to transfer administration of the Judicial Retirement Plan and the Legislators' Retirement Plan to the Kentucky Retirement Systems.
  - **Pension Bonding** ([HB 1](#)) would bond \$3.3 billion of the KTRS debt. Many in the business community are skeptical of additional bonding, especially since taxpayers have not had the benefit of vetting such a major initiative. This discussion focuses solely on the funding side and does not include a comprehensive review of the costs and sustainability of the benefits structure over time. For now, it would be imprudent for the business community to support such a proposal without a significant amount of open, public deliberation.
  - **Right to Work** ([SB 3](#)) would give workers a choice regarding joining a union and prevent the requirement that employees pay union dues as a condition of employment.
  - **Light Duty work** during a period of disability ([HB 311](#)) would allow payments of temporary total disability benefits to be offset by wages paid to an employee by an employer for light duty or alternative duty work performed during a period of temporary total disability.
  - **Felony Expungement** ([HB 40/SB 77](#)) would allow for the expungement of some non-violent class D felonies while providing provisions that offer protection for employers. This legislation would allow approximately 94,000 Kentuckians to better themselves in the workforce. HB 40 passed the House and now awaits a hearing in the Senate Judiciary Committee.
  - **Offender Reentry** ([SB 135](#)) would not allow a hiring or licensing authority to disqualify a person applying for a license solely on the basis of a previous crime, unless there is a connection between the crime and the license.
  - **Hospitality Modernization** ([SB 11](#)) omnibus measure that assists Kentucky distillers, wineries and brewers, among others, by modernizing our archaic and outdated alcohol laws and simply putting distillers on equal footing with wineries and brewers in the Commonwealth. SB 11 was the first bill voted on in the Senate of the 2016 session with [a vote of 29 to 8](#) and now awaits a hearing in the House Licensing and Occupations committee.
  - **Prevailing Wage for Educational Projects** ([SB 9](#)) would eliminate the government defined hourly wage in construction contracts known as prevailing wage on all educational buildings and facilities. SB9 passed the Senate with a vote of 26 to 11 and now awaits a hearing in the House Labor and Industry committee.
  - **Transparency in Private Attorney Contracting** ([SB 121](#)) – creates transparency, sets reasonable limits on contingency fees and codifies recent case law requirements to ensure the state remains in control of litigation when hiring contingency fee counsel.
  - **Prevailing Wage** ([SB 94](#)) would allow local governments to opt out of prevailing wage requirements for public works.
  - **Minimum Wage Increase** ([HB 278](#)) would incrementally raise the state's minimum wage higher than surrounding states. HB 278 passed out of the House Labor and Industry Committee on Thursday and now awaits a hearing on the House floor.
  - **Commonsense Property Liability** ([SB 68](#)) alleviates legal liability for a property owner whose tenants dog bites an individual passed the Senate last week and now awaits a hearing in the
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#### House Judiciary

- **Construction Material Mandate** ([HB 227](#)) unnecessarily increases costs on public construction projects by requiring construction materials, such as iron and steel, to be produced in the United States, regardless of cost or availability.
- **Economic Development** ([SB 38/HB 177](#) and [206](#)) would set aside up to \$6 million in TVA in-lieu-of-taxes fees for the regional development assistance fund for economic development and job creation activities.
- **Limited Liability Entity Tax** ([HB 292](#)) would expand the definition of cost of goods sold to match costs allowed by the Internal Revenue Code.
- **Economic Development Partnership** ([HB 216](#)) would add the chairperson of the Commission on Small Business Advocacy and a member of the National Federation of Independent Businesses (Kentucky) to the Kentucky Economic Development Partnership. This bill passed out of a House Committee and awaits action by the full House.
- **Tax Incentives for Digital Media Companies** ([HB 224](#)) – would redefine and expand eligibility for payroll tax credits to include software development and gaming companies.
- **Data Centers** ([HB 237](#)) would allow temporary local tax exemptions for certain classes of data centers. HB 237 has [passed out of committee](#) and is on the Consent Calendar for the House.

#### Health Care:

- **Medical Review Panels** ([SB 6](#)) creates a system of medical review panels to address the escalating costs directly attributed to Kentucky's uncontrolled medical liability climate, an issue of serious concern for Kentucky employers. SB 6 passed out of the Senate Health and Welfare Committee and now awaits a hearing on the Senate floor.
- **Medicaid Appeals Process** ([SB 20](#)) defines terms and permits a provider that has exhausted an internal appeals process of a Medicaid managed care organization (MCO) to be entitled to an administrative appeals hearing. SB20 passed the Senate Health and Welfare Committee, but has been recommitted to Senate Appropriations and Revenue.
- **Protection for Medical Providers** ([SB 31](#)) would create a new section of the Kentucky Rules of Evidence to prohibit the introduction of expressions of sympathy, compassion, commiseration, or a general sense of benevolence from medical providers in medical malpractice actions.
- **Peer Review Legislation** ([SB 66](#)) would protect the confidentiality of physician peer reviews intended to help hospitals and other health care organizations improve the quality of care provided to patients. Specifically, the measure would prevent physician reviews intended for use in evaluating procedures, standards and practices from being admissible, or used as evidence, in medical malpractice suits. SB 66 passed the Senate Judiciary Committee and awaits a vote by the full Senate.
- **Medicaid Claims** ([HB 118](#)) would address delays in Medicaid payments to healthcare providers and recipients while setting a baseline limit on how much money must be spent on care. HB 118 passed out of the House and awaits action by the Senate Appropriations and Revenue Committee.

#### Budget:

- **Executive Branch Budget** ([HB 303](#)) The Governor's original budget proposal proposes cuts to state agencies and higher education to find money for the state's ailing pension system. The proposed cuts would equate to 2.5 cents of every dollar in the budget. The proposed budget adds an additional \$972.6 million to fund pensions. An appropriation of \$3 million is included for an independent audit of the pension system, something the Kentucky Chamber has called for over a year.
  - **Transportation Budget** ([HB 304](#)) The Governor's original plan includes \$6 billion in state and federal funds to address the transportation needs across the state. This budget cycle lawmakers will have nearly \$1 billion less to work with over the next six years due in part to declining gas prices. Because of this less money from a reduction in Road Fund receipts will be available to
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lawmakers to spend on projects.

### Education and Workforce:

- **Education Omnibus** ([SB 1](#)) reforms various aspects of Kentucky's education system including the establishment of a review process of state standards and accountability systems. The language removes the ACT from statute as the test the state uses for college admissions and placement purposes and as a college-ready assessment. Various responsibilities are transferred from the Kentucky Department of Education to local school districts. SB 1 also tasks the Kentucky Chamber and KCTCS with compiling a list of industry recognized certifications, licenses and credentials.
  - **Scholarship Tax Credits** ([SB 44 & HB 336](#)) creates scholarship tax credits that would allow individuals, businesses, and banks to contribute money to a 501(c)(3) scholarship granting organization and in return, donors will receive a tax credit to offset their state tax liability.
  - **Dual Credit Courses** ([SB 127](#)) would permit high school seniors, beginning with the 2017-2018 academic year, and high school juniors and seniors, beginning with the 2018-2019 academic year, to use their KEES awards to pay for dual credit courses. It now awaits action by the Senate Appropriations and Revenue Committee.
  - **Student Assessments** ([HB 138](#)) limits the state's authorized testing to no more than 5 percent of any student's instructional time. The rules would begin in the 2017-2018 school year.
  - **School and Student Performance** ([HB 184](#)) gives superintendents in Jefferson County a greater role in principal selection.
  - **Computer Science** ([SB 107](#)) places greater emphasis on computer science programs in public schools. The bill passed the full Senate and heads to the House for action.
  - **Tuition Freeze** ([SB 75](#)) blocks Kentucky universities from increasing tuition or fees for the next four years. Following the four year freeze, those universities would need permission from the state legislature, as opposed to Council on Postsecondary Education - to raise their rates.
  - **Teacher Termination Appeal** ([SB 88](#)) clarifies the causes for which a contract of a teacher may be terminated and requires the commissioner of education to initiate the appropriate due process procedures in response to a teacher's appeal of a superintendent's termination charge. The legislation also establishes hearing procedures for the appeal of a termination case.
  - **Align Workforce Policies** ([SCR 8](#)) encourages the Kentucky Board of Education to work with the Council on Postsecondary Education, the Education Professional Standards Board, and the Kentucky Chamber of Commerce to align policies and practices in support of career and technical education.
  - **Career Readiness** ([HB 122](#)) instructs that a student who obtains a minimum score of 36 on the Armed Services Vocational Aptitude Battery will be identified as career-ready by the Kentucky Department of Education.
  - **Teacher Contracts** ([SB 109](#)) adds failure to meet requirements of a professional growth plan for two years as a reason for termination or suspension of a continuing service contract. The bill also establishes a new process for new teachers to achieve continuing service contract status.
  - **District of Innovations** ([HB 92](#)) allows a waiver or modification of the statewide assessment system for schools participating in a district of innovation plan. Allows a district of innovation to use student assessments other than those required by the state board.
  - **Non-teaching Time** ([HB 107](#)) requires that teachers are provided a minimum of 60 minutes per day for nonteaching activities. The bill also requires that at least 120 minutes per week be used for self-directed activities and specifies the types of activities permitted during self-directed time.
  - **School Calendars** ([SB 50](#)) requires schools to schedule the first student attendance day no earlier than the Monday closest to August 26 with an exception for school that have adopted a year-round calendar. The bill includes a waiver for schools that have missed at least seven days each year for five previous years due to inclement weather.
  - **Workforce Development Task Force** ([HCR 97 & SCR 75](#)) both establish a task force to study workforce development related issues in Kentucky. The resolutions vary slightly.
  - **Districts of Innovation** ([HB 318](#)) renames "district of innovation" and "school of innovation" to
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- "public charter district of innovation" and "public charter school of innovation."
- **Dual Credit Scholarships** ([HB 323](#)) establishes the Dual Credit Scholarship Program which would be administered by the Kentucky Higher Education Assistance Authority.

### Energy and Environment:

- **Nuclear Energy** ([SB 89](#)) would lift the ban on construction of a nuclear power plant by allowing for onsite storage of spent nuclear fuel if a federally-approved disposal site is not available.
  - **Nuclear Energy** ([HB 103](#)) would lift the ban on construction of a nuclear power plant if a federally-approved spent fuel disposal site is not available provided the power plant is built at a site within 50 miles of a facility that previously manufactured nuclear products.
  - **Carbon Dioxide Regulation** ([HB 104](#)) would prohibit the state from adopting regulations to control carbon dioxide (CO<sub>2</sub>) or to establish permit conditions to control such emissions until approved by the General Assembly or until the U.S. Congress designates CO<sub>2</sub> a criteria pollutant under the Clean Air Act.
  - **Eminent Domain** ([HB 213](#)) removes natural gas liquids from the definition of oil or gas and oil or gas products for condemnation purposes and requires that oil and gas pipeline condemnation be for public use rather than public service.
  - **Pipeline Flow** ([SB 26](#)) prohibits the changing of any substance or direction of flow of a substance in a pipeline if such changes negatively affect the health of citizens.
  - **Petroleum Storage Tank Program** ([HB 187](#)) extends the cleanup program for petroleum storage tanks from July 15, 2016 to July 15, 2021. HB 187 passed out of committee and awaits action by the full House.
  - **Economic Incentives** ([HB 202](#)) would allow coal mining or processing facilities to potentially qualify for certain tax credits and directs certain agencies to promote increased exports of Kentucky coal.
  - **Eminent Domain Powers** ([HB 168](#)) would propose an amendment to the constitution that limits the power of eminent domain to the government.
  - **Municipal Electricity Providers** ([SB 79](#)/[HB 108](#)) would allow for the creation of a municipal electric authority that can build and finance energy projects.
  - **Surface Mining Restrictions** ([HB 152](#)) would increase restrictions, beyond federal requirements, for operating surface mines and mine reclamation sites.
  - **Tax on Pipelines** ([HB 240](#)) would establish a per mile tax on pipeline operators in Kentucky to fund new government programs to oversee spill response planning.
  - **Utility Cost Recovery** ([HB 291](#)) would prohibit utilities from recovering costs to comply with the Clean Air Act under compliance is required.
  - **Utilities** ([HB 261](#)) would require an entity acquiring a utility to have sufficient insurance to cover replacement of facilities if needed and requires a utility to give notice 24 months in advance of abandonment.
  - **Coal Incentives** ([HB 287](#)) would reinstate a tax credit for purchasing coal.
  - **Energy Mandates** ([HB 339](#)) would require electric utilities to meet a certain percentage of electricity demand with renewable energy and energy efficiency and pay special rates for renewable electricity fed into the grid.
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