



**Kentucky Legislative Report
February 15, 2013 - Regular Session Update
Smith Management Group Government Solutions
Prepared by
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Scott's Thoughts

Pension reform has made its way through the Senate and will be in the House this week. It will be interesting to see what changes the House will make in the legislation. There is plenty of time for the House to work through the Bill and compromise on any differences before the end of the session. Is anyone taking bets on this one?

Energy efficiency, appears to be a safe haven this year. Several good ideas are floating through both Houses. Rep. Adkins dropped HB 370 which would allow Industrial Revenue Bonds for energy efficiency. HR 69 is a resolution to promote the benefits of green schools. HCR 15 will require DEDI to report their efforts regarding the implementation of the Governor's Energy Plan and implementation of the agency's energy efficiency initiative to the General Assembly on an annual basis. HJR 41 will put together a task force to address energy efficiency in manufactured housing. These are well thought out initiatives that if initiated will benefit Kentuckians for years to come.

Water issues have gained some attention this year. HB 378 is a bill that begins to put some structure on how Kentucky declares streams impaired and develops TMDLs. SJR 118 establishes a Water Quality Advisory Group to work with the Division of Water to review how streams are listed as impaired, what alternatives exist to TMDLs to improve water quality and the identification of funding sources for stream improvement.

Timber is being stolen in Kentucky at an alarming rate. HCR 42 will begin to address how a program can be put in place that might minimize these unethical practices.

The oil and gas industry has several bills focused on them. Rep. Gooch has long been concerned about how Kentucky's rate payers might be adversely impacted if gas supply were to begin to get in short supply sooner than some think. HB 110 addresses how the fuel adjustment clause could be used to control excessive price swings on gas fired units. HB 348 would require oil & gas operators to post reclamation bonds.

The last day for new Senate Bills was Friday, February 15. The last day for new House Bills is Monday, February 18. There are roughly 3 weeks left in the session. The last day for approval of legislation is March 11. The last day of the session is March 26. Call us if you want an explanation of why 3 weeks doesn't come out to March 11 - but it does. Welcome to Frankfort.

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

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Budget/Pension Reform

[SB 2/LM/AA - D. Thayer, J. Bowen, J. Higdon, P. Hornback, C. McDaniel, M. Wilson](#)

AN ACT relating to retirement.

Create a new section of KRS 6.500 to 6.577 to require public employers to pay the actuarial costs for increases in final compensation in the Legislators' Retirement Plan greater than 10% that are attributable to the salaries paid by public employers that affect benefits in the Legislators' Retirement Plan; authorize the Legislators' Retirement Plan to determine the cost to the employer and to establish administrative regulations to administer the provisions of this section; create a new section of KRS 16.505 to 16.652 to establish the hybrid cash balance plan for members of the State Police Retirement System, hazardous members of the Kentucky Employees Retirement System, and hazardous members of the County Employees Retirement System who begin participating in these systems on or after July 1, 2013; provide that the hybrid cash balance plan shall provide a benefit for these members based upon the members' accumulated account balance which shall include member contributions, an employer pay credit of 7.5% of salary, and interest credits on the member contributions and employer pay credits; provide that the annual interest credits in the hybrid cash balance plan for actively contributing members shall be 4% plus 75% of the 5-year average investment returns of the systems net of fees and expenses above 4%; provide an interest credit of 4% for members who are not contributing to the plan but who retain an account balance; provide that upon termination of employment members in the hybrid cash balance plan with less than 5 years of service shall be eligible to take a refund of their accumulated contributions and members in the hybrid cash balance plan with 5 or more years of service shall be eligible to take a refund of their accumulated account balance; provide that members participating in the hybrid cash balance plan shall be eligible to retire at age 60

with at least 5 years of service or at any age with 25 or more years of service; allow a member in the hybrid cash balance plan, upon reaching retirement eligibility, to take a refund of his or her accumulated account balance, to have his or her accumulated account balance annuitized based upon the assumptions set by the system at the member's retirement date, or to take an actuarially reduced annuitized payment under one of the other payment options currently available to all members of the retirement systems; create a new section of KRS 61.510 to 61.705 to establish the hybrid cash balance plan for non-hazardous members of the Kentucky Employees Retirement System and the County Employees Retirement System who begin participating in these systems on or after July 1, 2013; provide that the hybrid cash balance plan shall provide a benefit for these members based upon the members' accumulated account balance which shall include member contributions, an employer pay credit of 4% of salary, and interest credits on the member contributions and employer pay credits; provide that the annual interest credits in the hybrid cash balance plan for actively contributing members shall be 4% plus 75% of the 5-year average investment returns of the systems net of fees and expenses above 4%; provide an interest credit of 4% for members who are not contributing to the plan but who retain an account balance; provide that upon termination of employment members in the hybrid cash balance plan with less than 5 years of service shall be eligible to take a refund of his or her accumulated contributions and members in the hybrid cash balance plan with 5 or more years of service shall be eligible to take a refund of his or her accumulated account balance; provide that members participating in the hybrid cash balance plan shall be eligible to retire at age 65 with at least 5 years of service or if they have a years-of-age and service total of 87 years, with a minimum age of 57; allow a member in the hybrid cash balance plan, upon reaching retirement eligibility, to take a refund of their accumulated account balance, to have their accumulated account balance annuitized based upon the assumptions set by the system at the member's retirement date, or to take an actuarially reduced

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annuitized payment under one of the other payment options current available to all members of the retirement systems; create a new section of KRS 61.510 to 61.705 to require employers to pay the actuarial cost of increases in compensation greater than 10% earned by the employee during the last 5 fiscal years of employment for employees retiring on or after July 1, 2013, and to allow the system to determine the cost to the employer; create a new section of KRS 61.510 to 61.705 to require the Kentucky Employees Retirement System, the County Employees Retirement System, and the State Police Retirement System, including the hybrid cash balance plans administered within these systems, to comply with federal law benefit maximums governing pension plans and to establish procedures for benefit estimations and adjustments to those benefits upon actual retirement based upon final pay information; amend KRS 6.505 and 21.360 to close the Legislators' Retirement Plan and the Judicial Retirement Plan to new participants effective July 1, 2013; amend KRS 6.521, 21.450, and 61.691 to end the cost-of-living adjustments for members of the Legislators' Retirement Plan, the Judicial Retirement Plan, the Kentucky Employees Retirement System, the County Employees Retirement System, and the State Police Retirement System effective July 1, 2013, and to recognize the suspension of the COLAs in place in the biennial budget; provide that the General Assembly may provide future cost-of-living adjustments if the COLAs are prefunded at the time of enactment; amend KRS 16.197 to require the Trooper R class program to abide by the increased break in employment requirements required by this Act; amend KRS 16.505, 61.510, and 78.510 to define "accumulated employer credit" and "accumulated account balance"; amend KRS 16.555, 16.543, and 78.630 to change the name of the member contribution account in KERS, CERS, and SPRS to the member account; amend 16.560, 61.575, and 78.640 to conform the member account language in KERS, CERS, and SPRS to conform to the new hybrid cash balance plan and to make technical changes; amend KRS 16.565, 61.580, and 78.650 to require the employer pay credits and interest on those credits in

the hybrid cash balance plan to be paid from the retirement allowance accounts of KERS, CERS, and SPRS; amend KRS 16.576, 16.577, and 61.559 to provide that the retirement benefit calculations and retirement eligibility provisions under these sections shall not be applicable to members participating in the hybrid cash balance plan on or after July 1, 2013; amend KRS 16.578 and 61.640, regarding death before retirement benefits, to conform to the new hybrid cash balance plan for new members of KERS, CERS, and SPRS; amend KRS 16.582 to provide that new hazardous members of KERS, CERS, and SPRS participating in the hybrid cash balance plan shall receive a disability benefit equal to the higher of the member's retirement allowance calculated under the hybrid cash balance plan or 25% of the member's final rate of pay; amend KRS 16.652, 61.692, and 78.852 to limit the inviolable contract for new members who begin participating in the system on or after July 1, 2013, to the benefits accrued and to define benefits accrued for new members as the member's accumulated account balance; clarify that the General Assembly may continue to have the authority to amend benefits for members participating prior to July 1, 2013, for those benefits the General Assembly had the authority to amend prior to July 1, 2013; amend KRS 61.545, 61.552, 61.555, and 78.540 to remove the purchase of service credit provisions for members who begin participating in KERS, CERS, and SPRS in the hybrid cash balance plan on or after July 1, 2013, with the exception of omitted service, recontributions of refunds, and military service if called to active duty while working; amend KRS 61.546 and 78.616 to remove the additional service credit awarded for accumulated sick leave upon retirement for members who begin participating in KERS, CERS, and SPRS in the hybrid cash balance plan on or after July 1, 2013; amend KRS 61.565 to eliminate the current policy goal, established by HB 1 in 2008, to phase-in to the full actuarially required contribution rates for KERS and SPRS over time and to establish a goal to fully fund the actuarially required contribution for these funds effective with FY 2014-2015; reset the amortization period for the payment of the unfunded liability for KERS, CERS,

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and SPRS to a new 30-year period to make the resetting of the amortization period contingent upon payment of the full actuarially required contribution; amend KRS 61.592 to remove the ability to convert nonhazardous service to hazardous duty service for members participating in the hybrid cash balance plan on or after July 1, 2013, and to make technical changes; amend KRS 61.595 to provide that the retirement benefit calculations and retirement eligibility provisions under this section shall not be applicable to KERS, CERS, and SPRS members participating in the hybrid cash balance plan on or after July 1, 2013, and to delete language which is re-established in the Act; amend KRS 61.605 to provide that new non-hazardous members of KERS and CERS participating in the hybrid cash balance plan shall receive a disability benefit equal to the higher of the member's retirement allowance calculated under the hybrid cash balance plan or 20% of the member's final rate of pay; amend KRS 61.615 to make changes to disability provisions governing discontinuance of benefits and the ability of the recipient to elect "early retirement" since early retirement provisions are no longer applicable to new members participating in the hybrid cash balance plan on or after July 1, 2013; amend KRS 61.625 to make technical and conforming changes and to clarify that a member convicted of a felony related to his or her employment shall still only receive a refund of his or her accumulated contributions; amend KRS 61.635 to eliminate the actuarial equivalent refund option for members participating in the hybrid cash balance plan on or after July 1, 2013, and to remove a retirement allowance payment option specific to legislators; Amend KRS 61.637 to provide that KERS, CERS, and SPRS retirees who are reemployed on or after July 1, 2013, will be required to observe a 2-year break in employment in any position with any employer participating in KERS, CERS, and SPRS, except that members who retire from a hazardous duty position and return to work in a full-time hazardous duty shall be required to observe a 1-year break in employment; require employers to pay employer contributions and health reimbursements on full-time employees who are reemployed on or after July

1, 2013; amend KRS 61.645 to change the KRS board of trustees composition by adding 3 new trustees, including one trustee appointed by the Governor from a list of three individuals recommended by the Kentucky League of Cities, one trustee appointed by the Governor from a list of three individuals recommended by the Kentucky Association of Counties, and one trustee appointed by the Governor from a list of three individuals recommended by the Kentucky School Board Association; remove the trustee appointed by the Governor who must be knowledgeable about the impact of pensions on local governments; require that the two trustees appointed by the Governor with "investment experience" shall not be employed by or retired from an agency participating in KERS, CERS, or SPRS; require the systems to post on their website and make available upon request information regarding the systems' financial and actuarial condition that is easily understood by the members, retired members, and the public; amend KRS 78.530 to remove the alternate participation plan, which allows the agency purchases of past service for the member, for new agencies who join CERS; amend KRS 16.165, KRS 16.601, 16.645, 18A.205 61.621, 61.535, 61.690, and 78.45 to conform; provide noncodified language to affirm that the COLA for July 1, 2012, and July 1, 2013, for LRP, JRP, KERS, CERS, and SPRS that was suspended by the biennial branch budgets will continue to be suspended notwithstanding the provisions of this Act; provide noncodified language requiring that the KRS trustee appointed by the Governor based upon his or her knowledge of the impact of pensions on local governments shall be replaced by the person appointed by the Governor from a list of 3 individuals submitted by the Kentucky League of Cities as provided by this Act; EFFECTIVE July 1, 2013.

[SB 2](#) - AMENDMENTS

[SFA \(1\)](#), D. Thayer) - Retain original provisions of the bill; make technical correction.

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Feb 5-introduced in Senate; to State & Local Government (S); taken from State & Local Government (S); 1st reading; returned to State & Local Government (S)
 Feb 6-reported favorably, 2nd reading, to Rules; posted for passage in the Regular Orders of the Day for Thursday, February 7, 2013; floor amendment (1) filed
 Feb 7-3rd reading, passed 33-5 with floor amendment (1)

Energy

[SB 29 - K. Stein](#)

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

Jan 8-introduced in Senate
 Jan 10-to Natural Resources & Energy (S)

[SB 46 - B. Smith](#)

AN ACT relating to biomass and declaring an emergency.
 Create a new section of KRS Chapter 278 to allow

recovery of costs for purchase of power from certain biomass energy facilities; declare the Public Service Commission approval of cost recovery to be valid for the initial term of the purchase power agreement; EMERGENCY.

Jan 11-introduced in Senate
 Feb 5-to Natural Resources & Energy (S)
 Feb 6-reported favorably, 1st reading, to Consent Calendar
 Feb 7-2nd reading, to Rules
 Feb 11-posted for passage in the Regular Orders of the Day for Monday, February 11, 2013; 3rd reading, passed 38-0
 Feb 12-received in House
 Feb 13-to Tourism Development & Energy (H)
 Feb 14-posting waived; reported favorably, 1st reading, to Consent Calendar

[SB 71 - J. Bowen](#)

AN ACT relating to energy and declaring an emergency.
 Amend KRS 278.010 to create a definition for "large industrial consumer of electricity" and "load factor"; amend KRS 278.018 to allow large industrial consumers of electricity to purchase electricity from any person and require retail electric suppliers to provide electricity to large industrial consumer or person seeking to provide electricity to a large industrial consumer of electricity; EMERGENCY.

Feb 5-introduced in Senate
 Feb 11-to Natural Resources & Energy (S)

[HB 27 - T. Thompson](#)

AN ACT relating to city-operated natural gas distribution systems.
 Create a new section of KRS Chapter 96 to address extension, acquisition, and condemnation by city-operated natural gas distribution systems.

Jan 8-introduced in House; to Tourism Development & Energy (H)

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Jan 11-reassigned to Natural Resources & Environment (H)

Feb 7-posted in committee

[HB 38 - F. Steele](#)

AN ACT relating to coal severance revenues.

Amend various sections in KRS Chapter 42 to distribute coal severance revenues among the coal producing counties on the basis of the tax collected on coal severed or processed in each respective county; amend KRS 143.090 and 164.7891 to make conforming changes.

Jan 8-introduced in House; to Appropriations & Revenue (H)

[HB 86 - J. Wayne, R. Smart, T. Burch, K. Flood, D. Graham, J. Jenkins, M. Marzian, R. Meeks, D. Owens, T. Riner](#)

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

Jan 8-introduced in House

Jan 9-to Natural Resources & Environment (H)

[HB 110 - J. Gooch Jr.](#)

AN ACT relating to utility rate adjustment for fuel costs.

Create a new section of KRS Chapter 278 to prohibit the use of the fuel adjustment clause by baseload generation facilities which are fired by natural gas.

Jan 9-introduced in House

Jan 10-to Tourism Development & Energy (H)

Jan 11-reassigned to Natural Resources & Environment (H)

Feb 5-posted in committee

[HB 170 - M. Marzian](#)

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.

Feb 5-introduced in House

Feb 6-to Tourism Development & Energy (H)

[HB 211 - T. Thompson, J. Gooch Jr., J. Arnold Jr., Dw. Butler, C. Embry Jr., J. Glenn, B. Waide, D. Watkins](#)

AN ACT relating to energy and declaring an emergency.

Amend KRS 278.010 to create a definition for "large industrial consumer of electricity" and "load factor"; amend KRS 278.018 to allow large industrial consumers of electricity to purchase electricity from

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any person and require retail electric suppliers to provide electricity to large industrial consumer or person seeking to provide electricity to a large industrial consumer of electricity; EMERGENCY.

Feb 5-introduced in House
Feb 6-to Natural Resources & Environment (H);
posting waived
Feb 7-posted in committee

[HB 212](#) - [K. Hall](#), [S. Riggs](#)

AN ACT relating to clean and alternative transportation fuels.

Create new sections of KRS Chapter 186 to define "clean transportation fuel," "conversion," "liquefied, petroleum gas," and other terms associated with the retrofitting of vehicles to operate on liquefied or compressed natural gas; require safety inspections of vehicles burning natural gas; amend sections of KRS Chapter 152 to include compressed an liquefied natural gas in the definition of "alternative transportation fuels" and to include Kentucky's public and private colleges in the state strategy for developing those fuels; amend sections of Subchapter 20 of KRS Chapter 154 to include local government entities in the definition of "eligible company" for the alternative fuel and renewable energy program; create and amend sections of KRS Chapter 141 to establish income tax credits for persons who buy new vehicles fueled by natural gas or convert existing vehicles to do so; amend KRS 156.153 to direct the Department for Education to consider allowing school buses powered by natural gas; amend KRS 234.321 to require compliance with federal rather than state standards.

Feb 5-introduced in House
Feb 6-to Tourism Development & Energy (H)
Feb 12-posted in committee
Feb 14-reported favorably, 1st reading, to Consent Calendar

[HB 288](#) - [M. King](#)

AN ACT relating to state buildings.

Amend KRS 56.770 relating to the Energy Efficiency Program for State Government Buildings to expand definitions of "building" and "energy efficiency measure."

Feb 7-introduced in House
Feb 11-to State Government (H)
Feb 12-posted in committee
Feb 14-reported favorably, 1st reading, to Consent Calendar

[HB 370](#) - [R. Adkins](#), [J. Stacy](#), [J. DeCesare](#), [K. Hall](#), [R. Heath](#), [S. Overly](#), [R. Rand](#), [S. Rudy](#), [K. Sinnette](#), [T. Thompson](#), [B. Yonts](#)

AN ACT relating to the promotion of manufacturing in the Commonwealth.

Amend KRS 103.200 to make technical corrections; amend KRS 103.210 and 103.240 to clarify that industrial revenue bonds may be issued to assist with developing and improving manufacturing facilities to increase the energy efficiency thereof; amend KRS 103.220 to conform; amend KRS 103.286 to reserve 10% of the state private activity bond cap for small or medium-sized 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; create a new section of KRS 103.200 to 103.285 to state terms and conditions for the issuance of manufacturing facility energy efficiency bonds pursuant to this Act; create a new section of KRS Chapter 147A to allow the Department for Local Government to establish, as resources are available, an information clearinghouse to provide advice and guidance to local governments and the public relating to the issuance and possible uses of industrial revenue bonds.

Feb 13-introduced in House
Feb 14-to Tourism Development & Energy (H)

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[HCR 15 - K. Hall](#)

Urge the Energy and Environment Cabinet to develop an action plan for energy efficiency with a voluntary minimum goal of one percent per year energy- use reduction through 2025; request reports to the Special Subcommittee on Energy.

Jan 8-introduced in House; to Tourism Development & Energy (H)
Feb 12-posted in committee
Feb 14-reported favorably, 1st reading, to Consent Calendar

[HJR 41 - L. Combs](#)

Direct the Department of Housing, Building and Construction to form a Task Force to conduct a study of the energy consumption in manufactured housing in Kentucky and to recommend actions for stakeholders, utilities and state government to improve energy efficiency in manufactured housing; require the task force to submit its findings and recommendations to the Legislative Research Commission by December 1, 2013.

Feb 5-introduced in House
Feb 6-to Tourism Development & Energy (H)
Feb 12-posted in committee
Feb 14-reported favorably, 1st reading, to Consent Calendar

[HR 69 - R. Smart, M. Marzian, K. Flood, J. Jenkins, S. Overly, J. Wayne](#)

Promote the benefits of green schools.

Feb 7-introduced in House

Environment[HB 126 - B. Yonts](#)

AN ACT relating to the Petroleum Tank Environmental Assurance Fund.

Amend KRS 224.60-142 to extend the date for tank owners to register, submit affidavits and file applications for their tanks in the Petroleum Storage Tank Environmental Assurance fund from July 15, 2013, to July 15, 2016; amend KRS 224.60-130 to require the cabinet to make reimbursements for those participating in the petroleum storage tank program before July 15, 2019; amend KRS 224.60-145 to extend the small operator assistance account and small operator removal account programs for 3 years from July 15, 2013, to July 15, 2016.

Jan 11-introduced in House
Feb 5-to Natural Resources & Environment (H)
Feb 7-posted in committee
Feb 14-reported favorably, 1st reading, to Consent Calendar

[HB 134 - D. Horlander](#)

AN ACT relating to tax credits for environmental remediation.

Amend KRS 141.418 to allow a tax credit for renovating or demolishing a qualified industrial building, and expand the maximum amount of credit available to each taxpayer.

Jan 11-introduced in House
Feb 5-to Appropriations & Revenue (H)

[HB 213 - S. Riggs](#)

AN ACT relating to tax credits for environmental remediation.

Amend KRS 141.418 to increase the credit amount to \$500,000 for each qualifying property; establish a process for application for the credit and claiming the credit; allow the credit to be transferred to a subsequent owner of the property.

Feb 5-introduced in House
Feb 6-to Appropriations & Revenue (H)

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[HB 269 - C. Rollins II](#)

AN ACT relating to the Kentucky Environmental Education Council.
Amend KRS 157.915 to clarify that the Kentucky Environmental Education Council will include the central office of the Kentucky Community and Technical College System in the coordination of postsecondary education environmental activities.

Feb 7-introduced in House
Feb 11-to Education (H)
Feb 13-posted in committee

[HB 271 - S. Riggs](#)

AN ACT relating to land conservation and making an appropriation therefor.
Amend KRS 146.560 to allow the Kentucky Heritage Land Conservation Fund to make grants to private, nonprofit land trust organizations; require dollar-for-dollar match of funds allocated; amend KRS 146.570 to allow the board to promulgate administrative regulations to allow grants to be made to private, nonprofit land trust organizations that match dollar-for-dollar.

Feb 7-introduced in House
Feb 11-to Tourism Development & Energy (H)

[HB 281 - K. Hall](#)

AN ACT relating to land conservation and making an appropriation therefor.
Amend KRS 146.560 to allow the Kentucky Heritage Land Conservation Fund to make grants to private, nonprofit land trust organizations; require dollar-for-dollar match of funds allocated; amend KRS 146.570 to allow the board to promulgate administrative regulations to allow grants to be made to private, nonprofit land trust organizations that match dollar-for-dollar.

Feb 7-introduced in House
Feb 11-to Tourism Development & Energy (H)
Feb 12-posted in committee
Feb 14-reported favorably, 1st reading, to Consent Calendar

[HB 378 - F. Steele, S. Rudy](#)

AN ACT relating to impaired waters.
Create a new section of Subchapter 70 of KRS Chapter 224 to define terms; require the Energy and Environment cabinet to maintain a listing of impaired waters placed on the 303(d) list and to make that list available on the cabinet's Web site; require the cabinet include other methodological information associated with determining whether to place the water body on the list and with developing any total maximum daily load; require the cabinet to provide notice to certain interested parties of a water body's listing on the 303(d) for effluent or thermal-based impairment; require the cabinet to prepare a report each year to the Interim Joint Committee on Natural Resources and Environment by December 31 on TMDL development for the following year and create delayed effective date for the website listing of impaired waters and total maximum daily loads.

Feb 14-introduced in House

[SJR 118 - R. Webb](#)

Direct the Department for Environmental Protection to establish a water quality advisory group to review and recommend improvements to assessment methods used for determining the water quality status of streams in the Commonwealth; attach the water quality advisory group to the Energy and Environment Cabinet for administrative purposes; name the members of the group; require the group to make findings and recommendations regarding certain water quality issues; require the group's findings and recommendations to be submitted to the Legislative Research Commission on or before November 29, 2013; require the group to meet three

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times before submitting its findings and recommendations; direct the Clerk of the Senate to send a copy of the Resolution to R. Bruce Scott, commissioner of the Department for Environmental Protection.

Feb 14-introduced in Senate

Natural Resources

[SB 111 - J. Bowen](#)

AN ACT relating to the natural resources severance and processing tax.
Amend KRS 143A.035 to extend the severance and processing tax credit currently allowed for limestone sold in interstate commerce to any taxpayer who sells any amount of limestone, rather than only taxpayers selling sixty percent or more limestone, in interstate commerce; EFFECTIVE October 1, 2013.

Feb 7-introduced in Senate
Feb 11-to Appropriations & Revenue (S)

[SB 134 W. Blevins Jr.](#)

AN ACT relating to sand and gravel operations. Create a new section of KRS Chapter 350 to require the Energy and Environment Cabinet to establish a permit for sand and gravel operations, a permit application, and a permit fee which shall be set forth in administrative regulation; require the permit fee be tiered by operator size and not be greater than the actual cost of processing the application; exempt sand and gravel operations from creeks and streams from permit requirements; require persons that remove sand and gravel removal from streams to register with the cabinet, use best management practices, and identify the location of the excavation site.

Feb 11-introduced in Senate
Feb 13-to Natural Resources & Energy (S)

[HB 216 - S. Riggs](#)

AN ACT relating to the natural resources severance and processing tax.

Amend KRS 143A.010 to amend the definition of "processing" to include the act of loading or unloading limestone that has not otherwise been severed or treated in the Commonwealth; make technical corrections; amend KRS 143A.035 to allow a credit for substantially identical severance or processing taxes paid to another state or political subdivision thereof; provide that no taxpayer may claim a total amount of credit that exceeds his or her tax liability; make technical corrections; EFFECTIVE August 1, 2013.

Feb 5-introduced in House
Feb 6-to Appropriations & Revenue (H)

[HB 223 - 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

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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.

Feb 5-introduced in House
Feb 6-to Tourism Development & Energy (H)

[HB 306 - G. Stumbo, L. Combs](#)

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.

Feb 8-introduced in House
Feb 11-to Tourism Development & Energy (H)

[HB 348 - J. Gooch Jr.](#)

AN ACT relating to the reclamation of oil and gas well sites and making an appropriation therefor. Amend KRS 353.190 to require an oil or natural gas well operator to post a reclamation bond to guarantee the completion of the reclamation plan for the well site; specify the separate requirements for plugging bonds and reclamation bonds; clarify that bond alternatives held in lieu of plugging and reclamation bonds shall go to their respective funds when forfeited; establish a procedure for the forfeiture of reclamation bonds separate from the forfeiture procedure for plugging bonds; establish the oil and gas well reclamation fund to receive forfeited reclamation bonds, which is separate from the oil and gas well plugging fund; require the department to only expend forfeited bond amounts for the completion of the corresponding reclamation plan for the well site for which the reclamation bond

was posted; amend KRS 353.5901 to require reclamation plans for all oil and gas well sites, regardless of whether there has been a complete severance of ownership of the oil and gas from the surface ownership; require oil and gas well site reclamation plans to incorporate best management practices; require a signed agreement by all surface owners and co-owners to complete the reclamation plan before a permit to drill, deepen, or reopen the well may be issued; amend KRS 353.180, KRS 353.592, and KRS 353.730 to conform.

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

[HB 363 - J. Gooch Jr.](#)

AN ACT relating to fuel use for electric generation. Create a new section of KRS Chapter 278 to limit utility fuel choice options for base load generation where price deviation exceeds certain limits

Feb 13-introduced in House
Feb 14-to Natural Resources & Environment (H)

[HCR 42 - L. Combs](#)

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 6, 2013; 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.

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

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Health & Safety

Jan 8-introduced in House; to Tourism Development & Energy (H)

[HB 66 - S. Riggs](#)

AN ACT relating to radon contractors.

Amend KRS 211.9109, 211.9111, and 211.9113 to delete the requirement for a radon measurement contractor to maintain errors and omissions coverage in an amount of \$500,000 at all times during the certification period; enable a radon mitigation or measurement contractor to become certified without filing a license and permit bond; amend KRS 211.9117 to remove the diagnostic-purposes-only exemption from the prohibition on a person dually certified as both a measurement and mitigation contractor conducting mitigation on a residential or commercial building from conducting measurement on that same structure to determine the need for the mitigation; amend KRS 211.9121 to conform.

Jan 8-introduced in House; to Licensing & Occupations (H)

Jan 11-posted in committee

Feb 6-reported favorably, 1st reading, to Consent Calendar

Feb 7-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Monday, February 11, 2013

Feb 11-3rd reading, passed 98-0

Feb 12-received in Senate

Feb 14-to Licensing, Occupations, & Administrative Regulations (S)

Utilities

[HB 40 - K. Sinnette](#)

AN ACT relating to utility franchises.

Amend KRS 96.010 to prohibit bidders for city utility franchises from recovering the franchise fee from ratepayers through fees or surcharges on their bills.

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