



**Kentucky Legislative Report
March 8, 2013 - Regular Session Update
Smith Management Group Government Solutions
Prepared by
Scott R. Smith and Kori Andrews**

Scott's Thoughts

I have removed all information regarding SB 2 which addresses pension reform. Something could happen with this but it's doubtful. This looks like a special session issue. If you are interested in tracking this bill it can be found [here](#).

[SB 46](#) allows the recovery of costs for purchase of power from certain biomass facilities and allows for the approval of cost recovery to be valid for the initial term of a purchase power agreement has been signed by the Governor.

An interesting development occurred with HB 370. This Bill's focus was to allow industrial revenue bonds to be used to assist with the development and improvement of manufacturing facilities to increase energy efficiency. On March 6 the Senate attached an Amendment that would allow nuclear waste to be stored as means of permanent disposal. This would open up dramatically the possibility of nuclear power facilities in Kentucky. The House has opposed this concept for years. My guess is that regardless of how much we may want to see a mechanism for energy efficiency for manufacturing the nuclear option probably puts this Bill in jeopardy.

HB 378 and SB 190 are Bills that address making the TMDL process in Kentucky more transparent. This idea has considerable support and would appear to be able to reach the Governor.

HB 424 relates to coal mine reclamation bonding. This Bill after some modifications appears to be ready for approval by the Legislature.

The "smelter bill" (HB 211) that was intended to keep a Western Ky. aluminum smelter open by lowering its electric bill has been pulled from the House floor, preventing lawmakers from voting on the matter. The reason given was that too much misinformation surrounded the legislation. This issue like many others could get back for consideration before this session closes.

Finally, if you are a radon contractor, please pay special attention to HB 66. This bill has been hijacked several times to deal with other issues in addition to radon contractors. It has passed both House and Senate and will be sent back to the House for concurrence.

A lot could happen with depending on how you count them, four days left in this session. So I would stay tuned to see what we might end up with.

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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Energy

[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.

[HB 27](#) - AMENDMENTS

[HCS/LM](#) - Create a new section of KRS Chapter 96; grant any city that owns or operates a natural gas system the right to extend the system and sell natural gas within and outside city boundaries; allow city to install apparatus for distribution outside city boundaries and acquire rights-of-way and condemn property; allow any city, except a consolidated local government, to acquire existing natural gas plant, subject to KRS 96.580 to 96.600; prohibit the condemnation of natural gas plant within Commonwealth by cities in another state; prohibit extension and sale of natural gas into territory currently served by a natural gas utility; prohibit extension and sale of natural gas when there is another gas utility closer; clarify that the prohibitions in Section 4 apply only to extension issues municipal gas utilities and private or investor-owned natural gas utilities.

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

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

Feb 7-posted in committee

Feb 21-reported favorably, 1st reading, to Consent Calendar with Committee Substitute

Feb 22-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Tuesday, February 26, 2013

Feb 26-3rd reading, passed 96-1 with Committee Substitute

Feb 27-received in Senate

Mar 4-to Natural Resources & Energy (S)

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

Mar 7-2nd reading, to Rules

[HB 211 - T. Thompson, J. Gooch Jr., J. Arnold Jr., C. Embry Jr., J. Glenn, K. Hall, B. Waide](#)

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.

[HB 211](#) - AMENDMENTS

[HCS/LM](#) - Retain original provisions of HB 211; add definition for "independent transmission system operator or ISO"; require large industrial consumers of electricity to reimburse the utility for annual costs charged to the utility by the ISO; delete provision that existing retail electric supplier retain its obligation to maintain transmission and distribution facilities for delivery of electricity to large consumers; require if a large consumer purchases electricity from another person, other than its incumbent retail electric supplier, the retail electric supplier shall have no further obligation to sell electricity to that consumer.

[HFA \(1, S. Rudy\)](#) - Retain original provisions, except amend KRS 278.600 to revise definitions for nuclear power facilities; repeal KRS 278.605; amend KRS 278.610 to conform.

[HFA \(2, B. Linder\)](#) - Retain original provisions, with the following changes: delete the requirement for reimbursement of annual generation and transmission costs charged to a utility by an ISO; establish the "customer protection from stranded costs assistance fund" in the State Treasury, consisting primarily of transfers of certain single-county account Local Government Economic Development Fund moneys, to be administered by the Public Service Commission for the purpose of helping to protect ratepayers from incurring rate increases to cover the stranded costs of a retail electric utility caused by the election of a large industrial consumer of electricity to purchase electricity from another source, and which are not otherwise reimbursed or covered by that electing consumer.

[HFA \(3\)](#) (Title, B. Linder) - Make title amendment.
[HFA \(4\)](#) (J. Adams) - Require large industrial consumer of electricity to reimburse the existing retail electric supplier for stranded costs and for costs of regional transmission organization's requirements; authorize PSC to intercede where no agreement on amount or terms.

[HFA \(5\)](#) (T. Thompson) - Delete original provisions; create new sections of KRS Chapter 278 to establish a special rate tariff program to be administered by the Public Service Commission, under which certain serving utilities are required to serve the electrical requirements of a qualifying large industrial consumer of electricity customer at a special rate as determined by the commission in a special rate tariff proceeding; define terms; provide various terms and conditions for the special rate program; create new sections of KRS Chapter 143 to create a coal severance and processing tax credit to be provided to taxpayers supplying coal to a utility subject to a special rate tariff, not to exceed 50% of the taxpayer's liability, effective for taxable years beginning on or after Jan. 1, 2013; require that certain payments be made to the utility from taxpayers receiving the credit, which will assist with mitigating any revenue shortfalls occasioned by the special rate tariff requirement; provide terms and conditions for the tax credit, including that any credit claimed is deemed to reduce only the state general fund portion of a taxpayer's severance tax liability, not affecting the portion of revenues transferred to the Local Government Economic Development and Assistance Funds for allocation to local governments; state short title of the bill; EMERGENCY.

[HFA \(6\)](#) (T. Thompson) - Delete original provisions; create new sections of KRS Chapter 278 to establish a special rate tariff program to be administered by the Public Service Commission, under which certain serving utilities are required to serve the electrical requirements of a qualifying large industrial consumer of electricity customer at a special rate as determined by the commission in a special rate tariff proceeding; define terms; provide various terms and conditions for the special rate program; create new sections of KRS Chapter 143 to create a coal severance and processing tax credit to be provided to taxpayers supplying coal to a utility subject to a

special rate tariff, not to exceed 50% of the taxpayer's liability, effective for taxable years beginning on or after Jan. 1, 2013; require that certain payments be made to the utility from taxpayers receiving the credit, which will assist with mitigating any revenue shortfalls occasioned by the special rate tariff requirement; provide terms and conditions for the tax credit, including that any credit claimed is deemed to reduce only the state general fund portion of a taxpayer's severance tax liability, not affecting the portion of revenues transferred to the Local Government Economic Development and Assistance Funds for allocation to local governments; state short title of the bill; EMERGENCY.

Feb 5-introduced in House

Feb 6-to Natural Resources & Environment (H); posting waived

Feb 7-posted in committee

Feb 19-taken from Natural Resources & Environment (H); 1st reading; returned to Natural Resources & Environment (H)

Feb 20-taken from Natural Resources & Environment (H); 2nd reading; returned to Natural Resources & Environment (H)

Feb 21-reported favorably, to Rules with Committee Substitute

Feb 22-posted for passage in the Regular Orders of the Day for Monday, February 25, 2013

Feb 25-floor amendment (1) filed to Committee Substitute

Feb 26-floor amendments (2) and (4) filed to Committee Substitute, floor amendment (3-title) filed

Mar 6-floor amendment (6) filed to Committee Substitute, floor amendment (5) filed

Mar 7-3rd reading; returned to the Orders of the Day

[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

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of vehicles burning natural gas; amend sections of KRS Chapter 152 to include compressed and 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.

[HB 212](#) - AMENDMENTS

[HFA \(1\)](#), K. Hall) - Remove tax credits for buying or converting to natural gas vehicles.

[HFA \(2\)](#), K. Hall) - Remove requirements that the Transportation Cabinet authorize persons to perform safety inspections; delete section granting tax credits to persons buying or converting to natural gas vehicles; delete conforming section; renumber subsequent sections.

[HFA \(3\)](#), K. Hall) - Remove requirements that the Transportation Cabinet authorize persons to perform safety inspections; delete section granting tax credits to persons buying or converting to natural gas vehicles; delete conforming section; renumber subsequent sections.

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

Feb 15-2nd reading, to Rules

Feb 21-placed in the Orders of the Day; floor amendments (1) (2) and (3) filed

Feb 22-3rd reading, passed 93-0 with floor amendments (1) and (3)

Feb 25-received in Senate

Feb 27-to Natural Resources & Energy (S)

Mar 6-reported favorably, 1st reading, to Consent

Calendar

Mar 7-2nd reading, to Rules

[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.

[HB 370](#) - AMENDMENTS

[SFA \(1\)](#), B. Leeper) - Retain original provisions, except 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 that 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 ones constructed by entities regulated

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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 278.605. [SFA \(2\)](#)/Title, B. Leeper) - Make title amendment.

Feb 13-introduced in House
 Feb 14-to Tourism Development & Energy (H)
 Feb 19-posted in committee
 Feb 21-reported favorably, 1st reading, to Consent Calendar
 Feb 22-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Tuesday, February 26, 2013
 Feb 26-3rd reading, passed 97-0
 Feb 27-received in Senate
 Mar 4-to Natural Resources & Energy (S)
 Mar 5-taken from Natural Resources & Energy (S); 1st reading; returned to Natural Resources & Energy (S)
 Mar 6-reported favorably, 2nd reading, to Rules as a Consent Bill; floor amendments (1) and (2-title) filed
 Mar 7-posted for passage in the Consent Orders of the Day for Thursday, March 7, 2013; 3rd reading, passed 30-0-4 with floor amendments (1) and (2-title)

[HJR 104](#) - [T. McKee](#), [W. Stone](#)

Direct Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, the University of Kentucky, the University of Louisville, and Western Kentucky University to report their most recent research on cellulosic ethanol, including sweet sorghum, switchgrass, wood, and miscanthus to the Senate Standing Committee on Agriculture and the House Standing Committee on Agriculture and Small Business by January 7, 2014.

[HJR 104](#) - AMENDMENTS

[HCS](#) - Retain original provisions of the bill, except amend to allow research to include second generation biofuels.

[HCA \(1\)](#)/Title, T. McKee) - Make title amendment.

Feb 15-introduced in House
 Feb 19-to Agriculture & Small Business (H)
 Feb 22-posted in committee; posting waived
 Feb 25-reported favorably, 1st reading, to Calendar with Committee Substitute, committee amendment (1-title)
 Feb 26-2nd reading, to Rules; posted for passage in the Regular Orders of the Day for Wednesday, February 27, 2013
 Mar 4-3rd reading, adopted 94-0 with Committee Substitute, committee amendment (1-title)
 Mar 5-received in Senate
 Mar 6-to Agriculture (S)

[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
 Feb 11-to House Floor
 Mar 4-adopted by voice vote

Environment

[SB 190](#) - [P. Hornback](#), [D. Givens](#), [D. Parrett](#)

AN ACT relating to water quality.
 Create a new section of Subchapter 70 of KRS Chapter 224 to require the Energy and Environment cabinet to maintain a list of impaired water identified pursuant to 33.U.S.C.sec. 1313(d) and total maximum daily load effluent limitations; identify the methods, information and rationale for placing the water on the list of impaired waters or the development of a new TMDL; provide notice to those who want to be alerted to waters on the 303(d) list or new total maximum daily load limitations; require the cabinet to take all necessary step to remove restrictions or limitations as a result of a listing or a new TMDL if the water later meets applicable water quality standards; require the cabinet to report the following year's TMDL development plan and make the written report available to the Interim Joint Committee on Natural

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Resources and Environment and place it on the cabinet's Web site.

Feb 15-introduced in Senate
 Feb 19-to Natural Resources & Energy (S)
 Feb 27-reported favorably, 1st reading, to Consent Calendar
 Feb 28-2nd reading, to Rules
 Mar 4-posted for passage in the Consent Orders of the Day for Monday, March 4, 2013; 3rd reading, passed 37-0; received in House
 Mar 5-to Natural Resources & Environment (H); taken from Natural Resources & Environment (H); 1st reading; returned to Natural Resources & Environment (H); posting waived

[HB 126 - B. Yonts, W. Stone](#)

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
 Feb 15-2nd reading, to Rules
 Feb 19-posted for passage in the Consent Orders of the Day for Thursday, February 21, 2013
 Feb 21-3rd reading, passed 100-0
 Feb 22-received in Senate
 Feb 26-to Appropriations & Revenue (S)
 Mar 5-reported favorably, 1st reading, to Consent Calendar
 Mar 6-2nd reading, to Rules
 Mar 7-posted for passage in the Consent Orders of

the Day for Thursday, March 7, 2013; 3rd reading, passed 38-0; received in House

[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
 Feb 21-reported favorably, 1st reading, to Consent Calendar
 Feb 22-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Tuesday, February 26, 2013
 Feb 26-3rd reading, passed 97-0
 Feb 27-received in Senate
 Mar 4-to Education (S)
 Mar 5-taken from Education (S); 1st reading; returned to Education (S)
 Mar 6-taken from Education (S); 2nd reading; returned to Education (S)
 Mar 7-reported favorably, to Rules as a Consent Bill; posted for passage in the Consent Orders of the Day for Thursday, March 7, 2013; 3rd reading, passed 38-0

[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.

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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
 Feb 15-2nd reading, to Rules
 Feb 19-posted for passage in the Consent Orders of the Day for Thursday, February 21, 2013
 Feb 21-taken from the Consent Orders of the Day, placed in the Regular Orders of the Day
 Feb 22-3rd reading, passed 95-1
 Feb 25-received in Senate
 Feb 27-to Natural Resources & Energy (S)
 Mar 5-taken from Natural Resources & Energy (S); 1st reading; returned to Natural Resources & Energy (S)
 Mar 6-reported favorably, 2nd reading, to Rules as a Consent Bill
 Mar 7-posted for passage in the Consent Orders of the Day for Thursday, March 7, 2013; 3rd reading, passed 38-0

[HB 378](#) - [F. Steele](#), [S. Rudy](#), [R. Heath](#), [K. Imes](#), [B. Linder](#), [D. Meade](#), [R. Quarles](#), [S. Santoro](#), [W. Stone](#), [S. Westrom](#)

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.

[HB 378](#) - AMENDMENTS

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[SCS](#) - Retain original provisions of HB 378; clarify that the public has opportunity for review and public comment on Total Maximum Daily Loads (TMDL); specify a 60 day period for review and comment; indicate that any removal of a water from the impaired water listing will comply with applicable laws and regulations.

Feb 14-introduced in House
 Feb 15-to Natural Resources & Environment (H)
 Feb 19-posted in committee
 Feb 21-reported favorably, 1st reading, to Consent Calendar
 Feb 22-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Tuesday, February 26, 2013
 Feb 26-3rd reading, passed 97-0
 Feb 27-received in Senate
 Mar 4-to Natural Resources & Energy (S)
 Mar 5-taken from Natural Resources & Energy (S); 1st reading; returned to Natural Resources & Energy (S)
 Mar 6-reported favorably, 2nd reading, to Rules with Committee Substitute as a Consent Bill
 Mar 7-posted for passage in the Consent Orders of the Day for Thursday, March 7, 2013; 3rd reading, passed 38-0 with Committee Substitute

[HB 431](#) - [R. Palumbo](#)

AN ACT relating to tax increment financing.
 Amend KRS 65.7043 and 65.7049 to include mixed-use development areas such as public storm water and/or sanitary sewer facilities, to comply with a court decree mandating corrective action by local government.

Feb 19-introduced in House
 Feb 20-to Economic Development (H); posting waived
 Feb 21-reported favorably, 1st reading, to Consent Calendar
 Feb 22-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Tuesday, February 26, 2013
 Feb 26-3rd reading, passed 97-0
 Feb 27-received in Senate
 Mar 4-to Appropriations & Revenue (S)



Mar 5-taken from Appropriations & Revenue (S); 1st reading; returned to Appropriations & Revenue (S)
 Mar 6-taken from Appropriations & Revenue (S); returned to Appropriations & Revenue (S); 2nd reading
 Mar 7-reported favorably, to Rules as a Consent Bill; posted for passage in the Consent Orders of the Day for Thursday, March 7, 2013; 3rd reading, passed 38-0

Natural Resources

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

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.

[HB 306](#) - AMENDMENTS

[HCS](#) - Retain original provisions, except revise definition of "geothermal borehole."

Feb 8-introduced in House
 Feb 11-to Tourism Development & Energy (H)
 Feb 19-posted in committee
 Feb 21-reported favorably, 1st reading, to Consent Calendar with Committee Substitute
 Feb 22-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Tuesday, February 26, 2013
 Feb 26-3rd reading, passed 96-1 with Committee Substitute
 Feb 27-received in Senate
 Mar 4-to Natural Resources & Energy (S)

[HB 424](#) - [J. Gooch Jr.](#)

AN ACT relating to coal mine reclamation and declaring an emergency.
 Create new sections of KRS Chapter 350 to define

"actuarial soundness," "date of establishment of the fund," "Kentucky reclamation guaranty fund" "Reclamation Guaranty Fund Commission," "discount rate," and "voluntary bond pool"; establish the Kentucky reclamation guaranty fund as a non-lapsing revolving account and attach it to the Energy and Environment Cabinet; determine moneys and administration of the fund; specify uses for fund dollars; exempt the fund from requirements applicable to insurers under KRS Chapter 304; establish a 7-member Reclamation Guaranty Fund Commission; make the secretary or his designee chair of the commission; establish initial appointments by the Governor and make the term of appointment 4 years with reappointment; allow a \$150 per diem for members of the commission and payment of actual and necessary expenses related to meetings; establish terms of vacancy on the commission, conflict of interest on matters of the commission, and misuse of office; subject members to executive branch ethics code; authorize the commission to promulgate administrative regulations and matters to which those regulations pertain; establish penalties and permittee classifications; require the commission to report to the Interim Joint Committee on Banking and Insurance and the Governor annually; allow the commission to conduct investigations and subpoena on behalf of the commission for specific activities of permittees; require actions to be in Franklin Circuit Court and allow the cabinet to use the legal department for those actions; appoint an executive director to an Office of the Reclamation Guaranty Fund who will conduct the duties of the fund including collecting fees, assessing permit eligibility, paying out on reclamation, and making reports; require membership in the fund be mandatory; establish initial capitalization of the fund and transfer all assets of the previously established voluntary bond pool commonly known as the small operators bond pool; establish start-up assessments and per-acre assessments; require permit-specific bond of permittees in the bond pool; establish assignments or classifications for purposes of paying fees to the fund; establish criteria for the commission to consider inclusion of permits in the fund that were under the former voluntary bond pool and permit specific bond for any that are to be

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included; allow the commission to change rates and fees through administrative regulation and suspensions for failure to pay fees, suspension of permits, and other penalties; determine the proportion of penalties paid that goes to the fund and to the abandoned mine land supplemental fund; specify the method by which moneys from performance bonds and fund moneys shall be apportioned to pay for outstanding reclamation costs; repeal the following KRS: 350.700, 350.705, 350.710, 350.715, 350.720, 350.725, 350.730, 350.735, 350.740, 350.745, 350.750, and 350.755; amend KRS 12.020 to establish the Office of the Guaranty Fund; amend KRS 350.595 and 350.990 to conform; and EMERGENCY.

[HB 424](#) - AMENDMENTS

[HCS](#) - Retain original provisions, except delete definition of "discount rate"; require payment of onetime assessment within 30 days after notice and prohibit issuance of a permit until onetime assessment is paid; add economic size as a factor in distinguishing the coal members of the commission; allow alternate method of selection for a member is one does not meet the five million ton criteria for the largest member; allow for the member representing banking and insurance industries to be selected from a list of six nominees; require one member to be a certified public accountant; require actuarial studies annually for first three years and every two years thereafter unless needed more frequently; require report of the financial status of the Reclamation Guaranty Fund annually to the Interim Joint Committee on Natural Resources and Environment; make documents issued in response to subpoenas confidential and not subject to open records; provide a deviation from mandatory participation in the fund for those doing full cost bonding under federal standards; allow members of the voluntary pool to be treated similarly under the fund with specific limitations; delete consideration of abatement of an order for inclusion of previous members of the voluntary bond pool seeking treatment under old terms; add frequency of violations as a consideration for inclusion of prior members of the voluntary bond pool; and add noncondifed section to wind up operations of the

voluntary bond pool.

[HCA \(1\)](#)/Title, J. Gooch Jr.) - Make title amendments.

Feb 19-introduced in House

Feb 20-to Natural Resources & Environment (H); posted in committee

Feb 21-posted in committee

Feb 27-taken from Natural Resources & Environment (H); 1st reading; returned to Natural Resources & Environment (H)

Feb 28-taken from Natural Resources & Environment (H); 2nd reading; returned to Natural Resources & Environment (H)

Mar 5-reported favorably, to Rules with Committee Substitute, committee amendment (1-title) as a Consent Bill; taken from Rules (H); placed in the Orders of the Day for Tuesday, March 5, 2013; 3rd reading, passed 90-1 with Committee Substitute, committee amendment (1-title)

Mar 6-received in Senate; to Natural Resources & Energy (S); taken from Natural Resources & Energy (S); 1st reading; returned to Natural Resources & Energy (S)

Health & Safety

[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.

[HB 66](#) - AMENDMENTS

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[SCS](#) - Define "actuarial soundness," "Date of establishment of the fund," "discount rate," "Kentucky Reclamation Guaranty Fund," "Reclamation guaranty fund commission," and "Voluntary bond pool"; create sections to establish the Kentucky reclamation guaranty fund and identify the funding sources and use of moneys into the fund; establish the Kentucky Reclamation guaranty fund commission as a seven-member commission; identify the members of the commission and the terms of membership; assign the commission to the Energy and Environment Cabinet and authorize the commission's functions and duties; establish the Office of the Reclamation Guaranty Fund and allow the commission to hire an executive director; prescribe the duties of the director; prescribe the start-up funding mechanisms for the Kentucky Reclamation Guaranty Fund and require payment of onetime assessment within 30 days after notice and prohibit issuance of a permit until onetime assessment is paid; create exemption from the onetime assessment for former voluntary bond pool members; establish tonnage fees for members and a deviation from those fees for former voluntary bond pool members; allow a permittee to post full cost bond in lieu of participation in the fund; require audits and actuarial studies; require report of the financial status of the Reclamation Guaranty Fund annually to the Interim Joint Committee on Natural Resources and Environment; establish sanctions and penalties for nonpayment of fees and assessments; make documents issued in response to subpoenas confidential and not subject to open records; amend KRS 12.020 to add the Office of the Reclamation Guaranty Fund; amend KRS 350.595 to add the Reclamation Guaranty fund and delete references to the former voluntary bond pool; amend KRS 350.990 to send 50 percent of recovered funds to the reclamation guaranty fund rather than the voluntary bond pool; repeal the following KRS sections: 350.700, 350.705, 350.710, 350.720, 350.725, 350.730, 350.740, 350.745, 350.750, and 350.755; add noncodified section to wind up operations of the Kentucky Reclamation Guaranty Fund; add noncodified section to declare an emergency.

[SCA \(1\)](#)/Title, J. Carpenter) - Make title amendment.

[SFA \(1\)](#), D. Seum) - Insert provision amending KRS 258.095 to alter the definition of who qualifies as

the owner of a dog to include persons permitting the dog to remain on or about premises owned and occupied by the person.

[SFA \(2\)](#)/Title, D. Seum) - Make title amendment.

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 97-0

Feb 12-received in Senate

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

Mar 5-reported favorably, 1st reading, to Consent Calendar

Mar 6-2nd reading, to Rules

Mar 7-floor amendments (1) and (2-title) filed ; taken from Rules; recommitted to Natural Resources & Energy (S); reported favorably, to Rules with Committee Substitute, committee amendment (1-title) as a Consent Bill; posted for passage in the Consent Orders of the Day for Thursday, March 7, 2013; 3rd reading, passed 38-0 with Committee Substitute, committee amendment (1-title)

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