



**Kentucky Legislative Report  
March 27, 2015 - Regular Session Update  
Smith Management Group Government Solutions  
Prepared by  
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**Scott's Thoughts**

The 2015 "short-session" of the Kentucky General Assembly wrapped up in the early morning hours on Wednesday, March 25th. In brief, the following bills passed and were signed into law. The bills that are highlighted in **BOLD** are those bills tracked by SMG and pertaining to environmental or energy-related issues. You can read more about the highlighted bills in the report below. If you would like to know more about the other bills, click the blue hyperlink.

- [SB 10](#), AN ACT relating to strokes
- [SB 28](#), AN ACT relating to the placement of illegal gambling devises in business establishments
- [SB 33](#), AN ACT relating to charitable gaming
- [SB 39](#), AN ACT relating to school safety
- [SB 44](#), AN ACT relating to synchronization of prescription refills
- [SB 47](#), AN ACT relating to persons with disabilities
- [SB 51](#), AN ACT relating to mental health
- [SB 55](#), AN ACT relating to the donation of game meat
- [SB 61](#), AN ACT relating to removing barriers to colorectal cancer screening
- [SB 62](#), AN ACT relating to reemployment after retirement of elected officials
- [SB 67](#), AN ACT relating to concealed carry licenses
- [SB 75](#), AN ACT related to newborn screening for krabbe disease
- [SB 77](#), AN ACT related to a medical order for scope of treatment
- [SB 78](#), AN ACT related to the towing and storage of vehicles
- [SB 89](#), AN ACT relating to firearms sales to current and retired employees
- [SB 92](#), AN ACT relating to timber harvesting**
- [SB 102](#), AN ACT relating to criminal homicide
- [SB 108](#), AN ACT relating to the Uniform Interstate Family Support Act
- [SB 117](#), AN ACT relating to county attorney operated traffic safety programs
- [SB 119](#), AN ACT relating to schools
- [SB 140](#), AN ACT relating to foster care review boards
- [SB 148](#), AN ACT relating to mortgages
- [SB 153](#), AN ACT relating to motor carriers
- [SB 159](#), AN ACT relating to the provision of information relative to spina bifida
- [SB 161](#), AN ACT relating to the display of the United States flag
- [SB 168](#), AN ACT relating to economic development
- [SB 186](#), AN ACT relating to oil and gas production**
- [SB 192](#), AN ACT relating to contracts for health care services for inmates
- [SB 201](#), AN ACT relating to schools

SB 204, AN ACT relating to fraudulent transfers  
 SCR 97, Recognize Kentucky's aluminum industry  
 SCR 108, Designate February 28, 2015, as Rare Disease Day in Kentucky  
 SCR 109, Designate Blood Song: The History of the Hatfields and the McCoy's as official play  
 SJR 20, A JOINT RESOLUTION directing the Auditor of Public Accounts to report on the number of untested sexual assault examination kits in the possession of Kentucky law enforcement and prosecutorial agencies  
 SJR 78, A JOINT RESOLUTION designating honorary names for various roads and bridges and directing the placement of honorary roadside signs  
 HB 20, AN ACT relating to the valuation of motor vehicles for property tax purposes  
 HB 24, AN ACT relating to dextromethorphan abuse  
 HB 47, AN ACT relating to the Public Pension Oversight Board  
 HB 62, AN ACT relating to public agencies  
 HB 69, AN ACT relating to removing barriers to colorectal cancer screening  
 HB 76, AN ACT relating to securities  
 HB 91, AN ACT relating to charitable gaming  
 HB 92, AN ACT relating to alcohol and drug counseling  
**HB 100, AN ACT relating to energy project assessment districts or EPAD**  
 HB 117, AN ACT relating to insurance  
 HB 134, AN ACT relating to pari-mutuel wagering  
 HB 148, AN ACT relating to auctioneers  
 HB 152, AN ACT relating to telecommunications  
 HB 153, AN ACT relating to solicitation of a person involved in a motor vehicle accident  
 HB 165, AN ACT relating to licensed activities  
 HB 168, AN ACT relating to licensing  
 HB 172, AN ACT relating to the building trades  
 HB 201, AN ACT relating to loans secured by a real estate mortgage  
 HB 202, AN ACT relating to taxation  
 HB 209, AN ACT relating to special license plates  
 HB 232, AN ACT relating to education and making an appropriation therefor  
 HB 234, AN ACT relating to early childhood  
 HB 241, AN ACT relating to the Court of Justice  
 HB 298, AN ACT authorizing bonds for a postsecondary education capital project  
 HB 299, AN ACT relating to taxation  
 HB 312, AN ACT relating to stray equines and cattle  
 HB 329, AN ACT relating to pain management facilities  
 HB 348, AN ACT relating to special purpose governmental entities  
 HB 429, AN ACT relating to the Kentucky Child Care Advisory Council  
 HB 440, AN ACT relating to business entities  
 HB 512, AN ACT relating to the Tobacco Master Settlement Agreement  
 HCR 89, Request that the Legislative Research Commission create the Government Nonprofit

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Contracting Task Force to study methods to increase accountability and efficiency in the government contracting process

As an environmental consulting and engineering firm, we include only bills relating to the areas of environmental or energy related issues. Those bills of interest in are included this report.

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](mailto:scottr.smith@smithmanage.com) if they want to receive notice when these postings are updated.

**QUESTIONS, COMMENTS, ADDITIONAL INFORMATION**

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**Energy/Utilities**

**[HB 100/FN - J. Kay](#)**

AN ACT relating to energy project assessment districts or EPAD. Create new sections of KRS Chapter 65 to allow local governments to establish energy project assessment district

programs in order to advance the efficient use of energy and water resources by allowing for energy projects to be financed by assessments imposed on only those properties participating in a program; define terms; establish the basic required parameters of a program; allow local governments to impose assessments on participating properties and provide the terms

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for the collection of the assessments, including the grant of senior tax lien status therefor; allow local governments to issue bonds to finance a program; prohibit a local government from imposing an assessment on property under a program except upon the request of the owner of record; provide that no provision of this Act shall be interpreted to expand the statutory powers of eminent domain belonging to a local government, state agency, or private entity; provide that a local government may only engage financing to administer a program from certain financial institutions; declare short title of the Act.

#### [HB 100](#) - AMENDMENTS

[HCS](#) - Retain original provisions; add prohibition against use of eminent domain; permit other local departments to collect and distribute the assessment.

[SCS](#) - Retain original provisions; clarify definition of "energy improvement"; provide that no provision of this Act shall contravene certain local ordinances; provide that financial institutions shall have a physical presence in Kentucky; allow that property assessments may be used to repay the owner's costs of upgrades to an electrical or gas distribution system necessary to accommodate the energy improvement.

Jan 6-introduced in House; to Tourism Development & Energy (H)

Feb 3-posted in committee

Feb 5-reported favorably, 1st reading, to Calendar with Committee Substitute

Feb 6-2nd reading, to Rules; posted for passage in the Regular Orders of the Day for Monday, February 9, 2015

Feb 9-3rd reading, passed 66-32 with Committee Substitute

Feb 10-received in Senate

Feb 12-to Natural Resources & Energy (S)

Mar 4-reported favorably, 1st reading, to Consent Calendar with Committee Substitute

Mar 9-2nd reading, to Rules

Mar 10-posted for passage in the Consent Orders of the Day for Tuesday, March 10, 2015; passed over and retained in the Consent Orders of the Day

Mar 11-3rd reading, passed 35-1 with Committee Substitute ; received in House; to Rules (H); posted for passage for concurrence in Senate Committee Substitute ; House concurred in Senate Committee Substitute ; Bill passed 85-13; enrolled, signed by each presiding officer; delivered to Governor

Mar 23 – signed by Governor (Acts, ch. 54)

#### [SB 186](#) - [J. Carroll](#)

AN ACT relating to oil and gas production and reclamation. Create new sections of KRS 353.500 to 353.720 to require notice and method of notice of high-volume horizontal fracturing; require baseline water quality testing and exemption from requirements; require information disclosures to the cabinet for a vendor or service provider conducting high-volume horizontal fracturing treatments; create an exemption for disclosure of trade secrets; require vendors to provide information to chemical disclosure registry unless protected by trade secret status and provide method for claiming trade secret status; require release by director or vendor to health professionals under specified conditions and with confidentiality agreement; require release by director to deal with emergency spill or discharge and require nondisclosure of information further and with specific procedure; provide that information

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disclosed not be deemed publicly available or a waiver of trade secret claim; require notification to parties by the cabinet if the cabinet receives a request for chemicals under the Open Records Act and provide a procedure for notification of vendors and operators who assert confidential treatment status; clarify that the review of a determination of release of information under the Open Records Act not be a part of judicial review; create the Kentucky Abandoned Storage Tank Reclamation Program and define when a tank is deemed abandoned and eligible for the program; specify the purpose of the program and create the Kentucky abandoned storage tank reclamation fund; identify the expenses that can be paid for out-of-fund moneys; allow the cabinet to contract for services and enter into agreements for services; create a right of entry to inspect or to conduct work on an abandoned storage tank; specify procedures for notice before entering lands; authorize the cabinet to recover costs for removal and remediation of an abandoned storage tank from owners or responsible parties; amend KRS 353.180 to make internal reference corrections; amend KRS 353.510 to amend the definitions; amend KRS 353.590 to establish permit fees for vertical deep and horizontal deep wells; establish bonds for deep wells and minimum bonds; specify how bonds will be conditioned; add blanket bonds; amend KRS 353.592 to correct internal references; amend KRS 353.5901 to require a reclamation plan rather than a proposal; clarify the contents of the reclamation plan; require review and approval of the plan prior to permit issuance; allow for a waiver of the mediation fee for a landowner with proof of a financial inability to pay; amend KRS 353.651 to regulate the drilling units of vertical deep and horizontal deep wells and the pooling for deep wells and change the

1/8 royalty to prevailing royalty and overriding royalty to 3 times the share of costs payable or charged for deep wells; amend KRS 353.652 to make technical corrections; amend KRS 353.730 and 353.737 to correct internal references; add non-codified section naming the act as the Kentucky Oil and Gas Regulatory Modernization Act.

#### SB 186 – AMENDMENTS

SCS - Retain original provisions, except delete requirement for PVA to certify landowners for purposes of giving notice; make technical corrections.

Feb 13-introduced in Senate

Feb 19-taken from Committee on Committees (S); 1st reading; returned to Committee on Committees (S); to Natural Resources & Energy (S)

Feb 25-reported favorably, 2nd reading, to Rules with Committee Substitute

Feb 26-posted for passage in the Regular Orders of the Day for Thursday, February 26, 2015; 3rd reading, passed 37-0 with Committee Substitute

Feb 27-received in House

Mar 3-to Natural Resources & Environment (H); posted in committee; taken from Natural Resources & Environment (H); 1st reading; returned to Natural Resources & Environment (H); posting waived

Mar 10-reported favorably, 2nd reading, to Rules as a Consent Bill; posted for passage in the Consent Orders of the Day for Wednesday, March 11, 2015

Mar 11-3rd reading, passed 99-0; received in Senate; enrolled, signed by each presiding officer; delivered to Governor

Mar 19 – signed by Governor (Acts, ch. 021)

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**Other****[SB 92 - J. Bowen](#)**

AN ACT relating to timber harvesting. Amend KRS 149.330 to change the definition of "person" to include any natural person or director, officer, or agent of a business organization; amend KRS 149.344 to require loggers or operators who have received bad actor designations to provide prior notice to the division before engaging in any timber harvesting operations until they have paid all civil penalties and performed all required site remediation; require the cabinet to promulgate administrative regulations setting forth the form and manner of the prior notice; beginning on January 1, 2016, require the cabinet to issue an emergency order requiring any third-time bad actor to cease all timber harvesting operations until all required site remediation has been performed and all civil penalties have been paid or a repayment plan has been established and maintained; specify that all bad actor designations, including those issued prior to the effective date of the Act, be included in determining the applicability of KRS 149.344 to a logger or operator; amend KRS 149.346 to require the cabinet to serve notice to a logger or operator of evidence of a violation of the reporting requirements and provide for an administrative hearing to answer the charges; amend KRS 149.348 to establish penalties for violation of the reporting requirements; provide that directors, officers, and agents of operators or loggers doing business as certain business organizations shall be personally liable for the civil penalties incurred by the operators or loggers; make technical corrections.

Feb 3-introduced in Senate  
 Feb 5-to Natural Resources & Energy (S)  
 Feb 25-reported favorably, 1st reading, to Consent Calendar  
 Feb 26-2nd reading, to Rules  
 Mar 2-posted for passage in the Regular Orders of the Day for Tuesday, March 3, 2015  
 Mar 3-3rd reading, passed 36-0; received in House  
 Mar 4-to Natural Resources & Environment (H); taken from Natural Resources & Environment (H); 1st reading; returned to Natural Resources & Environment (H); posting waived  
 Mar 10-reported favorably, 2nd reading, to Rules as a Consent Bill; posted for passage in the Consent Orders of the Day for Wednesday, March 11, 2015  
 Mar 11-3rd reading, passed 99-0; received in Senate; enrolled, signed by each presiding officer; delivered to Governor  
 Mar 20-signed by Governor (Acts, ch. 041)

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