



**Kentucky Legislative Report
February 21, 2017 - Regular Session Update**

**Prepared by
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Scott's Thoughts

The last day to file new Senate Bills was February 16th, and the last day to file new House Bills was February 17th. That means that we are now able to see what we're dealing with during the 2017 Regular Session.

Some interesting new additions to our tracking list were filed this week:

[SB249](#) is the reorganization bill for the Energy & Environmental Cabinet. This Bill removes the Environmental Quality Commission (EQC) and Kentucky Mining Board from under the Energy & Environmental Cabinet and attaches the Center for Renewable Energy Research & Environmental Stewardship to other departments. The Bill would allow the owner of a dam to request review and final determination by the cabinet after a request for variance has been denied and to appeal the final decision. KRS 224.70-120 is amended to delete reference to a 20% filing fee for KPDES permits and make the fee equal to the cost of review with cost ceiling for different tiers. Expect this bill to move quickly. Also, expect some noise from Democrats about the elimination of the EQC. Based on my personal experience with the organization over the years as Executive Director and Board Member, the organization has outlived its usefulness. The public has plenty of representation now through other organizations.

[SB248](#) was filed to define "Naturally Occurring Radioactive Material (NORM)" and "Technologically Enhanced Naturally Occurring Radioactive Materials (TNORM)." The bill exempts drill cuttings from the statute. In 2016, the General Assembly recommended, in HB 563 (Codified as KRS 211.893), that the Health & Family Services Cabinet and Energy & Environment Cabinet review the current statutes and regulations regarding these materials and make recommendations for changes. In March 2016, the Energy and Environment Cabinet reconvened the Oil and Gas Workgroup to address KRS 211.893. I am currently a member of the workgroup representing the Kentucky Chamber. Regulations to address this issue are currently being developed by the workgroup.

Other Bills you should watch include [HB296](#). This is a Workers Comp Bill. It's a complex bill, but here are a few key points: You or the contact person for workers comp in your organization need to be aware of this. The Bill limits obligations to pay medical benefits indefinitely for certain permanent partial disabilities; limits medical benefits to age 70 or 4 years after the date of the

injury. This Bill went to the floor on February 16. Look for it to move quickly and watch the fall out as it passes through the Legislative Chambers.

I like the idea of using unmanned aircraft in our business. Many businesses in Kentucky are using them. [SB51](#) creates the offense of unlawful use of unmanned air craft systems. The Bill was sent to the Judiciary Committee on January 7th and is not moving. I would watch this. There are many groups that are nervous about governmental agencies use of these devices. Expect more to come on this issue next year regardless of the outcome of this Bill.

There is an interesting Bill regarding Water Districts. [SB157](#) would authorize the Public Service Commission to remove all-governing persons of the Water District for specific causes. The PSC & Division of Water would be able to take over management of a Water District or have the Commission redraw the geographical areas

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/Utilities**[HB 165 - J. DuPlessis](#)**

AN ACT relating to tax incentives to promote the increased use of Kentucky coal.

Amend KRS 141.0405 to once again permit the coal incentive tax credit, which was previously allowed and which sunsetted for most types of facilities in tax year 2009; amend provisions to provide an incentive to taxpayers purchasing coal, that is subject to Kentucky severance and processing tax, for use in the generation of electricity or for certain industrial processes; provide for the sunset of the credit; make technical corrections; repeal KRS 141.0406, relating to claims for the coal incentive tax credit.

Jan 07, 2017 - introduced in House
Feb 07, 2017 - to Appropriations & Revenue (H)

[SCR 21 - R. Thomas](#)

Recognize the importance of diversifying energy sources for generating electricity in Kentucky; encourage the development of a statewide energy strategy.

Nov 03, 2016 - Prefiled by the sponsor(s).
Jan 03, 2017 - introduced in Senate
Jan 07, 2017 - to Natural Resources & Energy (S)

[HR 28 - A. Hatton](#)

Urge the Congress to lift restrictions on the coal industry.

Jan 07, 2017 - introduced in House
Feb 07, 2017 - to Natural Resources & Energy (H)

[HB 61/FN/LM - J. Gooch Jr.](#)

AN ACT relating to the allocation of severance tax revenues to local governments.

Amend KRS 42.450 to increase the amount of minerals severance and processing taxes distributed to local governments through the local government economic assistance fund (LGEAF) to 100% of taxes collected, from the current 50%, over a five-year

period; amend KRS 42.4582 and 42.4585 to similarly increase the amount of coal severance and processing taxes distributed to local governments through the local government economic development fund and LGEAF to 60% and 40% of taxes collected, from the current 35% and 15%, respectively, over the same five-year period.

Oct 25, 2016 - Prefiled by the sponsor(s).
Jan 03, 2017 - introduced in House; to Appropriations & Revenue (H)

[SB 157 - R. Jones II](#)

AN ACT relating to water districts.
Amend KRS 74.025 to authorize the Public Service Commission to remove all governing persons of a water district for specified causes; authorize the Public Service Commission and the Division of Water to manage the water district or have the commission redraw the geographical area of the water district.

Feb 10, 2017 - introduced in Senate
Feb 13, 2017 - to Natural Resources & Energy (S)

Waste**[SB 11 - D. Carroll](#)**

AN ACT relating to nuclear power.
Amend KRS 278.600 to require that nuclear power facilities have a plan for the storage of nuclear waste rather than a means of permanent disposal and to add definitions of "storage," "low-level nuclear waste," and "mixed nuclear waste"; amend KRS 278.610 to allow certification if the facility and its plans for waste storage are approved by the Nuclear Regulatory Commission; eliminate the requirement that the facility have a plan for disposal of high-level nuclear waste; eliminate the requirement that cost of waste disposal be known; eliminate the requirement that the facility have adequate capacity to contain waste; give the Public Service Commission authority to hire a consultant to perform duties relating to nuclear facility certification; prohibit construction of low-level nuclear waste disposal sites in Kentucky except as

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provided in KRS 211.852; direct the Energy and Environment Cabinet to review regulations required for permitting nuclear facilities and report to LRC; repeal KRS 278.605, relating to construction of nuclear power facilities.

AMENDMENTS
[SB 11 \(As Introduced\)](#)

[SCS1](#) - Amend KRS 278.600 to require that nuclear power facilities have a plan for the storage of nuclear waste rather than a means of permanent disposal and to add definitions of "storage," "low-level nuclear waste," and "mixed nuclear waste"; amend KRS 278.610 to allow certification if the facility and its plans for waste storage are approved by the Nuclear Regulatory Commission; eliminate the requirement that the facility have a plan for disposal of high-level nuclear waste; eliminate the requirement that cost of waste disposal be known; eliminate the requirement that the facility have adequate capacity to contain waste; give the Public Service Commission authority to hire a consultant to perform duties relating to nuclear facility certification; prohibit construction of low-level nuclear waste disposal sites in Kentucky except as provided in KRS 211.852; direct the Energy and Environment Cabinet to review regulations required for permitting nuclear facilities and report to LRC; repeal KRS 278.605, relating to construction of nuclear power facilities; declare short title of the Act to be the Robert J. Leeper Act.

Sep 19, 2016 - Prefiled by the sponsor(s).
Jan 03, 2017 - introduced in Senate
Jan 07, 2017 - to Natural Resources & Energy (S)
Feb 15, 2017 - reported favorably, 1st reading, to Calendar with Committee Substitute (1)
Feb 16, 2017 - 2nd reading, to Rules

[HB 90 - G. Watkins, J. Richards](#)

AN ACT relating to nuclear power.
Amend KRS 278.600 to define "plan for storage of high-level nuclear waste," "storage," and "low-level nuclear waste"; amend KRS 278.610 to allow certification if the facility and its plans for waste

storage are approved by the Nuclear Regulatory Commission; eliminate requirement that facility have a plan for disposal of high-level nuclear waste; eliminate requirement that cost of waste disposal be known; eliminate requirement that facility have adequate capacity to contain waste; give the Public Service Commission authority to hire consultant to perform duties relating to nuclear facility certification; prohibit construction of low-level nuclear waste disposal sites in Kentucky. except as provided in KRS 211.852; repeal KRS 278.605, relating to construction of nuclear power facilities; direct the Energy and Environment Cabinet to review regulations required for permitting nuclear facilities and report to LRC.

Dec 08, 2016 - Prefiled by the sponsor(s).
Jan 03, 2017 - introduced in House; to Natural Resources & Energy (H)

[HB 119 - J. Gooch Jr., M. Castlen](#)

AN ACT relating to solid waste management.
Amend KRS 109.012 to define "franchise," "local government," and "service company" and include "solid waste management services" in the definition of "solid waste management"; create a new section of KRS Chapter 109 to prohibit a local government from displacing a current provider of solid waste management services without notification and public hearing; prescribe timetables for a local government to make a decision on an action to displace a current provider of solid waste management services; allow displacement if services pose a risk to health or safety of residents or a material breach of contract; amend KRS 224.43-315 to provide that an agreement with a county containing a non-designated city shall include both the county and city; amend KRS 224.43-345 to identify additional representatives for an advisory committee; amend KRS 224.50-760 to conform.

AMENDMENTS
[HB 119 \(As Introduced\)](#)

[HCS1/LM](#) - Retain original provisions of HB 119; exempt the restrictions on local governments

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commencing or awarding franchise for solid waste management services from renewals and expansion of services for single and two-family dwellings; delete satisfaction of requirements via public advertisement and compliance with time frames; require public hearing and written notice and time frames for notice; require that any agreement for solid waste collection in a city that is not a designated city include both city and county; make conforming subsection reference changes.

Jan 03, 2017 - introduced in House
 Jan 06, 2017 - to Natural Resources & Energy (H)
 Feb 14, 2017 - posted in committee
 Feb 16, 2017 - reported favorably, 1st reading, to Calendar with Committee Substitute (1)
 Feb 17, 2017 - 2nd reading, to Rules

SB 248 - J. Carpenter

AN ACT relating to radiation.
 Amend KRS 211.862 to amend the definition of Naturally-occurring radioactive material (NORM); add the definition of Technologically-enhanced naturally-occurring radioactive material (TENORM); amend KRS 211.863 to add provisions relating to TENORM; exempt certain drill cuttings from wells from regulation as TENORM; authorize the Cabinet for Health and Family Services to regulate TENORM.

Feb 16, 2017 - introduced in Senate

Other

SB 51/CI/LM - W. Westerfield, D. Carroll

AN ACT relating to protection of critical infrastructure.

Create a new section of Chapter 183 to create the offense of unlawful use of an unmanned aircraft system; define "critical infrastructure," "unmanned aircraft," and "unmanned aircraft system"; prohibit the use of an unmanned aircraft system to collect evidence or information about critical infrastructure without prior written consent and make the unlawful use of an unmanned aircraft system for this purpose a Class A or Class B misdemeanor.

Jan 03, 2017 - introduced in Senate

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Jan 07, 2017 - to Judiciary (S)

HR 9 - T. Couch

Urge the United States Environmental Protection Agency to prioritize compliance assistance over current enforcement practices.

Sep 20, 2016 - Prefiled by the sponsor(s).

Jan 03, 2017 - introduced in House; to Natural Resources & Energy (H)

HB 50 - K. Imes

AN ACT relating to administrative regulations.
 Amend KRS 13A.010 to amend the definition of "administrative regulation" and to define "last effective date"; amend KRS 13A.040 to require the regulations compiler to maintain a list of all administrative regulation numbers and their corresponding last effective dates; amend KRS 13A.220 and 13A.222 to make conforming changes to enable the renewal of an administrative regulation; amend KRS 13A.310 to provide that, beginning July 1, 2017, an ordinary administrative regulation shall expire 7 years after its last effective date; provide that an administrative regulation that has a last effective date prior to July 1, 2012, shall expire on July 1, 2019; establish duties of regulations compiler; and establish requirements for an administrative body that does not want an administrative regulation to expire.

Sep 28, 2016 - Prefiled by the sponsor(s).

Jan 03, 2017 - introduced in House; to Licensing, Occupations, & Admin Regs (H)
 Feb 17, 2017 - posted in committee

HB 276 - P. Moffett

AN ACT relating to statutorily mandated boards, councils, and commissions within state government.

Repeal various sections in KRS Chapters 11, 15., 18A, 36, 64, 146, 147, 153, 158, 164, 171, 177, 198B, 205, 211, 216, 336, 342, and 403 to abolish inactive boards, commissions, committees, and councils, including the Agricultural Resource Development Authority, the Architectural Barriers Advisory Committee, the Athletic Trainers Advisory Council,



the Auto and Truck Recyclers Licensing Advisory Board, the Capitol Centennial Commission, the Cardiovascular Disease Initiative, the Child Support Enforcement Commission, the Children's Health Insurance Program Advisory Council, the Diabetes Research Board, the Council on Domestic Violence and Sexual Assault, the Advisory Committee for Educational Improvement, the e-Health Network Board, the Council for Families and Children, the Family Health Care Providers Board, the Innovation Commission, the Labor-Management Advisory Council, the My Old Kentucky Home Advisory Commission, the National Guard and Reserve Employers' Council, the Natural History Museum Board of Directors, the Personnel Steering Committee, the Public Officials Compensation Commission, the Southern Growth Policies Board, the Underground Railroad Advisory Council, the War of 1812 Bicentennial Commission, the Workers' Compensation Advisory Council, the Bicentennial Commission, the Health Care Infrastructure Authority, and the Historical Events Celebration Commission; amend KRS 148.400 to direct the use of funds in the "My Old Kentucky Home Endowment Fund"; amend KRS 403.705 to decrease the responsibilities of local domestic violence coordinating councils and to direct any recommendations be transferred to the commissioner of the Department for Community Based Services; repeal, reenact and amend KRS 407.707 to create a Sexual Assault Response Team Advisory Committee attached to the Department for Community Based Services, staffed as necessary by the secretary of the Cabinet for Health and Family Services; transfer any committee recommendations to the commissioner of the Department for Community Based Services; require the secretary to make certain appointments; establish continuation of service of members of the Sexual Assault Response Team Advisory Committee; direct transfer of funds of abolished boards, commissions, committees, and councils to the appropriate cabinets and agencies; amend various KRS sections to conform.

Feb 09, 2017 - introduced in House

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Feb 13, 2017 - to State Government (H)

[SB249 - J. Carpenter](#)

AN ACT relating to the Energy and Environment Cabinet.

Amend KRS 12.020 to remove Environmental Quality Commission, Kentucky Mining Board from under the Energy and Environment Cabinet and attach the Center for Renewable Energy Research and Environmental Stewardship to other departments; amend KRS 146.090, 146.100, 146.110, 146.210, 146.270, 146.280, 146.320, and 146.330 to correct references to the Energy and Environment Cabinet, make grammatical and technical corrections, and authorize the Secretary rather than the commission to promulgate administrative regulations; amend KRS 146.415 to add a definition for "Secretary" to mean the Secretary of the Energy and Environment Cabinet; amend KRS 146.485 to authorize the Secretary rather than the commission to promulgate administrative regulations; amend 147A.031 to delete references to the Environmental Quality Commission; amend KRS 151.293 to allow the owner of a dam to request review and final determination by the cabinet after a request for variance has been denied and to appeal the final decision; amend 152.713 to unattach the Center for Renewable Energy Research and Environmental Stewardship from the Energy and Environment Cabinet and to identify the center as a public agency; amend KRS 154.47-005 to delete definition of "Kentucky Forest Products Council" and renumber accordingly; amend KRS 224.10-022 and KRS 224A.1-010 to delete references to the Environmental Quality Commission and renumber accordingly; amend KRS 224.70-120 to delete reference to a 20% filing fee for KPDES permit and make fee equal to the cost of review with cost ceiling for different tiers; amend KRS 189.450, 224.40-31, 224.50-760, and 224.50-856 to make conforming subsection references changes; amend KRS 224.73-110 to add person operating a sewage system at residence where the person lives to those who may have primary responsibility for operation of a sewage system; amend KRS 224.80-100, 224A.011, and 349.010 to make conforming subsection references



changes; amend 351.010 and 351.070 to delete references to Mining Board and renumber subsections accordingly; amend KRS 351.090, 351.102 and 351.103 to changes references to Board to department; amend KRS 351.1041 to change references from Board to commission; amend KRS 351.1045 to delete references to the Mining Board; amend KRS 351.106 to change Mining Board to department and delete reference to the commissioner making recommendations at the board's request; amend 351.110 and 351.120 to change references from board to department; amend 351.122 to change board to department and delete references to course of examination and instruction by the board; amend KRS 351.125 to make technical corrections; amend KRS 352.010 to delete the Mining Board from definitions and renumber subsections accordingly; amend KRS 352.310 to change board to Mine Safety Review Commission; amend KRS 224.10-100, 224.30-175, 224.48-815, 224.46-520, 350.240, and 350.054 to make conforming reference changes; repeal KRS 151.232; KRS 154.47-100, 154.47-105; KRS 154.47-110; KRS 154.47-120; KRS 224.1-100; KRS 224.1-105; KRS 224.1-110; KRS 224.1-115; KRS 224.1-200; KRS 224.1-205; KRS 224.1-210; KRS 224.1-215; KRS 224.1-220; KRS 224.10-660; KRS 224.30-050; KRS 224.30-100; KRS 224.30-105; KRS 224.30-110; KRS 224.30-115; KRS 224.30-120; KRS 224.30-125; KRS 224.30-130; KRS 224.30-135; KRS 224.30-140; KRS 224.30-145; KRS 224.30-150; KRS 224.30-155; KRS 224.30-160; KRS 224.30-165; KRS 224.30-170; KRS 224.30-180; KRS 224.30-185; KRS 224.30-190; KRS 224.30-195; KRS 224.43-070; KRS 224.43-080; KRS 224.43-710; KRS 224.43-720; KRS 224.43-730; KRS 224.46-810; KRS 224.46-820; KRS 224.46-825; KRS 224.46-830; KRS 224.46-840; KRS 224.46-850; KRS 224.46-860; KRS 224.46-870; KRS 224.50-020; KRS 350.035; KRS 350.052; KRS 350.053; KRS 350.260; KRS 350.470; KRS 350.715; KRS 351.105; KRS 351.1055; and 352.550.

Feb 16, 2017 - introduced in Senate

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