Legislature Passes One-Year Budget

The Kentucky General Assembly has approved an unprecedented one-year spending plan for the fiscal year starting on July 1, 2020. With revenue forecasts nearly impossible to rely on, the legislature passed a budget with very few substantive changes. They will come back in a called special session, or in the 30-day January 2021 regular session to pass another one-year budget to finish off the second year of the biennium. All of this is contingent on having a better understanding of the economic and fiscal outlook for the state after the fuller financial effects of the coronavirus are known.

The legislature is now scheduled to reconvene on April 13 to spend the final three days of the session passing additional bills and possibly overriding gubernatorial vetoes, which might include vetoes of all or parts of the budget. The session is still slated to end on April 15. We will be e-publishing our final Legislative Liaison soon after the session ends.

The pause added uncertainty as to the outcome for several bills that were expected to pass and become law. Among the bills that we are tracking these two still have a chance for passage. HB 446, relating to water district commissioners and supported by KRWA, was received in the Senate State & Local Government Committee where it was reported favorably with a Committee Substitute and has received a second reading. HB 570, relating to Interlocal Cooperative Agreements, and supported by KRWA, KLC and KACO, is also set for a vote in the Senate. We will continue to monitor these bills as the schedule is resumed on April 13.

The state maintains a comprehensive Legislative website: http://www.lrc.ky.gov. From this site, you can view all bills and resolutions, contact legislators by email and check on legislative committee schedules and calendars.

The Kentucky General Assembly also maintains several toll-free phone numbers for citizens to offer feedback or opinions. The Legislative Message Line is (800) 372-7181. Citizens with hearing impairments can use the TTY Message Line at (800) 896-0305.

This issue of e-Liaison contains summary information for bills that we are tracking with details on the most recent activity for each bill. We will continue to highlight timely legislative news that is important to our members in each weekly issue.
**H844** KEY INFRASTRUCTURE INFRASTRUCTURE *(GOOCH JR., JIM)*

Amend KRS 511.100 to change the definition of "key infrastructure assets" to specify that natural gas or petroleum pipelines are the type of pipelines covered in the definition and include other types of infrastructure assets; amend KRS 512.020 to include tampering with, impeding, or inhibiting operations of a key infrastructure asset in the offense of criminal mischief in the first degree.

**CURRENT STATUS:** 3/16/2020 - **Signed by Governor**

**H877** PREVAILING WAGE *(KULKARNI, NIMA)*

Create a prevailing wage law for all public works projects; amend KRS 12.020, 99.480, 227.487, 336.015, 337.010, and 337.990 to conform.

**CURRENT STATUS:** 1/7/2020 - (H) Referred to Economic Development & Workforce Investment (H)

**H8114** PUBLIC PROCUREMENT *(DONOHUE, JEFFERY)*

Create new sections of KRS Chapter 45A to set forth findings of the General Assembly and establish a policy of the Commonwealth of Kentucky to promote the Kentucky and United States economies by requiring a preference for iron, steel, and manufactured goods produced in Kentucky and the United States.

**CURRENT STATUS:** 1/7/2020 - (H) Referred to State Government (H)

**H8123** EARNED PAID SICK LEAVE *(CANTRELL, MCKENZIE)*

Create a new section of KRS Chapter 337 to require employers to provide earned paid sick leave to employees.

**CURRENT STATUS:** 1/7/2020 - (H) Referred to Economic Development & Workforce Investment (H)

**H8126** UTILITY RATES *(HATTON, ANGIE)*

Amend KRS 278.030 to include rate affordability when determining fair, just and reasonable utility rates; allow the Public Service Commission to review the affordability of a utility’s rate if the utility has not requested a rate adjustment in five years; allow the commission to order a rate increase to prevent significant increases in a single period; require fair, just, and reasonable rates to balance the interests of the utility, its investors, and the ratepayer.

**CURRENT STATUS:** 1/7/2020 - (H) Referred to Natural Resources & Energy (H)
Repeal, reenact, and amend KRS 61.565 to change the Kentucky Employees Retirement System's nonhazardous employer contribution payable on or after July 1, 2020, from a percentage of pay for both the normal cost contribution and the actuarially accrued liability contribution to a normal cost that is a percent of pay and an actuarially accrued liability contribution that is a set dollar amount.

CURRENT STATUS: 3/19/2020 - (S) Returned to State & Local Government (S)

Create a new section of KRS 424.110 to 424.370 to give local governments the option to post required advertisements online on a notice Web site operated by local government in lieu of newspaper publication, so long as a one-time advertisement is published in an actual newspaper; specify requirements for advertisements published on the notice Web site and in an actual newspaper; specify rights of public and duties of local government; set out consequences of local government's failure to publish as required by law; provide penalty.

CURRENT STATUS: 4/1/2020 - received in House

Amend KRS 65.7636 to remove the ability of Lifeline providers to bill and collect the CMRS service charge levied under the section from end users; make conforming changes; EMERGENCY.

CURRENT STATUS: 3/27/2020 - SIGNED BY GOVERNOR

Creates a new section of KRS Chapter 336, relating to collective bargaining for public employees; amend KRS 336.010 to define "public employees"; amend KRS 336.130 to allow employees of the Commonwealth of Kentucky to collectively bargain.

CURRENT STATUS: 1/13/2020 - (H) Referred to State Government (H)

Amend KRS 61.882 to require the award of costs and attorney fees if a court finds a record is withheld willfully under the Open Records Act.

CURRENT STATUS: 1/13/2020 - (H) Referred to Judiciary (H)

Amend KRS 45A.380 to enable noncompetitive negotiation under the Kentucky Model Procurement Code for purchase or sale of wholesale electric power or natural gas by a local public agency; amend KRS
424.260 to exempt contracts for local public agency purchase or sale of wholesale electric power or natural gas of more than $30,000, from requirement for newspaper advertisement for bids.

CURRENT STATUS: 1/16/2020 - (H) posted in Natural Resources & Energy (H)

HB309 OPEN MEETINGS (SOROLIS, MARIA)

Amend KRS 61.846 to allow an agency or the Attorney General to vacate actions taken at a meeting where the agency failed to give notice of the meeting; Amend KRS 61.848 to require a person to be awarded court costs and attorney fees when a court finds there was no justifiable reason for an agency's denial of an open meetings complaint, and to allow a court to vacate actions taken at a meeting where the agency failed to give notice of the meeting.

CURRENT STATUS: 1/27/2020 - (H) Referred to State Government (H)

HB334 NATURAL RESOURCES (CANTRELL, MCKENZIE)

Propose to create a new section of the Constitution of Kentucky establishing a right of the people to have clean air, pure water, and for the Commonwealth to be required to preserve the natural, scenic, historic, and esthetic values of the environment for the benefit of all Kentuckians; provide ballot language; submit to voters for ratification or rejection.

CURRENT STATUS: 1/29/2020 - (H) Referred to Elections, Const. Amendments & Intergov. Affairs (H)

HB377 SPECIAL PURPOSE GOVERNMENTAL ENTITIES (BOWLING, ADAM)

Amend KRS 65A.020 to allow the Department for Local Government (DLG) to exclude certain revenues received by special purpose governmental entities that are public use airports in determining the annual fee due from those entities.

CURRENT STATUS: 3/24/2020 - SIGNED BY GOVERNOR

HB446 WATER DISTRICT COMMISSIONERS (GOOCH JR., JIM)

Amend KRS 74.020 to change the limits on water district commissioners' annual salary to limits on their total annual compensation; allow the Public Service Commission to grant reasonable extensions of time for water district commissioners to complete their training requirements for good cause shown; amend KRS 74.363 to conform.

CURRENT STATUS: 4/1/2020 - (S) SECOND READING, to Rules

HB570 INTER-LOCAL COOPERATION AGREEMENTS (MEREDITH, MICHAEL)

Amend KRS 65.220, establishing the purpose of KRS 65.210 to 65.300, to allow public agencies to participate in Interlocal agreements; amend KRS 65.230 to define "interlocal agency," "local government," and "public agency"; create a new section of KRS 65.210 to 65.300 to set protocols for establishing an
interlocal agreement; amend KRS 65.240 to establish that an interlocal agreement may be for sharing revenues, add certain utilities to the list subject to an interlocal agreement, and outline purposes for which schools may enter into agreements.

CURRENT STATUS: 3/26/2020 - (S) Returned to State & Local Government (S)

HB584  PUBLIC UTILITIES  (HARRIS, CHRIS)

Create new section of KRS 278.010 to 278.450 to set a residential fixed customer charge to recover no more than fixed capital costs for metering, billing, service connections, and customer service for electric, natural gas, and water utilities; amend KRS 278.010 to define "customer charge"; amend KRS 278.030 to include affordability as a criterion for utility rates and to establish that the policy of the Commonwealth is to require costs to be reasonable and to provide for their recovery; require the Public Service Commission to balance the interests of the utility, investors, and consumer in establishing fair, just, reasonable, and affordable rates.

CURRENT STATUS: 3/4/2020 - (H) Referred to Natural Resources & Energy (H)

HB594  PUBLIC WATER AND WASTEWATER  (GRAVISS, JOE)

Create new sections of KRS Chapter 74 to define "appointing authority," "board," "commissioner," "governing body," "joint commissioner," "joint water commission," "public service commission," "public water or wastewater system," "water association", and "water district"; establish eligibility requirements for members of a water district, water association, and joint water commission; require online training and continuing education hours for water commissioners; require the Kentucky Public Service Commission to develop best management practices for governing bodies of public water and wastewater utilities; establish penalties for failure to meet training and eligibility requirements; create new sections of KRS 224.70 to establish the Public Water and Wastewater Working Group; identify the members and responsibilities of the working group; allow for the creation of stakeholder advisory groups; report to the Legislative Research Commission by November 1 of each year.

CURRENT STATUS: 3/4/2020 - (H) Referred to Natural Resources & Energy (H)

HB614  ON-SITE SEWAGE DISPOSAL SYSTEMS  (GRAVISS, JOE)

Amend KRS 211.350 to require the department to notify property owners with on-site sewage disposal systems by mail every two years of the need to maintain the system; require department to conduct information campaign to increase public awareness at least once every two years; require department to promulgate regulation to outline policy to maintain list of properties serviced by on-site sewage disposal systems.

CURRENT STATUS: 3/4/2020 - (H) Referred to Health and Family Services (H)

HB627  ANNEXATION  (ELKINS, LARRY)

Create a new section of KRS Chapter 81A to require compensation from a city to the county for the economic loss sustained from annexation; unless otherwise agreed, the loss would be calculated by the sum of fees and taxes collected by the county for the annexed area from insurance companies,
businesses, trades, occupations and professions; economic loss payments by the city to the county are due by the 30th of the month after each calendar quarter; any challenge to the calculation of compensation or, to compel payment, shall be made in Franklin Circuit Court.

**CURRENT STATUS:** 3/4/2020 - (H) Referred to Local Government (H)

**HB630  WASTEWATER FOR JUDICIAL FACILITIES  (NEMES, JASON)**

Amend KRS 67.140 to authorize a fiscal court to provide for wastewater services to courts in its jurisdiction as part of its custodial responsibilities for courthouses and their grounds.

**CURRENT STATUS:** 3/4/2020 - (H) Referred to Appropriations & Revenue (H)

**HCR88  REESTABLISHING THE PUBLIC WATER AND WASTE WATER SYSTEM INFRASTRUCTURE TASK FORCE  (GOOCH JR., JIM)**

Reestablish the Public Water and Wastewater System Infrastructure Task Force; direct the task force to continue to evaluate policy options on how to address Kentucky's troubled public water and wastewater systems; name the membership of the task force; require the task force to meet at least three times during the 2020 Interim and to submit its findings, legislative recommendations, or a memorandum to the Legislative Research Commission by November 30, 2020.

**CURRENT STATUS:** 3/10/2020 - (S) Referred to Natural Resources & Energy (S)

**HJR98  ESTABLISHING THE WORKING GROUP ON WATER AND WASTE WATER INFRASTRUCTURE  (GRAVISS, JOE)**

Establish the Working Group on Public Water and Wastewater Infrastructure in the executive branch and specify its role and function; reestablish the Public Water and Wastewater System Infrastructure Task Force and specify its role and function; require the working group to give monthly updates to the task force; require the task force to report to the Legislative Research Commission by December 1, 2020.

**CURRENT STATUS:** 2/26/2020 - (H) Referred to Natural Resources & Energy (H)

**HR122  STATE OF EMERGENCY IN MARTIN COUNTY  (HARRIS, CHRIS)**

Urge Governor Andy Beshear to declare a State of Emergency in Martin County, Kentucky and to make emergency funds available to resolve the county's water crisis.

**CURRENT STATUS:** 3/4/2020 - (H) Referred to Natural Resources & Energy (H)

**SB5  SPECIAL PURPOSE GOVERNMENTAL ENTITIES  (ALVARADO, RALPH)**

Create a new section of KRS Chapter 65A to require proposed increases in ad valorem taxes and certain fees and the levy of new ad valorem taxes or fees by special purpose governmental entities to be submitted to the legislative body of the county or city in which the special purpose governmental entity is
located for review; amend various sections of the Kentucky Revised Statutes to conform; repeal KRS 65A.100; EFFECTIVE January 1, 2021.

CURRENT STATUS: 4/1/2020 - received in Senate

**SB86** WATER FLUORIDATION *(WEST, STEPHEN)*

Amend KRS 211.190 to allow local government entities and special districts to void implementation of the water fluoridation programs administered by the Cabinet for Health and Family Services by legislative action.

CURRENT STATUS: 1/15/2020 - (S) Referred to State & Local Government (S)

**SB103** AGRICULTURAL LAND *(CASTLEN, MATT)*

Amend KRS 211.015 to reduce the minimum acreage requirement to qualify as a "farmstead" from ten acres to five acres for the purposes of on-site sewage disposal system requirements; amend KRS 318.010 to reduce the minimum acreage requirement to qualify as a "farmstead" from ten acres to five acres for the purposes of exemption from the requirements of the Kentucky State Plumbing Code.

CURRENT STATUS: 3/18/2020 - (H) SECOND READING, to Rules

**SB162** TRAINING OF CITY OFFICIALS *(GIRDLER, RICK)*

Create a new section of KRS Chapter 83A requiring all mayors and legislative body members in cities of the home rule class to undergo a mandatory three-hour block of instruction concerning various duties and obligations; establish criteria for training and provide for training; establish filing requirements; establish penalty for failure to comply; require any mayor or legislative body members to receive training within one year of the effective date of this Act.

CURRENT STATUS: 3/19/2020 - (S) recommitted to State & Local Government (S)

**SB165** UNDERGROUND FACILITY PROTECTION *(MILLER, JERRY T.)*

Amend KRS 367.4903 to define "positive response," "unique identification number," and "locator"; amend KRS 367.4909 to require operators to update the positive response system documenting the status of marking the approximate location of its underground facilities and to require excavators to give additional time to operators of underground facilities transporting gas or hazardous liquids or transmitting electricity.

CURRENT STATUS: 3/19/2020 - (S) recommitted to Economic Development, Tourism, and Labor (S)
Amend KRS 61.870 to include a utility regulated by the Public Service Commission under the definition of a "public agency" for purposes of public records only; amend KRS 61.878 to provide that records of a utility relating to expenditure of funds paid for by its customers are public records.

CURRENT STATUS: 2/28/2020 - (S) Referred to Natural Resources & Energy (S)

Amend KRS 367.4903 to redefine "excavator," "approximate location," and "working day"; define "person," "positive response," "tolerance zone," and "unlocatable facility"; amend KRS 367.4909 to require a positive response from operators of underground facilities; enunciate the timing of operator responses; amend KRS 367.4911 to provide excavator start dates and when mechanized equipment can be used in the tolerance zone; amend KRS 367.4913 to change the composition of the Kentucky Contact Center board of directors.

CURRENT STATUS: 3/2/2020 - (S) Referred to Economic Development, Tourism, and Labor (S)

Create a new section of KRS Chapter 132 to establish an annual fee for a special purpose governmental entity's use of the property valuation administrator's assessment; establish requirements for the fee; allow the Department of Revenue to promulgate regulations for collection of the fee; create the special purpose governmental entity fund; establish requirements for the disbursement of funds; APPROPRIATION.

CURRENT STATUS: 3/4/2020 - (S) Referred to State & Local Government (S)

Create a new section of KRS Chapter 343 to establish a new restricted fund known as the apprenticeship fund; authorize the Department of Workforce Development to promulgate administrative regulations; amend KRS 141.330 to require employers to identify funds withheld from the pay of apprentices participating in apprenticeship programs; require the Department of Revenue to deposit those funds in the apprenticeship fund; APPROPRIATION.

CURRENT STATUS: 3/18/2020 - (S) SECOND READING, to Rules

Amend KRS 45A.180 to require that any governmental body that accepts a proposal be limited to increasing the project price with the winning bidder by no more than ten percent or a new request for proposals shall be initiated.

CURRENT STATUS: 3/5/2020 - (S) Referred to State & Local Government (S)
**SB282** PAID SICK LEAVE (McGarvey, Morgan)

Create a new section of KRS Chapter 337 to require employers to provide accrued paid sick leave to employees; provide mechanism for employees to accrue paid sick leave; establish guidelines for employers to calculate paid sick leave for employees; set forth manner in which paid sick leave can be used; amend KRS 337.990 to create a civil penalty for violation of provisions; EMERGENCY.

**CURRENT STATUS:** 3/6/2020 - (S) Referred to Economic Development, Tourism, and Labor (S)

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**SCR152** PUBLIC WATER AND WASTE WATER SYSTEM (Wheeler, Phillip)

Reestablish the Public Water and Wastewater System Infrastructure Task Force; direct the task force to continue to evaluate policy options on how to address Kentucky's troubled public water and wastewater systems; name the membership of the task force; require the task force to meet at least three times during the 2020 Interim and to submit its findings, legislative recommendations, or a memorandum to the Legislative Research Commission by November 30, 2020.

**CURRENT STATUS:** 3/19/2020 - House Natural Resources & Energy (H), (Bill Scheduled for Hearing)

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**SR108** PUBLIC SERVICE COMMISSION (Smith, Brandon)

Confirm the reappointment of Michael J. Schmitt as Chair of the Public Service Commission for a term expiring July 1, 2023.

**CURRENT STATUS:** 2/10/2020 - adopted 34-0