

2014 KOGA BILL TRACKING FINAL – 2014 SESSION

ISSUE: PIPELINES, SITING & EMINENT DOMAIN

HB 31 (BR 168) - J. Tilley, D. Floyd, D. Graham, J. Kay, K. King, M. Marzian, T. Mills, B. Montell, J. Wayne

AN ACT relating to eminent domain and declaring an emergency.

Amend KRS 278.502 to condition the exercise of condemnation authority upon approval of the Public Service Commission, which may be given only after review of delineated statutory criteria.

HB 31 - AMENDMENTS

<u>HCS</u> - Replace original bill text with provisions to amend KRS 278.502 to exclude natural gas liquids from the definition of oil or gas or oil and gas products as used in that statute; include transitional provision making the bill's provision retroactive to cover any eminent domain action filed under KRS 278.502; EMERGENCY.

<u>HFA (1, J. Fischer)</u> - Replace bill's provisions with new text amending KRS 278.502 to require that the oil or gas pipeline condemnation be for a public use in lieu of the current requirement of public service.

HFA (2/Title, J. Tilley) - Make title amendment.

<u>HFA (3, D. Floyd)</u> - Replace original bill text with provisions to amend KRS 278.502 to apply only to utilities.

<u>HFA (4, S. Miles)</u> - Amend to remove the retroactivity and emergency provisions.

<u>HFA (5, D. Floyd)</u> - Replace original bill text with provisions to amend KRS 278.502 to apply only to utilities.

<u>HFA (6, J. Tilley)</u> - Amend to provide that incidental production of natural gas liquids does not disqualify an oil or gas producer from utilizing the statute's provisions.

<u>HFA (7, T. Thompson)</u> - Create a new section of KRS Chapter 278 to include in the definition of "oil and gas" any pipelines which are regulated by the federal Interstate Commerce Act and which have at least a portion of pipeline constructed in Kentucky prior to the effective date of the Act.

<u>HFA (8, G. Stumbo)</u> - Amend to provide that incidental production of natural gas liquids does not disqualify an oil or gas producer from utilizing the statute's provisions.

(Prefiled by the sponsor(s).)

Oct 2-To: Interim Joint Committee on Energy Special Subcommittee

Jan 7-introduced in House; to Judiciary (H)

Feb 18-posting waived

Feb 26-reported favorably, 1st reading, to Calendar with Committee Substitute

Feb 27-2nd reading, to Rules; floor amendment (1) filed to Committee Substitute

Mar 4-floor amendment (2-title) filed

Mar 6-posted for passage in the Regular Orders of the Day for Friday, March 7,

2014; floor amendments (3) and (4) filed to Committee Substitute

Mar 10-floor amendment (5) filed

Mar 12-floor amendment (6) filed to Committee Substitute

Mar 14-floor amendment (7) filed to Committee Substitute

Mar 17-floor amendment (6) withdrawn

Mar 20-floor amendment (8) filed to Committee Substitute

Mar 21-3rd reading; floor amendment (4) defeated; passed 75-16 with Committee Substitute, floor amendments (2-title) and (8)

Mar 24-received in Senate

HB 573 (BR 931) - R. Adkins, K. Hall

AN ACT relating to the Public Service Commission.

Create a new section of KRS Chapter 278 to require the Public Service Commission to reconsider previously issued orders that involve multistate transactions if the order involves a multistate transaction that requires approval from another state public utility commission and the out-of-state public utility commission fails to approve the transaction or utility plan; require the Public Service Commission to review its previous order and determine whether the order is still in the public interest of Kentucky ratepayers; provide that the provisions of this Act shall apply retroactively to all Public Service Commission orders issued on or after July 1, 2013.

HB 573 - AMENDMENTS

HFA (1, K. Hall) - Amend to provide that the Public Service Commission shall reconsider orders issued between January 1, 2013, and December 31, 2013.

<u>SFA (1</u>, J. Higdon) - Amend KRS 278.502 to allow eminent domain to be used only in cases where the condemnor is a utility regulated by the Public Service Commission.

<u>SFA (2, J. Higdon)</u> - Amend KRS 278.502 to allow eminent domain to be used only in cases where the condemnor is a utility regulated by the Public Service Commission or is a city utility as authorized in KRS 96.547.

Mar 4-introduced in House

Mar 5-to Tourism Development & Energy (H)

Mar 11-posted in committee

Mar 18-posted in committee

Mar 20-reported favorably, 1st reading, to Calendar

Mar 21-2nd reading, to Rules; taken from Rules; placed in the Orders of the Day

Mar 24-floor amendment (1) filed

Mar 25-3rd reading, passed 62-34

Mar 26-received in Senate; floor amendment (1) filed

Mar 27-floor amendment (2) filed

HB 60 (BR 257) - D. Floyd, K. King, M. Harmon, T. Mills, B. Waide, J. Wayne Mar 21-WITHDRAWN

HB 387 (BR 1467) - T. Mills, D. Floyd

AN ACT relating to natural gas liquids pipelines.

Amend KRS 278.700 to include a definition for natural gas liquids transmission pipeline; amend KRS 278.714 to require anyone constructing a natural gas liquids transmission pipeline apply for a construction certificate from the Kentucky State Board on Electric Generation and Transmission.

Feb 13-introduced in House

Feb 18-to Natural Resources & Environment (H)

<u>HB 474 (BR 963) - R. Adkins, G. Stumbo, H. Collins, L. Combs, T. Couch, W. Coursey, M. Denham, J. Gooch Jr., K. Hall, R. Nelson, J. Short, K. Sinnette, F. Steele, G. Watkins, B. Yonts</u>

AN ACT relating to economic development incentives for the coal industry. Amend KRS 154.31-010 to allow coal mining or processing companies to potentially qualify for sales and use tax incentives offered through the Kentucky Enterprise Initiative Act (KEIA) and to define terms; create a new section of KRS Chapter 154.31 to define terms; amend KRS 154.32-010 to allow coal mining or processing companies to potentially qualify for income tax incentives offered through the Kentucky Business Investment Act (KBI) and to define terms; create a new section of KRS Chapter 154.32 to define terms; amend KRS 154.32-020, 154.32-030, and 154.32-060 to conform; direct the Cabinet for Economic Development to work with various foreign trade partners and the Kentucky coal industry to promote increased exports of Kentucky coal.

HB 474 - AMENDMENTS

SFA (1/Title, J. Higdon) - Make title amendment.

<u>SFA (2, J. Higdon)</u> - Amend KRS 278.502 to exclude natural gas liquids from the definition of oil or gas or oil and gas products as used in that statute; include transitional provision making the bill's provision retroactive to cover any eminent domain action filed under KRS 278.502; declare an EMERGENCY.

Feb 26-introduced in House

Feb 27-to Appropriations & Revenue (H)

Mar 14-posted in committee

Mar 18-reported favorably, 1st reading, to Consent Calendar

Mar 19-2nd reading, to Rules; taken from Rules; placed in the Consent Orders of the Day for Friday, March 21, 2014

Mar 21-3rd reading, passed 95-1-1; received in Senate

Mar 24-to Appropriations & Revenue (S)

Mar 25-floor amendments (1-title) and (2) filed

SB 14 (BR 129) - J. Higdon, J. Carroll, P. Clark, D. Harper Angel, D. Parrett

AN ACT relating to eminent domain.

Amend KRS 278.502 to allow eminent domain to be used only in cases where the condemnor is a utility regulated by the Public Service Commission.

(Prefiled by the sponsor(s).)

Nov 6-To: Energy Special Subcommittee Jan 7-introduced in Senate Jan 13-to Judiciary (S)

SB 21 (BR 258) - J. Higdon, D. Harper Angel, D. Parrett, R. Webb

AN ACT relating to eminent domain and declaring an emergency.

Amend KRS 278.502 to limit the scope of the eminent domain authority created by that section; declare amendments retroactive to October 1, 2013; EMERGENCY.

(Prefiled by the sponsor(s).)

Jan 7-introduced in Senate Jan 13-to Judiciary (S)

ISSUE: ELECTRICITY GENERATION & STATE GREENHOUSE GAS REGULATION

HB 63 (BR 275) - J. Gooch Jr.

AN ACT relating to utilities.

Create a new section of KRS Chapter 278 to require retail electric suppliers to maintain a 30-day supply of fuel for electricity generation.

(Prefiled by the sponsor(s).)

Jan 7-introduced in House; to Tourism Development & Energy (H) Feb 11-posted in committee

NOTE: HB 63 heard for "discussion only" on 2/13

HB 388/LM (BR 1466) - J. Gooch Jr., T. Couch, M. Dossett, C. Embry Jr., S. Miles, R. Quarles, D. St. Onge, F. Steele, R. Webber, J. York

AN ACT relating to best system emission reduction for existing electric generating units.

Create new sections of KRS Chapter 224 to establish criteria by which the Energy and Environment Cabinet can establish performance standards for the regulation of carbon dioxide emissions from existing fossil fuel-fired electric generating units; establish different criteria for coal-fired electric generating units and natural gas-fired electric generating units; allow performance standards to be adjusted on a case-by-case basis; require that any state plan to regulate carbon dioxide emissions be issued under Section 111(d) of the federal Clean Air Act; direct the cabinet to promulgate administrative regulations to establish standards in a state plan; prohibit development or proposing of a state plan to the United States Environmental Protection Agency unless the plan is consistent with Sections 1 to 7 of this Act and is prepared in consultation with the Kentucky PSC; declare that any plan or performance standard has no legal effect if the United States Environmental Protection Agency does not issue federal rules or guidelines for regulating carbon dioxide emissions from existing electric generating units or if the rules are withdrawn or invalidated by a court of competent jurisdiction.

Feb 13-introduced in House

Feb 18-to Natural Resources & Environment (H); posted in committee

Feb 20-reported favorably, 1st reading, to Consent Calendar

Feb 21-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Wednesday, February 26, 2014

Feb 26-3rd reading, passed 99-0

Feb 27-received in Senate

Mar 5-to Natural Resources & Energy (S)

Mar 12-reported favorably, 1st reading, to Calendar

Mar 13-2nd reading, to Rules

Mar 18-posted for passage in the Regular Orders of the Day for Wednesday, March 19, 2014

Mar 19-3rd reading, passed 37-0

Mar 20-received in House; enrolled, signed by Speaker of the House

Mar 21-enrolled, signed by President of the Senate; delivered to Governor

Apr 2-signed by Governor (Acts ch. 18)

HB 195/LM (BR 877) - M. Marzian, J. Jenkins, D. Keene, R. Smart, J. Wayne

AN ACT relating to energy.

Create new sections of KRS Chapters 278 and 96 to require retail electric suppliers to use increasing amounts of renewable energy; require retail electric suppliers to take energy-efficiency measures and implement energy-efficiency programs that increase energy savings over a period of time; provide for alternative compliance plans for public utilities who fail to meet renewable energy or efficiency requirements; define renewable energy; specify reporting requirements to the Public Service Commission regarding progress in diversifying energy sources and energy savings; require the Public Service Commission to develop tariff guidelines for purchase of renewable power.

Jan 13-introduced in House Jan 14-to Tourism Development & Energy (H) Mar 4-posted in committee

ISSUE: MINERAL, SEVERANCE & UTILITY TAXES

HB 136 (BR 829) - B. Yonts, J. Adams, R. Crimm, R. Damron, D. Floyd, R. Heath, S. Santoro, T. Thompson, K. Upchurch, S. Westrom

AN ACT relating to the limited liability entity tax and declaring an emergency. Amend KRS 141.0401 to expand the definition of cost of goods sold to include any costs allowed by the Internal Revenue Code; effective for tax years beginning on and after January 1, 2007; EMERGENCY.

Jan 7-introduced in House Jan 8-to Appropriations & Revenue (H)

HB 15/LM (BR 64) - F. Steele, L. Combs

AN ACT relating to coal severance revenues and declaring an emergency. Amend various sections in KRS Chapter 42 to distribute 100% of coal severance revenues among the coal producing counties on the basis of the tax collected on coal severed or processed in each respective county; amend KRS 143.090 and 164.7891 to make conforming changes; repeal KRS 42.490; EMERGENCY.

(Prefiled by the sponsor(s).)

Sep 4-To: Interim Joint Committee on Appropriations and Revenue Jan 7-introduced in House; to Appropriations & Revenue (H)

HB 170 (BR 942) - K. Flood, W. Stone

AN ACT relating to the utility gross receipts license tax for schools.

Amend KRS 160.613 to clarify that if a manufacturer, processor, miner, or refiner chooses to claim that a portion of the energy or energy producing fuels purchased by that entity is exempt from the utility gross receipts license tax, the entity claiming the exemption becomes responsible to report and pay the portion of the tax due directly to the Department of Revenue; amend KRS 160.6156 to specify who may request a refund or credit of any overpayment of the tax and require that an appeal of the denial of a requested refund to the Circuit Court shall be made within 30 days from the mailing date of the denial.

HB 170 - AMENDMENTS

<u>SCS</u> - Retain original provisions; amend KRS 91A.080 to exempt from the local license fee or tax amounts paid to insurance companies or surplus lines brokers by self-insured groups consisting of governmental entities.

SCA (1/Title, B. Leeper) - Make title amendment.

Jan 8-introduced in House

Jan 9-to Appropriations & Revenue (H)

Jan 31-posted in committee

Feb 4-reported favorably, 1st reading, to Consent Calendar

Feb 5-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Friday, February 7, 2014

Feb 7-taken from the Consent Orders of the Day, placed in the Regular Orders of the Day

Feb 11-3rd reading, passed 70-27

Feb 12-received in Senate

Feb 14-to Appropriations & Revenue (S)

Mar 27-reported favorably, 1st reading, to Consent Calendar

Mar 28-2nd reading, to Rules

Apr 14-taken from Rules (S); recommitted to Appropriations & Revenue (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 Monday, April 14, 2014; 3rd reading, passed 38-0 with Committee Substitute, committee amendment (1-title); received in House; to Rules (H); posted for passage for concurrence in Senate Committee Substitute, committee amendment (1-title); House concurred in Senate Committee Substitute, committee amendment (1-title); passed 58-36; enrolled, signed by Speaker of the House

Apr 15-enrolled, signed by President of the Senate; delivered to Governor

HB 380/LM (BR 1296) - F. Steele, J. Gooch Jr.

AN ACT relating to unmined minerals tax.

Amend KRS 132.820 to predicate the collection of the unmined minerals tax on the issuance of a permit to mine, drill or otherwise extract the mineral resource.

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

HB 345 (BR 1387) - R. Damron

AN ACT relating to the interest rate on overpayments and underpayments of tax. Amend KRS 131.183 to apply the calculated interest rate to both overpayments and underpayments; apply retroactively to all outstanding refund claims and notices of tax due.

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

HB 515/LM (BR 485) - T. Couch

AN ACT relating to coal severance tax revenues, making an appropriation therefor, and declaring an emergency.

Amend KRS 42.4582 to increase the amount of coal severance tax receipts deposited into the Local Government Economic Development Fund (LGEDF) from 50 percent to 75 percent beginning July 1, 2014; amend KRS 42.4585 to proportionately increase the amount of tax receipts deposited into the Local Government Economic Assistance Fund (LGEAF) from 15 percent to 22.5 percent; amend KRS 42.4592 to end the current allocation of LGEDF moneys into single-county accounts and begin directly disbursing these funds to the fiscal courts of coal-producing counties to be used for economic development projects approved by the Cabinet for Economic Development;

close the multi-county fund and the current LGEDF grant program; amend KRS 42.460, 11A.233, 42.409, 42.455, 42.475, 42.480, 65.920, 91A.040, 154.12-2086, 154.12-224, 154.12-225, 154.22-040, and 154.32-050 to conform; amend KRS 164.7890 to end the off-the-top fund allocation for the pharmacy scholarship program; amend KRS 164.7891 to end the off-the-top fund allocation for the osteopathic scholarship program; repeal KRS 42.4588, 42.4595, 42,465, 42.490, and 42.495; APPROPRIATION; EMERGENCY; EFFECTIVE July 1, 2014.

Mar 4-introduced in House Mar 5-to Appropriations & Revenue (H)

ISSUE: CNG & LNG – TRANSPORTATION FUELS

HB 466 (BR 1741) - K. Hall

AN ACT relating to the development of the market for natural gas as an alternative transportation fuel.

Amend KRS 154.20-410 to direct the deposit of the petroleum environmental assurance fees, also referred to as underground storage tank fees, imposed on liquefied and compressed natural gas used as alternative transportation fuel into the Kentucky alternative fuel and renewable energy fund; amend KRS 154.20-415 to specifically provide that the fund may be used to provide funding to Kentucky-based companies that undertake activities to develop and expand the market for using liquefied and compressed natural gas as alternative transportation fuel in Kentucky including development of fueling station infrastructure; amend KRS 224.60-140 and 224.60-145 to conform.

HB 466 - AMENDMENTS

<u>HFA (1, K. Hall)</u> - Retain original provisions, designate one cent per gallon from tax on natural gas motor fuels to be paid to alternative fuel and renewable energy fund, and four-tenths of one cent to the financial responsibility account.

Feb 26-introduced in House

Feb 27-to Tourism Development & Energy (H)

Mar 4-posted in committee

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

Mar 7-2nd reading, to Rules; taken from Rules; placed in the Orders of the Day

Mar 11-floor amendment (1) filed

Mar 12-3rd reading, passed 93-4 with floor amendment (1)

Mar 13-received in Senate

Mar 17-to Appropriations & Revenue (S)

HB 560 (BR 1724) - K. Hall, K. Sinnette

AN ACT relating to utility cost recovery.

Create a new section of KRS Chapter 278 to establish a mechanism whereby a natural gas utility may recover in rates part of the cost of building out infrastructure to fueling stations so that the station may offer natural gas as a vehicle fuel.

Mar 4-introduced in House Mar 5-to Tourism Development & Energy (H) Mar 18-posted in committee

ISSUE: MISCELLANEOUS

<u>HB 369</u> (BR 1473) - <u>B. Yonts, W. Coursey, J. DeCesare, J. Gooch Jr., M. King, R. Quarles, J. Richards, B. Rowland, F. Steele</u>

AN ACT relating to the statute of limitations for written contracts.

Amend KRS 413.160 to reset the statute of limitations for actions on a written contract at ten years instead of the current 15-year period; amend KRS 413.090 to conform.

HB 369 - AMENDMENTS

<u>HFA (1</u>, B. Yonts) - Amend to specify that the 10 year statute of limitations applies only to contracts executed after the effective date of the bill.

SCS - Amend to recognize statutes which contain specific statutes of limitation.

<u>SFA (2</u>, R. Stivers II) - Retain original provisions; amend KRS 68.197 to extend the freeze on the credit of city taxes against county taxes to July 15, 2016, to clarify the situations in which the credit freeze applies, and to establish a reduced credit in certain circumstances.

SFA (3/Title, R. Stivers II) - Make title amendment.

Feb 11-introduced in House

Feb 12-to Judiciary (H)

Feb 24-posted in committee

Feb 26-reported favorably, 1st reading, to Consent Calendar

Feb 27-2nd reading, to Rules; posted for passage in the Consent Orders of the Day for Tuesday, March 4, 2014; floor amendment (1) filed

Feb 28-taken from the Consent Orders of the Day, placed in the Regular Orders of the Day

Mar 4-3rd reading, passed 96-0 with floor amendment (1)

Mar 5-received in Senate

Mar 7-to Judiciary (S)

Mar 26-reported favorably, 1st reading, to Consent Calendar with Committee KOGA BILL TRACKING

2014 KENTUCKY GENERAL ASSEMBLY

Substitute

Mar 27-2nd reading, to Rules

Mar 31-floor amendment (2) filed to Committee Substitute, floor amendment (3-title) filed

Apr 14-posted for passage in the Consent Orders of the Day for Monday, April 14, 2014; 3rd reading; floor amendments (2) and (3-title) withdrawn; passed 38-0 with Committee Substitute; received in House; to Rules (H); posted for passage for concurrence in Senate Committee Substitute; House concurred in Senate Committee Substitute; passed 90-0; enrolled, signed by Speaker of the House

Apr 15-enrolled, signed by President of the Senate; delivered to Governor

SB 81 (BR 1000) - <u>J. Schickel</u>

AN ACT relating to employee misclassification.

Amend KRS 336.010 to define "contractor," "person," "prime contractor," "secretary," and 'subcontractor"; amend KRS 336.040 to require the Labor Cabinet to be the determining authority in issues related to employee misclassification; create a new section of KRS Chapter 336 to establish criteria for determining whether a person is an independent contractor, exempting a prime contractor for a subcontractor's misclassification of an employee, and exempting independent contractors from certain benefits; amend KRS 336.050 to require the secretary to develop a training program on classification of employees; amend KRS 336.990 to establish a penalty for misclassification of employees; amend KRS 342.640 to delete provisions relating to newspaper delivery persons.

SB 81 - AMENDMENTS

<u>SFA (1</u>, J. Schickel) - Retain original provisions; amend criteria to determine an independent contractor to include that the person is engaged in a distinct occupation or business and that the person supplies the instrumentalities, tools, and skills required to perform the work contracted for.

<u>HCS</u> - Create new sections in KRS Chapters 131, 336, and 342 and amend KRS 131.020 and 151B.280 to require the Education and Workforce Development Cabinet, Department of Revenue, Department of Workers' Claims, and Department of Workplace Standards to create and execute information sharing agreements related to employee misclassification; create a reporting requirement for all the agencies to annually report data on employee misclassification to the Interim Joint Committees on Appropriations and Revenue and Labor and Industry.

Jan 15-introduced in Senate

Jan 17-to Economic Development, Tourism & Labor (S)

Feb 13-reported favorably, 1st reading, to Calendar

Feb 14-2nd reading, to Rules

Feb 24-posted for passage in the Regular Orders of the Day for Tuesday, February 25, 2014

Feb 25-passed over and retained in the Orders of the Day; floor amendment (1) filed

Feb 26-passed over and retained in the Orders of the Day

Feb 27-passed over and retained in the Orders of the Day

Feb 28-passed over and retained in the Orders of the Day

Mar 4-3rd reading, passed 24-14 with floor amendment (1); received in House

Mar 5-to Labor & Industry (H)

Mar 7-posted in committee

Mar 20-taken from Labor & Industry (H); 1st reading; returned to Labor & Industry (H)

Mar 24-taken from Labor & Industry (H); 2nd reading; returned to Labor & Industry (H)

Mar 26-reported favorably, to Rules with Committee Substitute; taken from Rules; placed in the Orders of the Day

Mar 27-3rd reading, passed 74-22 with Committee Substitute; received in Senate

SB 35/LM (BR 250) - R. Jones II

AN ACT relating to the Public Service Commission.

Amend KRS 278.050 to increase membership of the Public Service Commission (PSC) from three to seven commissioners; require an election of the commissioners in accordance with KRS Chapter 118; provide that initial election of PSC commissioners shall be at the regular election in November 2016; provide that each member of the commission shall be eligible for membership in the Kentucky Employees Retirement System as set forth in KRS 61.515 to 61.705; amend KRS 278.060 to change qualifications of the commissioners; amend KRS 278.120, 278.702, 11A.010, 11A.040, and 11A.050 to conform; repeal KRS 278.070.

(Prefiled by the sponsor(s).)

Nov 6-To: Special Subcommittee on Energy

Jan 7-introduced in Senate

Jan 13-to Natural Resources & Energy (S)

HB 439 (BR 1419) - L. Combs

AN ACT relating to mineral leasehold liens.

Amend KRS 376.140 to modify the operation of a mechanic's lien relative to oil, gas, or other mineral leases.

Feb 24-introduced in House

Feb 25-to Natural Resources & Environment (H)