



## 2016 Kentucky General Assembly Legislative Report

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Report created on February 8, 2016

### **HB40**      **CRIMINAL RECORDS** (OWENS, D) AN ACT relating to criminal records.

Amend KRS 431.076 to expand the scope of an expungement motion under that statute to include felonies referred to a grand jury where no indictment ensues; amend KRS 431.078 to expand that statute's expungement process to include Class D felonies; amend KRS 527.040 to expressly provide that an expunged felony does not trigger the application of that statute; create a new section of KRS Chapter 413 to prohibit the introduction of information pertaining to an expunged conviction as evidence in a civil suit or administrative proceeding alleging negligent hiring or licensing.

*Current Status:* 1/21/2016 - (S) Referred to Committee Senate  
Judiciary

*Recent Status:* 1/19/2016 - received in Senate  
1/15/2016 - (H) THIRD READING, passed 80-11 with  
Committee Substitute (1), floor amendment (1)

*Comments:* Criminal Expungement - Would wipe Class D Felony convictions from an individual's record. Would make it difficult for potential employers to find out the legal background of an applicant. Roared through the House, but has a tougher time in the Senate. Working with other employer groups to amend to delete expungement of certain offenses, including financial crimes. Likely Member Action Alert will be requested.

*State Bill Page:* <http://www.lrc.ky.gov/record/16RS/HB40.htm>

### **HB80**      **OPEN RECORDS** (HARRIS, C) AN ACT relating to open records.

Amend KRS 61.870 to narrow the funding criteria that determines exemptions from the definition of "public agency" in the Kentucky Open Records Act.

*Current Status:* 2/4/2016 - (S) Referred to Committee Senate State and Local Government

*Recent Status:* 2/2/2016 - received in Senate  
2/1/2016 - (H) THIRD READING, passed 92-0

*Comments:* Well intended bill that overreaches. Companies doing contract business with the state could find that ALL of their corporate records could be subject to disclosure under the Open Records statutes. - Bad Bill

*State Bill Page:* <http://www.lrc.ky.gov/record/16RS/HB80.htm>

**HB91**      **GOVERNMENT CONTRACTS (YONTS, B) AN ACT** relating to government contracts.

Amend various sections in KRS Chapter 45A to expand and refine the list of entities included in definition of "contracting body"; allow the Government Contract Review Committee to determine the definition of "governmental emergency"; refine the definition of "memorandum of agreement"; correct references to universities and colleges and institutions of higher education; refine the definition of "personal service contract" to eliminate professional skill or judgment requirement and specifically include contracts for personal or professional services and group health care for public employees; allow the committee to establish reporting schedule for exempt personal service contracts and memoranda of agreement; exempt contracts between postsecondary institutions and health care providers, but require reporting of such contracts; require committee review of all personal service contracts and memoranda of agreement in excess of \$1,000,000, except for contracts involving child support collections which are exempted; exempt contracts \$40,000 and under from request for proposals process, but require three quotes when feasible, and determination of unfeasibility may be reviewed by the secretary of the Finance and Administration Cabinet or the committee; exempt contracts \$40,000 and under not requiring professional skill or judgment from routine review process, but require filing within 30 days for informational purposes; prohibit delegation of decision-making authority by secretary of the Finance and Administration Cabinet, except with respect to institutions of higher education that have elected to implement procurement procedures in accordance with statutory authority; delete requirement for annual reports; delineate powers of the committee.

*Current Status:* 2/1/2016 - (H) WITHDRAWN

*Recent Status:* 1/5/2016 - (H) Referred to Committee House State Government  
1/5/2016 - Introduced (Pre-Filed)

*Comments:* Overhaul of the government contracting process, particularly focusing on personal service contracts. No direct impact on hoteliers, but watching it nonetheless.

*State Bill Page:* <http://www.lrc.ky.gov/record/16RS/HB91.htm>

**HB180 CRIMINAL HISTORY** (BROWN, G) AN ACT relating to criminal histories of job applicants.

Create a new section of KRS Chapter 344 to prohibit employers from considering or requiring disclosure of prior criminal history as part of the initial job application; title the Act as "Ban the Box-The Criminal Record Employment Discrimination Act."

*Current Status:* 1/28/2016 - House Labor and Industry, (Bill Scheduled for Hearing)

*Recent Status:* 1/13/2016 - (H) posted in committee House Labor and Industry  
1/7/2016 - (H) Referred to Committee House Labor and Industry

*Comments:* Likely Dead - Not the vehicle.

*State Bill Page:* <http://www.lrc.ky.gov/record/16RS/HB180.htm>

**HB274 SALES AND USE TAX** (DENHAM, M) AN ACT relating to sales and use tax incentives.

Amend KRS 154.32-020, relating to the Kentucky Business Investment (KBI) economic development incentive program, to allow a new, additional sales and use tax incentive to be awarded to approved companies undertaking economic development projects in certain enhanced incentive counties; create a new section of Subchapter 32 of KRS Chapter 154 to establish the parameters of the sales and use tax refund incentive; amend KRS 154.32-040 to conform; create a new section of KRS Chapter 139 to establish the procedure for an approved company to apply to the Department of Revenue for payment of a refund; declare the short title of the Act to be the Rural Communities Economic Advancement and Job Creation Act of 2016; provide that the Act shall apply to economic development projects undertaken by companies receiving preliminary approval on or after the effective date of the Act.

*Current Status:* 1/20/2016 - (H) Referred to Committee House Appropriations and Revenue

*Recent Status:* 1/19/2016 - Introduced

*Comments:* Adds sales and use tax incentives for the purpose of purchase of tangible property, digital property or services to current Economic Development incentives in certain counties targeted. Economic Development Cabinet has been focused on manufacturing operations in the past.

*State Bill Page:* <http://www.lrc.ky.gov/record/16RS/HB274.htm>

**HB278 WAGES** (STUMBO, G) AN ACT relating to wages.

Amend KRS 337.275 to raise the state minimum wage to \$8.20 per hour on August 1, 2016, \$9.15 per hour on July 1, 2017, and \$10.10 per hour on July 1, 2018; amend KRS 337.010 the definition of employees of retail stores and service industries, to increase the applicable threshold of business that applies to from \$95,000 to \$500,000; amend KRS 337.420 to define "equivalent jobs" as those that are equal under the federal Equal Pay Act, or jobs that are dissimilar but equivalent in skill, effort, responsibility, and working conditions; amend KRS 337.423 to prohibit wage discrimination on the basis of sex, race, or national origin by prohibiting wage differentials for employees who perform equivalent jobs; provide exceptions for wage differentials based on seniority or merit systems, systems that measure wages by quantity or quality of production, and factors other than sex, race, or national origin; amend KRS 337.425 to require the promulgation of administrative regulations to specify criteria for determining jobs that are dominated by employees of a particular sex, race, or national origin, and acceptable methodology for determining equivalent skill, effort, responsibility, and working conditions; require that the promulgation occur on or before July 1, 2017; EFFECTIVE July 1, 2018.

*Current Status:* 2/1/2016 - (H) recommitted to committee House Appropriations and Revenue

*Recent Status:* 1/29/2016 - (H) SECOND READING, to Rules  
1/28/2016 - (H) FIRST READING To Regular Calendar

*Comments:* Speaker's Minimum Wage Bill - This is an election year bill in an attempt to retain the House for Democrats. Likely to die in the Senate. Would face certain Veto by the Governor if it passed both Chambers.

*State Bill Page:* <http://www.lrc.ky.gov/record/16RS/HB278.htm>

**HB303 EXECUTIVE BRANCH BUDGET** (RAND, R) AN ACT relating to appropriations and revenue measures providing financing and conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state-supported activities.

The State/Executive Branch Budget: appropriate from the General Fund (Tobacco), General Fund, Restricted Funds, Federal Funds, Road Fund, Bond Funds, Agency Bonds, Capital Construction Surplus, Investment

Income, Statewide Deferred Maintenance Fund, and other funds, \$182,013,700 in fiscal year 2015-2016, \$33,287,508,100 in fiscal year 2016-2017, and \$32,051,036,100 in fiscal year 2017-2018 as follows: General Government 2015-2016 \$22,370,700 2016-2017 \$1,504,467,800 2017-2018 \$1,538,644,000 Economic Development Cabinet 2015-2016 \$975,000 2016-2017 \$21,082,900 2017-2018 \$22,017,500 Department of Education 2016-2017 \$5,015,844,100 2017-2018 \$5,006,558,900 Education and Workforce Development Cabinet 2015-2016 \$900,000 2016-2017 \$833,470,500 2017-2018 \$847,236,600 Energy and Environment Cabinet 2016-2017 \$244,344,100 2017-2018 \$240,848,700 Finance and Administration Cabinet 2016-2017 \$874,431,800 2017-2018 \$919,630,900 Health and Family Services Cabinet 2015-2016 \$111,126,200 2016-2017 \$12,952,760,300 2017-2018 \$13,442,186,100 Justice and Public Safety Cabinet 2015-2016 \$21,157,300 2016-2017 \$1,038,865,300 2017-2018 \$1,041,148,500 Labor Cabinet 2016-2017 \$233,085,300 2017-2018 \$237,495,100 Personnel Cabinet 2016-2017 \$65,055,000 2017-2018 \$66,863,300 Postsecondary Education 2015-2016 \$3,054,500 2016-2017 \$7,630,081,700 2017-2018 \$8,052,714,200 Public Protection Cabinet 2016-2017 \$107,373,900 2017-2018 \$108,306,900 Tourism, Arts and Heritage Cabinet 2015-2016 \$15,880,000 2016-2017 \$234,406,800 2017-2018 \$238,146,000 Budget Reserve Trust Fund 2016-2017 \$153,436,000 2017-2018 \$160,960,900 Not included in the above appropriation amounts are capital project amounts as follows: Capital Projects 2015-2016 \$6,550,000 2016-2017 \$2,378,802,600 2017-2018 \$128,278,500.

Full summary can be found in miscellaneous documents.

*Current Status:* 1/28/2016 - (H) Referred to Committee House Appropriations and Revenue

*Recent Status:* 1/27/2016 - Introduced

*Comments:* Skeleton of Governor's Executive budget. Will cut spending 4.5% for the balance of this fiscal year and 9% for each year of the new biennium. Awaiting details in the Cabinet budget memoranda yet to be presented.

*State Bill Page:* <http://www.lrc.ky.gov/record/16RS/HB303.htm>

**HB311 WORKERS COMPENSATION BENEFITS (ROWLAND, B) AN ACT relating to offsetting workers' compensation benefits.**

Amend KRS 342.730 to allow payments of temporary total disability benefits to be offset by wages paid to an employee by an employer for light duty or alternative duty work performed during a period of temporary total disability.

*Current Status:* 2/1/2016 - (H) Referred to Committee House Labor

and Industry

*Recent Status:* 1/28/2016 - Introduced

*Comments:* WC bill introduced by Minority member of the House. If it moves, it will receive a business unfriendly amendment from organized labor and the trial attorneys.

*State Bill Page:* <http://www.lrc.ky.gov/record/16RS/HB311.htm>

**SB3      **CONTRACTS** (STIVERS, R) AN ACT relating to contracts.**

Amend KRS 336.130 to prohibit mandatory membership in or financial support of a labor organization as a condition of employment and to name this section the "Kentucky Right to Work Act"; amend KRS 336.180 to define "employer"; amend KRS 336.990 to make a violation of the Act a Class A misdemeanor, award damages, and provide injunctive relief; create new sections of KRS Chapter 336 to exempt existing contracts or agreements and other federal agreements and require the Attorney General to investigate complaints and prosecute those who violate Section 1 of the Act.

*Current Status:* 1/7/2016 - (S) Referred to Committee Senate Economic Development, Tourism, and Labor

*Recent Status:* 1/6/2016 - Introduced

*Comments:* Right to Work legislation - A priority of the Bevin administration, this bill will be an election tool as Republicans continue their quest for a majority in the House. This bill is DEAD.

*State Bill Page:* <http://www.lrc.ky.gov/record/16RS/SB3.htm>

**SB11      **ALCOHOLIC BEVERAGES** (SCHICKEL, J) AN ACT relating to alcoholic beverages.**

Amend KRS 241.010 to define "bed and breakfast," "commercial quadricycle," and "discount in the usual course of business"; expand the definition of "alcoholic beverage" to include a powder or crystal containing alcohol; increase the annual production limit for small farm wineries from 50,000 gallons to 100,000 gallons; make a souvenir package a special package of Kentucky distilled spirits; create a new section of KRS Chapter 242 to allow a precinct-level local option election to authorize the sale of alcoholic beverages at a distillery; amend KRS 242.020 to require those who circulated a local option petition to bear the cost of the election if it is held on a day other than a primary or regular election day; amend KRS 242.030 to set the filing deadlines for a local option election held on a primary or regular election day; amend KRS 242.1241 to conduct a small farm winery local option election in the same manner as in KRS 242.020 to 242.120;

create a new section of KRS Chapter 243 to establish and regulate authorized public consumption (APC) licenses for use with commercial quadricycles; set APC license qualifications, including a business office, general liability insurance of at least \$2,000,000, and a local government permit; establish the standards for drivers and local ordinances for commercial quadricycles; allow patrons to bring their own unopened packaged alcoholic beverages in nonglass containers for personal consumption on the commercial quadricycle; limit patron consumption to times after boarding and while riding the commercial quadricycle; prohibit patrons from bringing open alcoholic beverages from a licensed retail premises onto the commercial quadricycle; forbid local APC fees from exceeding state APC fees; amend KRS 243.030 and 243.070 to establish state and local APC license fees and craft rectifier license fees; amend KRS 243.060 to designate state and local APC license fees; amend KRS 243.0305 to set maximum souvenir package sales of nine liters per customer per day; establish rules for distillery use of a sampling license or an NQ3 license; amend KRS 243.033 to allow a caterer to cater a private party or special event at a nonfederally bonded portion of a distillery; amend KRS 243.036 to apply a distilled spirits and wine auction license to malt beverages; include raffles as a part of the auction license; amend KRS 243.086 to permit an NQ3 retail drink license for a distiller or a bed and breakfast; limit bed and breakfast drink sales to paid overnight guests; amend KRS 243.090 to make most local alcohol licenses expire on the same date as the corresponding state license; prorate the cost of a local license in the first year to allow the local license to synchronize with the state license; amend KRS 243.120 to create Class A and Class B rectifier's licenses; tax and distribute distiller retail drink sales in the same manner as souvenir package sales; amend KRS 243.130, 243.155, and 243.157 to allow employees of distillers, rectifiers, wineries, small farm wineries, and microbreweries to sample their employer's products for purposes of education, quality control, and product development; enable small farm wineries to enter into "custom crush" agreements with one another; permit a small farm winery to sell its wine products that are unmarketable as wine to a distiller; allow a small farm winery to produce up to 1,000 gallons of brandy per year; mandate the use of 100% Kentucky products in the production of brandy or its fortified wine products; forbid the offer or sale of brandy as a stand-alone product; exclude brandy and fortified wine production from a small farm winery's wine production limit; authorize sampling and sale of fortified wine products at a small farm winery or off-premises retail site located in wet territory; limit fortified wine samples to two ounces per patron per day; direct a small farm winery to only fortify its wine products with brandy it manufactured; increase the annual production limit for microbreweries from 25,000 barrels to 50,000 barrels; authorize a microbrewery to sell its products by the drink or package at fairs, festivals, and similar events;

create a new section of KRS Chapter 244 to forbid any person to possess, sell, offer for sale, or use any powdered or crystalline alcoholic beverage product; amend KRS 244.050 to authorize a quota retail package licensee to provide free and paid samples of distilled spirits or wine; amend KRS 244.085 to allow a person under 21 years of age to remain at a licensed APC premises; amend KRS 244.130 to enable a distiller to provide visitors with free production by-products or free nonalcoholic novelty items; amend KRS 244.240 to permit distillers, rectifiers, wineries, and wholesalers to give discounts in the usual course of business if the same discounts are offered to all licensees of the same license type buying similar quantities; amend KRS 242.022, 242.1242, 242.1244, 243.034, and 243.882 to conform; repeal KRS 243.892.

*Current Status:* 1/19/2016 - (H) Referred to Committee House Licensing and Occupations

*Recent Status:* 1/15/2016 - received in House  
1/14/2016 - (S) THIRD READING, passed 29-8 with Committee Substitute, floor amendments (1) and (2)

*Comments:* Tourism bill that will: allow for expansion of attractions on the Kentucky Bourbon Trail, assist small wineries and craft brewers. Prospects for passage of the full bill are mixed. Potential for the many parts to be split into separate bills.

*State Bill Page:* <http://www.lrc.ky.gov/record/16RS/SB11.htm>

**SB50 SCHOOL CALENDAR (GIRDLER, C) AN ACT relating to the school calendar.**

Amend KRS 158.070 to require schools to schedule the first student attendance day no earlier than the Monday closest to August 26, unless a school has adopted a year-round calendar; allow a waiver when a school has missed at least seven days each year for five previous years due to inclement weather.

*Current Status:* 1/7/2016 - (S) Referred to Committee Senate Education

*Recent Status:* 1/6/2016 - Introduced

*Comments:* Tourism supported bill to move state-wide beginning of school until after Labor Day. Has had difficulty in years past because of resistance from School Boards.

*State Bill Page:* <http://www.lrc.ky.gov/record/16RS/SB50.htm>

**Week in Review**  
February 5, 2016

### [No-Jail Jailers Bill Passes Kentucky Senate](#)

Kentucky jailers who don't have a jail to run would have to file quarterly progress reports with their county fiscal courts under a bill that passed the state Senate on Tuesday.

### [Treasurer Allison Ball says her office could halt payment on checks that don't pass legal scrutiny](#)

With less than a full month in office, Treasurer Allison Ball is gearing up to keep her promises of fiscal responsibility and oversight of the commonwealth's finances ♦ even if that means going to court or halting payment on a state check.

### [Bill that puts Planned Parenthood last in line for funding headed to Ky. House](#)

A bill is now headed to the Kentucky House that would put Planned Parenthood last in line to get state funding.

### [Bevin signs informed consent abortion bill](#)

Several state senators on Tuesday walked a controversial anti-abortion bill from the Senate chamber on the third floor of the Capitol to the first-floor office of Gov. Matt Bevin, who quickly signed the measure into law.

### [Hardin County's right-to-work ordinance invalidated in federal court ruling](#)

A federal judge struck down Hardin County's right-to-work ordinance in an order Wednesday, ruling that states, not counties, can exempt themselves from portions of the National Labor Relations Act.

### [House Panel Kills Kentucky Prevailing Wage Repeal](#)

A bill that would eliminate the prevailing wage on public school projects on Thursday failed to pass a House committee.

### [Bill enacting harsher penalties for synthetic drug crimes clears judiciary panel](#)

Trafficking in synthetic drugs like flakka would be guilty of a class D felony under legislation that unanimously passed the House Judiciary Committee on Wednesday.

### [Lawmakers on House budget review panel want info on CHFS cuts, talk loss of kynect](#)

Members of a House budget subcommittee continued to press officials in Gov. Matt Bevin's administration for details on proposed cuts totaling 4.5 percent in the current fiscal year and 9 percent in the upcoming biennium during a meeting Wednesday.

### [Louisville Ultra-Fast Internet Moves A Step Further](#)

The Louisville Metro Council will soon consider measures to streamline the process for bringing ultra-fast Internet access, including a plan to condense the franchise-granting authority of Jefferson County's suburban cities for communication services into one entity.

### [Grand jury subpoenas records from Alison Lundergan Grimes' campaigns](#)

Records from Democrat Alison Lundergan Grimes' campaigns for U.S. Senate and Kentucky secretary of state have been subpoenaed by a federal grand jury in Lexington, as were records from her father, Jerry Lundergan.

actionTRACK - Kentucky Legislative Services, LLC.

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