

# Memorandum

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**To:** Wesley Sydnor

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**Date:** January 13, 2020

**Re:** Kentucky Legislative Update

## **Political Backdrop**

The first week of the 2020 session for the Kentucky General Assembly has come to a close. As expected, a bevy of bills continue to be filed by legislators in both the House and Senate, including previously filed bill requests finding their place in either chamber. As session progresses and legislators continue to file bills, there are several hot-button issues that have taken precedence over the others. Kentucky legislators and leadership have come out with some of their top issues including: sanctuary city ban; voter identification requirements; change elections of Constitutional officers to even years; and, strip the Governor of the power to appoint the Transportation Secretary. Senate leadership filed all of their “priority bills” on the first day of session. The House of Representatives did not file their high priority legislation this week. Speaker of the House David Osborne said that the chamber’s priority is the budget.

Heading into session, Governor Beshear has called for expanded gambling and legalization of medical marijuana in efforts to produce additional revenue for the state’s budget. However, GOP leadership has made it clear that both of those proposals would not see passage through either chamber. Being a budget year, it is likely that the Senate and House “priority bills” will be overshadowed by issues that arise in crafting the state’s budget such as pension funding, state agency funding, Medicaid, and others.

There were no committee meetings this week as the General Assembly continues to introduce legislation and re-organize committee assignments. Next week, we expect to see more budget-focused legislation, and committee hearings will ramp up as bills from the House and Senate find their ways to their respective committees.

## **Activity on Issues of Interest**

### **Retirement**

**Income Exclusion** – HB 35 (Rep. R. Huff) would increase the pension income exclusion from \$31,110 to \$41,110. HB 35 is assigned to Appropriations & Revenue.

**Dually Employed System Members** – HB 89 (Rep. J. Tipton) provide that if a member is working in a regular full-time hazardous duty position that participates in the Kentucky Employees Retirement System or the County Employees Retirement System and is simultaneously employed in a nonhazardous position that is not considered regular full-time, the member shall participate solely as a hazardous duty member and shall not participate under the nonhazardous position unless he or she makes an election within 30 days. HB 89 is assigned to State Government.

**Military Pension Exclusion** – HB 92 (Rep. W. Thomas) would exclude United States military retirees' pension income from income taxation. HB 92 is assigned to Veterans, Military Affairs, and Public Protection.

**Military Pension Exclusion** – HB 95 (Rep. C. Massey) would exclude United States military retirees' pension income from income taxation. HB 95 is assigned to Veterans, Military Affairs, and Public Protection.

**Beneficiary Change** – HB 104 (Rep. B. Wheatley) would allow a retiree who experiences a qualifying event to elect to change his or her beneficiary. HB 104 is assigned to State Government.

**Employer Contribution** – HB 171 (Rep. J. DuPlessis) would change the employer contribution rate to a “level dollar theory” from a strictly percentage basis. HB 171 is assigned to State Government.

**Actuarial Analysis on Bills** – HB 194 (Rep. J. Miller) would establish additional requirements for the completion of the actuarial analysis required for bills pertaining to state-administered retirement systems. HB 194 is assigned to State Government.

**Housekeeping** – HB 207 (Rep. J. Miller) is the housekeeping legislation for the Kentucky Retirement Systems. HB 207 is assigned to State Government.

**Income Exclusion** – HB 212 (Rep. A. Tackett Lafferty) would increase the pension income exclusion from \$31,110 to \$41,110. HB 212 is assigned to Appropriations & Revenue.

**Repeal and Replace Unconstitutional Provisions** – HB 235 (Rep. J. Graviss) would repeal the provisions of SB 151 enacted in 2018 that were declared unconstitutional and void by the Kentucky Supreme Court and reenact those provisions to return them to their original pre-SB 151 language. HB 235 has not yet been assigned.

Income Exclusion – SB 14 (Sen. C. Embry Jr.) would increase the pension income exclusion from \$31,110 to \$41,110. SB 14 is assigned to Appropriations and Revenue.

### *Environment and Energy*

Rate Affordability – HB 126 (Rep. A. Hatton) would include rate affordability when the PSC is determining fair, just and reasonable utility rates. HB 126 is assigned to Natural Resources and Energy.

Residual Landfill Exemption – SB 16 (Sen. C. Embry Jr.) would modify the definition of “waste disposal facility” to specify that all residual landfills are included in the process of local determination and remove the exception for private facilities that dispose of waste on their own private property. SB 16 is assigned to Natural Resources and Energy.

Residual Landfill Exemption – SB 22 (Sen. C. Embry Jr.) would delete incidental or residual waste facilities from the exclusion in the description of waste management facilities; allow fiscal courts to license solid waste landfills and residual landfills and assess increased fees for accepting wastes outside of the waste planning area. SB 22 is assigned to Natural Resources and Energy.

### *Operations*

Key Infrastructure – HB 44 (Rep. J. Gooch) would clarify the definition of facilities, change the penalty to a Class D felony for criminal mischief and impose vicarious liability for those financing the activity. HB 44 is assigned to Natural Resources and Energy.

Cost Efficient Regulations – HB 68 (Rep. R. Wiederstein) would establish procedures to adopt the most cost-effective regulation alternative for those having a major economic impact. HB 68 is assigned to Licensing, Occupations, & Administrative Regulations.

Procurement Preferences – HB 114 (Rep. J. Donohue) would create procurement preferences under KRS 45A for iron, steel and manufactured goods produced in Kentucky and the United States. HB 114 is assigned to State Government.

Advertisement Option – HB 195 (Rep. J. Miller) would allow local government and agencies of a local government to post required advertisements on a web site after a one-time advertisement is published in an actual newspaper. HB 195 is assigned to Local Government.

Special Purpose Governmental Entities Taxes – SB 5 (Sen. Alvarado) increases or new *ad valorem* taxes or fees would be reviewed by the county or city where located. SB 5 is assigned to State & Local Government.

Constitutional Amendment to Limit Damages – SB 51 (Sen. Alvarado) would place on the ballot an amendment to the Constitution to allow the General Assembly to limit noneconomic damages for injuries and to provide statutes of limitation. SB 51 is assigned to State & Local Government.

## *Employment*

Employers Not to Consider Criminal History – HB 43 (Rep. G. Brown) would prohibit employers from considering criminal history as part of the initial job application. HB 43 is assigned to Economic Development & Workforce Investment.

Prevailing Wage – HB 77 (Rep. N. Kulkarni) would create a prevailing wage for all public work projects. HB 77 is assigned to Economic Development & Workforce Investment.

Drug Screening – HB 102 (Rep. J. Sims) would prohibit discrimination based on a positive drug screen for cannabidiol or tetrahydrocannabinol. HB 102 is assigned to Economic Development & Workforce Investment.

Previous Salary – HB 109 (Rep. S. Westrom) would make it discriminatory to ask questions about previous salary or wages and other related actions. HB 109 is assigned to Economic Development & Workforce Investment.

Work Schedules – HB 121 (Rep. M. Cantrell) would require employers to give a good-faith estimate of hours to be worked and related actions on scheduling. HB 121 is assigned to Economic Development & Workforce Investment.

Leave for Crime Victims – HB 122 (Rep. M. Cantrell) would prohibit discharge or retaliation against an employee who is a crime victim when the employee takes leave to attend related proceedings. Other related actions are also prohibited. HB 122 is assigned to Economic Development & Workforce Investment.

Earned Paid Sick Leave – HB 123 (Rep. M. Cantrell) would require employers to provide earned sick leave along with other related actions. HB 123 is assigned to Economic Development & Workforce Investment.

Medical Marijuana – HB 136 (Rep. J. Nemes) would legalize medical marijuana and establish a system to regulate the legalization. HB 136 has not yet been assigned.

Parental Leave – HB 176 (Rep. J. Raymond) would require employers with 50 or more employees to provide 12 weeks paid parental leave to those employed at least one year. HB 176 is assigned to Economic Development & Workforce Investment.

Workers' Comp Medical Benefits – HB 211 (Rep. A. Tackett Laferty) would require an employer to pay medical benefits at the time of injury and thereafter during disability instead of 780 weeks. HB 211 is assigned to Economic Development & Workforce Investment.

Collective Bargaining – HB 231 (Rep. M. Cantrell) would allow employees of Kentucky to collectively bargain. HB 231 has not yet been assigned.

Minimum Wage – SB 13 (Sen. R. Thomas) would increase the threshold of employees of retail stores and service industries from \$95,000 to \$500,000 average gross volume of sales and stage

increase in the minimum wage culminating at \$15.00 an hour on July 1, 2027. Tipped employees would also receive increases. SB 13 is assigned to Appropriations & Revenue.

Hemp-Derived Products – SB 65 (Sen. R. Webb) would provide protections against discrimination against users of hemp-derived products. SB 65 is assigned to Licensing, Occupations & Administrative Regulations.

Attached please find a spreadsheet summarizing the status of bills we are tracking on your behalf. Please do not hesitate to contact us with any questions you may have.

cc: Timothy Kraus

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