



INTERIM RECORD

A SUMMARY OF INTERIM ACTIVITIES

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Pension proposals made by state oversight board

by Rebecca Hanchett
LRC Public Information

FRANKFORT—A proposal that the 2020 General Assembly consider adding the State Treasurer to its Public Pension Oversight Board was one of 10 recommendations approved on Dec. 16 by the board.

Current board membership includes representatives of the Governor, State Auditor, and Attorney General but none from the State Treasurer's office despite that agency's involvement with the public pensions systems, said Sen. Jimmy Higdon, R-Lebanon, one of the board's co-chairs.

"The Treasurer is also involved in the retirement systems, so (it's) a recommendation that the Treasurer also be added," Higdon said.

Another recommendation approved by the board would add state legislators as non-voting members to the boards of the Kentucky Retirement Systems and the state Teachers' Retirement System. Doing so, said Higdon, would help educate legislators about the state's complex pension issues.

"We need all 138 members to understand (pensions), but if we can have several that really get a deep dive into pensions, the better off the General Assembly will be when it comes to pension issues," he said.

Moving the state pension systems away from what fellow board co-chair Rep. Jim DuPlessis, R-Elizabethtown, called a "percent-pay model"

to a "liability-based model" was another recommendation approved today. DuPlessis said the change would incentivize agencies to keep employees in the pension systems by assigning each entity their actual pension liability.

DuPlessis has pre-filed legislation for the 2020 Regular Session that he says could bring some of those changes about.

"What you'll see, I hope, is (some) agencies which would be your rape crisis centers, your spousal abuse centers—they're about a 31 percent of pay, is what they're actually liability is. So when we have them at 49 percent, that's higher than their actual liability is. And they're about to move to 93 (percent)," he said. "So this is a fair way to assess liability to those who really own it."

Other recommendations approved by the board today involve: improving the pension systems' ability to absorb "large shocks" caused perhaps by investment or assumption changes; payment of KRS retiree costs affecting individuals with service in multiple state retirement systems; examination of the level of retiree health and pension fund requests for TRS; and funding of the actuarially-required contribution (ARC) of all state-funded pension systems by the General Assembly, among others.

The PPOB tabled a few proposed recommendations, including a proposal by Rep. Joe Graviss, D-Versailles, to consider removing

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Lawmakers look at regulating car-sharing apps

by Jim Hannah
LRC Public Information

FRANKFORT – The debate on how to regulate the nation's burgeoning car-sharing economy has reached the Kentucky General Assembly.

Officials from the nation's largest car-rental company, a major auto insurer and a popular car-sharing upstart converged on the Capitol on Dec. 17. They appeared before the Interim Joint Committee on Banking and Insurance to ask for legislation regulating computer applications that allow people to rent their cars to strangers.

The question that remained after the meeting was which industry's priorities would be represented in the proposed legislation. Turo, the car-sharing upstart, and Allstate, owner of the car-sharing service Avail, proposed legislation that addressed insurance coverage and consumer protections. Enterprise Holdings, owner of three rent-a-car brands, expressed concern the

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proposed legislation didn't ensure car-sharing platforms follow the same regulatory rules and pay the same taxes as traditional car rental companies.

"Peer-to-peer car sharing has been an innovation that requires some regulatory oversight," said lobbyist Chris Nolan, who testified on behalf of the two ride-sharing platforms. "It deals with the sharing economy. As the sharing economy grows around the country, we have yet another industry that requires attention from state regulators."

Maryland, Colorado and Indiana have all passed car-sharing legislation in recent months, he said.

Dustin Brighton, of Turo, testified that the California-based company has registered more than 850 people willing to "share" their vehicle and another 34,000 willing to drive those vehicles -- just in Kentucky.

"We are not a rental-car company," Brighton said. "Turo itself is a platform connecting those who own cars with those who wish to use a car. We do not own inventory. We don't buy cars, and we certainly don't see ourselves doing that in the future."

He said Turo partnered with Liberty Mutual Insurance to ensure everyone using the platform has proper insurance.

Allstate's Lisa Pierce testified that the business model of Avail differed from Turo. Avail just targets areas with a high concentration of people such as airports and apartment complexes. She said the company is considering expanding to military bases and universities.

The Enterprise official, Luis Rizo, testified that while these peer-to-peer companies are providing a similar service to traditional rental-car companies, they are not currently collecting any taxes or paying any fees to the airports.

"Peer-to-peer rentals can increase the amount of time and number of vehicles on the road," he said. "The renters of these private vehicles, therefore, should also contribute to the road fund the same as if they were renting a vehicle from an incumbent rental car company."

"Additionally, peer-to-peer companies that gain access to the vehicles from the owners that put their cars on the platform have paid no tax, yet they are profiting from that transaction."

At the hearing, Sen. Reginald Thomas, D-Lexington, asked about the maintenance requirements of vehicles on the car-sharing platforms. Brighton said vehicles have to pass



Sen. Reginald Thomas, D-Lexington, questions those testifying about company ride-sharing apps at the Dec. 17 Interim Joint Committee on Banking and Insurance meeting.

a 12-point inspection process to be allowed on the Turo platform.

Committee co-chair Rep. Bart Rowland, R-Tompkinsville, helped develop the model legislation and added that it would address maintenance and recalls.

"Those were some concerns Enterprise wanted in the bill because they are required to

do those things too," Rowland said.

Sen. Rick Girdler, R-Somerset, asked about auto insurance minimum coverage requirements for ride-sharing platforms. Nolan said the proposed legislation would ensure state minimums were met, but Pierce added that ride-share apps now commonly provide up to \$1 million in coverage.

Pensions, from page 1

pension legislation enacted with the passage of 2018 Senate Bill 151 from Kentucky's statutes. The legislation was declared unconstitutional by the Kentucky Supreme Court late last year. Those

proposals will be heard at a future meeting, said DuPlessis.

All approved recommendations will be included in the board's 2019 annual report.

Eating-disorder treatment studied by panel

by Jim Hannah
LRC Public Information

FRANKFORT – Medical personnel placed Meredith Cahill in an isolation room of a hospital psychiatric ward at the age of 14. They left food at her door. They limited access to her mother and father. And they told her they would let her out if she would just stop crying – and eat something.

What led them to place this child in that isolation room back in 2010? A diagnosis of anorexia nervosa.

Cahill recounted the harrowing experience while testifying to the lack of eating disorder treatment options before the Dec. 9 meeting of the Interim Joint Committee on Health, Welfare & Family Services. She urged lawmakers to establish a statewide eating disorder council charged with overseeing a prevention campaign, identifying additional treatment options and advocating for more medical insurers to cover the treatments.

Public health expert Nicholas Peiper joined Cahill to testify that there are nearly 30,000 boys and girls living in Kentucky with an eating disorder – and only one eating disorder facility in the entire state.

The director of that facility, University of Louisville Assistant Professor Cheri Levinson, testified that it opened in 2017, but said plans to offer inpatient care were stymied by Kentuckians' the lack of insurance coverage for eating disorders. Treatment costs average \$20,000 per month, Levinson said. Yet, the only psychiatric illnesses that kill more people is opioid use disorders.

That lack of inpatient care meant Cahill was let out of the psychiatric ward in 2010 – weighing less than when she was admitted – only to be sent out of state to another facility. Nearly a decade later, countless Kentucky youths are still being sent out of state to receive inpatient care.

"Before I knew it, I was flying out to Arizona for my first round of residential treatment," Cahill said while recounting the experience to lawmakers. "This consisted of my parents dropping me off with a group of strangers and then leaving me there for the next ... three months at only 14 years old."

She said when she returned home, she struggled to find a qualified eating disorder specialist, who accepted her parent's insurance, to help her transition back into her first year of high school.

"When it was time to go back to Kentucky, I was terrified," Cahill said while wiping tears

Interim Joint Committee on Health, Welfare, and Family Services Co-Chair Sen. Ralph Alvarado, R-Winchester, comments at the committee's Dec. 9 meeting in Frankfort.



from her eyes. "Due to the long leave of absence, I was forced to repeat my freshman year of high school, and I quickly realized I had no real friends left.

This would start a cycle of out-of-state treatment in Arizona, Indiana, Wisconsin, Missouri and Oklahoma followed by relapses back in Kentucky.

"I was just existing as an empty shell and going through the motions of life without the proper care I needed to make something of myself," Cahill said. "I remember so many nights hoping I wouldn't wake up the next morning so I could escape the mental and physical prison I lived in."

Cahill eventually graduated high school and enrolled at U of L. Her eating disorder didn't go away, however, and she ended up out of state again.

When she returned home, things had finally changed. Levinson's facility had opened, and it offered Cahill intensive outpatient treatment that was covered by her insurance.

"Having specialized treatment here in Kentucky has not only kept me healthy, but it has allowed me to accept a spot in an accelerated master's program, partake in research opportunities ... and, most importantly, begin to cultivate strong friendships for the first time since I was 13 years old," she said.

Cahill has been at home for more than 1 ½ years for the first time since 2010.

"I have lived in Louisville most of my life, yet, it is almost like I'm a transplant that has just moved to the city for the first time," she said. "It makes sense because in the past nine years I have had to leave Kentucky four times ... for almost two-years combined to receive lifesaving treat-

ment."

But Cahill considers herself "one of the lucky ones." She is alive.

Remarking on the bravery Cahill exhibited in telling her very personal journey, Senate Majority Caucus Chair Julie Raque Adams, R-Louisville, said she stood ready to help Cahill meet her goal of establishing that eating disorder council.

"When we hear really stark realities like that," Adams said, "a lot of us open our eyes and open our ears more than we do with some of the other things."

Rep. Steve Sheldon, R-Bowling Green, said creating the council should be the minimum policymakers do. "We have to stop sending our children out of state," he said.

Committee Co-chair Sen. Ralph Alvarado, R-Winchester, said creating an environment to attract doctors to Kentucky was a major challenge in addressing the lack of eating disorder treatment options across the state.

Prompted by the statement, Rep. Mary Lou Marzian, D-Louisville, suggested expanding the scope of practice to include nurse practitioners, psychologist and dieticians in treating eating disorders.

Rep. Danny Bentley, R-Russell, then suggested exploring eating disorder treatment through telehealth, the provision of healthcare remotely utilizing telecommunications technology such as webcams.

Prompted by a question from Rep. Josie Raymond, D-Louisville, Levinson said prevention measures might just be one of the most effective avenues for policymakers to explore. "If we are able to prevent any of these cases, we are saving money, suffering, and lives," she said.

2020 REGULAR SESSION CALENDAR

JANUARY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
		(1)	(2)	(3)	(4)	
12	13	14	15	16	17	18
	(5)	(6)	(7)	(8)	(9)	
19	20 Martin Luther King, Jr. Day	21	22	23	24	25
		(10)	(11)	(12)	(13)	
26	27	28	29	30	31	
	(14)	(15)	(16)	(17)	(18)	

FEBRUARY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5	6	7	8
	(19)	(20)	(21)	(22)	(23)	
9	10	11	12	13	14	15
	(24)	(25)	(26)	(27)	(28)	
16	17 Presidents' Day	18	19	20	21 Last Day for Bill Requests	22
		(29)	(30)	(31)	(32)	
23	24	25	26	27	28	29
	(33)	(34)	(35)	(36)	(37)	

() Denotes Legislative Day

MARCH

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 Last day for new House bills (38)	3 Last day for new Senate bills (39)	4 (40)	5 (41)	6 (42)	7
8	9 (43)	10 (44)	11 (45)	12 (46)	13 (47)	14
15	16 (48)	17 (49)	18 (50)	19 (51)	20 (52)	21
22	23 (53)	24 (54)	25 (55)	26 (56)	27	28
29	30	31 Concurrence (57)				

APRIL

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 Concurrence (58)	2 VETO	3 VETO	4 VETO
5	6 VETO	7 VETO	8 VETO	9 VETO	10 VETO	11 VETO
12	13 VETO	14 (59)	15 SINE DIE (60)	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

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2019 Kentucky General Assembly

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INTERIM JOINT COMMITTEE ON VETERANS, MILITARY AFFAIRS, AND PUBLIC PROTECTION

Minutes of the 3rd Meeting of the 2019 Interim

November 22, 2019

Call to Order and Roll Call

The 3rd meeting of the Interim Joint Committee on Veterans, Military Affairs, and Public Protection was held on Friday, November 22, 2019, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Albert Robinson, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Albert Robinson, Co-Chair; Representative Walker Thomas, Co-Chair; Senators Julian M. Carroll, C.B. Embry Jr., Denise Harper Angel, Ernie Harris, Jimmy Higdon, Dennis Parrett, Wil Schroder, Brandon Smith, Whitney Westerfield, Mike Wilson; Representatives John Blanton, Myron Dossett, Jim DuPlessis, Mark Hart, Matthew Koch, Scott Lewis, Rob Rothenburger, Dean Schamore, Attica Scott, Susan Westrom, Buddy Wheatley, Lisa Willner, and Les Yates.

Guests: Brigadier General Steve Bullard, Executive Director, Kentucky Commission on Military Affairs, Zach Morgan, Executive Assistant, Kentucky Commission on Military Affairs; John Holiday, Executive Director, Kentucky Office of Homeland Security, Mike Sunseri, Deputy Executive Director, Kentucky Office of Homeland Security; General Benjamin Adams, Commissioner, Kentucky Department of Veterans Affairs, Dean Stoops, Deputy Commissioner, Kentucky Department of Veterans Affairs; Lyle Hanna, Chairman, Kentucky Habitat for Humanity Board of Directors, Heath Duncan, Executive Director, Habitat for Humanity of Hopkins Co, Greg Dike, Executive Director, Cave Run Area Habitat for Humanity.

LRC Staff: Jessica Zeh, Jonathan Philpot, and Elizabeth Hardy

After the pledge of allegiance and roll call was taken, Co-chair Robinson introduced the new Co-chair, Representative Thomas, before promptly handing the meeting over to Co-chair Thomas.

Approval of October Minutes

Senator Westerfield moved to approve the October minutes. The motion was seconded by Senator Wilson and the minutes were approved.

Kentucky Commission on Military Affairs

Executive Director of Kentucky Commission on Military Affairs (KCMA), Brigadier General (R.) Steve Bullard discussed KCMA's goals. The first goal is to protect and grow military installations and activities and advocate for future missions including acquiring C-130Js for the Kentucky Air National Guard. There is regular contact between KCMA and the Kentucky Congressional Delegation.

KCMA's second goal is to expand the economic impact of Kentucky defense-related industry. Since fiscal year 2008, the impact has increased by 42.7 percent to \$17 billion, while the average state has dropped approximately 5.4 percent over the same time period. There is also potential for another \$2 billion of growth over the next two years.

KCMA's third goal is to create and implement a model for transitioning service members, veterans, and spouses. To support and train veterans, they aim to form partnerships with several entities including Kentucky Workforce Matters Task Force, Kentucky Works Collective, and several others. A grant of \$1.5 million was also earned to help veterans pay for childcare, fees, and equipment necessary.

Establishing Kentucky as the most military friendly state and growing the veterans population is the fourth goal of KCMA. To achieve this, active cooperation with the Kentucky General Assembly is vital. Since 2000, 18 Senate bills and 99 House bills have been passed on issues such as education, licensing, economic development, taxes, and family support. These bills have taken Kentucky from ranking in the 20s to ranking in the top five of military friendly states. KCMA will continue to work on other initiatives such as easing license restrictions, tax exemptions, and supporting the Bluegrass Station to entice and maintain veterans in Kentucky.

The final goal is to communicate strategically and gain advocacy by commission membership and support through military installations, state and federal agencies, defense industry, Chamber of Commerce, and Association of Defense Communities. Teamwork between the legislature, Kentucky Department of Veterans and Military Affairs, and the Joint Executive Council of Veterans Organizations is also important.

In response to Representative DuPlessis' question, General Bullard explained that if acquired, the new C-130Js will be located in Louisville at the Air National Guard base.

In response to Representative Dossett's question, General Bullard explained there is someone in charge of transitioning programs at Fort Campbell, and they are advocating strongly for those programs.

Co-chair Robinson stated that he supports any military legislation that comes through committee and added that some of legislation needs to be filed early so that it has a chance to go through the legislative process.

Kentucky Office of Homeland Security

John Holiday, Executive Director of the Kentucky Office of Homeland Security (KOHS) stated that Kentucky is safer than it was in 2015, but stressed that work will always need to be done for evolving threats and problems. Since he was appointed as executive director, each employee has a specific and important role as well as job tasks that are vital to the KOHS mission. Politics are no longer involved in the office so over 99 percent of state counties received resources

from the KOHS, the other 1 percent did not apply for them. Accomplishments that have been made over the years include developing one of the best cyber security working groups in the country. The School Safe Initiative was also designed and enforced in the state. However, he explained that there is more that needs to be done to protect students.

Mike Sunseri, Deputy Executive Director of the KOHS and administrator of the 911 Services Board talked about what is best for the 911 system as a whole and why the system follows the law. For example, KRS requires all 911 Board's administrative funds to be audited twice a year. When KOHS took over in 2017, it was discovered the board was 4 years behind on audits. This was remedied by performing a 4 year audit, which revealed that in 2015 more than \$250,000 had been wrongly diverted from a fund committed to 911 call centers. The money was quickly replaced.

He was also excited to report that the 911 Services Board earned a \$2.3 million Next Generation 911 federal grant. Next Generation 911 is an IP based interoperable network that will allow people to call, text, send pictures and video to the call centers versus the copper based technology counties currently have.

Co-chair Robinson commented on what a great job he think John Holiday has done and hopes that he will continue to be director for many years.

Representative Dossett offered his thanks to John Holiday for his impact he has on local communities including Christian county.

In response to Senator Harris' question, KOHS do not have a Sensitive Compartmented Information Facility but instead have a Secure Working Environment since confidentiality only goes as high as secrets within the office.

Senator Higdon thanked Director Holiday for his administration of grants.

Kentucky Department of Veterans Affairs

General (R.) Ben Adams, Commissioner of the Kentucky Department of Veterans Affairs (KDVA), spoke about budget requests. There is high turnover of nursing staff, because the current salary is not competitive. The department also wishes to hire 20 additional field benefits representatives, because they could bring in at least 6,600 more veterans. Funding veteran programs such as Homeless Veterans Program, Veterans Service Organizations Burial Honor Guard Program, and Indigent Veteran Burial Program are also necessary. Additionally, they would also like to provide field representatives with vehicles and increase Veterans Center salaries.

General Adams discussed KDVA's legislative priorities. He believes that tax exemptions of military retired pay and survivor benefits from state income tax will attract people from other states along with exempting Veteran Service Organizations' property tax. Additionally, they want clarification on eligibility for special military license plates and military license plates for spouses. The department wants to amend KRS 132.810 to broaden the homestead exemption to include widowed spouses of disabled veterans and KRS 40.317 which would remove the requirement for the Kentucky Department of Veterans Affairs to have no less than five Veteran Benefits Regional Administrators as well as amend the definition of veteran-owned business.

In response to Representative Schamore's question, General Adams clarified that it is the state who certifies a Service Disabled Veteran-Owned Small Business and said it is required to show proof of twelve months' worth of income which makes it harder for veterans to receive certification. Deputy Commissioner Dean Stoops added that dual certification on a federal and state level is required.

Representative Blanton commented that a law has been passed recently regarding occupational licensing after leaving the military but suggested finding a way to get the message to veterans. General Adams agreed and said that he is going to work with KCMA to achieve that.

In response to Senator Higdon's question, General Adams said he believes there is more positive than negative comments about passing legislation to designate the Honor and Remember flag as the state's emblem.

Senator Parrett commented that he supports funding of the Homeless Veterans Program and the Indigent Veteran Burial Program.

Responding to Representative Rothenburger, General Adams explained that a nurse call center would allow nurses and other staff to talk within the building as well as allowing staff to react to emergencies more efficiently.

Co-chair Robinson thanked General Adams for his dedication to veterans including before he became commissioner of the KDVA.

Kentucky Habitat for Humanity Inc. State Office

Executive Director of Habitat for Humanity of Hopkins County, Heath Duncan, expressed there are many veterans that still need affordable housing in the Commonwealth. He reported that in his district they have recently finished three veteran projects in Hancock County, Madisonville, and Morton's Gap which provided disabled veterans with housing. Soon, his sector will merge with Christian county as well as moving into Webster County so there will be a 3-county affiliate and hope to reach out to more veterans.

Greg Dike, Executive Director of Cave Run Area Habitat for Humanity, first mentioned that southeastern Kentucky is impoverished and rural in many areas, which contributes to many veterans who are often neglected. Because of this, a new program was started called The Appalachian Veterans Project. This organization is managed by veterans and has made a difference with being able to reach out to more people.

Lyle Hanna, Chairman of Kentucky Habitat for Humanity Board of Directors, closed by saying they are always working with Federal Home Loan Bank, the Home Depot Foundation, and other organizations like that to further help the struggling veterans in Kentucky. They will continue to try to bring in money and attention to this issue.

National Guard Association of Kentucky: Patrick Henry Award

Co-chair Robinson and Senator Embry were both rewarded with the Patrick Henry Award for the dedication to veterans in the commonwealth.

The meeting adjourned at 2:57 PM.

INTERIM JOINT COMMITTEE ON BANKING AND INSURANCE

Minutes of the 4th Meeting of the 2019 Interim

November 20, 2019

Call to Order and Roll Call

The 4th meeting of the Interim Joint Committee on Banking and Insurance was held on Wednesday, November 20, 2019, at 10:00 AM, in Room 149 of the Capitol Annex. Representative Bart Rowland, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jared Carpenter, Co-Chair; Representative Bart Rowland, Co-Chair; Senators Julie Raque Adams, Tom Buford, Rick Girdler, Christian McDaniel, Morgan McGarvey, Dennis Parrett, and Brandon Smith; Representatives Terri Branham Clark, Joseph M. Fischer, Deanna Frazier, Jim Gooch Jr., Kathy Hinkle, Adam Koenig, Stan Lee, Michael Meredith, Sal Santoro, Wilson Stone, and Ken Upchurch.

Guests: Patrick O'Connor, Deputy Commissioner of Policy, Kentucky Department of Insurance (KDOI); Mark Treesh, Executive Director, Insurance Institute of Kentucky (IIK); Lisa Pierce, Regional Counsel, Allstate Insurance, and IIK Board Chair; Lindsey McCutchan, Senior Director, State Government Relations, Nationwide Insurance, and IIK Board Member; Greg Mitchell, Insurance Industry Group Chair and Bill Repasky, Member, Frost Brown Todd; and Adam Koehler, Co-Founder, CryptoProperties.

LRC Staff: Jessica Sharpe, Breanna Miller, and Dawn Johnson.

Approval of Minutes

A motion by Representative Santoro and second by Representative Gooch to approve the minutes of the October 2, 2019, meeting carried by voice vote.

Kentucky Department of Insurance 2019 Year End Review

Patrick O'Connor, Deputy Commissioner of Policy, KDOI said the purpose of the agency is to promote sound, competitive insurance markets, public protection through effective enforcement and regulations, and public empowerment through outreach and education. Most importantly, the KDOI regulates and attempts to maintain the financial solvency of insurance companies so they can continue to pay claims. Deputy Commissioner O'Connor said the insurance industry is an economic driver and source of employment for the state. Kentucky ranks 27th in the country by insurance premium volume at approximately \$29 billion.

Discussing highlights from the past year, Deputy Commissioner O'Connor said the agency has built on the opportunities provided by Chairman Rowland's House Bill 386. KDOI has been involved in conferences with a number of interested parties to discuss the Innovation Application process established by that bill. Although no applications have been submitted yet, the bill has generated a tremendous amount of discussion and provided the impetus for Kentuckians to take advantage of new products and opportunities. He explained the new health insurance options

offered by Kentucky's two marketplace insurers, noting that CareSource lowered rates while Anthem's rates increased slightly. There is renewed interest in alternative risk management opportunities, which is probably due in large part to last year's association health plan bill sponsored by Representative Adam Bowling. Deputy Commissioner O'Connor also said that telematics will be used into the foreseeable future to provide new opportunities for consumers, which bring up issues in terms of what data can be used to determine insurance rates.

KDOI's Division of Fraud held an event on Insurance Fraud Day, November 12, which was highly attended.

Deputy Commissioner O'Connor said he was proud of the agency's work on grants, especially for preventative health care services. Preventative services under the Affordable Care Act are provided without cost sharing and extend well beyond standard vaccinations and physicals. These services are underutilized; however, after careful review of preventative care providers, leftover grant money was repurposed to take preventative care to the next level. Insurers and medical providers, groups typically at odds, met to address the issue. A grant extension has been requested to inform the public of the benefits available and how they can improve their health status.

Deputy Commissioner O'Connor said the agency's red tape initiative continues to reduce, repeal, and amend regulations.

Deputy Commissioner O'Connor provided a KDOI division update. The Agent Licensing Division has administered over 9,000 examinations through November 2019. There are over 400,000 insurer appointments and over 144,000 insurance agents licensed to do business in Kentucky. The division continues to administer examinations, handle license renewals, and review and approve continuing education to ensure agents are informed of the latest products and continue to serve their clients. The Consumer Protection Division (CPD), with 14 staff members, received over 8,900 phone calls in the first 10 months of 2019. The majority of calls dealt with property and casualty insurance issues. Through November 20, CPD received over 2,700 complaints. CPD has recovered almost \$5 million for consumers and entities. The Market Conduct Division is the law enforcement of insurers. They perform detailed exams of insurance companies' claims processes to ensure claims are being processed correctly. There are 46 ongoing corrective action plans. The agency has recovered approximately \$163,000 in civil penalties and approximately \$37,000 in restitution to consumers. Examination costs can be expensive due to the use of contract examiners, who are subject matter experts, but all costs are billed back to the company. The mission of the Financial Standards Division (FSD) is to maintain and ensure the financial solvency of insurance companies. The FSD licenses insurance companies and oversees their financial statuses. There are over 1,600 licensed insurers in Kentucky and 52 captive insurers. Over the past year, FSD has received and approved 21 foreign and three domestic company certificates of authority. The Insurance Product Regulation Division (IPRD)

reviews all insurance product filings, of which there are a substantial number, and they are responsible for No Fault rejections submitted under Subtitle 39 of KRS Chapter 304. Over 7,000 rejections were processed in the last year. The IPRD also regulates the surplus lines market. The surplus lines regulation process is now electronic to improve efficiency for both reporting and payment. For the first two quarters of 2019, IPRD collected over \$3 million in surplus lines taxes. The Division of Insurance Fraud Division has 15 fraud investigators throughout the state. In 2019, the division received 1,400 referrals resulting in 155 open cases, 75 felony convictions, and over \$300,000 in restitution. Over the last four years, the fraud investigation unit has been responsible for almost \$10 million in restitution—a record for the Division.

Deputy Commissioner O'Connor outlined other KDOI resources, including the agency's work with local government officials to notify insurers of the Local Government Premium Tax (LGPT) rates, a substantial source of revenue for local governments. The agency has worked diligently with all local governments through the LGPT Advisory Council to address issues as they arise. He said the Administrative Services and Legal Services Divisions are also valuable resources, as well as the KDOI website.

Chairman Rowland thanked Deputy Commissioner O'Connor for being an invaluable source of knowledge, information, and assistance to the committee.

Insurance Institute of Kentucky 2020 Legislative Agenda

Mark Treesh, Executive Director of IIK; Lisa Pierce, Regional Counsel, Allstate Insurance and IIK Board Chair; and Lindsey McCutchan, Senior Director, State Government Relations, Nationwide Insurance and IIK Board Member introduced themselves. Mr. Treesh said the IIK is the state trade organization for property and casualty and life insurers. The IIK is not involved with health insurance. They advocate on behalf of IIK members and insurance consumers. Mr. Treesh said that any comments by Ms. Pierce and Mr. McCutchan will be on behalf of IIK. Mr. Treesh said the legislative issues addressed are those that are ready for public presentation but others may be brought forth during the legislative session.

Two issues are National Council of Insurance Legislators (NCOIL) model acts. NCOIL passed a Model Towing Act, which came after a bill sponsored by Senator Carpenter in 2015, to address some issues in the towing industry. The issues include: rate variances if insurance is involved, lack of transparency, restrictions on insurer access to vehicles, excessive gate fees, and high storage fees. Key provisions of the model act require tow truck operators to document vehicle damage prior to the vehicle being removed by the tow truck, provide rate information to consumers before a vehicle is towed, require invoicing within 24 hours of request from an insurance company, require release of vehicles to the responsible insurance company upon payment of all costs incurred against the vehicle that is towed and stored, and require towing or storage companies to return calls within 24 hours. Mr. McCutchan said towing issues vary by state. Some states consider these fraud matters and

some have a significant problem with "rogue towers." Most often, fee transparency is a problem as well as adjuster access to towed vehicles. He said Indiana has passed a bill similar to the model act that has been a success.

Mr. Treesh explained that in May 2018 the American Law Institute (ALI) approved its Restatement of the Law of Liability Insurance, which was controversial. The restatement was seen as deviating from settled insurance law in a majority of jurisdictions. A number of states have addressed this and several others are considering action. NCOIL passed a model law, sponsored by Representative Joe Fischer, in July 2019. Representative Fischer said he currently has a bill in progress that is based on the model law. Traditionally, the interpretation of insurance contracts has been reserved to state legislators and judicial branches of government. Academic treatises, like restatements, have been given respectful due deference, but they have never been traditionally allowed to be an actual restatement of the law in any state. The ALI treatise does depart from Kentucky law on a number of contract interpretation issues. Mr. Treesh said the IIK would like to go on record as supporting Representative Fischer's legislation and will advocate on its behalf.

Another area of interest to the IIK is depreciation of labor with actual cash value property claims, which primarily involves homeowners insurance. The question, which was addressed in the federal court case of State Farm v. Hicks, is whether labor should be included in depreciation calculations. The court interpreted 806 KAR 12:095, a Kentucky insurance regulation. Holding the regulation to be ambiguous, the court construed the regulation in favor of policyholders, which meant that labor would not be depreciated even though premiums had been based on that expectation. IIK is looking at what language may be necessary to address the issue. The Kentucky Department of Insurance is watching a federal case in Ohio before taking action. This issue could be addressed statutorily by allowing insurers to use depreciation of labor to determine actual cash value if it is stated in the policy.

Mr. Treesh explained that due to the growing problem of distracted drivers and the impact on claims, IIK members support banning the use of hand-held cell phones and other devices. There are currently two prefiled bills, BR 166, sponsored by Representative James Tipton, and BR 212, sponsored by Representative Regina Huff that address the issue. IIK supports the concept of legislation addressing the issue and is not advocating for any particular piece of legislation.

Blockchain Technology in the Banking and Insurance Industries

Greg Mitchell, Insurance Industry Group Chair, Frost Brown Todd said the presentation would include a description of the high level concept of blockchain technology, its application, and potential uses in the insurance and financial services industries.

Adam Koehler, Co-Founder of CryptoProperties described blockchain technology as a ledger of transactions. The most well-known application of blockchain is Bitcoin; however, cryptocurrency and blockchain are not the same thing. Blockchain is the

underlying technology that has a lot of applications in many different industries. One benefit of blockchain is that it is decentralized. There is no central authority overseeing blockchain. Its members control the blockchain and have full transparency of what is on it. This type of technology works best in applications such as supply chain and logistics. Blockchain is distributed ledger technology using advanced cryptography techniques to secure the blockchain and ensure it is immutable. It creates a secure ledger of information and prevents unauthorized modification, addition, or removal of data. There must be a consensus of a majority of members on a blockchain to update a blockchain ledger. It is only updated; it cannot be changed. The advantages of this technology are data security and a clear audit trail. Blockchain technology removes the need for trust between third party organizations, allowing collaboration between competitors. There is an ability to create a more secure, efficient, cost-effective, and consumer-friendly experience.

Mr. Mitchell discussed practical applications within the insurance industry. He said insurance is simply a contract. In using blockchain technology, insurance companies and the distribution channel can design an insurance contract that can be executed without “friction,” with the ability to trace transactions. All parties to the contract will have the same information. It can be used in adjudicating claims. Referring to previous testimony about claims audits, Mr. Mitchell said blockchain will be cost-effective because it enables claims to be paid faster and reduces mistakes made during the claims process. Blockchain will allow one system of record for everyone involved and will allow everyone to have access to the same information.

Mr. Mitchell spoke about smart contracts through blockchain technology. Distributed ledgers will enable simple contracts to automatically execute when specified conditions are met and will enable full transparency. A smart contract is a pre-programmed contract containing rules and conditions of the agreement by all counterparties, which is then translated into code. If an event within the contract occurs, the code automatically executes. Once executed, the terms of the contract will automatically transfer the value to the relevant parties, followed by the settlement and the transfer of the value to counterparties, which is recorded on the blockchain.

Bill Repasky, Member, Frost Brown Todd said that now is the time to promote blockchain technology. Its use in the industry will be transformative. Mr. Repasky recommended forming a study group or task force to provide data and information, and establish guidelines for this growing technology. He said many Kentucky businesses are already involved in blockchain technology. Logistics and insurance are prime examples. He recommended identifying businesses in the state who use blockchain technology to determine what can be done to encourage its growth in the state. Mr. Repasky suggested legislatively recognizing and defining what blockchain technology and smart contracts are as other states have done. He said property interests should be protected for innovative companies who want to bring jobs to Kentucky. He also recommended adopting a definition of money

under the Kentucky Money Transmitter Act, KRS Ch. 286.11, that excludes virtual currencies, noting that several states are moving in that direction.

Mr. Koehler said he is in the business of start-ups and is involved in start-up communities. He spoke on Cintrifuse and their start-up space. He noted the top technology in their strategic plan is blockchain because they understand blockchain is a game changer and is the direction the start-up community is headed. Focusing on blockchain and supply chain can be of tremendous value to the region. It develops a brand. Supply chain logistics employs everyone. He noted that certain areas of Kentucky are strategically located and are within a day’s drive from 40 percent of the United States population. Many companies want to bring jobs to the area promoting blockchain technology. Mr. Koehler said financial services is another key area to focus on. Ohio and Wyoming are moving ahead in blockchain technology. Mr. Koehler said Kentucky should move forward and create a brand for technology in Kentucky. Blockchain is on the cutting edge.

Senator Smith said Kentucky is farther along in blockchain than most people realize. The Natural Resources Committee has been talking about blockchain technology and its use in energy and security since this spring. Senator Smith said there is a bill being drafted, but it is on hold until after today’s testimony. He suggested committee members may want to cosponsor the bill. It will create a task force for Kentucky to become a leader in how we secure access for different utilities and different investments, whether it is insurance or banking. He said this technology is not new, it has existed since 1991, but it took Bitcoin to show how effective it is. It brings clarity and a degree of security to the internet that has not been available until now. Senator Smith commended the presenters for their work.

There being no further business, the meeting adjourned at 11:15 AM.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on General Government,

Finance, Personnel, and Public Retirement Minutes of the 4th Meeting of the 2019 Interim

November 19, 2019

Call to Order and Roll Call

The fourth meeting of the Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement of the Interim Joint Committee on Appropriations and Revenue was held on Tuesday, November 19, 2019, at 8:00 AM, in Room 131 of the Capitol Annex. Senator Robby Mills, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair; Representative Jim Stewart III, Co-Chair; Senators Dennis Parrett and Phillip Wheeler; Representatives Kevin D. Bratcher, Mark Hart, Adam Koenig, Michael Meredith, Suzanne Miles, Jerry T. Miller, Patti Minter,

Phillip Pratt, Wilson Stone, and Nancy Tate.

Guests: Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers’ Retirement System (TRS); Andrew Powell, Henderson County Property Valuation Administrator (PVA); and, Cindy Martin, Boone County PVA and Chair, PVA Budget Committee.

LRC Staff: Chuck Truesdell, Emma Mills, Liz Columbia, Nick Peak, and Spring Emerson.

Approval of Minutes

Chair Mills called for a motion to approve the minutes of the October 1, 2019 meeting. Motion was made by Representative Koenig, seconded by Representative Hart, and the minutes were approved without objection.

Retired Teachers’ Health Insurance

Mr. Barnes provided a brief overview of retired teachers’ health insurance within the Teachers’ Retirement System.

In response to questions from Representative Miller regarding the cost of retired teachers’ health insurance, Mr. Barnes said one reason for the increase in the funding ratio from 36 percent to 46 percent was due to proactive cost-controlling measures. There are twenty-five years remaining on the amortization schedule for the unfunded liability of pensions, which increased for the third consecutive year. The funded ratio from fiscal year 2018 to fiscal year 2019 went from 57.7 percent to 58.1 percent. The ten-year projection is looking better than previously expected. Mr. Barnes explained that the drop in the TRS budget request from \$79 million to \$73 million in the first year, and from \$86 million to \$81 million in the second year, is without the non-single subsidy, based on the 2018 evaluation.

In response to questions from Representative Meredith regarding the genetic testing, Mr. Barnes said there are many possibilities for various tests, such as predispositions to addictions or breast cancer, even though this program only tests for drug compatibility in patients. Mr. Barnes will provide contact information for the testing company to the committee at a later date.

In response to a question from Representative Meredith, Mr. Barnes said investment adjustments are made as necessary whenever the market fluctuates.

In response to a question from Co-Chair Stewart regarding the differences in the TRS and the Kentucky Employees’ Retirement System (KERS), Mr. Barnes said retired teachers pay a portion of their health insurance premiums, whereas KERS pays that on behalf of retired state employees.

In response to a question from Representative Tate, Mr. Barnes said statute gives the TRS Board the authority to make changes to the health benefit coverage provided to teacher retirees.

In response to a question from Chair Mills, Mr. Barnes said from 2005 to 2010, a portion of the pension contribution was reallocated to fund medical insurance and had been repaid with interest. The Commonwealth issued a bond in the amount of \$467 million in August 2010, with \$2 million of that being used for the cost of the bond. Therefore, \$465 million was used to repay the pension fund in full.

Property Valuation Administrators (PVAs)

Mr. Powell and Ms. Martin provided an overview

of budgetary issues of the PVAs.

In response to questions from Representative Meredith, Mr. Powell said a statewide mapping initiative has been discussed, is still in its infancy, and cost estimates will be provided at a later date.

In response to questions from Representative Stone, Ms. Martin said there are 634 PVA employees across the state that are reallocated by formula based on parcels, which is determined by the PVA Association.

In response to a question from Representative Hart, Ms. Martin said the requested \$16.2 million would restore PVA funding back to 2009 levels. Mr. Powell added that they are working toward being the most productive with the least amount of burden.

In response to questions from Co-Chair Stewart regarding the gap in health insurance coverage due to different swearing-in dates for different officials, Ms. Martin said PVAs are sworn in on the first Monday in December and their health insurance starts on February 1, while county officials are sworn in on January 1.

Chair Mills thanked all the PVAs that were in attendance. There being no further business before the subcommittee, the meeting was adjourned at 9:25AM.

INTERIM JOINT COMMITTEE ON STATE GOVERNMENT

Minutes of the 5th Meeting of the 2019 Interim

November 21, 2019

Call to Order and Roll Call

The fifth meeting of the Interim Joint Committee on State Government was held on Thursday, November 21, 2019, at 10:00 AM, in Room 154 of the Capitol Annex. Representative Kevin D. Bratcher, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Wil Schroder, Co-Chair; Representatives Jerry T. Miller, Co-Chair, and Kevin D. Bratcher, Co-Chair; Senators Ralph Alvarado, Denise Harper Angel, Christian McDaniel, Morgan McGarvey, Robby Mills, Albert Robinson, Damon Thayer, and Johnny Ray Turner; Representatives Tina Bojanowski, Tom Burch, McKenzie Cantrell, Jeffery Donohue, Jim DuPlessis, Larry Elkins, Joseph M. Fischer, Kelly Flood, Joe Graviss, Richard Heath, Scott Lewis, Mary Lou Marzian, Reginald Meeks, Jason Nemes, Jason Petrie, Attica Scott, Steve Sheldon, Ken Upchurch, and Les Yates.

Guests: Michael Adams, Secretary of State-Elect; John Steffen, Registry of Election Finance; Don Blevins, Fayette County Clerk; Gabrielle Summe, Kenton County Clerk; and Eric Lycan and Joanna Decker, LRC staff.

LRC Staff: Roberta Kiser, Alisha Miller, Michael Callan, Daniel Carter, Kevin Devlin, Karen Powell, and Peggy Sciantarelli.

Approval of Minutes

The minutes of the October 3, 2019, meeting were approved without objection, upon motion by Representative Heath.

Welcome of Secretary of State-Elect

Michael Adams, Secretary of State-Elect, was

invited to speak to the committee. He will assume office in January 2020.

Mr. Adams discussed his background and qualifications. He said that Secretary of State Allison Lundergan Grimes and her staff have been gracious and helpful to him and his transition team. His transition team includes Democrats and progressives, and he welcomes their perspective.

Mr. Adams stated that his conservative campaign platform had three main focuses—addressing the turmoil within the office of Secretary of State, cleaning the voter rolls by removing the names of the deceased and nonresidents, and enacting a law to require a photo ID for voting in Kentucky elections. The neighboring states of Indiana, Tennessee and Virginia, and some other states, require a photo ID.

His goal is to quietly do his job in a professional manner, restore confidence in the office and the elections process, and reassure all parties that he will be fair and cognizant of their concerns. He wants to rebuild the relationship of his office with the State Board of Elections and to work with local officials, especially county clerks. He will demand integrity from his staff and will assess whether structural changes are needed.

Mr. Adams said he wants to make it easy to vote. A recent MIT study of all 50 states looked at the wait time at polling sites and found a significant rise in waiting times for Kentucky voters between 2014 and 2018. It also found that wait time is longer nationwide for people in poor neighborhoods. He intends to research whether that is a problem in Kentucky that needs to be remedied. He fully supports restoration of voting rights to convicted felons who have paid their debt and believes this should be done by passage of a constitutional amendment rather than executive order. Kentucky is under a court order to clean the voter rolls, and federal and state law require this to be done on a regular basis. It is also his goal to have a photo ID requirement implemented in 2020.

Representative Bratcher voiced approval for requiring photo ID. He said the right to vote is sacred, and he hopes that the political parties and everyone in Kentucky will be able to work together and have confidence in the government.

Senator Thayer congratulated Mr. Adams on his election and said he looks forward to working with him. He asked about the timeline for cleaning the voter rolls and complying with the federal consent decree. Mr. Adams said Kentucky law prohibits purging the voter rolls within 90 days of an election. He believes it is reasonable that the voter rolls can be cleaned prior to the November 2020 general election, but, if possible, he would like to have it done in time for the 2020 primary elections.

Senator Thayer said he is happy that voter ID is a legislative priority of the secretary-elect. In states where a voter ID law has been upheld, a key component with respect to constitutionality is the requirement for government to cover the cost of the ID for those who cannot afford it. He and Senator Mills have been working on a voter ID bill that will include that cost directive. They will also work with Senator McDaniel to have funding included in the budget. The estimated cost is \$250,000-\$300,000 annually. Senator Thayer said he and Senator Mills are prepared to share a

copy of the proposed bill with the secretary-elect and receive his input before it is filed for the 2020 session. Mr. Adams agreed that providing for a free ID needs to be included in the legislation in order to be judged constitutional if challenged in court. He said it is also the humane thing to do.

Senator Thayer said he could support a constitutional amendment to restore the voting rights of felons if it requires a reasonable crime-free waiting period before rights are restored. It should also only be available for certain types of crimes.

Representative Miller suggested that the ability to vote early should be expanded to make voting easier for persons who have a conflict with their work schedule, such as first responders, medical personnel, and airline pilots. Mr. Adams said he agrees with that but does not support unlimited early voting. Some states that have unlimited early voting have found that it has not met expectations.

Representative DuPlessis inquired about plans to purge the voter rolls, which is a priority for him. Mr. Adams said it is a matter of law, and he intends to do it. This function was last performed during the tenure of Secretary of State Trey Grayson. To comply with the federal consent decree will probably require negotiations with Judicial Watch, the U. S. Department of Justice, and other involved parties. His goal is to clean the voter rolls prior to the 2020 primary elections but, more likely, this will not be completed until the November general election.

Senator Alvarado said he has heard concerns about the potential for tampering in the new electronic voting systems and the lack of an audit system for transfer of data. Mr. Adams said he has been contacted by election officials and others who are concerned that the systems lack an adequate chain of custody. This is an issue that he wants to assess and which may require a fix, either administratively or by statute. Senator Alvarado also spoke about the potential need for legislation to allow early voting for persons defined as essential medical personnel.

Senator Thayer said he wants to make voting easier but opposes unlimited early voting because it is ripe for fraud and unfair to campaigns that are designed to peak on election day. He asked Mr. Adams his opinion about expanding voting hours or having polls open from 7:00 a.m. until 7:00 p.m. Mr. Adams said there is a crisis in recruitment of enough poll workers. He supports expanding the hours but also would like to make it easier for poll workers, perhaps by dividing the 14-hour shifts into two 7-hour shifts. He would also welcome feedback from legislators regarding changing the law to facilitate voting by mail. He said it would be easy to address the long wait times for early voting in Jefferson County by amending the statutes to allow early voting in the satellite county clerk offices in addition to the county clerk's central office. He intends to offer other suggestions for the General Assembly's consideration to make the voting process easier.

Senator Thayer said that any plans to expand voting hours should be done in conjunction with the input of county clerks and that any changes to early or absentee voting should be viewed with caution. He asked Mr. Adams to review changes that have been made to voting laws over the past few years to

determine whether they are working and whether they are susceptible to fraud or cheating. Mr. Adams replied that vote fraud is real and needs to be taken seriously.

Representative Bratcher thanked Mr. Adams for his attendance and issued him an open invitation to address the committee regarding his concerns or legislative proposals.

Registry of Election Finance – Update and Legislative Agenda

Guest speaker was John Steffen, Executive Director of the Registry of Election Finance. Mr. Steffen said the Registry is continuing to implement the changes enacted in Senate Bill 4 (2019 RS). They do not have a legislative proposal for the 2020 regular session but might have some “cleanup” legislative proposals in 2021, which is not an election year.

Mr. Steffen said that Senate Bill 4 requires mandatory electronic filing of campaign finance reports, and development of the electronic filing system is a work in progress. Shortly before the November election, part of the system became live to enable candidates for the 2020 primary election to file a KREF 001 form. Legislators file this form with the secretary of state, and other candidates file it with county clerks. Creating an account in the new system is fairly painless, and Registry staff will gladly lend assistance. The process works, and approximately 50 accounts have been created thus far. Electronic filing will be required for the first time in the primary election cycle.

Mr. Steffen said the annual report filing deadline is approaching soon. The report will still be filed on paper but must be filed electronically in 2020. The first electronic filing requirement for anyone is the 30-day pre-primary election filing, which will be due in April. That part of the system should be operable after the first of the year, and it can be used as a tool for storing an individual’s campaign finance records. The phone app is not available yet, but the electronic filing system can be accessed through the Registry’s website. The process is expected to be smoother by mobile phone than via computer desktop. He concluded his update by stating that the Registry appreciates the significant improvements and changes that have been made to campaign finance laws in recent legislative sessions.

Representative Bratcher asked whether there is a contingency plan to address problems that might occur with the new system. Mr. Steffen said there were a few minor glitches when the system initially went live, but after multiple tests and retests, he is confident the system will be ready and operable according to schedule. He is pleased with Kentucky Interactive’s work on the system, their resources, and their response time when needed.

Representative Burch said he and his campaign treasurer have tried but been unable to access the system. Mr. Steffen said he will be glad to work with Representative Burch and that assistance for candidates is available at the Registry office. He explained that registration is a two-step process and that candidates should have their treasurer available at the time they register.

Representative Bojanowski asked whether someone who currently uses a system that is capable of filing electronically will be able to continue using

it after the first of next year. Her concern is whether all the data would have to be retyped. Mr. Steffen said that electronic filing will be allowed only on the new system. Candidates will be able to use the same vendor and may export data into the Registry’s system if they choose to do so, but it may be a two-step process. Senator Harper Angel said she has always filed electronically and is glad to hear that the data can be exported.

Responding to Representative Flood, Mr. Steffen said that electronic filing involves no fees. The KERF 001 form filed with the secretary of state will have to be on paper, but he advised committee members to register in the new system now in order to address any potential problems that might occur.

There were no further questions, and Representative Bratcher thanked Mr. Steffen for his testimony.

KY County Clerk’s Association – Update and Legislative Agenda for 2020

Guest speakers were Don Blevins, Jr., Fayette County Clerk, and Gabrielle Summe, Kenton County Clerk and immediate past president of the Kentucky County Clerk’s Association (KCCA). Mr. Blevins is also co-chair of the KCCA elections committee. He said the committee has created a list of practical and noncontroversial ideas for legislative proposals and has been working with Representative Bratcher to sponsor a bill for the 2020 regular session.

Mr. Blevins said that recruiting and retaining election officers has become problematic for county clerks. KCCA is suggesting minor changes that should improve the ability to recruit poll workers. Currently, if someone changes party affiliation, they must sit out a full year in order to serve as an election officer. KCCA proposes that someone may serve as an election officer if the change in party occurs before December 31 of the prior year. Currently, precincts are required to have two election officers from each of the two major political parties. KCCA proposes allowing registered independents to also serve, but still require that the two crucial judge positions include both a democrat and a republican.

Mr. Blevins said that most counties have separate voting equipment and officers for each individual precinct. In voting locations that serve more than one precinct, it would make sense and save a lot of money to consolidate by using fewer sets of machines and requiring fewer sets of officers. This can be done legally now, but KCCA would like to have enabling legislation to specifically authorize it in statute. Fayette County recently purchased new machines, in preparation for implementing paper ballots next year. By consolidating machine use, Fayette County was able to purchase fewer machines and saved more than \$1 million.

Mr. Blevins said that KCCA has other proposals relating to absentee voting, duplication of paperwork in candidate filing, and other minor changes. A bill should be available for review in the near future.

Senator McDaniel said he looks forward to working with Mr. Blevins, Ms. Summe, and KCCA, and he expressed appreciation for their work and their bipartisan commitment to fairness in elections. There was no further discussion, and Representative Bratcher thanked the speakers.

Legislation Relating to Election Contest Boards

LRC staff guest speakers were Eric Lycan, General Counsel for House Majority Leadership, and Joanna Decker, General Counsel and Senior Policy Adviser for the House Democratic Caucus. Ms. Decker testified on behalf of Representative Rocky Adkins, House Minority Floor Leader.

Ms. Decker said that Representative Adkins would like to express his strong support for the General Assembly to pass legislation to address issues relating to close elections. He believes the draft legislation has potential to resolve problems relating to provisions in current law that provide for a recanvass but not a recount in certain elections.

Mr. Lycan, who spoke on behalf of Speaker Osborne, said that the bill is bipartisan. It is sponsored both by House Speaker David Osborne and House Minority Leader Adkins to try to remedy problems that became apparent after a 2018 House district election. It does so primarily by separating the mechanisms for a regular recount from an election contest that may allege irregularities or voter fraud. It provides for an automatic recount if an election is within half a percentage point or less. The automatic recount removes discretion and politics from the process. The recount is done at the county level by election professionals and would be paid for by the state rather than by the candidates. The current system favors the wealthy candidate who can afford to pay for a recount. The bill provides for election security and a chain of custody for the ballots and the voting machines, which is not addressed in current election contest statutes. The bill will help restore confidence in the integrity of elections.

Representative Bratcher said it alarms him that an election might have to be decided by the General Assembly. It is his understanding that the proposed legislation will provide a process that should prevent that from happening. Mr. Lycan said the bill provides that an appeal of a recount would be directed to the House or Senate chamber, but, in practicality, very few contests would be filed for a recount after an automatic recount has taken place. Election problems related to other than ballot counting would still be referred to the chamber.

Representative Graviss asked whether a statute or regulation will provide for transparency in the process—who pays the cost of a recount, where the money comes from, and the amount allowed from different sources. Mr. Lycan said there would be transparency, and he believes existing statutes would address those issues. The bill specifically allows political parties, political groups, or political organizations, as defined in statute, to post a bond and pay for recounts, but it must be reported. The automatic recount would be paid for by the state, and an optional recount would be paid for by the candidate.

Responding to questions from Representative Burch, Mr. Lycan discussed the process outlined in the proposed legislation. Ms. Decker stated that Section 153 of the Kentucky Constitution gives the General Assembly power to decide a contested election and that, in the event of a lawsuit, the courts would likely pay close attention to Section 153.

Responding to Representative Miller, Mr. Lycan

confirmed that the proposed legislation does not apply to primary elections.

Representative Petrie said that the question is when, not whether, there might be another contested election. He expressed appreciation for the bill and for efforts to establish a bipartisan process to address future close elections.

Representative Nemes clarified that in the District 13 House election, Representative D. J. Johnson, in order to avoid a lawsuit, decided not to proceed with the election contest after the recount produced a tie vote. Regarding the legislation under discussion, he said he is concerned about requiring a recount to be automatic and suggested that it should be discretionary instead. He questioned whether an automatic recount would be in the best interest of the state, considering the length of time it would require. He said that if a recount had been requested in the recent governor's race, the vote might not yet be final. Mr. Lycan said that Representative Nemes' concern is understandable but that in close races the voters deserve assurance that their vote has counted. Under the proposed bill, he believes the recount in the governor's race would have been timely completed. If that is not the case, he acknowledged that Representative Nemes has made an excellent point that needs to be addressed. He said that the time concern would probably only apply to the office of governor because he/she assumes office soon after an election. He noted that House Bill 522 (debated but not passed in the 2019 RS) originally allowed the losing candidate to waive the right to an automatic recount. The House committee removed that provision because of concern about assuring a correct vote count. Representative Nemes said that if the proposed legislation was the law today, he is not sure that Governor-elect Beshear would be sworn in on December 10. He suggested eliminating the requirement for a canvass if the legislation is going to require an automatic recount in a governors' race. That would provide additional time to complete the recount. He also said he is not sure he will be able to support the bill.

Responding to questions from Representative Fischer, Mr. Lycan said that HB 522 also applied to gubernatorial elections. Under current law an election for governor can be contested, but there is no provision for a recount. A .5% vote margin is probably the most common standard nationwide for requiring an automatic recount. The proposed draft legislation would allow a candidate to bypass a recount when contesting an election. The cost of the recount in the District 13 election contest was approximately \$10,000. Mr. Lycan agreed when Representative Fischer suggested that the cost of a statewide recount in all House districts might be as much as \$1 million (100 districts x \$10,000).

Representative DuPlessis said a candidate contesting a close election would likely have received substantial campaign donations from supporters, and he does not think the cost should be shifted to the taxpayers. Mr. Lycan pointed out that candidates have the right to put an unlimited amount of their own funds into their campaign account. He also referred to a 2015 Republican gubernatorial primary when a candidate lost by an 83 vote margin and had already received the legal maximum in donations. When

Representative DuPlessis suggested that the proposed bill could allow candidates to solicit additional funds from donors who had given the maximum allowed, Mr. Lycan said that would be a good solution. It has been done for recanvasses and recounts at the federal level, even without statutory change, but, in his opinion, would require a statutory change in Kentucky.

Senator Thayer said he wants assurance that the bill would not cede power from the legislature to the courts to decide an election contest. Mr. Lycan said it absolutely would not; any appeal on a recount would go to the legislative chamber in an election contest and not the courts. In his opinion, the courts do not have the power to intervene.

Discussion concluded. Representative Bratcher thanked the speakers.

Proposed Constitutional Amendment Relating to Terms of Office of Members of the General Assembly.

Representative Heath discussed his draft legislation proposing to amend Sections 30 and 31 of the Constitution of Kentucky relating to terms of members of the Kentucky House of Representatives. It has not been prefiled, and he provided copies to the committee. It would provide that members could be elected to four-year terms instead of two-year terms. If enacted, the question would appear on the ballot for the 2020 general election. If the constitutional amendment were to be approved, at the general election in November 2022, and every four years thereafter, candidates in even-numbered House districts would be elected to four-year terms. At the general election in November 2024, and every four years thereafter, candidates in odd-numbered House districts would be elected to four-year terms.

Representative Heath said he prefers that the legislation be considered as a stand-alone bill, with no amendments. The ballot language has not been determined. He is proposing the bill for three reasons—to address voter confusion, voter fatigue, and legislators' use of their time. All city, county, and statewide elections are for four-year terms, whereas House members only have two-year terms. To be re-elected, they must constantly raise campaign money, revisiting the same donors. As citizen legislators, most House members have jobs and business responsibilities at home, in addition to their legislative responsibilities, and a significant amount of their time is needed for campaigning. He also said he has consulted with Senator Stephen Meredith, who proposed legislation in the past to change Senate terms from four to six years.

Representative Donohue said he believes House members should have four-year terms but be limited to two successive terms; likewise, Senate terms should be for six years and limited to two successive terms. After serving two terms, House and Senate members should be allowed to run for election in the other chamber. Representative Heath said he has heard that proposal from others, but he is not a proponent of term limits. He said that 60 new members joined the House during the last two years, and he is concerned about the lack of institutional knowledge in the House when terms last for only two years.

Senator Schroder said he thinks the majority of

states, like Kentucky, have two and four-year terms, but he would be interested to have information about the length of terms in other states. Representative Heath said that is a good question and that he also would like to have that information. He said it varies from state to state and that in Georgia both the House and Senate have only two-year terms.

Representative DuPlessis said he believes the bill has merit and that he will support it.

Representative Bratcher announced that the committee would meet again on Monday, December 16, at approximately 3:00 p.m., upon adjournment of the meeting of the Public Pension Oversight Board. Business concluded, and the meeting was adjourned at 11:45 A.M.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on Transportation

Minutes of the 6th Meeting of the 2019 Interim

November 19, 2019

Call to Order and Roll Call

The sixth meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on Tuesday, November 19, 2019, at 10:00 AM, in Room 131 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Sal Santoro, Co-Chair; Senator Dennis Parrett; Representatives Chris Fugate, Thomas Huff, Phillip Pratt, Bart Rowland, John Sims Jr, and Ken Upchurch.

Guests: Gary Valentine, Executive Advisor for Project Development, Office of State Highway Engineer, KYTC; Paul Mooney, Deputy Secretary, KYTC; and, Matt Henderson, Commissioner, Department of Vehicle Regulation, KYTC.

LRC Staff: Justin Perry, Jenny Bannister, and Spring Emerson.

Design/Build Process

Mr. Valentine provided a brief overview of the Design/Build Process within the Office of State Highway Engineer.

In response to a question from Chair Higdon, Mr. Valentine said right-of-way easements can be dealt with while using the Design/Build Process, but it can create more risk.

In response to a question from Chair Higdon regarding cost reduction, Mr. Valentine said costs this year have been more than initial field estimates indicated, due to labor market issues and demands on materials, especially in northern Kentucky.

Co-Chair Santoro commented that the Design/Build Process is great and will work well. He thanked the KYTC for a great job.

Approval of Minutes

Chair Higdon called for a motion to approve the minutes of the September 10, 2019 and October 1, 2019 meetings. Motion was made by Representative Fugate, seconded by Co-Chair Santoro, and the

minutes were approved without objection.

Update on Real ID Rollout

Commissioner Henderson provided a brief update of the ConfIDent Real ID program.

Chair Higdon commented that a plan should be in place to educate the citizens on the different types of credentials and which type is needed.

In response to a question from Representative Upchurch regarding online renewals on smart devices, Mr. Henderson said there are Mobile ID pilot programs being used in Georgia and Kansas.

In response to a question from Co-Chair Santoro, Mr. Henderson said the response team would work extended hours when it becomes necessary.

In response to questions from Chair Higdon, Mr. Henderson said a temporary 30-day ID is issued and can be used until the permanent credential is received after approximately ten days. The public is being educated on what documents are needed when applying for the Real ID.

In response to a question from Representative Huff, Mr. Henderson said citizens can apply for the Real ID in any of the regional offices, but legislative remedies will be necessary, since law currently states that IDs must be acquired in the county of residence.

In response to a question from Representative Rowland, Mr. Henderson said the Real ID will be required for travelers age 18 or older, even if they were TSA pre-checked.

Adjournment

Chair Higdon thanked subcommittee staff for their hard work during the 2019 Interim. There being no further business before the subcommittee, the meeting was adjourned at 10:56 AM.

INTERIM JOINT COMMITTEE ON TRANSPORTATION

Minutes of the 5th Meeting of the 2019 Interim

November 18, 2019

Call to Order and Roll Call

The 5th meeting of the Interim Joint Committee on Transportation was held on Monday, November 18, 2019, at 3:00 PM, in Room 149 of the Capitol Annex. Senator Ernie Harris, Chair, called the meeting to order, and the secretary called the roll. Minutes of the Committee's September 30, 2019 meeting were approved.

Present were:

Members: Senator Ernie Harris, Co-Chair; Representative Ken Upchurch, Co-Chair; Senators Ralph Alvarado, Perry B. Clark, C.B. Embry Jr., Jimmy Higdon, Paul Hornback, Stephen Meredith, Gerald A. Neal, Albert Robinson, Brandon Smith, Johnny Ray Turner, and Mike Wilson; Representatives Terri Branham Clark, Randy Bridges, Chris Fugate, Al Gentry, Robert Goforth, David Hale, Chris Harris, Kathy Hinkle, Thomas Huff, Derek Lewis, Savannah Maddox, Bobby McCool, Russ A. Meyer, Charles Miller, Sal Santoro, Maria Sorolis, Cherlynn Stevenson, Jim Stewart III, Ashley Tackett Laferty, and Walker Thomas.

Guests: Matt Henderson, Commissioner, Department of Vehicle Regulation, Kentucky Transportation Cabinet (KYTC)

LRC Staff: John Snyder, Brandon White, Dana

Fugazzi, and Christina Williams

REAL ID

Matt Henderson, Commissioner, Department of Vehicle Regulation, Kentucky Transportation Cabinet (KYTC) updated the Committee on the Cabinet's new approach to issuing REAL ID-compliant licenses and ID cards, which will eliminate involvement of the Circuit Clerks and issue these documents through regional Cabinet offices. The KYTC opened a regional office concept location at their main office for Franklin County residents in September, 2019. He added that there was expanded REAL ID access to Anderson County residents on October 8, 2019, and there is expected expansion to Scott County residents which will eventually expand to surrounding counties.

Commissioner Henderson stated that as of November 1, more than 3,500 Kentuckians have applied for REAL ID compliant credentials. The Cabinet has worked with its 3rd party vendor, IDEMIA Security Company to fix previous issuance speed issues. Currently transaction times average eight to 10 minutes. Mr. Henderson stated the list of acceptable documentation has expanded for Kentuckians applying for a first time REAL ID compliant credential.

In moving forward, KYTC has staffed regional offices to ensure citizens across the state have the opportunity to obtain a REAL ID compliant credential before the October 2020 federal enforcement date. To accelerate the process and minimize expenses, the Cabinet focused on identifying existing state buildings rather than pursuing new construction. Also, using KYTC field offices that were already staffed was prioritized. Other considerations included drive times, capacity, parking, and accessibility.

A map was provided to the Committee of the Kentucky Transportation Cabinet Highway Districts to showcase district locations of citizens being able to obtain their REAL ID compliant licenses. Those cities include Paducah, Madisonville, Bowling Green, Elizabethtown, Louisville, Covington, Lexington, Somerset, Flemingsburg, Jackson, Manchester, and Pikeville. Commissioner Henderson stated that hired and trained staff are being utilized to serve at these regional locations. The necessity remains for legislative action to formalize the issuance transition from Circuit Court Clerks to KYTC.

In response to a question asked by Senator C.B. Embry concerning the expansion of identification needed to obtain a REAL ID, Commissioner Henderson stated the easiest way to obtain the list of acceptable identification is to visit www.drive.ky.gov.

Senator Stephen Meredith stated his concern and surprise that only 27% nationwide have complied with REAL ID considering the deadline is fast approaching. In response to Senator Meredith, Commissioner Henderson stated that other states have had the same or similar issues that Kentucky has with getting REAL ID implemented and to have their citizens compliant. The REAL ID law was passed 15 years ago, and there have been extensive issues being able to implement it nationwide.

In response to a second question by Senator Meredith concerning if a Kentucky resident must apply for a REAL ID in their designated region, or if they are able to obtain it anywhere in the state,

Commissioner Henderson stated that is still being discussed. Commissioner Henderson believes the new incoming administration will make that determination. Senator Meredith encouraged the statewide approach rather than the regionalization approach.

In response to a question asked by Representative Chris Harris concerning the cost to open regional facilities and the ongoing cost to keep them open, Commissioner Henderson stated that KYTC has made a preliminary estimate. He stated that if a planned system of 28 fully staffed facilities is realized, there would be an approximate annual cost of \$16 million. He added that currently the cost of the REAL ID license helps fund such costs. He added the entire project could be funded through the revenue generated by the issuance of the REAL ID credential.

In response to a question asked by Representative Maria Sorolis, Commissioner Henderson stated he could not provide an estimate of the maximum distance that citizens will have to travel to obtain REAL IDs from regional centers. One region has been tracked, and he believes it will be a little over an hour to arrive at a regional issuance center. The long term goal is to have more regional centers. He also stated 2017 HB 410 (the original enabling legislation) moved license reissuance from four years to eight years. Commissioner Henderson stated other states have options where the credential can be renewed online, which is something Kentucky may consider.

Senator Jimmy Higdon reiterated education is needed for citizens to understand that a REAL ID is not necessary unless air travel is possible, or visitation to a federal location or military location that identification is required to enter.

In response to a question asked by Chairman Ernie Harris concerning the expanded acceptable proof credentials, Commissioner Henderson did reiterate that there are federally mandated options for proof of identity; however more forms of address identification are acceptable.

In response to a question asked by Chairman Harris, Commissioner Henderson stated a temporary REAL ID credential will be given to you at the time the credential is applied for. That temporary ID will be valid for 30 days and will then trigger production of a card from the manufacturing location. The REAL ID card should be received in the mail within 10 days of the initial office visit. He also reiterated for commercial flight use, TSA has stated that a temporary card with your original non-compliant license stapled to it will be acceptable until your REAL ID card is received.

With no other business to come before the Committee, Chairman Harris adjourned the Committee at 3:35 P.M.

MILEAGE BASED TRANSPORTATION FUNDING TASK FORCE

Minutes of the 4th Meeting of the 2019 Interim

November 18, 2019

Call to Order and Roll Call

The 4th meeting of the Mileage Based Transportation Funding Task Force was held on Monday, November 18, 2019, at 1:30 PM, in Room 149 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll. The minutes from the Committee's September 30, 2019 meeting were approved.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Ken Upchurch, Co-Chair; Senator Albert Robinson; Representatives Terri Branham Clark and Sal Santoro; Jim Oliver, and Jason Siwula.

Guests:

LRC Staff: John Snyder, Brandon White, Dana Fugazzi, and Christina Williams

Informational Item

John Snyder, Transportation, Committee Staff Administrator, Legislative Research Commission, summarized a memorandum from the LRC Economist's Office in response to questions from a Task Force member regarding the extent inflation has affected transportation funding, and the impact of fuel efficiency on taxable gallons sold and fuel tax receipts.

The memo stated that while the National Highway Cost Construction Index increased 94.7% from 2003 to 2019, Kentucky's Road Fund receipts increased by only 39.4%. In order for the 2019 Road Fund to have the same purchasing power as in 2003, it would need to have an additional \$620 million. As for the effect of fuel efficiency, if the fuel efficiency of all motor vehicles was the same in 2019 as in 1996, Kentucky fuel tax receipts would be \$54.9 million higher (7.1%), based on the current 24.6 CPG rate.

Review and Approval of Draft Memo of Task Force Findings

Chairman Higdon directed the members to the draft memo summarizing the Task Force's findings and recommendations. He stated that he does not believe Kentucky is headed towards a true mileage based system. As evident in Oregon and Utah, a mileage based system requires a third party administrator. Chairman Higdon observed that with expenses over 40% of revenue in other states, the third party administrator seems to be benefiting the most from the mileage based system, therefore the findings suggest a mileage based system would not be beneficial to Kentucky. He added there is no need for Kentucky to be on the forefront of a mileage based transportation funding system. Creating a road usage charge system (RUC) is beyond the current capability of Kentucky. Chairman Higdon also added the use of GPS tracking to enable this system to work is not looked upon favorably. Therefore, it is not the Task Force's recommendation that Kentucky follow a mileage based transportation funding system currently. Chairman Higdon identified the one recommendation in the draft memo, that the General

Assembly explore an electric vehicle fee at the time of registration, and upon annual renewal to ensure that operators of these vehicles pay for use of roadways.

A motion was made by Co-Chair Ken Upchurch to adopt the draft memorandum of findings and the recommendation of the final report of the Task Force. Representative Sal Santoro seconded the motion, which was adopted by voice vote with no objection. With no further business to come before the Task Force, Chairman Higdon adjourned the meeting at 1:40 P.M.

INTERIM JOINT COMMITTEE ON HEALTH, WELFARE, AND FAMILY SERVICES

Minutes of the 7th Meeting of the 2019 Interim

November 18, 2019

Call to Order and Roll Call

The 7th meeting of the Interim Joint Committee on Health, Welfare, and Family Services was held on Monday, November 18, 2019, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Kimberly Poore Moser, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Ralph Alvarado, Co-Chair; Representative Kimberly Poore Moser, Co-Chair; Senators Julie Raque Adams, Tom Buford, Danny Carroll, Julian M. Carroll, Denise Harper Angel, Alice Forgy Kerr, Stephen Meredith, and Max Wise; Representatives Danny Bentley, Tina Bojanowski, Adam Bowling, George Brown Jr, Tom Burch, Deanna Frazier, Robert Goforth, Joni L. Jenkins, Scott Lewis, Mary Lou Marzian, Melinda Gibbons Prunty, Josie Raymond, Steve Riley, Steve Sheldon, Nancy Tate, Russell Webber, and Lisa Willner.

Guests: Kyle Keeney, President, Chief Executive Officer, Kentucky Life Science Council; Warren Olson, Director, Supply Chain Solutions Louisville Campus, United Parcel Service; Adam W. Bibelhauser, PMP, Director, Louisville Distribution Center Amgen; Kate Shanks, Vice President, Public Affairs, Kentucky Chamber of Commerce; Van Ingram, Executive Director, Office of Drug Control Policy, Justice and Public Safety Cabinet; Michael Rodman, Executive Director, Kentucky Board of Medical Licensure; Leanne Diakov, General Counsel, Kentucky Board of Medical Licensure; Dr. Doug Oyler, PharmD, Director, Office of Opioid Safety, University of Kentucky HealthCare; Kim Gaedeke, Chief Deputy Director, Michigan Department of Licensing and Regulatory Affairs; Marcella Wright, Deputy Executive Director, Office of Application Technology Services, Office of the Secretary, Cabinet for Health and Family Services; Steve Davis, Inspector General, Kim Lee, Pharmacist Consultant, Office of the Inspector General, Cabinet for Health and Family Services; Dr. Dan Danhauer, Chief Medical Information Officer, Owensboro Health; Ron Hatfield; Jim Acquisto, Senior Vice President, Public Affairs, Appriss; Jan Bright, Nurse Service Administrator, Henrietta Bada, MD, MPH, Contractor Supervisor, Assistant Director, Department for Public Health; Jessica Estes, Executive Director, Pamela Hagan,

Deputy Executive Director, Nathan Goldman, General Counsel, Kentucky Board of Nursing; Morgan Ransdell, Staff Attorney Supervisor, Ann Tino, Nursing Investigator/Supervisor, Sue Thomas-Cox, Nurse Service Administrator, April Thomas, Health Program Administrator, Kentucky Board of Nursing; and Jeff Wafford, Public Affairs Manager, United Parcel Service.

LRC Staff: DeeAnn Wenk, CSA, Ben Payne, Chris Joffrion, Dana Simmons, Becky Lancaster, and Sean Meloney.

Approval of the Minutes

A motion to approve the minutes of the September 30, 2019 meeting was made by Senator Buford, seconded by Senator Alvarado, and approved by voice vote.

Biologistics in Kentucky

Kyle Keeney, President, Chief Executive Officer, Kentucky Life Science Council, stated that America's biopharmaceutical companies are creating innovative new treatments to combat the diseases that impact many Kentucky families. There are more than 250 biotechnology health care products and vaccines available to patients, many for previously untreatable diseases. Biopharmaceutical companies are working with the Kentucky healthcare system to find cures for the hardest to treat conditions. There are 886 clinical trials with over 15,000 participants and approximately \$113 million invested. In Kentucky the biopharmaceutical economic impact consists of approximately 14,030 jobs at 1,212 companies with an average salary of \$72,151. Kentucky receives \$188 million a year in National Institutes of Health (NIH) funding and \$169 million in venture funding that results in \$4.9 billion in economic output. Kentucky is the hub for packaging and distributing medications to patients across America and the globe. Without the biologistics ecosystem in Kentucky, patients would not receive their medications when and where they need them. There are 7,475 jobs in Kentucky that are related to bioscience distribution. There are 720 physical locations that are involved in bioscience distribution.

The largest bioscience related distribution employer in Kentucky is United Parcel Service (UPS).

Warren Olson, Director, Supply Chain Solutions Louisville Campus, United Parcel Service, stated that UPS has a large campus in Louisville with over 1.7 million square feet of healthcare-compliant warehouse space, including temperature and humidity controlled options. In Louisville, UPS has approximately 1,000 employees trained in healthcare logistics. In 2020, UPS is opening a new 450,000 square foot building that will create more than 200 new jobs. UPS distributes pharmaceuticals, vaccines, medical devices, biopharma, medical equipment, and animal health products. UPS is less than three miles from Worldport, UPS's automated, international all-points air hub. Louisville has strong interstate road access, with two-thirds of the United States population within a one day drive. UPS has over 75,000 square feet of coolers and 10,000 square feet of freezers that are used for storage. UPS has expertise in people, processes, and technology with focus on the needs of healthcare manufacturers.

Mr. Olson stated that UPS has donated \$4 million each year to Louisville area charities. UPS has 21,000 employees in Kentucky and has invested \$2.4 billion local capital project over the last two decades. UPS employees, families and friends have donated 18.7 million volunteer hours to various charities. UPS is environmentally responsible having invested \$1 billion in alternative fuel and an advanced technology fleet. UPS has planted more than 12.5 million trees with a goal of planting 15 million by 2020.

Adam W. Bibelhauser, PMP, Director, Louisville Distribution Center Amgen, stated that the Amgen Louisville Distribution Center (LDC) has been operating since 1992 and has a total square footage of 125,000 and 12 acres of available land. Over the past four years Amgen has invested \$25 million to achieve business priorities including a secondary packaging and a tornado shelter. The majority of Amgen's products are manufactured in Puerto Rico and come to the LDC for commercial and sample distribution. The LDC manages multiple transportation carriers. The Amgen design allows for multiple packaging activities. Amgen distributes many different product brands. Amgen had six new product launches in the previous year and is growing its volume and staff accordingly. The LDC is engaged with the community through the University of Louisville, American Heart Association, Kentucky Chamber of Commerce, Greater Louisville Incorporated, Where Opportunity Knox, and Louisville Metro Parks.

Kate Shanks, Vice President, Public Affairs, Kentucky Chamber of Commerce, stated that logistics has become one of Kentucky's signature industries. Kentucky is within a day's drive of 65 percent of the United States population. The logistics industries consists of approximately 490 facilities that employ over 64,000 people. Kentuckians are delivering important medications to the world thanks to the continued growth of the biologistics industry. Companies come to Kentucky because there is access to world markets. The Chamber of Commerce advocates on behalf of businesses in the Commonwealth. The Chamber of Commerce will be working on infrastructure issues that are important to the logistics such as the network of roads, air, river ports, and railroads.

In response to questions and comments from Representative Moser, Mr. Olson stated that since starting at UPS he has seen the advent of serialization to minimize the impact of counterfeit drugs. He has seen a shift towards more personalized medicine, more biopharmaceuticals that require special handling, and more frozen or refrigerated shipments. Mr. Bibelhauser stated that he has seen a change in the differences between the logistics of moving healthcare products versus other industries. In the healthcare environment things are much more controlled, regulated, and focused on patients and quality. He stated that with the world is becoming more consumer focused, the challenge for many organizations is to balance quality, regulations, safety, and what the market requests.

In response to questions and comments from Senator Danny Carroll, Mr. Bibelhauser stated that Amgen uses UPS for all of its air shipments. Amgen uses other local carrier companies for ground

shipments.

In response to questions and comments from Representative Brown, Mr. Olson stated that UPS has operations all across the state. UPS is centralized in Louisville due to the proximity to the airport and world port facility. UPS has large sortation facilities and large freight facilities throughout the state. Mr. Keeney stated that largest National Institutes of Health (NIH) recipient of federal money for research grants regarding the biopharmaceutical in the state is the University of Kentucky.

Diversion and Prescribing of Controlled Substances

Van Ingram, Executive Director, Office of Drug Control Policy, Justice and Public Safety Cabinet, stated that from 2017 to 2018 Kentucky had a 15 percent reduction in drug overdose deaths. From 2015 to 2018, there were 800,000 fewer prescriptions for opioids. There are 1,240 waived physicians in Kentucky that can prescribe buprenorphine but most are treating five or fewer patients. Buprenorphine is the number one diverted drug according law enforcement across the state. Gabapentin is another diversion drug on the rise. He stated that the prescribing of psychostimulant drugs is also rising at an alarming rate. The Kentucky Injury Prevention and Research Center issued a list of the counties with the highest risk score for overdoses. The Kentucky State Police data shows that from 2017 to 2019, heroin possession citations are down 15 percent, trafficking citations are down 12 percent, and deaths due to heroine are down 54 percent. Fentanyl trafficking arrests have gone up 73 percent in Kentucky. Methamphetamine use has also increased 11 percent. He stated that transitional housing and employment supports are just as important as treatment for people in early recovery.

Michael Rodman, Executive Director, Kentucky Board of Medical Licensure, stated that in 2015, the Kentucky Board of Medical Licensure (KBML) while completing regulations on prescribing controlled substances and Kentucky All Schedule Prescription Electronic Reporting (KASPER), developed regulations regarding buprenorphine for diversion. KBML has seen a steady stream of cases involving buprenorphine due to lack of education verses criminal activity. Leanne Diakov, General Counsel, Kentucky Board of Medical Licensure, stated that the buprenorphine regulation was created with the mindset that many physicians were prescribing buprenorphine but did not have guidance on how to prescribe buprenorphine correctly. The buprenorphine regulation has come under scrutiny because providers want to start buprenorphine treatments in other environments than originally envisioned. KBML has been working to amend the regulation to include other treatment environments and protocols.

Mr. Rodman stated that KBML is an independent agency, self-funded, that was created by the General Assembly through the Medical Practice Act in KRS Chapter 311. KBML is made up of 12 physicians and 3 consumers appointed by the governor except for the representatives from the medical schools. The two major functions of KBML are licensure and discipline. All decisions regarding licensure and investigations are made by the KBML board members. KBML

has five fulltime investigators with each covering a separate area of the state. The KBML investigators meet with state and local law enforcement agencies to coordinate and discuss how to handle cases. Mr. Rodman explained the various steps that are involved with a KBML investigation. Since 2012, the KBML board has initiated 412 investigations involving allegations of inappropriate prescribing. The numbers of prescriptions and the number of KBML investigations have gone down.

Ms. Diakov stated that in regards to the investigations and actions involving prescribing controlled substances, the disciplinary options available range from an admonishment to revocation of license. Typically the KBML board prefers to take a remedial action rather than a punitive action. The remedial action could be on online course or an additional continuing medical education (CME) class. If there is a question of clinical judgement or reasoning, a physician could be required to do more such as a clinical skills assessment. Mr. Rodman gave an overview of KBML's individual action totals from 2012 to present.

Jessica Estes, Executive Director, Kentucky Board of Nursing, stated that the Kentucky Board of Nursing (KBN) is governed under KRS Chapter 314 and 201 KAR Chapter 20. The KBN licenses and regulates approximately 90,000 nurses and manages the data base for the certified nursing assistant (CNA) program which includes 60,000 people. At the end of the fiscal year (FY) 2018-2019, there were 7,500 advanced practice registered nurses (APRNs). There are four categories of APRNs: nurse practitioners (APRN-NP), certified nurse midwives (APRN-CNM), certified registered nurse anesthetist (APRN-CRNA), and clinical nurse specialist (APRN CNS). All APRNs hold a masters or doctoral degree and national certifications. APRNs may only prescribe a controlled substance as defined and limited in KRS 314.011 (8), 314.042, and 201 KAR 20:059. The total number of APRNs in Kentucky have continued to rise each year. She stated that not all APRNs prescribe controlled substances.

Ms. Estes gave a summary of the KBN's investigation procedure. She stated that the different types of discipline for APRNs are immediate temporary suspension, unsubstantiated, letter of concern, consent decree, reprimand, limitation probation, and suspension. In regards to regarding controlled substances there were a total of 57 APRN disciplinary actions given in 2018 that included four suspensions, five license limitations or probations, nine reprimands, 24 consent decrees, three letters of concern, two immediate temporary suspensions, and 10 unsubstantiated cases. The KBN's partial year data for 2019 shows that there has been 59 discipline actions taken.

Doug Oyler, PharmD, Director, Office of Opioid Safety, University of Kentucky HealthCare, stated that 36 out of the 120 Kentucky counties rank in the 90th percentile or higher nationally for individuals per capita living in poverty. 32 out of the 120 Kentucky counties rank in the 90th percentile or higher nationally for opioid prescriptions per capita. Nearly three out of four heroin users started with prescription opioids. The University of Kentucky

HealthCare has three campuses in Lexington, Kentucky with 1,086 licensed beds. The University of Kentucky HealthCare is moving towards a new way of thinking about prescribing opioids. He stated that treatment should now start with nonsteroidal anti-inflammatory drugs (NSAIDs), acetaminophen, and non-pharmacological pain management then move to symptom-driven adjuvants and if pain persists resort to short-acting or intravenous opioids. He stated that the patients would then be weaned in the reverse order. The longer a patient is exposed to the opioids the higher the risk for developing a substance use disorder.

Dr. Oyler stated that within University of Kentucky HealthCare more than 70 percent of patients leave without an opioid. The University of Kentucky HealthCare has eliminated the use of extended release products from acute pain management. The University of Kentucky HealthCare has added leadership for system-wide expansion. The University of Kentucky HealthCare program changes have resulted in a 57 percent deduction in patients receiving high-risk regimens. On average there have been 1,300 opioid prescriptions avoided annually and 250,000 fewer opioid pills dispensed. The daily opioid dose per patients has decreased across the institution from approximately 30 per day to 28 per day. The number of patients receiving high dose regimens has also decreased. The number of individuals that are reporting no pain have gone up six to eight percent. The number of individuals that are reporting severe pain has decreased from approximately six to eight percent. The opioid initiation at the patient's hospital discharge was at 18 percent in July of 2016 and is at approximately seven percent in September of 2019. He stated that the goal isn't to minimize or eliminate opioids but to ensure that a patient's pain is treated adequately and responsibly with minimal risk.

In response to questions and comments from Representative Goforth, Mr. Rodman stated that by federal law to prescribe Suboxone a provider must complete an eight hour online course. Regulations could be changed to increase the training to minimize errors when prescribing Suboxone. Dr. Estes stated that KBN cases have increased because of how KBN has decided to handle investigations. When any complaint comes in or an investigation is started the KBN reviews the member's data regarding their controlled substance prescribing. Mr. Rodman stated that it is rare that KBML receives a complaint from a family member that a provider is over prescribing medication. Most of KBML's cases come from data analysis through KASPER or law enforcement.

In response to questions and comments from Representative Bentley, Dr. Estes stated that KBN can send data to the committee members regarding RN complaints. Mr. Ingram stated that there has been a Vivitrol program within the Department of Corrections since 2016. The challenge has been to keeping individuals engaged in the program. Mr. Ingram stated that the controlled substance that is most prescribed is also the controlled substance that is being diverted. The increase in prescribing controlled substances has been with buprenorphine and gabapentin. Dr. Estes stated that in regards to the regulations that surround buprenorphine, it is

not an easy drug to obtain for a patient. There are many requirements for the patients to receive the first prescription of buprenorphine.

Prescription Drug Monitoring Analytics

Kim Gaedeke, Chief Deputy Director, Michigan Department of Licensing and Regulatory Affairs (LARA), stated that the Michigan Automated Prescription System (MAPS) was established in 2015 within the Bureau of Professional Licensing. The Bureau of Professional Licensing licenses and regulates over 758,000 individuals that include 10 occupational licensing and regulation boards and 27 health professional licensing and regulation boards. The boards are advisory and determine sanctions. The MAPS System contains over 100 million records and the data is maintained for five years. Prescribers who dispense, pharmacies, and veterinarians are required to report dispensed controlled substance schedules two to five. She stated that there has been a decline in the total number of controlled substance prescriptions and opioid prescriptions dispensed in the last three years. Ms. Gaedeke gave an overview of the timeline regarding the MAPS history.

Ms. Gaedeke highlighted the MAPS replacement project goals. The MAPS replaced with new system software with Appriss Health's prescription monitoring program (PMP) AWARe. The MAPS replacement project started in October 2016 and was completed on time and under budget. All users of the old system and new users required to register with MAPS through the PMP AWARe software. She stated that LARA will continue to seek feedback from stakeholders. The project also incorporated NarxCare that allows the provider to see the data in different ways. She shared an example of the MAPS NarxCare report and described the information that can be obtained from the report. She stated that there is a resources tab that the prescribers and dispensers can use with care notes that are provided by the prescribers. She stated that MAPS was appropriated \$2.47 million to fund the project. The new MAPS time to query reports is less than one second. She gave a summary of the MAPS replacement project lessons learned regarding enhancements and integrations. She provided a list of MAPS projects and enhancements that have been completed or are in process. There are over 53,000 healthcare professionals that are integrated into the MAPS project. The future goals of MAPS is sustainability, strength, ongoing innovation, a focus on data analytics, and transformation into a clinical tool for health professionals.

Legislative Hearing on Maternal and Child Health Services Title V Block Grant

A motion to accept the block grant was made by Representative Bowling, seconded by Representative Bentley, and accepted by voice vote.

Legislative Hearing on the Preventive Health and Health Services Block Grant

A motion to accept the block grant was made by Representative Bowling, seconded by Senator Danny Carroll, and accepted by voice vote.

Kentucky All Schedule Prescription Electronic Reporting (KASPER) Update

Steve Davis, Inspector General, Office of the Inspector General (OIG), Cabinet for Health and Family Services, stated that KASPER is Kentucky's

prescription drug monitoring program (PDMP). KASPER tracks Schedule II-V controlled substance prescriptions dispensed within the state as reported by pharmacies and other dispensers. KASPER provides a tool to help address the misuse, abuse, and diversion of controlled pharmaceutical substances. There are over 11 million controlled substance prescriptions reported to the system each year. There were more than 12.5 million reports or data requests processed in 2018. Dispensers have one business day to report information to KASPER. KASPER reports are available to authorized individuals 24 hours a day and typically within seconds via web access. The KASPER technology center can be modified by the KASPER team quickly and within existing budget in most cases to incorporate new initiatives, legislative changes, and new technology. Mr. Davis reviewed a list of new initiatives that are in process at this time.

Mr. Davis stated the most significant benefit of KASPER is that it is free of cost to prescribers, dispensers, researchers, health systems, and law enforcement. KASPER issues death notification letters, supplies drug conviction information, flags non-fatal drug overdoses, implemented prescriber report cards, helps to prepare for pain clinic closings, and assists in research collaborations. KASPER is undergoing a modernization to develop an entire new system and is completely federally funded by a grant.

Dr. Connie White, Senior Deputy Commissioner, Department for Public Health, Cabinet for Health and Family Services, stated that members were given list of organizations that belong to the Displaced Opioid Patient Workgroup. The workgroup can receive information quickly as to how many patients and which counties will be affected by a closure.

Dr. Dan Danhauer, Chief Medical Information Officer, Owensboro Health, stated that Owensboro Health covers most of Western Kentucky. Owensboro Health is on an Epic system and within one month of signing the contracts there was a live pilot of the system. There were four groups integrated together that included Owensboro Health, Epic, KASPER, and RxCheck. A PDMP report previously took 5 to 10 minutes for every single request. The RxCheck PDMP hub enables states to securely and efficiently share PDMP data. He stated that KASPER works and is considered a premier system.

Marcella Wright, Deputy Executive Director, Office of Application and Technology Services (OATS), Office of the Secretary, Cabinet for Health and Family Services, stated that OATS has reviewed the Appriss system multiple times. In regards to technology, the OATS will periodically look to see if there is more functionality in another system. In 2018, the OATS met with Appriss to acknowledge there would be a comparison of KASPER and Appriss. It was determined that Kentucky should stay with KASPER. The OATS uses some products from Appriss that are integrated with KASPER. KASPER also integrates with RxCheck. She stated that the OATS contacted other states and asked questions about Appriss. The details of the questions and answers were provided in the packet given to the committee members. She stated that there are many similarities between Appriss and KASPER. The OATS reviewed functionality, technology, and costs. She

stated that KASPER was found to be the best system for the Commonwealth.

Dr. White stated that Kentucky Poison Control has a dedicated opioid crisis hotline, 1-800-854-6813, for anyone with an opioid crisis or related questions.

In response to comments and questions from Senator Danny Carroll, Mr. Davis stated that Appriss is a Kentucky corporation and the OIG's supports its endeavors. KASPER is able to provide many peripheral benefits at no cost to the system. The reports generated, the integration, customer support and services provided by KASPER do not have a cost associated. He stated that there are many things that KASPER can do that Appriss cannot because KASPER is a state system. Appriss has a different business model. Dr. Danhauer stated that Owensboro Health's vendor quote was going to be \$50,000 a year with Appriss. The Owensboro Health system could not absorb the cost of Appriss. The KASPER system costs \$3,100 with full integration and has no ongoing costs.

Adjournment

There being no further business, the meeting was adjourned at 3:26 PM.

INTERIM JOINT COMMITTEE ON LICENSING, OCCUPATIONS, AND ADMINISTRATIVE REGULATIONS

Minutes of the 5th Meeting of the 2019 Interim

November 20, 2019

Call to Order and Roll Call

The 5th meeting of the Interim Joint Committee on Licensing, Occupations, and Administrative Regulations was held on Wednesday, November 20, 2019, at 3:00 PM, in Room 154 of the Capitol Annex. Senator John Schickel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator John Schickel, Co-Chair; Representative Adam Koenig, Co-Chair; Senators Tom Buford, Julian M. Carroll, Denise Harper Angel, Jimmy Higdon, Paul Hornback, Christian McDaniel, and Reginald Thomas; Representatives Tom Burch, Al Gentry, Thomas Huff, Matthew Koch, Chad McCoy, Jerry T. Miller, Ruth Ann Palumbo, Phillip Pratt, Sal Santoro, and Buddy Wheatley.

Guests: Julie Campbell, Kentucky Board of Cosmetology; Alan Hensley, Tom Veit, and Carson Kerr, Board of Real Estate Appraisers; H.E. Corder II, Kentucky Real Estate Authority; Brian Houillion and Isaac VanHoose, Board of Massage Therapy; Adam Haley, Kentucky Academy of Physician Assistants; Scott Helton and Johanna Hock, Kentucky Athletic Trainers' Society; Dr. Avery Schroyer, Physical Therapist in Lexington, Dr. Camille Skubik-Peplaski, Occupational Therapist, Eastern Kentucky University; Bryan Alvey and Eric Gregory, Kentucky Distillers' Association.

LRC Staff: Tom Hewlett, Bryce Amburgey, Jasmine Williams, Melissa McQueen, and Lisa W. Moore.

Minutes

The minutes from the October 2nd, 2019, meeting were approved without objection.

Kentucky Distillers' Association

Eric Gregory, President, Kentucky Distillers' Association (KDA), said the industry has had a successful year. He thanked the committee members for being strong advocates and looking to the future. He is preparing for a productive 2020 Session of the General Assembly. Bryan Alvey, Senior Director, Governmental and External Affairs, discussed the 2020 legislative priorities.

Mr. Alvey said the distillers are comprised of 40 distilleries across the state, and the industry continues to grow. There are now two barrels of bourbon for every person living in Kentucky, and 9.1 million barrels under roof. It is the first year that two million barrels have been produced in one year.

Mr. Alvey noted that Kentucky sourced grains aid family farmers. KDA distillers bought more than nine million bushels of corn and other grains in 2017 from Kentucky farmers. They also provide a boost for local schools and the economy. Distillers paid a record \$23 million in barrel taxes in 2018. The revenue from these taxes funds local schools, libraries, and public safety. The tax-assessed value of aging barrels is \$3 billion, and the value has more than tripled in the last ten years. The economic impact is an \$8.6 billion signature industry that provides over 20,100 jobs. It provides a \$1 billion payroll, with over \$2.3 billion in capital investment completed or planned by 2022.

Mr. Alvey said KDA guaranteed the Kentucky General Assembly that it would promote Kentucky bourbon in a safe and socially responsible manner. The KDA and Safe Ride Kentucky coalition partners have delivered more than 8,000 sober rides during major holidays. State-of-the-art Intellicheck AgelD software has caught more than 1,000 fake IDs at distilleries. Environmental safety and sustainability are top priorities.

Distilled spirits is the highest taxed industry in Kentucky; 34.4 cents of every \$1.00 output goes to taxes, more than all other 536 Kentucky industries. There are seven different taxes on every bottle of spirits in Kentucky. These include: aging barrel local tax, aging barrel state tax, case tax, state excise tax, federal excise tax, state wholesale tax, and state sales tax. Mr. Alvey said 60 percent of every bottle of spirits in Kentucky goes to taxes and generates \$190 million in local and state tax revenue, adding \$625 million in federal taxes.

Mr. Alvey discussed the escalating tariffs and trade wars causing significant impacts. He said overall export growth has slowed to five percent this year compared to a 25 percent average in previous years. European Union exports have plummeted nearly 40 percent to negative numbers compared to previous year. He stressed that there are no winners in trade wars.

Mr. Alvey said over 1.4 million visitors visited the Kentucky Bourbon Trail in 2018. There is every expectation that the record-breaking growth will continue.

The 2020 legislative priorities were outlined for the committee. They include: supporting parity in any shipping legislation; ad valorem tax relief; production equipment tax fix; local option precinct elections for distillers; funding for ignition interlock device legislation passed in the 2019 legislation session

(Senate Bill 85); allow private barrel selection retail sales to go through distillery gift shops; wholesaler pass-through reform that allows distillers to pay their own taxes on gift shop sales; exclusive distillery bottlings (2019 Regular Session House Bill 200); minimum standards of production; and allowing package beer sales at distillery gift shops.

Mr. Alvey encouraged the members to review the distilled spirits industry impact on local communities and jobs broken down by county and region in the handout. He thanked the committee for the legislative support that has helped transform the signature industry in the last five years. He noted there are 1,835 distillers now in all 50 states. He encouraged the members to remain engaged as more help is needed to keep Kentucky competitive. Kentucky cannot afford to lose its historic distilling monopoly.

Responding to Representative Wheatley, Mr. Alvey said he will have to get the specific numbers required to fund the ignition interlock device legislation, Senate Bill 85, passed in the 2019 Regular Session of the General Assembly. He said the funding is needed in order to run the program component through the transportation cabinet. He will get a proposal ready on the exact monetary amounts needed for this piece of the legislation. Mr. Gregory said the software that caught over 1,000 fake identification cards was for a one-year period.

Kentucky Athletic Trainers' Society

Scott Helton, MBA, LAT, ATC, President, Kentucky Athletic Trainers' Society,

has over 25 years' experience working as an athletic trainer in Northern Kentucky as the Director of Sports Medicine and Athletic Training Services at St. Elizabeth Healthcare. His testimony today is reflective of his role at the Kentucky Athletic Trainers' Society, and not indicative of his position at St. Elizabeth Healthcare. He said athletic trainers work very closely with physicians, occupational therapists, and physical therapists. Physicians are the primary supervisor of athletic trainers, and he does not see this changing in the future.

Mr. Helton said athletic trainers are seeking changes in their practice based on their education and training. The definition of athlete has been used in the strictest sense for years, while athletic trainers have evolved in scope. Athletic trainers are seeking to treat more physically active individuals that can benefit from their services as duly qualified, licensed, and appropriately supervised healthcare providers. Extending their services outside of tradition is scary to some folks and is meeting resistance.

Mr. Helton emphasized that athletic trainers are recognized health care providers. They are educated with a minimum of a Bachelor's Degree by accredited educational programs, nationally certified by an independent board of certification, licensed by the Kentucky Board of Medical Licensure, and required to report approved continuing education credits to maintain both certification and licensure. Athletic trainers are supervised by medical doctors who are duly licensed to practice in Kentucky, and do not practice autonomously. The updated practice act is very consistent with what other states have successfully implemented with no known negative impact to patient care or health care payment models.

Dr. Johanna Hock, Assistant Professor, University of Kentucky, College of Health Sciences, said she supports the proposed changes to broaden the scope of athletic trainers and increase the patient population they are allowed to treat.

Mr. Helton said the ability to assist with the management of prescription and over-the-counter medications is imperative for athletic trainers to practice evidence-based medicine and gold standard practices. He said they are not trying to be pharmacists, but believes common sense should be incorporated when dealing with dispensing prescription medications. Modifications to allow athletic trainers to perform approved invasive procedures with supervising physicians is necessary to provide evidence-based and, potentially, lifesaving care. Allowing athletic trainers to utilize education and training to care for employment injuries under the supervision of physicians, occupational therapists, physical therapists, or chiropractors is consistent with practices in bordering states. Finally, the ability to seek reimbursement for athletic training services is imperative for those serving in this role and for those who employ athletic trainers.

Responding to Senator Hornback, Mr. Helton said athletic trainers are seeking to expand their scope to treat physically active individuals and broaden the definition of athlete. This would include citizens of the general population that are not affiliated with sports athletic teams.

Responding to Representative Burch, Dr. Hock said she is not comparing the athletic trainers program to occupational or physical therapy programs. She did say that the educational standards that have been determined by the EKU accrediting body ensure that students in the athletic trainer program meet a broad range of patient populations to discuss conditions that would be commonly seen in athletic training clinical practices. She said the autonomy is in place to build the program to meet those standards as it relates to evidence-based practice and the practice of athletic trainers. She noted occupational and physical therapists have different accreditation standards.

Responding to a question from Senator Higdon, Mr. Helton said these changes will not allow Medicaid to be billed for athletic trainer services. Medicaid was not billed in the past nor will it be in the future.

Responding to a question from Representative Miller, Mr. Helton said theoretically this proposed legislation would allow athletic trainers to open up an office, but he noted they cannot practice autonomously. Services provided by athletic trainers would still have to have physician referral and have physician guidance and oversight.

Response to Kentucky Athletic Trainers' Society

Avery Schroyer, Secretary, Kentucky Physical Therapy Association, said they are in favor of the athletic trainers being able to bill the athlete directly for their services of athletic training. They also favor being able to care for a traumatic or acute injury to the athlete, such as the use of an epi pen, providing a saline wash, or checking a rectal core temperature as needed. However, the KPTA is against any measure beyond those specific services as their education does not support more invasive type of procedures.

Mr. Schroyer said regulations would need to

be proposed to safeguard the public and KAPA believes the definition of athlete should remain as it currently is. There are concerns about the lack of supervision criteria with temporary licensing as it relates to physically active individuals. KPTA has no issues or concerns with their continuing education requirements or the requirements for the board.

Camille Skubik-Peplaski, PhD, President, Kentucky Occupational Therapy Association, said they have been working with the athletic trainers on the current legislation and they continue to have concerns with the language that moves away from treating athletes who are otherwise healthy individuals to treating individuals regardless of their health status. She said as an educator, and with a representative of the KPTA, they met with several athletic training educators and reviewed curriculum. It was determined that many of the curriculums are not in depth enough to treat individuals that are not athletes.

Dr. Skubik-Peplaski said the athletic trainers were provided with language that other states have used that will give them more flexibility in who they treat, but is still consistent with their educational training. She is supportive of the standardized form, which is a form of supervision for their athletic trainers. As a member of the licensing board, their current practice act does not give a lot of specifics on how things will be regulated regarding supervision and this regulation which protects the consumer and the practitioner. She is supportive of their ability to bill for their services for athletes.

Mr. Helton disagrees that their educational standards and training disqualifies them from treating physically active individuals, including those with diabetes, sickle cell anemia, or amputees. He said many athletic trainers have dealt with these health issues and this is their main disagreement. Chairman Schickel encouraged the two groups to work together to iron out their differences and seek a common resolution.

Kentucky Board of Cosmetology

Julie Campbell, Director, Board of Cosmetology, said they have proposed legislation to address the committee's concern in regards to home bound individual care, as well as event permits and creating a defined pathway to event permitting for things such as wedding venues, theaters, etc., for professional services outside of a salon environment. Senator Schickel said they are addressing the issue of homebound residents who need cosmetology services and the bill will hopefully advance during the 2020 Regular Session of the General Assembly. Responding to a question from Representative Miller, dry bars and blow drying services would not be affected by the new legislation as the new language deals with individuals providing medical releases in the home, and not services provided in a licensed facility.

Board of Massage Therapy

Dr. Brian Houillion, Chair, Kentucky Board of Licensure for Massage Therapy, is requesting a statutory change to amend the fee structure that has not been amended since the creation of the Board in 2003. Currently, the Board does not generate enough revenue to cover its operational costs and must amend its fee structure to fulfill its statutory duties. They are funded solely through restricted funds

generated from license/renewal fees and fines. The lack of funding negatively impacts the Memorandum of Agreement (MOA) in place with the Department of Professional Licensing. This could also leave the department with budgetary issues of its own, up to and including default, potentially impacting other DPL boards.

Isaac VanHoose, Commissioner, Department of Professional Licensing (DPL), said the DPL is funded solely through restricted funds from the boards it serves. Each biennium, licensing boards enter into a MOA with the department for administrative services. The cost of these services is determined through a formula based on the number of annual licenses, annual revenue, projected staff time, or a percentage of a full-time employee's time that is spent for that board.

Mr. VanHoose said the department charges only what is needed to cover its operational costs for the biennium. However, as department costs increase, so does the amount charged to boards. The DPL provides cost savings to boards that cannot afford to hire full-time personnel and pay operating expenses as well as boards that do not need a full-time employee. Savings are realized through lower licensing fees for licensees.

Mr. VanHoose said the board's current MOA with the department is for \$127,300 in each year of the biennium (fiscal year 2019 and fiscal year 2020). The MOA does not include other expenses such as investigative services, legal services, and per diem for travel for board members. While the board has taken recent emergency measures to cut costs, these expenses still accounted for roughly \$25,000 in fiscal year 2019. The cost of administrative services provided by the department is expected to increase roughly 15 percent due to increases in personnel costs (ARC will increase from 83.43 percent to 89.37 percent in next biennium) and the increase in rent resulting from the move to the new office building. They anticipated asking \$146,395 each year of upcoming biennium.

Responding to a question from Chairman Schickel, Dr. Houillion said he did not know why the fees were set in statute rather than regulation. He noted the fee structure was set in 2003 and has not been amended since. Chairman Schickel would prefer the fees to be set in regulation, and not in statute.

Responding to a question from Co-Chairman Koenig, Dr. Houillion said there are currently 2,200 licensees in massage therapy.

Dr. Houillion said the preferred method would to amend statute to allow for the board to set fees in regulation. Proposed language could be: The board shall promulgate administrative regulations establishing a reasonable schedule of fees and charges for the issuance and restoration of licenses and certifications and for the renewal of licenses and certifications issued under this chapter. Currently, other boards operate under a similar statute, including: cosmetology; respiratory therapy; chiropractic examiners; and interpreters for the deaf or hard of hearing.

Dr. Houillion said a secondary approach would be to remove the \$50 application fee that is currently credited to the initial license fee for successful applicants. Increase the limit on initial license fee from \$125 to \$250 to adequately cover initial processing of

applications and first biennium licensing period. The initial fee of \$150 will be increased incrementally over time. Increasing the limit on biennial renewal fee from \$100 to \$200 will generate the revenue needed to sufficiently fund operating without creating a substantial burden on licensees. The initial fee of \$150 will be increased incrementally over time.

Dr. Houillion said the secondary proposal is estimated to generate roughly \$60,000 of additional revenue and bring the board's annual revenue to approximately \$200,000 for the next four fiscal years. The additional revenue generated through periodic fee increases should be sufficient to cover the board's costs for the next 20 years.

Board of Real Estate Appraisers

Tom Veit, Executive Assistant, said the Kentucky Real Estate Appraisers Board respectfully requests for legislative action to amend its statutes for the following purposes: red tape reduction and cleanup, and compliance with appraisal subcommittee recommendations and other federal requirements. Mr. Veit said the red tape reduction will provide a more specific definition of a "federally related transaction." It eliminates the non-federal license and subsequent requirements, and clarifies language relating to the executive director's "veto" authority for administrative regulations relating to appraisal management companies. Subsequently, this cleans up House Bill 443 that created the Kentucky Real Estate Authority.

Mr. Veit said it will also place a statute of limitations (the licensee record retention policy contained in the Uniform Standards of Professional Appraisal Practice (USP) on filing complaints with the board and removes the word "permanent" from the descriptor of a licensee's file. Presently, there is no statute of limitations, and the board has received complaints that were based on conduct that occurred decades ago. This ensures that the licensee is still in possession of the case file and records with which to defend him or herself against a complaint. The new statute of limitations is five years after the preparation of the appraisal or appraisal review assignment, or at least two years after the final disposition of any judicial proceeding in which the appraiser provided testimony related to the assignment, whichever expires last. Currently, a licensee has a permanent discipline file. This requires the board to maintain hard copies of all licensee records for purposes of records retention requirements.

Mr. Veit said the red tape reduction would also reduce the licensing and renewal fee for licensed or certified real property appraisers and eliminates the requirement that the board provide licensees with the current edition of the USPAP. It also adds three new fees.

Finally, the proposed legislation will make amendments to comply with recommendations made by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council, which conducts compliance reviews on state appraisal programs. This will bring Kentucky's appraisal management company regulatory scheme into compliance with federal law. It is important because Kentucky's next compliance review will include, for the first time, review of the AMC regulatory structure.

Noncompliant statutes could jeopardize Kentucky's AMC program, bringing the appraisal and lending industries to a grinding halt in Kentucky.

Kentucky Academy of Physician Assistants

Adam Haley, Director of Public Policy, Kentucky Academy of Physician Assistants (KAPA), and Andrew Rutherford, Vice President, KAPA, spoke about physician assistant prescriptive authority. KAPA has brought this bill before many entities previously and has amended the language in the proposed legislation to satisfy public concerns.

Mr. Rutherford said physician assistants have over 2,000 clinical hours prior to graduation. KAPA does believe in the strength of a physician led healthcare team, but identifies three benefits in removing the red tape and allowing them to write prescription: 1) ensures patients have the best care and allows rural patients to avoid travel to receive the care they need; 2) allows full transparency and will benefit the KASPER program and the use of controlled medications in identifying problematic providers; and 3) makes it easier for employers, such as hospitals, to hire physician assistants.

Chairman Schickel announced the committee will have a special approved meeting on Monday, December 16th, 2019, at 10:00 a.m. in Room 149 of the Capitol Annex.

Adjournment

With no further questions from the committee members, the meeting adjourned at 4:00 p.m.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Minutes of the 6th Meeting of the 2019 Interim

November 19, 2019

Call to Order and Roll Call

The 6th meeting of the Interim Joint Committee on Appropriations and Revenue was held on Tuesday, November 19, 2019, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Christian McDaniel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Steven Rudy, Co-Chair; Senators Tom Buford, Matt Castlen, Rick Girdler, David P. Givens, Morgan McGarvey, Stephen Meredith, Gerald A. Neal, Dennis Parrett, Robin L. Webb, Stephen West, and Phillip Wheeler; Representatives Lynn Bechler, Danny Bentley, Myron Dossett, Joseph M. Fischer, Kelly Flood, Mark Hart, Angie Hatton, Russ A. Meyer, Jason Nemes, Ruth Ann Palumbo, Melinda Gibbons Prunty, Brandon Reed, Steve Riley, Rob Rothenburger, Sal Santoro, John Sims Jr, Wilson Stone, and Susan Westrom.

Guests: Neeli Bendapudi, President, University of Louisville; Dan Durbin, CFO, University of Louisville; Tom Miller, CEO, University of Louisville Health; Andrew McNeil, State Director, Americans for Prosperity; Bernard "Deck" Decker, Interim Executive Director, Kentucky Communications Network Authority; Doug Hendrix, General Counsel,

Kentucky Communications Network Authority; Steve Murphy, Chief Financial Officer Kentucky Communications Network Authority; Robin Kinney, Associate Commissioner, Office of Finance and Operations; Charles Harman, Director, Division of Budgets and Financial Management; and Chay Ritter, Branch Manager, Funding and Reporting Branch.

LRC Staff: Jennifer Hays, Cynthia Brown, Kevin Branscum, Morgan King, and Chase O'Dell

Approval of Minutes

A motion was made by Representative Fischer, seconded by Senator Parrett, to approve the minutes of the October 1 meeting. The minutes were approved by voice vote.

University of Louisville Takeover of Jewish Hospital and Other Healthcare Networks

Neeli Bendapudi, President, University of Louisville; Dan Durbin, CFO, University of Louisville; Tom Miller, CEO, University of Louisville Health; and Andrew McNeil, State Director, Americans for Prosperity (AFP) discussed the University of Louisville's takeover of Jewish Hospital and other healthcare networks.

President Bendapudi testified that on November 1, the University of Louisville acquired the Louisville-area assets of KentuckyOne Health, including facilities in Shelbyville and Bullitt County. This brought the total assets acquired by the university to five hospitals, four outpatient centers, and a couple of garages, with a significant medical staff.

President Bendapudi reviewed the history and reasoning behind the university's acquisition. The university's decision was whether to let Jewish Hospital close, or to step-up and be a part of the solution. The university believes that acquiring the assets is in the best interest of the university, the city, and the entire commonwealth. President Bendapudi added that the closure of Jewish Hospital would have been catastrophic. Greater Louisville Inc. (GLI), the chamber of commerce for Louisville, has unanimously resolved to support the University of Louisville in seeking a loan from the state. President Bendapudi expressed her gratitude towards the members of the General Assembly.

Dan Durbin testified that allowing Jewish Hospital to close would have resulted in a negative \$51 million fiscal impact annually to the university and its health system and health sciences center.

In response to a question from Senator McDaniel, Mr. Durbin stated that an Academic Affiliation Agreement (AAA) is an agreement between a hospital and a medical school or health sciences center that agrees to pay for faculty compensation, faculty services, faculty supervision of other physicians, and mission support.

Mr. Durbin stated that the assets in total lose money, thereby requiring capital investments to help bring the assets to where they should be. Under university management, the Jewish hospital will qualify for enhanced Medicaid reimbursement, also known as IGT. This will bring in \$33 million a year. Based on previous experience, the university believes that it will be able to manage the revenue cycle better, producing an additional \$15 million per year. The university also believes that \$30 million worth of synergies can be realized due to the hospital being

brought into the University of Louisville Health system. Mr. Durbin stated that all these factors combined will produce a positive eight million dollars to the bottom line in the third year of operation.

In response to a question from Senator McDaniel, Mr. Durbin stated that in the third-year operations will stabilize and an \$8 million positive impact will be realized. In response to another question, he stated that the university is anticipating needing to make \$30 million worth of capital investments each of the first two years after acquisition. In the third year, the university is anticipating making \$20 million worth of capital investments.

Mr. Durbin testified that Jewish hospital has a total payroll of \$103 million. The hospital employs 1,472 full-time Kentuckians. The state payroll tax from those employees totals \$10.2 million per year. Jewish hospital sees about 35,000 patients per year through the emergency room.

Tom Miller testified that there was no ability for the patients of Jewish hospital to be taken care of at another downtown Louisville facility if the hospital closed. Jewish hospital provided approximately \$41 million to the University of Louisville school of medicine this past year.

President Bendapudi stated that if Jewish hospital closed, it would jeopardize the university's R1 Research University status. For the University of Louisville, acquisition of the Jewish hospital assets will give the university an integrated health system, forge a path to expansion of the teaching and research mission, and it will allow the university to grow and have a stable financial future.

Senator Meredith stated that the university did not address the change in the payer mix at Jewish hospital. He continued to say that the majority of jobs lost from a Jewish hospital closure could be absorbed within the medical community. Senator Meredith said that he believes the university is underestimating the amount of capital investment that will be needed; adding that he doesn't see any job creation resulting from the takeover. President Bendapudi disagreed with Senator Meredith in regards to the absorption of lost jobs. Concerning payer mix, President Bendapudi stated that the university has added over 80 primary care physicians to the network, which will improve the payer mix as references are made. Senator Meredith discussed the importance of rural hospitals to their communities. Mr. Miller explained why Jewish hospital received a bad rating from the Leapfrog group.

In response to a question from Senator Wheeler, President Bendapudi stated that none of the university's investment is going towards payouts for the former executives of Jewish hospital.

In response to a question from Representative Reed, Toni Ganzel, the Dean of the School of Medicine, testified that the university has a regional campus in Madisonville, stating that the outcomes have been shown to be successful in returning students to be physicians in their communities. The university also has clinical outreach programs throughout the state. The university receives patients from throughout the state for the clinical programs.

Andrew McNeil testified that once funds are appropriated for a loan to the University of Louisville,

those funds cannot be used elsewhere. Mr. McNeil stated that it was hard for him to believe that there is not a private sector solution to the university's financial need. Mr. McNeil continued to say that there is no reason for state government to intervene, subsidize a low interest loan, and take on the risk for the deal. Mr. McNeil also said that the deal has several troubling characteristics that are similar to the Kentucky Wired deal.

AFP's recommendation is to provide the University of Louisville with support to pursue private sector financial support for the deal.

In response to a question from Representative Rothenburger, Mr. Durbin testified that at this point, the enhanced Medicaid reimbursement would only be applicable to the downtown Jewish hospital. In response to another question, Mr. Durbin said that there is a potential for the other outlying hospitals to eventually receive the enhanced Medicaid reimbursement.

Senator Buford stated that the \$50 million requested by the University of Louisville would have to come out of the General Fund. In response to a question from Senator Buford, President Bendapudi said that the state will receive back \$25 million of the \$50 million it advances to the University of Louisville. Mr. Durbin stated that the payback would occur over 20 years. In response to another question from Senator Buford, President Bendapudi stated that the university cannot leave or renegotiate the deal.

Representative Nemes stated that the Kentucky Wired situation is very different from the university's takeover of Jewish hospital. Representative Nemes continued to say that the patients served by Jewish hospital are among the least wealthy. In response to a question from Representative Nemes, President Bendapudi stated that there are no beds available for the people currently served by Jewish hospital.

In response to a question from Senator McGarvey, Mr. Miller stated that the university will determine over the next year whether the capital payments will increase the life expectancy of Jewish hospital. Senator McGarvey questioned whether the University of Louisville may need increased bond capacity to either renovate Jewish hospital or to build a bed tower at the university.

Kentucky Wired Progress and Expected Budget Requests

Bernard "Deck" Decker, Interim Executive Director, Kentucky Communications Network Authority; Doug Hendrix, General Counsel, Kentucky Communications Network Authority; and Steve Murphy, Chief Financial Officer Kentucky Communications Network Authority, discussed Kentucky Wired's progress and expected budget requests.

"Deck" Decker testified that rings 1A and 1B are lit. Ring two is done with construction and the Kentucky Communications Network Authority (KCNA) is working on lighting it. Ring three is expected to be completed by December. Ring four is expected to be completed by fall of 2020. The Commonwealth data center and the alternate data center are both up and running on Kentucky wired.

Steve Murphy stated that the KCNA budget request for Fiscal Year (FY) 2021-2022 is an increase from

FY 2019-2020. The major new expenses fall under contractual obligations. Contractual obligations will cost \$13 million annually during the biennium. Debt service is over a third of KCNA's total expenses.

In response to a question from Senator McDaniel, Mr. Murphy confirmed that there were not any savings or revenues factored into the budget numbers presented. In regards to wholesalers, Mr. Decker stated that until the wholesaler pays off their investment, the revenue earned will not be coming back to the state. He continued to say that revenue will come to the state in 2025. In response to further questioning, Mr. Murphy testified that the availability payments will last until 2045.

In response to a question from Senator Castlen, Mr. Decker stated that there were gaps with the Kentucky Wired project, and that KCNA would be spending money with other providers to close the ring of service until KCNA could close the gaps with their own construction. Senator Castlen expressed his concern with operations underperforming.

In response to a question from Representative Bechler, Mr. Decker stated that KCNA is charging agencies to use the Kentucky Wired network. In response to another question, Mr. Decker said that KCNA charges agencies the price they were paying for services in 2015. He continued to say that internet rates have gone down 40% in Kentucky. In response to another question, Mr. Decker said that agencies would be paying KCNA instead of commercial enterprises. In response to further questioning, Mr. Decker testified that the Department for Community Based Services office that will soon switch to Kentucky Wired will be paying more for services than it was previously. He continued to say that agencies will be receiving better service. Representative Bechler stated that some cities are contracting with other people and putting in their own fiber; adding that Kentucky Wired is a boondoggle.

Senator McDaniel stated that this year, the state is appropriating KCNA \$35 million. He continued to say that under the budget request proposed, the number would increase to \$50 million. In response to a question from Senator McDaniel, Mr. Decker said that he saw nothing that could ease the impact of the budgetary request made by KCNA in the next two years. He continued to state that he believed KCNA could refinance its debt down the road. Mr. Murphy added that once the network is completed and running, he believes that KCNA could refinance at a lower rate. He continued to say that the rest of the expenses are contractual, so there is little wiggle room.

Senator Buford thanked the presenters for their efforts.

Kentucky Department of Education - Anticipated Pupil Growth and Expected Average Daily Attendance for the Upcoming Budget Biennium

Robin Kinney, Associate Commissioner, Office of Finance and Operations; Charles Harman, Director, Division of Budgets and Financial Management; and Chay Ritter, Branch Manager, Funding and Reporting Branch, discussed anticipated pupil growth and expected average daily attendance for the upcoming budget biennium.

Chay Ritter testified that the Average Aggregate Daily Attendance (AADA) is a huge driver of funding, responsible for \$2.3 billion in funding in FY 2020. The AADA in Kentucky peaked in 2015 at almost 600,000; since then it has slowly declined. The AADA is projected to continue to decline in the next few years.

Mr. Ritter said that in 2002, 247,000 students were on free lunch. The number of students on free lunch has steadily increased over 18 years. KDE is predicting that number will increase slightly over the next couple of years. Over 100,000 students have been added to free lunch since 2002. Free lunch generates \$600 per student for the school districts. In 2022, 64 percent of the AADA will be comprised of students receiving free lunch.

Mr. Ritter testified that KDE predicts that in the next couple of years, over 100,000 Kentucky students will be considered exceptional children. The most severe category for exceptional children generates over \$9,000 per student, with the moderate category generating over \$4,000 per student.

Mr. Ritter stated that property assessments have increased in value from \$200 billion in 2002, to nearly double that in 2022. He added however that assessments vary between districts.

The base of the Support Education Excellence in Kentucky (SEEK) formula totals roughly two billion dollars. The biggest component of the formula is the AADA. In addition, 14.7 percent of the formula goes towards exceptional children, with 7.3 percent going towards at risk students.

Charles Harman testified that in the current SEEK formula, kindergarten is funded for half-days. KDE is requesting funding for full-day kindergarten for every school district in the state.

In response to a question from Representative Rudy, Mr. Harman stated that every district completes the National Board Certified Salary Supplement payment. He added that KDE supplies around 60 percent of the payment.

Senator Givens encouraged presenters to start graphs at zero, stating that it portrays information in a better fashion.

Representative Stone stated that there is basically full-time kindergarten in Kentucky, but that the state only funds half-time kindergarten. In response to a question from Representative Stone, Mr. Ritter stated that the second month growth data compares current year data to the prior year.

Correspondence Received

Senator McDaniel reviewed the correspondence received from Jenny Bannister, Deputy Director, Office of Budget Review (LRC).

List of Reports Received Since October 2019

Senator McDaniel reviewed the list of reports received since October 2019.

Adjournment

With no further business before the committee, the meeting was adjourned.

INTERIM JOINT COMMITTEE ON TOURISM, SMALL BUSINESS, AND INFORMATION TECHNOLOGY

Minutes of the 6th Meeting

of the 2019 Interim

November 21, 2019

Call to Order and Roll Call

The 6th meeting of the Interim Joint Committee on Tourism, Small Business, and Information Technology was held on Thursday, November 21, 2019, at 3:00 PM, in Room 154 of the Capitol Annex. Representative Phillip Pratt, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Representatives Phillip Pratt, Co-Chair, and Tommy Turner, Co-Chair; Senators Denise Harper Angel, Ernie Harris, Jimmy Higdon, Wil Schroder, Reginald Thomas, Mike Wilson, and Max Wise; Representatives Lynn Bechler, Terri Branham Clark, George Brown Jr, Jeffery Donohue, Chris Freeland, Robert Goforth, Jim Gooch Jr., David Hale, Richard Heath, Kim King, Adam Koenig, Bobby McCool, Michael Meredith, Charles Miller, Ruth Ann Palumbo, Josie Raymond, Brandon Reed, Steve Sheldon, Maria Sorolis, Cheryl Lynn Stevenson, Ashley Tackett Laferty, Nancy Tate, and Les Yates.

Guests: Deck Decker, Interim Executive Director, Kentucky Communications Network Authority; Mike Haydon, Chief Operating Officer, Kentucky Communications Network Authority; Beth Davisson, Executive Director, The Workforce Center, Kentucky Chamber of Commerce; and Travis Burton, Director of Political Affairs, Kentucky Chamber of Commerce.

LRC Staff: Andrew Manno, Chip Smith, Janie Boyd, and Sasche Allen.

Approval of Minutes

A motion to approve the minutes of the October 3, 2019 meeting was made by Representative Ruth Ann Palumbo, seconded by Senator Mike Wilson, and approved by voice vote.

Introductions

Co-Chair Phillip Pratt introduced small business owners Nathan and Josh Randall. Their business Central Screen Printing & Embroidery is located in Central City, Kentucky and has over 50 employees.

KentuckyWired Update

Rings 1A and 1B of the Commonwealth's fiber optic cable network KentuckyWired have been lit, construction has been completed on Ring 2, and by the close of 2019 Rings 3 and 5 will be completed. That will cover all of the state except portions of Western Kentucky. The projected completion date for Ring 4 is October 2020. The Kentucky State Parks that will be using KentuckyWired broadband will include Natural Bridge State Resort Park, Kentucky Dam Village State Resort Park, General Butler State Resort Park, Jenny Wiley State Resort Park, Kenlake State Resort Park, Pine Mountain State Resort Park, Kentucky Horse Park, and Kentucky Venues. General Butler will be the first park to go live. The Kentucky Communications Network Authority (KCNA) is currently working with the Center for Rural Development (CRD) to obtain an additional \$8 million to make the broadband available at Lake Cumberland State Resort Park, Cumberland

Falls State Resort Park, Dale Hollow State Resort Park, Carter Caves States Resort Park, and Kingdom Come State Park.

Responding to questions from Co-Chair Danny Carroll, Mr. Decker confirmed that the wholesaler the state has contracted with will recoup their investment first. It is projected that the state will begin to generate revenue in 2025. However, savings will be made as soon as service to state sites begins. Wholesale revenue is projected to be positive by 2035. The wholesaler is only contracted for the state parks at this point in time but will have to bid on the contract with any school system. Mr. Decker said the total cost for the KentuckyWired project is currently estimated at \$1.3 billion. He said that the project will generate revenue from private providers in the most remote parts of the state that will use KentuckyWired's resources. Mr. Hayden added that the agreement that KCNA established with the CRD gives the Commonwealth full right and use of all facilities and assets within the CRD ownership and the state will be leasing it on a pass through basis.

Addressing questions from Representative Lynn Bechler, Mr. Decker said the planned budget request during the 2020 Regular Session for the 2020 to 2021 budget year will be \$49 million and \$50 million for the 2021 to 2022 budget year which is an additional \$13 million for each year compared to the current budget. A refresh of the system and equipment will be needed in approximately six years and negotiations are currently being made for the total cost. The original estimated cost was \$40 million for each refresh which is not included in the planned budget. Mr. Decker said KCNA is not working with any private companies, retailers, or individuals. The wholesaler will be selling the KentuckyWired service to local internet service providers, and then those service providers will be dealing with private companies or individuals.

Replying to Representative Michael Meredith, Mr. Decker said after consulting with the wholesaler provider, he believes that revenue will be generated in a short amount of time, especially in the rural and remote areas. He recommended that the wholesaler and contractors give a briefing to the committee on the progress of the KentuckyWired project.

Representative Robert Goforth commented that the KentuckyWired project will put some of his constituents that are small business owners out of business since they have already built their own lines for broadband.

Answering a question from Representative Bobby McCool, Mr. Hayden said that KCNA has already established agreements with companies to lease existing fiber lines. Existing customers of these companies will see no increase in their costs.

Responding to Representative Steve Sheldon, Mr. Hayden said that the original design and concept has not changed as the main objective was to provide broadband to state offices and facilities. Some of the additional \$8 million will try to fill in some of the gaps that were left out of the original plans.

Addressing Representative Terri Branham Clark, Mr. Decker clarified that KCNA's original intentions were to offer broadband to state government offices and facilities. The wholesaler of KCNA will need to bid on contracts with school systems in order for

KentuckyWired to be used for any schools. All 120 counties will have access to the KentuckyWired network in some way but private service providers will need to take advantage of the network for the most remote and rural portions of the state for it to be available.

Replying to Co-Chair Danny Carroll, Mr. Decker confirmed that the private sector providers were always intended to be responsible for getting the broadband services to individuals and not KCNA.

Senator Reginald Thomas expressed his optimism for the program and said better access to high speed broadband is very much needed across the state.

Legislative Priorities for Small Business: Kentucky Chamber of Commerce

The Kentucky Chamber of Commerce's legislative agenda includes several priorities pertaining to the state's workforce which include strengthening the adult education system, promoting wellness and prevention, combating the drug epidemic, reforming the tax code, modernizing the unemployment system, and investing in the state's infrastructure.

The Kentucky Chamber of Commerce's Workforce Center

The Chamber's Workforce Center creates and maintains workforce programs that are geared toward engaging the state's workforce. About 84 percent of Kentucky employers cannot find qualified workers and 81 percent projected moderate to high growth for their organizations in the next three to five years. Conversely, since 2015 the state has seen 47,645 new jobs, \$17.3 billion in new business development, and 991 new or expanded facilities. A lack of skilled workers to fill high skill positions has become a national trend.

In an effort to improve the state's workforce, the Chamber's Workforce Center is partnering with the Kentucky Equine Education Project to launch a Talent Pipeline Management (TPM) initiative aimed at building a talent supply chain throughout the Commonwealth. This initiative is a partnership with the U.S. Chamber of Commerce Foundation. The Chamber's Workforce Center will also work closely with Education and Workforce Cabinet. The TPM system will utilize supply chain logistics and apply them to the workforce by organizing employer collaborative, engaging in demand planning, communicating competency and credential requirements, analyzing talent flows, building talent supply chains, and continuously striving for improvement. The TPM will also use regional and sector driven categories to better supply employers with the needed skilled workforce.

Responding to a question from Representative Josie Raymond, Ms. Davisson said that wages and benefits play a major role in the workforce, but if employers are going to pay higher wages with better benefits, then they should be doing so for employees that are meeting their demands. Additionally, employers should be engaged early on in the educational process than when someone has completed a post-secondary degree program to ensure that a qualified and experienced workforce is being built that meets employer demands. In response to a follow up question, Mr. Burton said that the

Chamber is supportive of improving early education and increasing access to child care for parents who are working or participating in workforce training. It is also imperative to ensure that child care facilities have quality workers and learning environments.

Addressing Senator Reginald Thomas, Ms. Davisson agreed that the opioid epidemic is a major workforce issue and the Chamber, in partnership with its members, has formed an opioid response business program. Mr. Burton added that employers have been working the Chamber on programs for those in recovery who are reentering the workforce and how to obtain needed credentials for employment.

Replying to Representative Maria Sorolis, Ms. Davisson said that the Chamber's Workforce Center has made great strides with the TPM system in conjunction with the U.S. Chamber of Commerce Foundation, the Education and Workforce Cabinet, local workforce boards, and the community college system. Tennessee, Michigan, and California have also been successful with their similar programs. Metrics that are used to gage the success of a program such as the TPM system are workforce participation rates, supply and demand of the workforce, and salaries of employees.

Representative George Brown Jr. made comments about retraining those individuals who have been incarcerated and ensuring they have they have the necessary skills to gain employment.

There being no further business, the meeting adjourned at 4:39 p.m.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection

Minutes of the 5th Meeting of the 2019 Interim

November 19, 2019

Call to Order and Roll Call

The fifth meeting of the Budget Review Subcommittee on Economic Development, Tourism, and Environmental Protection of the Interim Joint Committee on Appropriations and Revenue was held on Tuesday, November 19, 2019, at 9:00 AM, in Room 154 of the Capitol Annex. Representative Lynn Bechler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Lynn Bechler, Co-Chair; Senators Perry B. Clark, Morgan McGarvey; Representatives Terri Branham Clark, David Hale, Savannah Maddox, Bart Rowland, and Les Yates.

Guests: Jay T. Hall, Acting Commissioner, Department of Tourism, Tourism, Arts and Heritage Cabinet.

LRC Staff: Sara Rome and Amie Elam.

Tourism, Arts and Heritage Cabinet

Jay T. Hall, Acting Commissioner, Department of Tourism spoke to the committee about film industry tax credits. His presentation focused on historical data, job creation, and the potential benefits of film tax credits.

In response to a question from Representative Rowland, Mr. Hall said the cap on the incentive is not the issue. He went on to say that to be impactful the credit must be refundable or transferable.

In response to a question from Chair Bechler, Mr. Hall said that for a company to monetize on an incentive it must have tax liability in the state of Kentucky. He added that Kentucky is the only state that has a non-transferable and non-refundable tax credit.

In response to a question from Representative Branham Clark, Mr. Hall said that the impact study should be completed by January. He said that once the impact study is completed, it will be sent to all legislators.

In response to a question from Representative Yates, Mr. Hall said the change to the film tax credit in 2018 was a statutory change made by the General Assembly.

In response to a question from Representative Bechler, Mr. Hall said that Kentucky has two film studios. One of the studios is in Springfield and one is in Horse Cave. He added that there are soundstages in both Louisville and Lexington. Mr. Hall said that Kentucky did not lose any film studios. He added that the impact study report will make it possible to see the potential net effect of having a stable tax incentive program.

In response to a question from Senator Clark, Mr. Hall said that students are leaving to take jobs in other states where the film industry is doing well.

In response to a question from Chair Bechler, Mr. Hall said that he would share the map depicting the types of film incentives by state with committee members.

In response to a question from Chair Bechler, Mr. Hall said that Indiana and West Virginia are the only two surrounding states that do not have film incentives.

There being no further business to come before the subcommittee, the meeting was adjourned at 9:58 a.m.

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT

Minutes of the 6th Meeting of the 2019 Interim

November 21, 2019

Call to Order and Roll Call

The 6th meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on Thursday, November 21, 2019, at 1:00 PM, in Room 154 of the Capitol Annex. Representative Russell Webber, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Representative Russell Webber, Co-Chair; Senators Perry B. Clark, Rick Girdler, Denise Harper Angel, Ernie Harris, Jimmy Higdon, Alice Forgy Kerr, Wil Schroder, Mike Wilson, and Max Wise; Representatives Lynn Bechler, John Blanton, Charles Booker, Adam Bowling, R. Travis Brenda, McKenzie Cantrell, Daniel Elliott, Chris Freeland, Al Gentry,

Kathy Hinkle, Thomas Huff, Savannah Maddox, Jason Petrie, Ashley Tackett Laferty, and Buddy Wheatley.

Guests: Lisabeth T. Hughes, Deputy Chief Justice, Supreme Court of Kentucky; Janet Jakubowicz, Partner, Bingham Greenebaum Doll LLP; Dr. Benjamin Malphrus, Professor of Space Science and Executive Director, Space Science Center, Morehead State University; and Stewart Ditto II, Former Executive Director, Kentucky Aerospace Industry Consortium.

LRC Staff: Andrew Manno, Chip Smith, Janie Boyd, and Sasche Allen.

Approval of Minutes

A motion to approve the minutes of the October 3, 2019 meeting was made by Representative Jason Petrie, seconded by Senator Max Wise, and approved by voice vote.

Business Court Docket Pilot Project

Jefferson County will be implementing a business court which is a designated section of trial courts that handles complex commercial or business litigation cases. Business courts typically focus on intra-company and inter-company disputes. The implementation of business courts have become a national trend and have been adopted in 24 other states. Pilot programs are currently underway in Arizona, California, Indiana, Tennessee, and Wisconsin, but Jefferson County's pilot project is mostly being mirrored after Tennessee's program. Goals of the business court docket pilot project include improving access to justice for all litigants, improving timeliness for all cases, improving consistency of results in complex commercial cases, making the state a more attractive forum for doing business, improving use of alternate dispute resolutions, and improving the public's perception of the court system. The proposal to bring business courts to the state was studied by and recommended to the Supreme Court by the Civil Justice Reform Commission and was authorized in April 2019. The Supreme Court also authorized the creation of the Business Court Docket Advisory Committee and designated divisions four and ten of Jefferson Circuit Court for the business court docket.

Assignment to the Jefferson County Business Court Docket will include disputes such as breach of contract claim involving a business entity, purchase or sale of all or part of a business entity, business tort claims, commercial real estate, business class actions not brought by consumers, and environmental disputes arising between business entities. There will be exclusions to the business court docket such as sales or construction of a residence, employee and employer disputes, insurance coverage relating to a personal injury dispute, and eminent domain disputes. In addition, only cases with proper venue in Jefferson County filed after January 1, 2020 and those specifically listed in the inclusion section of the business court rules will be eligible. Attorneys will have the opportunity to move for or dispute assignment to the business court docket. Judges will also have the opportunity to remove or refer cases to business courts. Parties will be required to participate in early scheduling and case management conferences that address issues such as scope of discovery; electronically stored information; expert witnesses; confidentiality and protective orders; and mediation.

Telephonic conferencing and communication via email will also be highly encouraged.

Responding to a question from Co-Chair Russell Webber, Deputy Chief Justice Hughes confirmed that the circuit court judges from divisions four and ten that have been assigned to the business court cases will continue to preside over criminal and civil cases in addition to the business court docket cases but will have their civil dockets reduced. Answering another question, she said that she expects for the program to be adopted in other areas of the state over time and hopes that there will eventually be regional business courts available to claimants of all counties.

Addressing a question from Representative Jason Petrie, Deputy Chief Justice Hughes explained that due to how the pilot program has been structured, the anticipated cost will virtually be zero. Although there have been existing judicial funds used, there have not been any additional funds requested or used. After Representative Petrie expressed concerns about business courts being available to the entire state, Deputy Chief Justice Hughes said that after the pilot program in Jefferson County starts in January 2020, then it can be better gaged on how to move forward to make it available and cost effective to claimants and businesses across the state and not in just certain areas. She said that the regional approach may be a better option because some areas of the Commonwealth do not have a high volume of civil cases that would be eligible for business court.

Replying to Representative McKenzie Cantrell, the Deputy Chief Justice stated that although there are specialized courts on the district and circuit court level such as family, veteran, and drug courts, she does not anticipate that any other divisions will come to fruition within the judicial system. Responding to another question, Ms. Jakubowicz that the business court rules have a lot of similarities with federal rules that allow telephonic conferencing to be used for case management and scheduling purposes. She said that she thinks when the benefits of teleconferencing are realized once the pilot project is underway, then all areas of the state judicial system may adopt rules allowing more telephonic communication.

Answering a question from Representative Lynn Bechler, Deputy Chief Justice Hughes explained that from an economic development standpoint, the implementation of business court will make the state more attractive to businesses and will be taken into consideration when businesses are considering Kentucky as a potential location. Ms. Jakubowicz added that businesses consider many different factors in terms of economic expansion and location, and a state's court system is one of those factors. Business courts within the judicial system can be used as a marketing tool in the promotion of Kentucky.

Morehead State University's Space Science Center

Aerospace exports are the state's top manufactured export and have increased by 183 percent in the past five years. According to the U.S. Census Bureau, Kentucky ranked second in the country in international exports of aerospace products and parts in 2018, valued at \$12.56 billion and expected to be \$14 billion by the end of 2019. The aerospace industry supports close to 21,000 jobs across the Commonwealth and \$1.46

billion in wages. The Morehead State University Space Science Center explores the space side of aerospace, performing research specifically focused on nano satellite technology. The Space Center has become internationally recognized as a center for excellence in small satellite technologies and space mission operations. Morehead State University is home of the inventor of the CubeSat satellite and currently has seven contracts with NASA.

Morehead State University works to ensure the aerospace workforce pipeline is in place by offering space related degree and academic programs such as Bachelor and Masters programs in Space Systems Engineering, Bachelor of Science in Physics Areas Astrophysics, and the only Aerospace Engineering CIP Code degree program in the state. The University's academic programs provide undergraduate research experiences, instrumentation experience, engineering design, observational astrophysics research, project management experience, and systems level engineering experience. Students also develop skillsets in space systems development operations, mechanical systems design, and space mission architecture and operations. The B.S. in Space Science, which is transitioning to Space Systems Engineering, degree program has had nearly a 100 percent job placement rate and is one of only five similar undergraduate programs in the country. The M.S. in Space Systems Engineering was established in 2014, is the first engineering program in the eastern part of the state, and has approximately a 100 percent job placement rate. Graduates of these programs are employed by Rjant Corporation, Space Dynamics Laboratory, Honeywell, Aerotek, NASA Johnson Space Center, and Air Force Institute of Technology, among others.

One of the areas that the Science Center specializes in is creating nano satellite technologies. Projections show that by 2020 an estimated 500 nano or micro satellites will be launched into space. Constellations of small satellites are used for data transfer, financial transactions, homeland defense, tactical security, GPS, navigation, earth remote sensing, and inventory from space. The small satellite market is forecasted to exceed \$30 billion in the coming years but also requires a different operational model than large monolithic geostationary constellations. Through partnerships with the government, other universities, and the private sector, the Science Center has launched six satellites and has numerous contracts with NASA. In 2020 in partnership with the Busek Company, NASA Goddard Spacecraft Center, and NASA Jet Propulsion Laboratory, The Morehead State University Space Center will be launching the Lunar IceCube on the Artemis 1. The Lunar IceCube, winner of NASA's NEXTStep Contract, is a 6u small satellite whose mission is to prospect for water in ice, liquid, and vapor forms and other lunar volatiles.

Representative Kathy Hinkle thanked Dr. Malphrus for all of his work and said the Science Center has created new opportunities in the aerospace industry.

Responding to Co-Chair Danny Carroll, Dr. Malphrus said that although there is a workshop that Morehead State University offers female junior high school students, there is not enough outreach done to

middle and high school students due to a shortage of instructors and staff which limits what the University can provide on the front end of the talent pipeline for the aerospace industry. There are a significant number of jobs in the industry that go unfilled each year across the country due to a lack of well qualified and trained individuals. However, the Commonwealth is poised for growth in the aerospace industry due to the state's manufacturing hubs, adding centers for distribution and logistics, and specialized programs being added to state colleges and universities.

Addressing Representative Ashley Tackett Laferty, Dr. Malphrus confirmed that the Science Center does work with Big Sandy Community Technical College and the East Kentucky Science Center and Planetarium to some extent. Morehead State University has an articulation agreement with all schools in the Kentucky Community and Technical College System.

Kentucky's Growing Opportunity in Aerospace

In the 2015 Regular Session House Joint Resolution 100 was passed that directed the Transportation Cabinet, Cabinet for Economic Development, and Commission on Military Affairs to study the economic impact of the aviation and aerospace industry across the state which led to the creation of the Kentucky Aerospace Industry Consortium (KAIC). The goals of KAIC included the unification and promotion of the industry; harnessing the business development through industry certifications and improved cybersecurity; and encouraging research and education. The Consortium encouraged collaboration among industry partners, promoted the industry both within and outside the state, and worked closely with those in the education system to ensure there is an industry driven workforce in the aerospace cluster. KAIC found that the aerospace industry has seen tremendous growth with over 600 aerospace related companies across the state and that is partially due to a migration of the industry to the Midwest. Unfortunately, 18 months after its creation KAIC was absorbed by the Kentucky Association of Manufacturers because of a lack of funding but will continue to advocate for the industry.

There being no further business, the meeting adjourned at 2:50 p.m.

INTERIM JOINT COMMITTEE ON JUDICIARY

Minutes of the 6th Meeting of the 2019 Interim

November 22, 2019

Call to Order and Roll Call

The 6th meeting of the Interim Joint Committee on Judiciary was held on Friday, November 22, 2019, at 10:00 AM, in Room 154 of the Capitol Annex. Senator Whitney Westerfield, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Whitney Westerfield, Co-Chair; Representative Jason Petrie, Co-Chair; Senators Danny Carroll, Gerald A. Neal, John Schickel, Wil Schroder, Stephen West, and Phillip Wheeler; Representatives John Blanton, Charles Booker, Kevin

D. Bratcher, McKenzie Cantrell, Daniel Elliott, Angie Hatton, Joni L. Jenkins, Stan Lee, Savannah Maddox, Chad McCoy, Reginald Meeks, Jason Nemes, Brandon Reed, and Maria Sorolis.

Guests: Rob Hudson, Frost Brown Todd; Charlie Vance, CEO, Erigo Employer Solutions; Karen Campbell; Amanda Parker, Senior Director and CFO, AHA Foundation; Senator Morgan McGarvey; Senator Paul Hornback; Whitney Austin, Executive Director, Whitney/Strong Foundation; Kirsten Russell, Victim; Jeremy Mull, Prosecuting Attorney, Clark County Indiana; Jen Pauliukonis, State Affairs Director, Coalition to Stop Gun Violence; Connie Coartney, Moms Demand Action; and Art Thomm, National Rifle Association.

LRC Staff: Katie Comstock, Alice Lyon, Dale Hardy, Randall Roof, Raleigh Dixon, and Yvonne Beghtol.

Approval of the Minutes

Senator Schickel made a motion to approve the October 4, 2019 minutes, seconded by Representative Reed, and passed by voice vote.

Smokers as a Protected Class

Senator Schickel explained that his proposed legislation would remove smokers as a protected class.

Rob Hudson, an attorney with Frost Brown Todd, stated that removing smokers as a protected class would make Kentucky more competitive while helping employees. Mr. Hudson highlighted that Ohio employers have the right to choose who they want as employees, including non-smokers. This creates a competitive advantage in the Ohio labor market, whereas Kentucky employers do not have the right to choose a healthier workforce. If an employer has the ability to choose a smoke-free workforce, it can have a positive influence on the workforce by encouraging individuals to make healthier choices.

Charlie Vance, CEO of Erigo Employer Solutions, stated that an Ohio State University study found that it costs employers approximately \$6,000 more per year to employ a smoker versus a non-smoker, due to the cost of healthcare and loss of productivity. The proposed legislation would allow employers to determine if that is a burden they are willing to accept. Mr. Vance noted that the Foundation for a Healthy Kentucky ranks Kentucky 49th in adult smoking, 44th across the nation in heart disease, and worst in the nation for cancer deaths. The foundation attributes this to tobacco use. Mr. Vance stated that employers already take on a huge financial responsibility in hiring and should be allowed to choose whether or not to take on the additional financial burden of hiring a smoker. Smoking is a behavioral choice, whereas gender, race, and other classifications are not.

Grandparent Custody

Karen Campbell, a grandparent, testified that her granddaughter was born with neonatal abstinence syndrome and that she and her husband assumed custody. After having custody for seven years, the Family Court judge awarded full and permanent custody to the biological parents. The Campbells are now labeled as de facto custodians, and beginning next month are allowed only set visitation. Ms. Campbell stated that there are no laws protecting grandparents who stand in and raise their grandchildren. She said that forcing a child to stay in a home they are not

familiar with is traumatic and should be considered abuse. De facto custodians should be granted the same visitation schedule as the biological parents had, rather than minimal grandparent visitation. Ms. Campbell stated that the court should consider the child's adjustment and continuing proximity to his or her home, school, and community when making custody changes. She advocated for a statute that allows a court to revoke parental rights if the court finds that a child has been abused, neglected, or diagnosed with neonatal abstinence syndrome at birth. Ms. Campbell noted that they were never informed about the right to file for parental abandonment. Had they known this, she said they could have adopted her granddaughter. Ms. Campbell stated that a time limit needs to be in place in regards to when a child with a custodial family cannot be removed.

In response to Senator Wheeler, Ms. Campbell testified that the court did rule that the Campbells were de facto custodians, and yet the judge ruled in favor of the biological parents.

In response to Chairman Petrie, Ms. Campbell confirmed that more weight should be given to a grandparent or custodial figure if the child has been with them for an extended period of time.

Female Genital Mutilation

Amanda Parker, Senior Director and CFO with the AHA Foundation, advised that female genital mutilation (FGM) is a form of child abuse used to control the sexuality of females and has no health benefits. Internationally, FGM is considered a human rights violation. Ms. Parker reviewed the immediate complications, long term consequences, and risks to babies of mothers who have undergone FGM. Some communities that practice FGM also consider it physically more appealing and more hygienic. This practice is perpetuated by mothers who believe this is in the best interest of their daughters, and ensures their marriageability. Ms. Parker noted that the Centers for Disease Control and Prevention estimates that half a million girls in the United States are at risk or have undergone FGM surgery. In addition, the Population Reference Bureau estimates that 1,845 women and girls are at risk or have undergone FGM in Kentucky. A federal law was passed in 1996 banning FGM, but a federal judge found the law unconstitutional and stated FGM is for the states to regulate, not Congress. Thirty-five states currently have laws banning FGM. Ms. Parker advised that Senator Adams' bill draft would ban FGM and make it a class B felony; would ban the taking of a girl across state lines for the procedure; would provide education, outreach, and training; would revoke medical licensing if convicted of FGM; would provide civil action for survivors up to ten years past their 18th birthday; and would define FGM as child abuse.

Jenny, a victim of FGM, added that the estimated number of girls at risk in the United States did not include her or other Caucasian or Christian girls that have undergone FGM. Jenny wants a law banning FGM to serve as a deterrent rather than punishment. She stated that if Kentucky does not ban FGM, it will allow people to transport girls here for the procedure to be performed. Jenny was five years old and has memory of the procedure, which caused long-term

effects such as post-traumatic stress disorder, trust issues, school issues regarding bathroom breaks, and having to have C-section childbirths. She stated that having a law would not only inform the medical and law enforcement professions of the practice of FGM, but would inform and encourage victims to reach out for help. In addition, it would give mothers who do not want their daughters to undergo FGM grounds to stand on against family members who still believe in the practice.

In response to Senator Schroder, Ms. Parker stated that specific legislation is necessary because communities that believe in the practice of FGM do not consider it assault, and the lesser forms of FGM may not fall under the definition of assault.

In response to Senator Wheeler, Ms. Parker confirmed that the half a million females estimated at risk in the United States is based on immigration rates from countries that practice FGM, but does not include those communities in the United States that also believe in the practice. So the number at risk is actually higher.

Extreme Risk Protection Orders

Senator Hornback stated that his reason for supporting Extreme Risk Protection Order (ERPO) legislation is based on changes in society.

Senator McGarvey stated that 17 states have already adopted ERPO legislation. The purpose is to protect individuals from harm as well as protecting their 2nd Amendment rights, by giving them a temporary “timeout”. ERPOs have been most effective in suicide prevention. The proposed bill would limit those who could make the request, and would require a court hearing to determine if the individual should have longer-term firearm restrictions.

Kirsten Russell, a gun violence victim, testified that her brother killed their mother by shooting her multiple times and then shot and killed himself. Family members recognized that he had changed since returning from the Navy. He was not able to hold a job and constantly worried that people were following him. Attempts of family intervention and a mental inquest warrant were denied. Because he had no criminal record he was able to purchase firearms. Ms. Russell stated that an ERPO could have changed this outcome.

Jeremy Mull, Prosecuting Attorney for Clark County Indiana, testified that Indiana has had a dangerous persons firearm law (referred to as the Jake Laird Law) since 2005, which passed 48 to 1 in the Indiana Senate and 91 to 0 in the Indiana House. Some of the similarities between the Indiana law and legislation being considered in Kentucky are that a police officer has to make a probable cause determination (similar to an arrest), the prosecutor has to file an action, and a judge has to make a finding of clear and convincing evidence that the person is dangerous. Mr. Mull stated that he uses the law regularly but not frequently. While one can never know exactly what the law may prevent from happening, Mr. Mull stated he is confident that the law has saved many lives in Indiana.

Whitney Austin, Executive Director of Whitney/Strong, testified to the mass shooting at her place of employment in Cincinnati, Ohio, where she was shot 12 times by a co-worker. Ms. Austin stated that, as

a gun owner, she believes it is her responsibility to speak out in favor of reasonable solutions that seek to balance public safety with the right to bear arms. An ERPO would provide intervention that is not available today, offers bipartisan support, is effective in reducing suicides and averting mass violence, is gun owner centric, and mirrors Domestic Violence Orders and Emergency Protection Orders.

Jen Pauliukonis, State Affairs Director of the Coalition to Stop Gun Violence, stated that the rate of gun violence in Kentucky is 1.3 times higher than the national average, and gave statistics on the increased number of suicides in rural Kentucky, of which the majority were committed using firearms. She highlighted studies that recommended preventing access to firearms as a way to save lives. ERPOs offer a temporary solution to those suffering from a crisis, allowing time for family and the individual to get the help needed. Ms. Pauliukonis reported that, as has in other states, this law could potentially affect the number of mass shootings, suicides, and homicides in Kentucky.

In response to Representative Maddox, Senator Hornback wants safeguards upfront to protect the individual's rights, including who can request an ERPO and offering some type of court counsel.

In response to Senator Carroll, Senator McGarvey stated that an adverse aspect of the 72-hour hold period is that there is no mental evaluation completed afterwards to determine if the individual should or should not have a firearm. In regards to the procedure for an ERPO, an approved individual would present to the court evidence of an imminent and substantial danger, the judge would determine whether the burden of proof is met and may sign an ERPO, then the individual would be denied access to their firearms for up to 14 days, when they then come before the court to determine whether a longer-term firearm restriction is appropriate. Even if the person is found to be an immediate danger to themselves or to others, they can petition the courts to have their firearms returned after the person has stabilized. Senator Hornback added that it is not always a mental illness, but may be a temporary mental life crisis that the person is experiencing. Senator McGarvey added that mental health professionals have asked not to be on the list of those who can petition for an ERPO. Ms. Pauliukonis stated that only 4% of all interpersonal violence is actually committed by someone with a serious mental illness. A temporary life crisis issue can be related to financial, relationship, and employment, and not necessarily a mental health issue.

In response to Senator Schroder, Mr. Mull explained Indiana's ERPO process. In regards to penalties for making false accusations, Mr. Mull stated that a police officer makes the determination as to whether or not to proceed with the seizure of guns based on their evaluation of the individual. However, the false informing statute that criminalizes making false reports or information to police officers in Indiana would apply if necessary. Senator McGarvey added that Kentucky's statute that criminalizes the filing of a false report is a Class A misdemeanor.

In response to Representative Hatton, Senator McGarvey confirmed that there has been no official input from the Fraternal Order of Police at this

time. In regards to the time period before returning firearms, Senator McGarvey stated that the judge would have discretion on how long, but it would be no longer than one year.

In response to Representative Booker, Senator McGarvey stated that they are considering best practices in determining who can request the order and at this point they are only including law enforcement and immediate family members. This statute would not address how many times a petition can be made because an action that is dismissed without prejudice by a court can be refiled.

In response to Representative Maddox, Senator McGarvey stated that abuse of alcohol has been removed from the legislation. The current proposal reads that a court may consider “relevant evidence”. Representative Maddox added that this legislation violates the Constitutional rights of due process and the presumption of innocence.

Connie Coartney, Kentucky State Volunteer Chapter Lead of Moms Demand Action for Gun Sense in America, gave statistics on deaths and suicides by firearms. Ms. Coartney added that ERPOs provide law enforcement and family members a tool to intervene in a crisis situation.

Art Thomm with the National Rifle Association stated that IPOs and EPOs are already in place to remove firearms from those deemed dangerous to themselves or others. Mr. Thomm added that an individual may have to spend a large sum of money and take time off work to defend themselves against charges.

Adjournment

There being no further business the meeting adjourned at 12:15 PM.

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on Education

Minutes of the 5th Meeting of the 2019 Interim

November 19, 2019

Call to Order and Roll Call

The 5th meeting of the Budget Review Subcommittee on Education of the Interim Joint Committee on Appropriations and Revenue was held on Tuesday, November 19, 2019, at 10:00 AM, in Room 154 of the Capitol Annex. Senator Alice Forgy Kerr, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Alice Forgy Kerr, Co-Chair; Representative Steve Riley, Co-Chair; Senators C.B. Embry Jr., Christian McDaniel, Johnny Ray Turner, and Mike Wilson; Representatives Tina Bojanowski, Randy Bridges, David Hale, Cluster Howard, C. Ed Massey, Bobby McCool, and Attica Scott.

Guests: Ryan Hale, Advanced Placement Instructor, Western Hills High School; Stacy Bassett, Senior Director of State Government Relations, College Board; Brian Gupton, Chief Executive Officer, DataSeam; Dr. John O. Trent, Deputy Director of Basic Translation Research, James Graham Brown Cancer Center, University of Louisville; Charles David (CD) Morton, Superintendent, Harlan Independents Schools; Eric Kennedy, Director of

Advocacy, Kentucky School Boards Association; Dr. Rhonda Caldwell, Executive Director, Kentucky Association of School Administrators; Dr. Jim Flynn, Executive Director, Kentucky Association of School Superintendents.

LRC Staff: Chuck Truesdell, Nick Peak, and Amie Elam.

School Safety

Representatives from the Kentucky School Boards Association (KSBA), the Kentucky Association of School Administrators (KASA), and the Kentucky Association of School Superintendents (KASS), spoke to the committee regarding school safety issues and 2019 Regular Session Senate Bill 1.

In response to a question from Senator McDaniel, Mr. Kennedy said that SEEK would likely be the most effective way to fund school safety initiatives. He added that the SEEK program would be able to account for all of the differences among school districts. Mr. Kennedy said that KSBA will provide the committee with specifics regarding the best and most effective ways to fund the implementation of Senate Bill 1. Mr. Kennedy stated that he would provide the committee with actual personnel costs rather than the mandated costs that were shown on the slides. Dr. Flynn said that any position that requires a certification will be a part of the Teachers' Retirement System.

In response to a question from Representative Scott, Mr. Kennedy said that School Resource Officer (SRO) training falls under the Department of Criminal Justice Training. He said that Commissioner Alex Payne would have information relating to SRO training.

In response to a question from Representative Scott, Dr. Flynn said that he would have to research restorative justice practices in Kentucky to provide a better answer to the committee.

In response to a question from Representative Bojanowski, Mr. Kennedy said that as of the 2019 Regular Session there were a few schools in Kentucky that did not have a designated school counselor. Mr. Kennedy said that reimbursements for SROs would depend on the provisions the General Assembly puts in the budget bill.

In response to a question from Representative Massey, Mr. Kennedy said that Senate Bill 1 requires districts to submit a report that will allow for better information gathering regarding the implementation and progress of school safety measures.

Advanced Placement

Advanced Placement (AP) Instructor, Ryan Hale, and Stacy Bassett, Senior Director of State Government Relations, College Board, addressed the committee regarding AP instruction and exams in Kentucky high schools.

Dataseam

Representatives from Dataseam, Harlan County Schools, and the James Graham Brown Cancer Center updated the committee on the accomplishments of the Dataseam project.

In response to a question from Representative Massey, Mr. Gupton said that 46 districts are participating in Dataseam. He said that roughly 20 of those districts are part of a limited expansion of the program.

In response to a question from Senator Turner, Mr. Gupton said the grant for Dataseam was awarded in 2005 and the General Assembly made the legislative appropriation in 2006.

There being no further business to come before the subcommittee, the meeting was adjourned at 12:07 p.m.

INTERIM JOINT COMMITTEE ON LOCAL GOVERNMENT

Minutes of the 6th Meeting of the 2019 Interim

November 21, 2019

Call to Order and Roll Call

The sixth meeting of the Interim Joint Committee on Local Government was held on Thursday, November 21, 2019, at 8:00 AM, in Room 149 of the Capitol Annex. Senator Wil Schroder, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Wil Schroder, Co-Chair; Representative Michael Meredith, Co-Chair; Senators Ralph Alvarado, Denise Harper Angel, Christian McDaniel, Morgan McGarvey, Robby Mills, Albert Robinson, Damon Thayer, and Johnny Ray Turner; Representatives Danny Bentley, George Brown Jr, Jeffery Donohue, Larry Elkins, Joe Graviss, Cluster Howard, Kim King, Adam Koenig, Russ A. Meyer, Jerry T. Miller, Rob Rothenburger, John Sims Jr, and Ashley Tackett Laferty.

Guests: Bill Dieruf, City of Jeffersontown Mayor; Troy Rudder, City of London Mayor; J.D. Chaney, Bert May, Michele Hill, and Bryanna Carroll, Kentucky League of Cities; Gary Moore, Boone County Judge/Executive; Reagan Taylor, Madison County Judge/Executive; Phil Sammons, Boyle County Magistrate; Amy Milliken, Warren County Attorney; Elbert Bennett, Caldwell County Magistrate; Kevin Corman, Jessamine County Sheriff; Jim Henderson and Shellie Hampton, Kentucky Association of Counties; Ron Wolf, Associated General Contractors of Kentucky; and Sara Beth Gregory, Auditor of Public Accounts Office.

LRC Staff: Mark Mitchell, John Ryan, Joe Pinczewski-Lee, and Cheryl Walters.

Approval of Minutes

Upon the motion of Senator McDaniel, seconded by Representative Sims, the minutes of the October 3, 2019 meeting were approved.

Kentucky League of Cities (KLC) Legislative Platform for the Upcoming 2020 Session of the General Assembly

Mayor Bill Dieruf, City of Jeffersontown and KLC President, told the Committee that cities are the economic engines of the state—where the jobs are, where people live and where the state is seeing the most growth. Kentucky cities' growth since 2010 represents 81 percent of the state's entire population growth.

The top focus for cities is separate governance of CERS that is free from political influence. In the past 20 years, employer contribution rates have doubled. Since the CERS contribution phase-in bill of 2008, cities and counties have worked to find the money. That resulted in CERS getting a return of 5.8 percent

for FY 19, well below peer groups which had returns of 6.4-6.8 percent. CERS is largest system in KRS, 64 percent of the membership. CERS is growing while membership in KERS shrinks. CERS is also most of the assets KRS manages, which is 73 percent. That is uneven representation for CERS. CERS is only 35 percent of the KRS Board of Trustees, 11 percent of the investment committee and 17 percent of its actuarial subcommittee.

Another top priority is modernization of the road funding formula. The condition of the roads says a lot about the Commonwealth. Cities maintain more than 10,000 miles of public roads. Costs for municipalities have increased 17 percent in the past nine years, while state and federal funding dropped 21 percent. Modernization also includes updating the state's motor fuels tax, which has not changed since 2015. Twenty-two other states have increased the tax since that time, including Indiana, Tennessee and Ohio. The Road Fund is allocated by the "formula of fifths" that was established in 1948. The state's population has shifted. Counties must not be harmed. An agreement to modernize the formula equally splits new revenue above \$825 million to ensure counties are held harmless. Cities and counties would each get 13 percent of motor fuels taxes collected above the \$825 million mark.

Revenue diversification is also a top priority for cities, equalization and modernization of funding options. That includes opposing any effort to centralize tax collection. Diversifying income options for cities empowers local governments to find the funding sources that best fit their community. Let local elected officials and their constituents decide where money should go. Currently the restaurant tax is only allowed to be collected in former fourth and fifth class cities. Under the proposal, cities that collect the restaurant tax revenue would not collect a net profits or gross receipts tax. Mayor Rudder's City of London collects restaurant taxes.

Mayor Troy Rudder, City of London and KLC First Vice-President, told the Committee that the restaurant tax works well for the City of London and has allowed the city to build parks for the people and invest in the future. It brings in around \$3 million. He did not know of any city that would not benefit from a restaurant tax. It changed the whole direction of the city.

Mayor Dieruf stated that as the state looks to move more into consumption-based taxation, KLC is asking the legislature to include the option of a local sales tax in order to allow the citizens of the cities control their destinies. The question is asked: if a particular tax is passed, will another be offset? This is possible in Jeffersontown, but other cities are different. Each needs the tools to provide the services its residents require.

Kentucky is one of only 12 states that does not allow one or more local governments to collect that funding. It is also important that the legislature protect the ability of taxpayers to credit occupational taxes owed to a city against any county tax owed. This ensures taxes are not stacked on citizens and that they do not pay for duplicate services. Removing the credit would result in millions of dollars of higher taxes for a quarter million Kentuckians.

Mayor Rudder told the Committee that one of the top issues on KLC's agenda this year is reflective of a growing problem in cities of all sizes, which is the increased number of blighted, deteriorated and vacant properties. Dealing with these eyesores is often a challenging and an expensive endeavor. Cities need new tools to deal with enforcement and rehabilitation. Not dealing with the problem brings down property values in the community, decreases quality of life for neighbors, and poses a safety and crime risk.

One solution KLC is proposing requires the legislature's help--legislation that allows for a conservatorship to rehabilitate these types of areas. The court-appointed conservator would be required to have experience in the rehabilitation of buildings and would have to be able to provide financing for the project. This solution would apply to properties that had been vacant for at least a year with no pending foreclosure and no effort to market it within the previous 60 days. Properties would have to be out of compliance with local codes and be unfit for occupancy. These are structures that are a danger to the community's health, safety, and economic welfare. London has dealt with 120 of those types of properties in the past five years.

Also on KLC's agenda is a proposal to modernize communication and save taxpayer money. Kentucky cities spend an estimated \$1.4 million a year on state-mandated publication costs. A Pew study found only 20 percent of adults report going to their local newspaper for information, compared to 90 percent who use the internet. Putting notices, bid solicitations and other important documents on a website makes them free for people to access, instead of requiring them to buy a newspaper. It also makes the documents available for a longer time. This issue was addressed in temporary legislation passed in 2018, but only impacted 135 cities. It expires next year. KLC is asking the legislature to allow cities to use technology to better communicate with their constituents.

KLC is looking to expand upon the passage of 2019 SB 29. SB 29 allowed cities with a population of less than 20,000 to impose a regulatory license fee to help offset the cost of additional policing and regulation that comes with alcohol sales. Cities are asking the legislature to even the playing field and make that option available to all municipalities.

Cities are seeing some unintended consequences with changes made to the open records law in the 2019 Regular Session. 2019 SB 230 allowed requests to be emailed, but cities have found that is creating a problem for clerks who are overwhelmed with inquiries. Kentucky cities receive around 4,500 open records requests a year and spend more than 750,000 hours of city staff time each year trying to answer them. An amendment to last year's law can address the numerous out-of-state requests and correct attempts to circumvent the discovery process in civil litigations. Additionally, an amendment to the open meetings law can help cities protect sensitive information and protect public finances, especially when dealing with the purchase and sale of property and job evaluations.

KLC continues to support legislation that enhances economic development in Kentucky's cities, and is ready to work with the legislature on measures that

combat the state's substance abuse epidemic.

Additionally, cities are asking for the same option given to private employers to prohibit an employee from carrying a weapon during his or her official duties.

The League seeks to limit the policing powers of untrained constables for citizens' safety, and is looking for help in cleaning up legacy police and fire pension plans.

KLC is seeking legislation that allows municipalities to enter into contracts with private ambulance services for periods longer than a year, and is looking for changes to the way the state certifies paramedics and EMTs to improve the hiring of qualified candidates to ensure that public safety services are available when needed.

Most local officials serve in a part-time capacity. They serve out of sense of duty to the community, often while also working in a full-time job. If that career happens to be with an employer who is also in one of the state's pension systems, an elected city leader cannot retire from that career without also leaving their elected office. KLC is seeking legislation to fix this issue.

City leaders are seeking a change in how annexation filings are made with the Secretary of State, which is to allow electronic filings which will improve efficiency.

KLC is also seeking legislation to streamline the Interlocal Cooperation Act, so the process is easier to execute in order to encourage cooperation among local governments.

Cities are facing new challenges with defunct homeowner associations and planned-unit documents that do not cover maintenance of common areas. The League is seeing issues with splash parks and pads that have pointed out the need to define laws and regulations that cover these locations.

KLC is looking forward to working with the legislature on these top issues.

In response to a question from Representative Miller, Mr. J.D. Chaney, Deputy Executive Director of KLC, stated that Senator Mills has filed a bill that would allow for a conservatorship. The court would appoint someone to rehabilitate the property, bring it up to code, and then sell the property and recover the costs for rehabilitation.

Representative Miller commented that it was ridiculous to require publication of notices in the newspaper, and it is time to let cities publish on the internet.

In response to a question from Representative Graviss, Mr. Chaney replied that the conservatorship would apply to counties as well as cities. The local government would file a petition in the courts for the conservatorship or to contract with someone to act as conservator and the courts would appoint someone to conserve it.

In response to another question from Representative Graviss, Mr. Chaney said the conservatorship would not affect planning and zoning.

In response to a final question from Representative Graviss, Mayor Dieruf said that regarding the CERS separation proposal, both the money in the system and the decision-making by the board would be

separated from the other systems.

In response to a question from Representative Donohue, Mayor Dieruf stated that the difference between the League's proposal for the option of a local sales tax and LIFT is that KLC is simplifying it to have the ability to put it on the ballot to change the Kentucky Constitution to allow a local government to pass a local sales tax.

In response to a question from Senator Mills, Mr. Chaney stated that the current regulations relating to swimming pools apply to splash parks and pads and those regulations are not conducive to operating splash parks and pads.

In response to a question from Representative Howard, Mr. Chaney stated that cities and counties are working together on the issue of consumer-based restaurant revenue. It is not a formal ad hoc group, but it is better than one.

In response to a question from Representative Meyer, Mr. Chaney said it is the League's proposal to allow all cities to collect a restaurant tax, and if so, that tax would be lieu of net profits and gross receipts taxes on the restaurants.

In response to a question from Representative Sims, Mr. Chaney said that the law does not allow county governments to collect restaurant taxes. The League would not be for stacking the restaurant taxes if counties were allowed to do so.

Senator Schroder commented that it makes sense to have regulations in place for splash parks and pads.

Regarding open records, Senator Schroder stated that it might be helpful to see what other states are doing on how to address the request numbers, especially out of state requests.

Representative Meredith commented that Kentucky is one of only 17 states that allows occupational taxes to be collected. Kentucky is one of the five states that are most reliant on occupational taxes. In moving forward, cities need to mirror what is being done at the state level.

Kentucky Association of Counties (KACo) Legislative Platform for the Upcoming 2020 Session of the General Assembly

Boone County Judge/Executive Gary Moore, and KACo President, noted the constituency of KACo's membership and told the Committee that KACo's members were engaged in all 15 area development districts by KACo representatives, and were polled during KACo's annual conference last month, where more than two-thirds of attendees representing 106 counties provided responses. Counties feel that their hands are tied when it comes to generating the revenue needed to perform all the statutory and constitutional duties required of them.

Based on that feedback, KACo identified its top three priorities for 2020. The top priority was transportation funding, which is one of the state's priorities as well. Counties have made great strides in its economic development efforts and know how vital good roads are to job creation.

In KACo's 2019 poll, a majority of the members stated that more than 40 percent of county roads are in need of moderate to significant repair and a quarter of the members said that more than 60 percent of their roads need repair.

Counties own half of all the roads and 34 percent

of all the bridges in the state. Many fiscal courts have had to extend the time between road and bridge maintenance due to increased costs and decreased County Road Aid. In 2018, counties, excluding Jefferson and Fayette counties, spent almost \$60 million out of their general fund dollars on roads and bridges. This is over and above what counties received from their portion of the motor fuels tax, which has decreased or remained flat in recent years. Some roads in Crittenden County have had to be graveled because of falling road money aid allocations where they had been chipped and sealed earlier.

More revenue is needed to improve state roads which in turn helps both cities and counties.

Representative Sal Santoro has filed legislation for the last two sessions that would address critically needed revenues for state projects and maintenance, as well as county roads and bridges. KACo supported both of those bills. KACo was a founding member of the Kentucky Infrastructure Coalition (KIC), a broad group of stakeholders who have pledged their support for the measure, and which is prepared to do it again.

An overwhelming majority, 93 percent, of those polled support a gas tax increase, with nearly half supporting at least a 10-cent increase. KACo members have the legislature's back.

KACo's next priority is jails. In the poll, more than half said that jail costs are putting the most pressure on county budgets.

Madison County Judge/Executive Reagan Taylor and KACo President-Elect, told the Committee that Kentucky has an incarceration problem being driven by addiction and a mental health crisis. In the 1950's there were 330 mental health beds per 100,000 population in America. By the early 2000's, it had dropped to only 29 beds per 100,000 population. Counties are not equipped to handle this. County jails were intended to be temporary holding facilities but have evolved into mini state penitentiaries without the resources to provide comprehensive rehabilitation of inmates.

The jail crisis across Kentucky is no secret. It is something every county faces whether it operates its own jail or partners with neighboring counties to house its inmates. Each county is financially responsible for its own incarcerated population. The state also faces corrections-related challenges.

In researching Madison County's jail crisis, it has been found that arresting and incarcerating are not working. In Madison County, 85 percent of the individuals are arrested on drug-related crimes at an 80 percent recidivism rate. This is consistent across the Commonwealth.

Incarcerated population growth has far outpaced Kentucky's actual population growth. As counties' incarcerated population continues to rise, so does the financial obligation of counties. Prior to sentencing, the cost to house and care for inmates can be as high as \$75 a day.

Once that individual is sentenced and has become a state inmate, the state only reimburses the county \$31.34 a day per inmate. It has become a financial burden. And when the jail is overcrowded, as is the case in Madison County, overflow inmates are forced to be housed in other counties' jails, sometimes at a cost more than double the state reimbursement rate.

The per diem rate has not been adjusted for 13 years and is paid to the county only after an inmate has been sentenced in a felony case which is often two years or longer. Counties bear the entire cost for housing misdemeanants.

As inmates await trial, the county pays every penny of that person's stay, regardless of whether they are arrested for a felony or misdemeanor. But they are not arrested because they broke a county law. They are there because they broke a state or federal law. Counties should be reimbursed for those costs. Counties have no control over this process, but just bear the financial burden. This is not a desirable model from a business perspective.

KACo supports the following solutions: increase the state per diem rate; pursue criminal justice reform, including pre-trial release; broaden and fund substance abuse treatment; and reimburse credit for time served.

Judge Moore noted that incarcerated individuals lose Medicaid and Medicare and other federal benefits during incarceration and noted that there could be constitutional issues associated with that suspension during incarceration prior to conviction. The National Association of Counties and the National Association of Sheriffs are working together to address this issue in Congress.

Judge Moore stated that KACo's final priority is tax reform. The tax system at the state level is antiquated and makes Kentucky less competitive with surrounding states. Each time revenue options for local governments are explored, counties are told to wait for comprehensive tax reform. If that happens, counties ask for a seat at the table.

Eighty of the counties depend on income or occupational taxes for the majority of their revenues. KACo supports local sales tax authority and understands that it would replace other revenues presently available to counties. KACo believes that this could take some of the burden off of residents and access moneys from outside their jurisdictions. KACo's members also support the restaurant tax being offered to counties as well as cities.

Unfunded mandates are never a good thing. One example is what occurred with the 2018 revenue bill, when a county's portion of audit costs were increased from fifty to seventy-five percent, shifting costs from the executive branch budget to counties. If counties were consulted, they would have recommended the use of state authorized private auditors as they can perform the audits in an economical and efficient manner. The audits would have remained subject to State Auditor review under that recommendation. Additionally, counties could have still used the State Auditor to perform their audits if they preferred.

Control over Special Purpose Governmental Entities' (SPGEs) tax rates by elected officials has been a concern for some legislators, so KACo polled its members. KACo's members' opinions have shifted from opposition to being more supportive of that option for counties. Counties are willing to partner and work with the legislature.

In response to a question from Senator Schroder, Judge Moore replied that KIC stands for Kentucky Infrastructure Coalition, which is made up of 40 member groups.

In response to another question from Senator Schroder, Judge Moore stated that Amazon is building many roads on airport property themselves. The area is looking at tens of millions of dollars of needs for roads which was discussed between local and state government to provide the infrastructure to bring the jobs into the Commonwealth. There have been positive discussions with the Transportation Cabinet.

Representative Sims commented that as a former county magistrate he appreciates KLC and KACo supporting a gas tax.

Senator McDaniel commented that the gas tax is not the only way Kentucky finds revenue for its road fund. Examining expenditures would be better accomplished by viewing expenditures by lane mile or by population. It is important to remember that the road fund is the highest level it has ever been.

In response to a question from Senator McDaniel, Judge Moore stated that KACo was not prepared at this time to say whether or not it supports counties taking over the libraries and absorbing the revenues into the county budget, but some counties do want to do that or something similar.

Senator McDaniel noted that regarding the requirements of housing of prisoners in consideration of limited county resources, that there are three options: counties continuing to house prisoners in the same manner as is presently done; delegate the law making ability relative to misdemeanor crimes to county control; or shut down county jails.

In response to a question from Representative Graviss, Judge Moore stated that he individually recommends expanding consumption based taxes rather than using income taxes at the state level as a form of revenue.

Senator Alvarado commented that he was glad to hear that KACo is supporting county control of SPGEs, and looking forward to working with them.

Regarding the road formula, Senator Thayer commented that KACo should be careful with the urban-rural divide.

In response to a question from Senator Thayer, Judge Moore stated that KACo agrees with KLC regarding the \$825 million cap and subsequent redistribution of funds to cities and counties in the road formula.

Senator Thayer commented that he was glad that KACo changed its position regarding SPGE taxation issues.

Representative Meredith thanked KLC and KACo for working together on the road formula. He liked that the two groups are working together and being proactive.

Representative Meredith commented that there needs to be cooperation from the Judicial Branch regarding the jail issue.

There being no further business, the meeting was adjourned at 9:40 a.m.

INTERIM JOINT COMMITTEE ON AGRICULTURE

Subcommittee on Rural Issues

Minutes of the 1st Meeting of the 2019 Interim

November 18, 2019

Call to Order and Roll Call

The 1st meeting of the Subcommittee on Rural Issues of the Interim Joint Committee on Agriculture was held on Monday, November 18, 2019, at 8:30 AM, in Room 131 of the Capitol Annex. Senator Stan Humphries, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stan Humphries, Co-Chair; Representative Walker Thomas, Co-Chair; Representatives Larry Elkins, Mark Hart, Richard Heath, Kim King, John Sims Jr, and Nancy Tate.

Guests: Erran F. Persley, Commissioner, Department for Business Development, Cabinet for Economic Development.

LRC Staff: Nathan Smith, Kelly Ludwig, and Rachel Hartley.

Economic Development Projects in Rural Kentucky

Senator Humphries stated Ebonite in Hopkinsville moved manufacturing production to Mexico and Dean Foods filed for bankruptcy.

Erran F. Persley stated during the Bevin administration there were 59,000 new jobs added, \$22 billion in investments announced, and more than 1,200 new projects. Most of the investments are from companies in Kentucky and are in rural areas.

Mr. Persley provided a brief overview of small business and entrepreneurship development programs including: the Small Business Tax Credit, Small Business Credit Initiative, Selling Farmer Tax Credit, State Trade Expansion Program, and Regional Innovation for Startups and Entrepreneurs Hubs.

The Cabinet for Economic Development (CED) utilizes a regional approach, because the workforce in Kentucky is willing to commute to work outside of the county in which they reside. By using a regional approach, CED is able to better convince foreign investors to use the regional workforce.

There are 84 counties in Kentucky that have Opportunity Zones that are low-income and undeveloped areas. There are tax incentives to attract investment in these zones.

The Product Development Initiative is an investment program with an objective to promote corporate investment and job growth. Qualified applicants will receive monetary assistance to create more competitive sites and buildings. The two-year budget is \$6 million and applicants can be awarded up to \$500,000 for property improvements.

Mr. Persley provided a brief overview of the CED budget requests including: funding for 16 vacant positions plus two additional new positions, marketing funds, additional funds needed for cabinet programs, and funding for the Rural Jobs Act.

Representative Thomas provided an update on the Ebonite closure in Hopkinsville. There were 171 jobs lost, but job fairs are providing opportunities for the unemployed.

There being no further business, the meeting was

adjourned.

INTERIM JOINT COMMITTEE ON NATURAL RESOURCES AND ENERGY

Minutes of the 6th Meeting of the 2019 Interim

November 19, 2019

Call to Order and Roll Call

The 6th meeting of the Interim Joint Committee on Natural Resources and Energy was held on Tuesday, November 19, 2019, at 3:00 PM, in Room 154 of the Capitol Annex. Senator Brandon Smith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Brandon Smith, Co-Chair; Representative Jim Gooch Jr., Co-Chair; Senators Matt Castlen, C.B. Embry Jr., Paul Hornback, Robby Mills, John Schickel, Reginald Thomas, Johnny Ray Turner, Robin L. Webb, Whitney Westerfield, and Phillip Wheeler; Representatives John Blanton, Charles Booker, Adam Bowling, Terri Branham Clark, R. Travis Brenda, Randy Bridges, Jim DuPlessis, Daniel Elliott, Chris Fugate, Angie Hatton, Derek Lewis, Suzanne Miles, Melinda Gibbons Prunty, Josie Raymond, and Cheryl Lynn Stevenson.

Guests: Dr. Jack Groppo, Professor of Mining Engineering, Center for Applied Energy Research, University of Kentucky.

LRC Staff: Stefan Kasacavage, Janine Coy-Geeslin, Tanya Monsanto, and Rachel Hartley.

Recovery of Rare Earth Elements from Byproduct Sources

Jack Groppo stated that rare earth elements (REE) are actually very common; however, they are rarely found in high concentrations. REE are utilized in magnetics, phosphors, metal alloys, catalysts, ceramics, glass, and defense. One important downstream market for REEs is magnets used in larger wind turbines that can be used for electricity generation.

There are no wind turbines in Kentucky that are utility scale because there is no reliable wind potential; however, wind turbines are the fastest growing application for renewable electric generation in the United States. There are now 12 megawatt wind turbines commercially available, which is more than double the size of wind turbines a year ago. The increase in size is due to using magnets manufactured with REE.

The United States does not have mineable sources of REEs so research has been focused on developing technologies to separate REEs from alternative resource streams. Resource streams for REEs include: coal preparation refuse and middlings, coal combustion fly ash, acid mine drainage, and electronic scrap and electronic waste or e-waste. Of those, e-waste is the richest source for REEs. Coal seams contain about 140 parts per million (ppm) of REE whereas e-waste has about 300 to 500 ppm of REE.

In response to a question about the source of REEs in China, Dr. Groppo said that the REEs there are mined from mineral sands. In response to another

question about whether REEs are considered a national security issue, Dr. Groppo said that securing a domestic source for REEs is important to national security. The United States Department of Energy has lead the charge for REEs, because it is needed for building certain kinds of weaponry.

Continuing, Dr. Groppo stated that e-waste can be used as a resource for REEs, and items of interest in that resource stream include hard drives, printed circuit boards, and electric vehicle batteries. The REEs derived from these resources are needed to build the wind turbines and can also be used in other applications such as weapons.

The University of Kentucky is developing a research program to use byproducts from e-waste. The research program is a joint project between the UK College of Engineering and the Center for Applied Energy Research. The advantages of using the REEs from e-waste is that (1) the REEs are of a high grade, (2) other metals can be recovered, and (3) there is already an existing infrastructure for the collection and separation of those wastes in the recycling stream.

Currently there is no technology for the separation of REEs from e-waste, so that waste tends to be exported or stored in a warehouse in the United States. Dr. Groppo believes there is a significant economic opportunity in developing this technology.

In response to a question from Senator Wheeler, Dr. Groppo stated China only wants to sell finished products, not REE. The Department of Defense is concerned because of national security.

In response to a question from Representative Blanton, Dr. Groppo stated companies in the United States that claim to have this technology have not been able to adequately demonstrate it yet.

Representative DuPlessis commented that the United States should do smelting and fabrication rather than send those jobs to China.

Dr. Groppo responded that there are three operating smelters in the United States, but they need a sulfuric acid plant nearby during the process.

There being no further business, the meeting was adjourned.

MEDICAID OVERSIGHT AND ADVISORY COMMITTEE

Minutes of the 6th Meeting of the 2019 Interim

November 18, 2019

Call to Order and Roll Call

The 6th meeting of the Medicaid Oversight and Advisory Committee was held on Monday, November 18, 2019, at 10:00 AM, in Room 171 of the Capitol Annex. Representative Daniel Elliott, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Daniel Elliott, Co-Chair; Senators Ralph Alvarado, and Danny Carroll; Representatives Melinda Gibbons Prunty, Steve Sheldon, and Lisa Willner.

Guests: Nancy Galvagni, President, Kentucky Hospital Association; Charles Lovell, Chief Executive Officer, Barbourville Appalachian Regional Healthcare; Allison Adams, President, Kentucky

Health Departments Association; Dana Nickles, Executive Director, Kentucky Health Departments Association; Scott Lockard, Public Health Director, Kentucky River District Health Department; Larry A. Hadley, Executive Director, Kentucky Board of Pharmacy.

LRC Staff: DeeAnn Wenk, Lead Staff, Chris Joffrion, Dana Simmons, Yvonne Beghtol.

Approval of Minutes

A motion to approve the October 7, 2019 meeting minutes was made by Chairman Meredith, seconded by Senator Alvarado, and approved by voice vote.

Status of Rural Hospitals

Nancy Galvagni, President, Kentucky Hospital Association, began by stating that hospitals not only provide care but also improve the economy by providing jobs. Rural hospitals make up 56 percent of Kentucky hospitals, with 21 out of the 68 rural hospitals being independently owned. One financial pressure for rural hospitals is that 42 percent of the rural population is covered by Medicaid and Medicare, which pay below actual hospital cost. Rural hospitals serve fewer patients covered by commercial insurance and more Medicare and Medicaid patients than urban hospitals. Kentucky hospitals treat a more vulnerable patient population than other states due to higher poverty levels and lower life expectancy in Kentucky, as well as having a prevalence of Medicare patients with multiple chronic conditions. Ms. Galvagni stated that more than 104 rural hospitals across the country have closed since 2010. A study from Navigant Consulting indicates 24.6 percent of Kentucky rural hospitals may close unless their financial situations improve. The University of North Carolina SHEPS Center analysis shows eight Kentucky rural hospitals are at a high risk of closing, and a 2015 Financial Strength Index (FSI) report from the Kentucky Auditor's Office ranked Kentucky's rural hospitals below the national average. The 2018 FSI study shows those same hospitals have continued to deteriorate financially, with two closing. Ms. Galvagni reviewed the association between a poor economy, shrinking population, and loss of jobs with the closing of hospitals. Ms. Galvagni stated that cuts in government payments have impacted financial pressures on all hospitals, not just those in rural areas. The 2018 FSI study shows 32 out of 66 rural hospitals, and only seven out of 38 urban hospitals ranked as having "poor" financial strength. The Kentucky Hospital Association has identified 28 hospitals as "vulnerable" financially. The National Bureau of Economic Research provided a report showing the negative implications of hospital closures for communities. Ms. Galvagni reiterated that Medicare pays only 90 percent of the actual cost for hospital services and the current Medicare for all proposals would cut another \$614,000,000 from hospital funding. The Medicare Disproportionate Share Hospital (DSH) payments do not take into consideration the cuts under the Affordable Care Act which will increase the loss in funding. Medicaid pays 81 percent of the actual cost for hospital services. Ms. Galvagni mentioned that the 2018 passing of HB 289 and the 2019 passing of HB 320 have helped to improve payments to hospitals and the Kentucky Hospital Association continues to work with the Cabinet for Health and Family Services

and legislators to procure supplemental payments. She also made suggestions about additional actions that could be taken to help rural hospitals.

Charles Lovell, Chief Executive Officer, Barbourville Appalachian Regional Healthcare, reiterated that payment cuts have caused a financial stress for rural hospitals. Rural hospitals see more patients who are covered under Medicaid and Medicare than do urban hospitals. Knox County has an unemployment rate of 7.9 percent, and a 47 percent rate of children in poverty, which is double the national level. Many in rural areas do not have standard transportation, therefore the closing of local hospitals would increase health issues due to not having access to facilities. When rural hospitals close, towns struggle to stay open.

In response to Senator Meredith, Mr. Lovell confirmed that the Affordable Care Act mandating Electronic Medical Recording (EMR) created issues for physicians due to requiring more of their time and funding to be spent on computers and not having as much time to see patients, which increases the loss in care and payments. In response to Senator Meredith's comment on recruiting health care practitioners to come to rural communities, Mr. Lovell noted that Barbourville implemented a program allowing students from nearby medical schools to participate in rotations with physicians in an effort to encourage them to remain and work in the community.

In response to Senator Alvarado, Ms. Galvagni noted that the KHA has a small insurance program to cover liability issues. Ms. Galvagni would like to review ideas from surrounding states and have more conversations with legislators regarding tort reform. Mr. Lovell stated that having an unhealthy population requires more tests to be run to cover liability issues. Mr. Lovell added that having to go to trial to defend yourself from liability claims is costly.

In response to Representative Prunty, Ms. Galvagni explained that preserving Medicaid expansion would ensure at least a percentage of payment, whereas having patients without coverage could result in zero payment.

In response to Representative Sheldon, Ms. Galvagni explained that while payments under the 340B program helps to keep some of the rural hospitals open, it is also being used to provide clinics and free medication to low income patients.

In response to Chairman Elliott, Ms. Galvagni clarified that of the \$4.7 billion paid in hospital wages, \$3.2 billion pays employee wages in urban hospitals, and only \$1.5 billion pays employee wages in rural hospitals. Ms. Galvagni stated she would have to get back with Chairman Elliott in response to the affects the Affidavit of Merit toward Tort Reform has on the medical industry.

In response to Chairman Meredith, Ms. Galvagni advised that the KHA has spoken with consultants working with hospitals and nursing homes regarding the intergovernmental transfers and believes that bringing more federal money to Kentucky would be beneficial.

Kentucky Health Departments Association

Dana Nickles, Executive Director, Kentucky Health Departments Association, reviewed the makeup of the Kentucky Health Departments Association and

their goal to realign state resources with the mandates and good policy.

Allison Adams, President, Kentucky Health Departments Association, reviewed the Public Health Transformation for Kentucky hospitals. The goal is to prevent disease, promote wellness, and protect people's health, which requires the individual health departments to work together for a comprehensive public health system. The Kentucky Health Department Association (KHDA) is focused on pulling resources together to produce better health outcomes for all Kentuckians, as well as utilizing funds to be more productive. An ideal health department needs to fund the system as a whole and not just the individual programs. The KHDA wants to focus resources on socioeconomic factors to encourage the public to make healthy choices. Ms. Adams reviewed the High Impact in 5 Years program (HI-5).

Scott Lockard, Public Health Director, Kentucky River District Health Department, reviewed the average life expectancy for the Eastern Kentucky population. Mr. Lockard stated that Medicaid makes up half of the budget for the Appalachian Regional Hospitals in his community through service fees of \$2.6 million. Having the ability to use resources most efficiently for each individual community is helpful. This requires that the agencies communicate, coordinate, and collaborate. Mr. Lockard mentioned that three out of the seven counties in his area have no private home health providers because they cannot make a profit. Funding the preventative services will have a greater effect than payment services.

In response to Chairman Meredith, Ms. Adams stated that the KHDA is willing and ready to work with anyone to increase the health of Kentucky's population.

In response to Representative Willner, Mr. Lockard stated that making these shifts of investing in public health requires getting everyone on board and coordinating these efforts. Ms. Adams added that reducing current legislation and getting a more centralized public health law will be necessary to get all entities working together. Ms. Adams stated that duplication of some services is sometimes mandatory to receive the funding, when that money could be used elsewhere to provide better service.

In response to Senator Alvarado, Ms. Adams stated the KHDA operates under a merit system, which adds a layer of oversight for local health departments that may need to be reviewed. Mr. Lockard added that the Kentucky River District Health Department was slated for state takeover but a surplus was posted last year due to some drastic changes.

In response to Representative Prunty, Ms. Adams stated that the KHDA does partner with the Foundation for a Healthy Kentucky. Ms. Adams also clarified that the pricing strategies for alcohol listed under the HI-5 presentation refers to making the healthy choice the easier and less costly choice.

Prescription Recycling/The Legend Drug Repository Program

Larry A. Hadley, Executive Director, Kentucky Board of Pharmacy, gave an overview on the Legend Drug Repository Program.

In response to Chairman Meredith, Mr. Hadley stated that the complexity of the program and issues

of higher priority have prevented the program from being implemented, in spite of the savings the program would ensure. Mr. Hadley estimates at least six months for completion and agreed to come before the committee after Session 2020 with an update.

In response to Senator Alvarado, Mr. Hadley stated that the Board of Pharmacy has been working on finalizing the program since 2005, and will contact states that have already implemented the program to help get Kentucky's program launched.

In response to Senator Carroll, Mr. Hadley stated that Kentucky has not filled any prescriptions under the Drug Repository Program due to not having regulations in place.

In response to Representative Sheldon, Mr. Hadley confirmed that regulations are earmarked for those in need of prescription drugs who are in the lower income, therefore having a positive impact on Medicaid and charitable pharmacies.

In response to Senator Carroll, Mr. Hadley stated that the Board of Pharmacy is willing to continue with the program unless it is envisioned to be under Medicaid or another agency.

In response to Representative Prunty, Mr. Hadley agrees that including the Humira drug would be a great benefit to patients.

In response to Chairman Meredith, Mr. Hadley agreed to come before the committee after Session 2020 with an update.

Adjournment

There being no further business, the meeting adjourned at 10:50 AM.

AREA DEVELOPMENT DISTRICT WORKING GROUP

Minutes of the 6th Meeting of the 2019 Interim

November 15, 2019

Call to Order and Roll Call

The 6th meeting of the Area Development District Working Group was held on Friday, November 15, 2019, at 10:00 AM, in Room 149 of the Capitol Annex. Senator Christian McDaniel, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Christian McDaniel, Co-Chair; Representative Suzanne Miles, Co-Chair; Senators Dennis Parrett and Brandon Smith; Representatives Jim DuPlessis and Susan Westrom.

Guests:

LRC Staff: Mark Mitchell, Jennifer Hays, and Chase O'Dell

Approval of Minutes

A motion was made, and seconded, to approve the minutes of the October 30 meeting. The minutes were adopted by voice vote.

Discussion of the DRAFT Report of the Area Development District Working Group

Jennifer Hays stated that the findings of the report were comprised of staff observations, comments from outside parties, and information that Ms. Hays had received from members of the working group.

Ms. Hays testified that staff found no concrete reasoning for the number of Area Development Districts (ADDs) and their boundaries. Population

statistics, income statistics, and geographical notes related to how ADDs exist today were found. Ms. Hays received comments that suggested ADD boundaries should be looked at again based on population statistics. She added that geography, the number of governmental units within an ADD, and the land mass and square miles within an ADD should also be considered in determining boundaries. Ms. Hays said that reducing the number of ADDs may create savings.

Ms. Hays stated that information was received from representatives of the ADDs on board members who have more or less than three years of tenure. There are three districts that have a majority of members with less than three years of tenure. There was no recommendation made related to tenure.

Ms. Hays pointed out that the special purpose governmental entity (SPGE) reports that are required under KRS 65A.020 are filed by many types of entities. The categories of revenues and expenditures are standardized. Many of the categories do not apply to the ADDs. However, it was pointed out that these reports are good for the public to use to understand the activities that ADDs have.

Ms. Hays stated that there are no standards set for the reports that are required to be filed with the Legislative Research Commission (LRC) under KRS 147A.115. Because of this, important information is sometimes missing from the reports. Several changes may be needed to standardize these reports. During testimony this interim, the ADDs pointed out that they were moving towards all ADDs reporting on a governmental reporting basis. Statutory changes may be required to standardize these reports.

Ms. Hays testified that the financial reporting that is currently required will not conclude whether monies are used appropriately. Because of this, there may need to be a requirement for a management or performance-type audit to be performed.

Ms. Hays said that the report recommends codifying in statute the formula used for Joint Funding Administration (JFA) distributions.

Representative Miles made a motion, seconded by Senator Smith, to approve the Report of the Area Development District Working Group. The report was approved with 6 yes votes and 0 no votes.

Representative Westrom said that she appreciated the staff of the working group.

Senator McDaniel echoed Representative Westrom's comments.

Representative Miles thanked the staff, ADD representatives, and the various agencies that provided information.

With no further business before the working group, the meeting was adjourned.

PUBLIC WATER AND WASTEWATER SYSTEM INFRASTRUCTURE TASK FORCE

Minutes of the 5th Meeting of the 2019 Interim

November 14, 2019

Call to Order and Roll Call

The 5th meeting of the Public Water and Wastewater System Infrastructure Task Force was

held on Thursday, November 14, 2019, at 1:00 PM, in Room 129 of the Capitol Annex. Representative Jim Gooch Jr., Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Phillip Wheeler, Co-Chair; Representative Jim Gooch Jr., Co-Chair; Representative Ashley Tackett Laferty; Michael Burruss, David Farrar, Mike Gardner, Peter Goodmann, Orbrey Gritton, John Holiday, Gary Larimore, Donna McNeil, and Brian Traugott.

LRC Staff: Stefan Kasacavage, Janine Coy-Geeslin, Tanya Monsanto, and Susan Spoonamore, Committee Assistant.

The October 23, 2019, minutes were approved, by voice vote, upon motion made by Mr. Traugott and seconded by Senator Wheeler.

Proposed Recommendations

The task force reviewed, amended, and approved the following final recommendations to be submitted to the LRC:

Continue the work of the Public Water and Wastewater System Infrastructure Task Force by reauthorizing the task force to meet during the 2020 Interim, or by establishing a workgroup attached to the Energy and Environment Cabinet, or by doing both. Any workgroup attached to the cabinet should consist of technical experts, industry professionals, public policy makers, and representatives from stakeholder groups, including but not limited to the groups represented on this task force. The workgroup would report regularly to the General Assembly and continue to meet on an ongoing basis in the coming months and years to develop consensus strategies to address the numerous financial, technical, planning, and managerial challenges faced by water and wastewater utilities throughout the Commonwealth.

Establish a new or recapitalize an existing water and wastewater infrastructure fund to leverage federal grants and loans, assist challenged utilities with infrastructure planning and asset management, and make direct loans and grants to water and wastewater utilities.

Propose that certain state loans or grants to public water or wastewater utilities be conditioned on reasonable technical, financial, and managerial performance benchmarks as established by the appropriate state entity.

Require the development by the appropriate state entity of best management practices for public water and wastewater systems that could be used as standards for the operation and maintenance of those systems. Best management practices may relate to asset management, water loss, revenue requirements, financial assistance compliance, staff adequacy and training, and maintaining adequate asset management and capital expenditure plans, among other things.

Require the appropriate state entity to establish a uniform evaluation process to identify challenged public water and wastewater utilities that lack technical, managerial, or financial capacity. Once identified, the state entity would develop an action plan with a challenged utility, and provide for the technical, financial, and training assistance that it will need to implement the plan.

Establish initial and continuing training

requirements for all water and wastewater board members, commissioners, and decision makers to be administered and enforced by the appropriate state or state-authorized entity.

Require annual financial audits and reporting, regular rate reviews, and establish regular rate adjustment criteria for all public water and wastewater utilities.

Study the adoption of a Tennessee-based model that would authorize a new or existing state entity or entities to have jurisdiction over all of Kentucky's water and wastewater utilities to ensure their financial and operational capacities and establish parameters for accountability, including oversight of annual utility financial, operations, and water loss audits. The entity or entities would be authorized to propose measures to bring any noncompliant utility back into financial and operational compliance.

Study the regionalized pooling of resources and professional services, and hiring and qualification criteria for those services, for challenged water and wastewater utilities to more efficiently manage their facilities and meet auditing and reporting standards.

Recommendations A through E, were adopted, by voice vote, upon motion made by Mr. Goodmann and seconded by Senator Wheeler.

Mr. Goodmann moved to adopt Recommendation F. Seconded by Senator Wheeler. Upon roll call vote, motion passed with 10 yes votes, 2 no votes, and 0 pass votes.

Senator Wheeler moved to adopt Recommendation G. Seconded by Mr. Gritton. Upon roll call vote, motion passed with 10 yes votes, 2 no votes, and 0 pass votes.

Senator Wheeler moved to adopt Recommendation H. Seconded by Mr. Traugott. Upon roll call vote, motion passed with 11 yes votes, 1 no votes, and 0 pass votes.

Mr. Goodmann moved to adopt Recommendation I. Seconded by Senator Wheeler. Upon roll call vote, motion passed with 12 yes votes, 0 no votes and 0 pass votes.

Meeting adjourned.

PUBLIC PENSION OVERSIGHT BOARD

Minutes of the 7th Meeting of the 2019 Interim September 23, 2019

Call to Order and Roll Call

The 7th meeting of the Public Pension Oversight Board was held on Monday, September 23, 2019, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Senators Christian McDaniel, Dennis Parrett, and Mike Wilson; Representatives Jerry T. Miller, Russell Webber, and J. Michael Brown, John Chilton, Mike Harmon, James M. "Mac" Jefferson, and Sharon Mattingly.

Guests: Mike Harmon, Auditor, Tiffany Welch, Audit Manager of Public Accounts; David Eager, Executive Director, Kentucky Retirement Systems; Beau Barnes, Deputy Executive Secretary

of Operations and General Counsel, Teachers' Retirement System; Chris Biddle, Executive Director, Kentucky Public Employees' Deferred Compensation Authority; and Joe Bowen, former Senator of the Kentucky General Assembly.

LRC Staff: Brad Gross, Jennifer Black Hans, Bo Cracraft, and Angela Rhodes.

Approval of Minutes

Sharon Mattingly moved that the minutes of the August 26, 2019 meeting be approved. Representative Miller seconded the motion, and the minutes were approved without objection.

Examination of Certain Policies, Procedures, Controls, and Transparency Compliance Activities of Retirement Systems in Kentucky

Mike Harmon, Auditor of Public Accounts, began by noting that his office had recently completed and released on August 28, 2019, a special examination related to the transparency of all three state-administered retirement systems: Kentucky Retirement Systems (KRS), Teachers' Retirement System (TRS), and Judicial Form Retirement System (JFRS). He noted that with passage of SB 2 in 2017, a high level of interest from the Public Pension Oversight Board (PPOB), as well as members of the public, has been focused on whether the retirement systems were in compliance.

Mr. Harmon outlined the scope of the audit, which primarily focused on evaluating the systems compliance with the increased transparency requirements of SB 2. The audit also reviewed a couple other special topics, such as delinquent employer balances and benefit payments to deceased individuals. The audit reviewed the period between July 1, 2017, and June 30, 2018, with additional data supplied through August 2019.

Mr. Harmon stated that KRS and TRS had failed to comply with the basic requirement to post all contracts, with both systems failing to post more than 80 percent of contracts on their websites. SB 2 required the posting of all contracts, and applied equally to contracts signed before its passage in 2017. During the audit, his office also discovered that both systems had contracts that referred to side letters that contain additional provisions of the contractual agreement, but none of those side letters were posted on the system's websites as required.

With regards to contracts posted online, KRS had abdicated its responsibility under the Open Records Act by delegating the redactions of confidential and proprietary information to external investment managers. He referred to KRS 61.645(20), which states that "the systems shall separate the excepted material by removal, segregation, or redaction, and make the nonexcepted material available for examination." KRS had not required any justification or documentation to support the requested redactions, nor had the system made any redactions themselves. The system has argued that their process is correct, based on an Opinion of the Attorney General issued in 2016, but he noted that SB 2, which amended the law, was passed in 2017.

In response to a question from Senator Higdon regarding whether the Auditor had been provided access to fully unredacted versions of the contracts as required by SB 2, Mr. Harmon confirmed that

his office had been given unredacted versions of the contracts that were requested.

Mr. Harmon provided a couple of examples of redacted information that is not proprietary, but has been redacted from contracts posted on the KRS website.

In response to a question from Senator Higdon regarding the items redacted, Mr. Harmon stated, in his opinion, some of the items redacted was proprietary, but that there were several items, like those shown in his presentation, which should not have been redacted.

In response to a question from Representative Miller regarding contracts signed after the passage of SB 2, Mr. Harmon stated his office were provided some contracts signed after SB 2, but not all the contracts had been posted online, and those online were still redacted by the investment managers instead of KRS as required.

Mr. Harmon noted another finding not directly related to SB 2 compliance: the failure of KRS staff to meet annually with investment managers as required by their investment policy. He noted that given staff shortages, the systems had waived the requirement in some cases. Mr. Harmon also called attention to the number of investment managers used by KRS, which totaled 110 as of June 2018, compared to only 41 investment managers for TRS and one for JFRS. SB 2 did not limit the number of managers, but having so many may impact KRS's ability to properly manage its investments and contracts.

With regards to TRS, Mr. Harmon noted the system has a process in place to redact confidential and proprietary contract information but that some redactions have been made without a request from the investment manager over concern the information would compromise the system's ability to competitively invest.

In response to a question from Senator Higdon regarding the requirements for KRS and TRS, Mr. Harmon confirmed the statutory requirements for both systems are the same, although neither system is in compliance. In response to a follow up question regarding compliance with just contracts signed post-SB 2, Mr. Harmon stated there was no exception and thus his office had considered all contracts.

Mr. Harmon continued with his findings, and stated that TRS was not reporting carried interest as required by SB 2, while KRS was reporting carried interest accurately and reflecting it as a line item on financial statements. TRS argues that carried interest information is proprietary and exempted from disclosure.

In response to a question from Senator Higdon regarding a description of carried interest, Mr. Harmon explained that carried interest is the amount of a private equity or hedge fund's profits that the general partner or investment manager receives as compensation. In response to a follow up question regarding if other states were reporting carried interest, Mr. Harmon stated that many states are reporting carried interest in a manner that is consistent with SB 2 requirements.

In response to a question from Representative Miller regarding whether or not the plans had

common investment managers, Mr. Harmon stated his office would have to report back.

In response to a question from Senator Higdon regarding if the carried interest information was provided to during the Audit, Mr. Harmon stated that his office was given access to the carried interest information. In response to a follow up with regards to whether disclosure would put the system at a competitive disadvantage, Mr. Harmon responded that he did not believe releasing carried interest information would result in unfair competitive advantage.

Mr. Harmon provided a summary of findings for each of the systems. With regards to KRS, he pointed out a few additional findings, which included KRS staff's inability to recalculate one investment manager's fee, delinquent employer balances, and benefit payments to deceased individuals during the most recent fiscal year.

In response to a question from Senator Higdon regarding fee caps utilized by TRS, Mr. Harmon explained that TRS contracts included language that would allow TRS to postpone or withhold the payment of fees if a limit or cap was reached during the fiscal year. He noted that KRS did not include this kind of fee monitoring in its contracts.

Mr. Harmon continued his summary of audit findings and pointed out one finding with regards to JFRS, which was a small amount of benefit payments made subsequent to death of a retiree. JFRS had chosen not to seek recovery of the overpayment.

In closing, Mr. Harmon noted that the full audit report included recommendations for each finding to improve internal controls and oversight, as well as overall transparency and accountability. Additionally, he recommended that the PPOB work with stakeholders to develop an enforcement mechanism for full compliance with transparency requirements.

In response to questions from Mr. Chilton regarding the noncodified language included in the bill, Mr. Harmon responded that SB 2 did include noncodified provisions primarily related to procurement that specifically applied to contracts executed or renewed after July 1, 2017.

In response to a question from Representative Miller about the audit's recommendation regarding contract disclosure, Mr. Harmon stated that the audit recommended that, as to the posting requirement, the General Assembly should prohibit the systems from entering into any future contracts with managers that would not fully comply with SB 2. In response to a follow up question, Mr. Harmon stated that neither KRS nor TRS were in complete compliance even with contracts completed since passage of SB 2.

In response to a question from Senator Higdon regarding if all contracts had gone before contract review, Mr. Harmon stated that his office did not review that matter. In response to a follow up question regarding the term of the contracts, Mr. Harmon stated that most contracts would have renewal provisions and, once a contract is renewed, compliance should be carried out.

Senator Higdon asked former Senator Joe Bowen, as the sponsor of SB 2, to provide testimony regarding his intent for the legislation. Mr. Bowen stated that the

intent of SB 2 was to give legislators and the public the opportunity to look inside the systems, see what was transpiring, and how money was being invested. He stated that the systems were gravely challenged with their level of funding, but it was hard for a legislator to make any recommendations or promulgate any type of corrective action without the opportunity to look inside to see what was going on.

Response to Auditor's Report – KRS & TRS

David Eager, KRS, in his opening remarks thanked the committee for the opportunity to testify and stated that he had some real concerns about the audit. KRS staff had worked extremely hard to become more transparent and build confidence with the General Assembly. He referenced materials KRS makes available online, which includes a list of every investment manager, assets under management, as well as fees paid. All board meetings are live-streamed to the public.

Mr. Eager identified three primary findings that KRS wanted to address: (1) the posting of all investment manager contracts, (2) the redaction process, and (3) adherence to the CFA Code of Conduct. First, with regards to the posting of contracts, he stated there are two time periods, before and after SB 2 that must be considered. He referenced KRS 446.080, which states that statutes are not retroactive unless otherwise specified. He stated that all 13 contracts signed since the passage of SB 2 have posted online, while 41 contracts that were signed pre-SB 2 are also online even though KRS believes they are under no obligation to do so. Mr. Eager stated that all contracts not posted were in place prior to June 17, 2017, and are primarily private equity and alternative investments that account for only 12 percent of the plans' total assets. Mr. Eager identified existing confidentiality clauses as the primary reason these contracts were not posted, but also noted that liquidating these illiquid investments was a very costly alternative when all of them will mature over time.

In response to a question from Senator Higdon regarding if contracts were made available to the Government Contract Review Committee, Mr. Eager confirmed that all contracts not posted are made available unredacted to the committee.

In response to a question from Senator Higdon in regards to the length of the investment period, Mr. Robben stated that the vast majority of unposted contracts are private equity investments, which typically last from 9 to 15 years. In response to a follow up question regarding length of contracts, Mr. Robben stated that there could be one or two contracts that are in real return that may not have a stated termination date, while Mr. Eager added that traditional public equity and fixed income manager agreements typically have an exit clause with a 30 to 90 day notice.

Secondly, Mr. Eager discussed the audit findings related to contract redactions and stated that KRS should not be in primary control of that process. He referenced KRS 61.878(1) and indicated that KRS should not be put in the untenable legal position determining what is confidential or proprietary and what is not on behalf of a manager. He emphasized the legal concern of having KRS staff control the process. Again, he noted the Auditor and Government

Contract Review Committee had access to all the systems' contracts.

Senator Higdon commented that several issues were resolved for TRS and KRS with the passage of HB 489 during the 2019 Regular Session. However, as to the other issues that systems are expressing concern about, the PPOB has not heard from the systems until the auditor's report was issued. If there are matters that require legislative intervention, the systems need to bring these concerns to the attention of the PPOB.

In response to a question from Representative Miller regarding the different approaches to redacting by TRS and KRS, Mr. Robben responded that he agreed with the Auditor that items were likely redacted that did not necessarily need to be, but his lack of legal expertise limited his ability to make such decisions. In addition, KRS as a whole, does not have legal staff with a level of expertise to discuss and challenge redaction items with each of their managers. Lastly, he noted the access available to legislators, the Auditor, and other decision makers and expressed that managers are not as concerned with the public having access, but rather their competitors.

In response to a follow up question from Representative Miller regarding the TRS redaction process, Mr. Barnes stated that with regards to the publicly-traded investment managers, TRS staff is handling the redaction process. As it relates to private equity contracts and general partnerships, TRS is working with those managers, but the final redacted version is handled by staff.

Senator Higdon reiterated that an unredacted version of every contract was available for review by the Government Contract Review Committee and the Auditor. In response to a question from Senator Higdon regarding other access, Mr. Barnes stated that the Executive Branch and Legislative Branch also has the opportunity to seek unredacted versions, subject to a nondisclosure agreement.

In response to a question from Senator Higdon regarding if the system had lost investment opportunities due to the required transparency laws, Mr. Eager stated that KRS has had two investment managers decide to no longer do business with KRS, while Mr. Robben noted that a handful of managers have declined opportunities after reviewing the plan's gating process and requirements.

Mr. Eager continued to discuss KRS's redaction process and referred to an opinion from the Attorney General from 2016, which stated "Since investment services are the essence of [an investment manager's] business, conducted in a competitive field, there is no reason to doubt that such information is generally recognized as confidential or proprietary. Nonetheless, we do not find justification for KRS to withhold the partnership agreements in their entirety." Mr. Eager commented that KRS agreed with that opinion.

Lastly, Mr. Eager discussed issues KRS had with adhering to the CFA Code of Conduct, which was included in the original SB 2. He noted that most of KRS's managers do not belong to the CFA Institute and, therefore, refused to abide by its code of conduct and code of ethics. In addition, the CFA Institute did not have punitive powers and does not conduct on-site audits. Mr. Eager highlighted HB 489, which removed the language and allows KRS to operate in

compliance with current law.

Senator Higdon commented that HB 489 was a model piece of legislation, chiefly with regards to how the legislative process is supposed to work with the systems and legislators collaborating to find solutions to issues. He stated there needs to be additional discussions before the next session so some of the audit findings can be discussed and solutions can be addressed.

In response to questions from Mr. Jefferson with regards to posting carried interest, Mr. Robben stated that KRS started posting carried interest on their website because they felt like it was the right thing to do.

Mr. Eager concluded his presentation by stating that several of the audit recommendations were in process or staff was developing procedures to implement. Mr. Robben also addressed the audit finding related to KRS monitoring investment managers. He clarified that the current investment policy requires annual onsite visits, which is not possible with a staff of four and 110 managers, 15 of which are located overseas. He stated that staff does monitor and meet with managers, generally quarterly, via telephone or conference, and that the board was in the process of making changes to the investment policy to conform to industry practices.

In response to a question from Senator Higdon, Mr. Eager stated that KRS is in the process of sending out demand letters to the delinquent agencies.

Mr. Barnes opened his presentation by stating that while TRS respectfully disagreed with the audit findings, TRS did appreciate their work and commended staff. Mr. Barnes noted two primary findings that he planned to address, which included transparency of investment contracts and reporting of carried interest.

First, Mr. Barnes discussed the audit finding related to greater transparency of investment contracts and stated that TRS did believe in transparency and operates in such a manner. A list of every investment manager could be found in the systems financial report, along with the amount of each investment and quarterly performance reports. Every dollar that is paid out of the TRS trust funds in the form of fees are reported in their financial statements.

Mr. Barnes then referenced legislation passed during the 2008 session that increased reporting requirements and noted that statutory language was added to protect TRS from having to disclose anything deemed proprietary, which is the same exception exemption provided by the Kentucky Open Records Act under which every other state agency operates. These protections are still in place and do not require TRS to disclose anything that would compromise their ability to invest.

Mr. Barnes pointed out that the majority of contracts that are not posted online are related to general partnership contracts. He agreed that, technically speaking, the Auditor's report that 81 percent of the system's contracts were missing from the website was correct, but stated those contracts only represented 11 percent of assets under management. If TRS were to post all contracts, they would expose \$20 billion of assets to litigation risk.

In response to a question from Senator Higdon

regarding who had access to unredacted contracts, Mr. Barnes stated that all contracts are available unredacted for review by the Government Contract Review Committee, the Auditor, and other Executive Branch offices.

Mr. Barnes continued and referenced contracts that were online, but redacted, and the auditor's finding that staff was redacting language above and beyond what the underlying manager requested. The finding was accurate, and staff had redacted any information that was deemed proprietary or compromised their ability to invest, which includes the method by which TRS calculates fees.

Additionally, Mr. Barnes discussed the audit finding related to the system not disclosing contact information for fund of fund managers as required by SB 2. TRS does disclose the fund of fund managers, but stated that the managers did not want competitors to know the underlying funds or investment strategy, so, staff did not report that information. He referenced the statutory protection language again as staff's reasoning for not reporting.

Next, Mr. Barnes began to address the audit reports finding with regards to TRS not reporting carried interest. Mr. Barnes provided a short description of what carried interest was and provided a scenario that served as an example. TRS does not consider carried interest a fee, because TRS, never had a right to the percentage of profit assigned to the general partner. Again, he invoked statutory protection language as the reason for not reporting.

Senator Higdon commented that the intent of SB 2 was to have each of the systems all reporting on a similar basis and that he would like to see the systems work together, along with legislators, so that the Auditor's next report shows full compliance.

In response to a question from Senator Higdon regarding if TRS had lost investment operations, Mr. Barnes stated that TRS had four investment managers that decided to decline opportunities due to SB 2, however with the passage of HB 489, TRS was able to reconnect with two of those managers.

In response to a question from Senator Higdon regarding some fee cap language included in TRS contracts, Mr. Barnes stated that fees are limited to an amount based on a percentage, for example, of assets under management. He stated that if TRS receives bills that may perhaps exceed the agreed upon limit, they can withhold payments until they are sure they can come in line with what the actual fees agree to and not get over billed for a particular investment.

In response to a follow up question regarding if TRS and KRS had common investments and reporting of fees, Mr. Barnes stated that he believes they may have one common investment. He stated that TRS does not report this investment as the manager has informed them it is proprietary.

Senator Higdon noted much of the public perception regarding plan underfunding had been directed at the General Assembly and lack of funding. He referenced a study provided by actuary Flick Forna that reported underfunding had accounted for about 20 percent and asked Mr. Barnes to comment. Mr. Barnes stated that the report had been conducted some time ago and he could not remember the timeframe nor the other factors. Mr. Eager stated that

KRS staff had performed a similar calculation and stated that if KRS had received the full ARC for all periods and invested that money, the KERS would be about 32 percent funded.

Mr. Jefferson commented that in the investment community today, carried interest is considered a fee. In response to a question from Mr. Jefferson regarding carried interest, Mr. Barnes confirmed TRS is not reporting their carried interest in their Comprehensive Annual Financial Report. In response to a follow up question regarding whether or not the law explicitly states carried interest should be reported, Mr. Barnes referenced the notwithstanding language in subsection 5 of KRS 161.250, which states TRS does not have to disclose information that is proprietary or, if disclosed, would compromise their ability to invest. In response to a follow up question regarding if TRS reconciles the carried interest calculations, Mr. Barnes stated that a reconciliation process is performed quarterly.

Representative Miller expressed a desire for staff to work on providing a report on these issues so that the PPOB can consider them for their annual list of recommendations to the General Assembly approved each December. For example, what changes need to be made regarding carried interest so all the state's plans can report and treat these fees exactly the same way. He asked staff to look at other states and plans, such as CalPERS, Wisconsin, South Dakota, and Tennessee and see how they are treating and handling carried interest.

In response to a question from Senator Higdon, Mr. Barnes stated that before reporting, TRS looks at state laws, administrative regulations, and strategies for implementing investment policy, which is approved by the board. TRS also looks at SB 2 for transparency requirements, and written policy.

Kentucky Public Employees' Deferred Compensation Authority Update on Auto Enrollment

Chris Biddle, Executive Director, began his presentation by stating that the Kentucky Deferred Compensation (KDC) Authority is the official supplemental retirement program servicing employees of the Commonwealth, public education, and local programs and is authorized by KRS 18A.230-18A.350. He noted that KDC is self-funded, receives no general fund revenue, and costs nothing for employers. KDC operates like a non-profit and is funded by participant fees, which are waived during a participant's first year and are capped at a maximum of \$237 per year, which is generally reached when an account reaches \$125,000. KDC is administered under the direction of a seven member Board of Trustees and an Executive Director that meets quarterly.

KDC has been in existence since 1975, when it began offering a 457(b) plan and introduced a 401(k) and IRA plan in 1986. He reviewed the maximum amounts a participant could defer for each of the plans along with the tax treatment. Currently, approximately 75,000 members are participating, the assets under management total just over \$3 billion, and the average account balance is \$39,900. He noted that Nationwide Retirement Solutions provides recordkeeping, marketing, and communications services for KDC, and they are supported by a KDC

administrative staff of 16.

Mr. Biddle discussed the various investment options provided and noted that participants elect their own investments from a list approved by the Board. Currently, KDC offers over 20 investment options and participants can invest by self-selection, target retirement date funds, or managed account services. He provided a chart of the investment options across each of the three structures.

Mr. Biddle discussed recent initiatives of KDC and referenced an effort to coordinate with the Kentucky Personnel Cabinet in 2016 to provide benefits to employees as one total benefits package. He noted that working in concert with other personnel agencies to utilize shared information, message coordination, and unity of purpose had increased awareness and participation.

Next, Mr. Biddle explained the auto-enroll program. In 2019, legislation was passed to automatically enroll all new state employees hired after July 1, 2019, into the KDC 401(k) plan. The based deferral is \$15 per pay or \$30 per month and the funds for the first 90 days are held in a fixed contract fund, while assets of any future contributions are invested into the Vanguard Target Retirement Fund most appropriate to a participant's age after the initial 90 day period. Mr. Biddle outlined the rights provided to new employees, which included contributing more than the initial \$30 per month, designating beneficiaries, and the option to terminate contributions at any time. Mr. Biddle noted all new enrollees had 90 days to remain in the plan or opt out.

The auto-enrollment options include claiming a retirement savings contribution credit, a choice of investment options the KDC plan offers, being able to change their investment options any time, and choosing a ProAccount, which is a managed account service.

Mr. Biddle stated that their average enrollment goal per month is around 500. In September 2019 there were 431 participants auto enrolled. With over 1,000 auto enrollments since July 2019, there have been only six participants that have filled out the form to opt out.

In response to questions from Senator Higdon, Mr. Biddle stated in regards to their returns, within the 90 day period, the fixed contract was about 2.32 percent. In regards to year-to-date average earnings, Mr. Biddle stated in general the assets continue to trend upward.

In response to a question from Mr. Jefferson, Mr. Biddle stated that the construction of the investment process that KDC provides for their participants starts with the Board of Trustees and an investment subcommittee that meets quarterly along with outside consulting. Mr. Biddle stated that there is also an annual due diligence that KDC executes with their record keeper along with the fixed contract fund.

In response to a question from Senator Higdon, Mr. Biddle stated that KDC services are also available to the school districts and county employees, but with less participation.

With no further business, the meeting was adjourned.

ADMINISTRATIVE REGULATION REVIEW SUBCOMMITTEE

Minutes of the November Meeting

November 12, 2019

Call to Order and Roll Call

The November meeting of the Administrative Regulation Review Subcommittee was held on Tuesday, November 12, 2019, at 10:00 AM, in Room 149 of the Capitol Annex. Representative David Hale, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen West, Co-Chair; Representative David Hale, Co-Chair; Senators Julie Raque Adams, Perry B. Clark, and Alice Forgy Kerr; Representatives Deanna Frazier, and Tommy Turner.

Guests: Sarah Levy, Travis Powell, Council on Postsecondary Education; Andrew English, Farah Petter, Auditor of Public Accounts, Scott Aubrey, Division of Real Property; Joe Donohue, Board of Accountancy, Lois Ann Disponett, Marc Manley, Real Estate Commission; Bryan Morrow, Board of Licensed Professional Counselors; Chris Garland, Rich Storm, Karen Waldrop, Department of Fish and Wildlife Resources; Lesly Davis, Michael Mullins, Office of Administrative Hearings; Peter Goodman, Tony Hatton, Department of Environmental Protection; Doug Back, Matt Henderson, Jon Johnson, Larisa Plecha, Bryan Prater, Department of Vehicle Regulation; Tony Cotto, Lee Webb, Department of Insurance; Stephanie Brammer-Barnes, Steve Davis, Office Inspector General; Jonathan Scott, Department for Medicaid Services; Laura Begin, Rachael Ratliff, Department for Community Based Services; Michael Jarrell, Cindy Seip, Betsy Johnson, Bruce Linder, Chris McCuthion, Chris McCreary, Heidi Schissler, and Tim Venio.

LRC Staff: Sarah Amburgey, Stacy Auterson, Emily Caudill, Betsy Cupp, Ange Darnell, Emily Harkenrider, Karen Howard, and Carrie Klaber.

The Administrative Regulation Review Subcommittee met on Tuesday, November 12, 2019, and submits this report:

Pursuant to KRS 13A.335(2), the subcommittee reconsidered the following administrative regulation, which was found deficient at the October 8 meeting of the subcommittee, and approved a motion that the administrative regulation was not deficient.

TRANSPORTATION CABINET: Department of Vehicle Regulation: Division of Driver Licensing: Driver Improvement

601 KAR 13:100. Medical standards for operators of motor vehicles. Please see this administrative regulation in the next section of these minutes for discussion and action information.

Compiler's Note: Pursuant to KRS 13A.335(3)(c), Section 13, which reflected the finding of deficiency, was deleted from this administrative regulation.

Administrative Regulations Reviewed by the Subcommittee:

**COUNCIL ON POSTSECONDARY
EDUCATION: Nonpublic Colleges**

13 KAR 1:020. Private College licensing. Sarah Levy, executive director, and Travis Powell, vice president and general counsel, represented the

council.

In response to a question by Co-Chair Hale, Mr. Powell stated that this administrative regulation allowed the council to better protect students and consumers by ensuring that institutions kept electronic records, which were more secure and searchable. Electronic records were also advantageous if an institution closed or needed to transfer data.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY paragraph to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

AUDITOR OF PUBLIC ACCOUNTS: Audits

45 KAR 1:050. Audits of fiscal courts. Andrew English, general counsel, and Farah Petter, assistant state auditor, represented the auditor.

A motion was made and seconded to approve the following amendments: to amend Section 2 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

**FINANCE AND ADMINISTRATION
CABINET: Office of the Secretary: Property**

200 KAR 6:015. Real property inventories. Scott Aubrey, division director, represented the office.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

BOARDS AND COMMISSIONS: Board of Accountancy

201 KAR 1:100. Continuing professional education requirements. Joe Donohue, board counsel, represented the board.

A motion was made and seconded to approve the following amendments: to amend Sections 1, 2, 5, and 8 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 1:190. Examination sections, applications, and procedures.

A motion was made and seconded to approve the following amendments: to amend Sections 3 through 12 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Real Estate Authority: Real Estate Commission

201 KAR 11:002. Repeal of 201 KAR 011:030, 201 KAR 011:045, 201 KAR 011:062, 201 KAR 011:090, 201 KAR 011:095, 201 KAR 011:100, 201 KAR 011:110, 201 KAR 011:115, 201 KAR 011:135, 201 KAR 011:145, 201 KAR 011:147, 201 KAR 011:175, 201 KAR 011:180, 201 KAR 011:195, 201 KAR 011:215, 201 KAR 011:225, 201 KAR 011:230, 201 KAR 011:232, 201 KAR 011:235, 201 KAR 011:240, 201 KAR 011:245, 201 KAR 011:250, 201 KAR 011:300, 201 KAR 011:350, 201 KAR 011:400, 201 KAR 011:410, 201 KAR 011:440, 201 KAR 011:450, and 201 KAR 011:460. Lois Ann Disponett, chair;

Marc Manley, acting general counsel; and Tony Cotto, executive advisor, represented the commission. Michael Jarrell, owner and broker, First Nations Realty, appeared in opposition to 201 KAR 11:011 and 11:105.

In response to a question by Co-Chair Hale, Mr. Cotto stated that the commission had engaged with stakeholders extensively over the last year to develop this administrative regulation package. Multiple public hearings were held, and the commission made amendments and compromises based on most of the public comments.

Mr. Jarrell requested further amendments to 201 KAR 11:011 and 11:105, related to issues of communications and technology. Government oversight was not keeping track with technological changes, which created opportunities for misrepresentation, especially pertaining to advertising. Technologies such as email and Facebook posed challenges that were not sufficiently addressed by this administrative regulation package. Mr. Jarrell strongly disagreed that, as established in 201 KAR 11:011, private communications should be exempt from licensee identification until a relationship for real estate services was clearly established. It was a bad precedent for real estate licensees to be allowed to not disclose identification via regular mail and email. 201 KAR 11:105 established the One-click requirement for licensee identification, which required a licensed realtor to self-identify within one (1) click of a Web site advertisement. Internet advertisements were generated from individualized algorithms; therefore, a consistent One-click requirement seemed ineffective. Licensee identification should be on every page of real estate advertisement or materials.

In response to a question by Co-Chair Hale, Mr. Cotto stated that the One-click requirement ensured that licensee identification was within one (1) click of a Web site advertisement. The commission believed that the One-click requirement was the most comprehensive way to promote licensee identification because the agency did not have authority over the platforms themselves. Mr. Manley stated that the licensee identification exemption for private communication only applied if confidential information had not been shared with the licensee. Additionally, advertisements were not exempt; therefore, unsolicited emails should not be a major concern. Because it was not possible to anticipate technological changes, the general One-click requirement was the most comprehensive way to promote licensee identification.

In response to questions by Co-Chair West, Mr. Manley stated that a licensee would be required to self-identify in an advertisement or in communication, such as mail or email, if real estate advertisement takes place or if confidential information regarding real estate is included.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 11:011. Definitions for 201 KAR Chapter

11.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Section 1 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 11:105. Advertising.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 6 and 8 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 11:121. Standards of professional conduct.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 11 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 11:170. Education provider requirements.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY FUNCTION and CONFORMITY paragraphs and Sections 1 through 7, 9 through 12, and 16 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 11:190. Consumer and administrative complaints; discipline; administrative hearings.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 4 and 6 through 9 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 11:210. Licensing, education, and testing requirements.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph; Sections 1 through 4 and 6 through 15; and material incorporated by reference to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 11:220. Errors and omissions insurance requirements.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 3 and 5 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

201 KAR 11:461. Repeal of 201 KAR 011:420.

Board of Respiratory Care

201 KAR 29:015. Fees. Tony Cotto, executive advisor, represented the board.

Board of Licensed Professional Counselors

201 KAR 36:060. Qualifying experience under supervision. Bryan Morrow, attorney, represented the board.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Section 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

**TOURISM, ARTS, AND HERITAGE CABINET:
Department of Fish and Wildlife Resources: Game**

301 KAR 2:049. Small game and furbearer hunting and trapping on public areas. Chris Garland, Wildlife Division Director; Rich Storm, commissioner; and Karen Waldrop, deputy commissioner, represented the department.

Co-Chair Hale thanked Ms. Waldrop, upon her departure from the department, for her twenty (20) years of public service.

Representative Turner stated that it was an honor to have worked with Ms. Waldrop. Her work was appreciated.

Ms. Waldrop thanked the subcommittee and staff for the years of assistance with the department's administrative regulations.

301 KAR 2:090. Means by which migratory game birds may be taken.

A motion was made and seconded to approve the following amendments: to amend Sections 2 and 4 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

**ENERGY AND ENVIRONMENT CABINET:
Office of the Secretary: Administration**

400 KAR 1:110. Administrative hearings relating to matters brought under KRS Chapter 350 or KRS 351.310 through 351.357. Lesly Davis, executive director, Office of Administrative Hearings, and Michael Mullins, regulation coordinator, represented the office.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and STATUTORY AUTHORITY paragraphs and Sections 1, 5, 7, 8, and 11 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

**Department for Environmental Protection:
Division of Water: Water Wells**

401 KAR 6:001 & E. Definitions for 401 KAR Chapter 006. Peter Goodmann, division director, and Tony Hatton, commissioner, represented the division.

In response to a question by Co-Chair West, Mr. Hatton stated that 401 KAR 6:001, 6:211, 6:310, 6:320, and 6:350 primarily affected drilling companies with multiple drill rigs. Previously, a certified well driller was required to be on-site during well installation. This package of administrative regulations, in accordance with Senate Bill 32 from the 2019 Regular Session of the General Assembly, established a certified well driller's assistant, who may supervise well installation.

401 KAR 6:211. Repeal of 401 KAR 006:200.

401 KAR 6:310 & E. Water supply well construction practices and standards.

401 KAR 6:320 & E. Certification of water well drillers and water well driller assistants.

401 KAR 6:350 & E. Monitoring well construction practices and standards.

Water Quality Standards

401 KAR 10:001. Definitions for 401 KAR Chapter 010.

401 KAR 10:026. Designation of uses of surface waters.

401 KAR 10:029. General provisions.

401 KAR 10:030. Antidegradation policy implementation methodology.

A motion was made and seconded to approve the following amendments: to amend Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

401 KAR 10:031. Surface water standards.

A motion was made and seconded to approve the following amendment: to amend Section 6 to correct a unit of measurement. Without objection, and with agreement of the agency, the amendment was approved.

TRANSPORTATION CABINET: Department of Vehicle Regulation: Division of Driver Licensing: Driver Improvement

601 KAR 13:090. Medical Review Board; basis for examination, evaluation, tests. Doug Back, MD (Ophthalmology) and member, Medical Review Board; Matt Henderson, commissioner; Larisa Plecha, staff attorney; and Bryan Prater, MD (Ophthalmology) and member, Medical Review Board, represented the department. Cindy Seip, Franklin County resident, appeared in opposition to 601 KAR 13:100.

At the October 8 meeting of the Administrative Regulation Review Subcommittee, a motion was made and seconded to approve the following amendments: to amend the RELATES TO; STATUTORY AUTHORITY; and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 through 3 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

601 KAR 13:100. Medical standards for operators of motor vehicles.

In response to a question by Co-Chair West, Mr. Henderson stated that this administrative regulation was deferred from the October 8 meeting of the subcommittee. After that meeting, the department met with individual members to clarify the department's rationale for the requirements in this administrative regulation. The department's amendment did not make substantive changes to visual standards from the currently effective version of this administrative regulation. Certain diagnoses, such as hemianopia, did not preclude an applicant from testing for a driver's license. Each individual had the opportunity for driving evaluations, clinical examinations, and other testing opportunities, including appeals in accordance with KRS Chapter 13B.

Senator Kerr made a motion, seconded by Senator Clark, to lift the finding of deficiency on this administrative regulation. On a roll call vote,

all members present voted in support of lifting the finding of deficiency. Without objection, the motion was approved.

In response to a question by Co-Chair Hale, Ms. Seip stated that she had an incomplete homonymous hemianopia and had demonstrated that she was a safe driver. She had obtained a judge-ordered driver's license. The department chose not to further amend this administrative regulation. Ms. Seip stated that her counsel indicated that it was required for the department to submit the amended version of this administrative regulation, including time for public response. For over sixteen (16) years the department denied numerous requests by Ms. Seip for a road assessment, despite the fact that KRS 186.570 required the Medical Review Board to provide technical assistance in the evaluation of a person's ability to drive safely. Ms. Seip stated that she was automatically excluded from a road assessment due to failure to meet visual standards. Ms. Seip had taken and passed two (2) road assessments, for a total of approximately five (5) hours of testing; however, the department continued to deny her a driver's license. Subsequently as a result of litigation, she obtained a judge-ordered driver's license. Ms. Seip stated that her counsel indicated that failure to include individualized opportunities for assessment opened this administrative regulation to litigation for violating the Americans with Disabilities Act.

In response to questions by Co-Chair West, Mr. Henderson stated that the department had not made further amendments to this administrative regulation since the October 8 meeting of the subcommittee. Ms. Seip was given the opportunity for a driving evaluation. The field of vision standard required at least a thirty-five (35) degree visual field in each eye. That standard remained unchanged in this version of this administrative regulation. The authorizing statutes and administrative regulations established clear standards that prohibited issuing a driver's license to applicants who did not meet those standards. It was therefore possible to pass a road assessment without meeting the required standards, which led to Ms. Seip's judge-ordered driver's license. The department was prohibited from itself issuing a driver's license to a person who did not meet the required visual field standards. It was accurate that the judge's determination in Ms. Seip's case was inconsistent with the authorizing statutes and administrative regulations regarding the visual field standards.

At the October 8 meeting of the Administrative Regulation Review Subcommittee, a motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph and Sections 1 and 3 through 11 to comply with the drafting requirements of KRS Chapter 13A; and (2) to amend Section 11 to clarify that the visual acuity standard includes 20/61 "or worse." Without objection, and with agreement of the agency, the amendments were approved.

Compiler's Note: Pursuant to KRS 13A.335(3)(c), Section 13, which reflected the finding of deficiency, was deleted from this administrative regulation.

PUBLIC PROTECTION CABINET: Department of Insurance: Investments

806 KAR 7:031. Repeal of 806 KAR 007:030. Tony Cotto, executive advisor, and Lee Webb, director, represented the department.

Agents, Consultants, Solicitors, and Adjusters

806 KAR 9:020. False or deceptive names, titles, prohibited.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

806 KAR 9:025. Agent licensing process.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and STATUTORY AUTHORITY paragraphs; Sections 1, 5 through 7, and 9; and material incorporated by reference to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

806 KAR 9:030. Adjuster licensing restrictions.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Sections 1 through 3 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

806 KAR 9:061. Repeal of 806 KAR 009:060.

806 KAR 9:110. Agent's rights after contract termination.

A motion was made and seconded to approve the following amendments: to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph to comply with the drafting requirements of KRS Chapter 13A; and (2) to delete Section 3. Without objection, and with agreement of the agency, the amendments were approved.

806 KAR 9:190. Disclosure requirements for financial institutions authorized to engage in insurance agency activities.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO and NECESSITY, FUNCTION, AND CONFORMITY paragraphs and Sections 1 and 2 to comply with the drafting and formatting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

806 KAR 9:200. Volume of insurance agent exchange of business.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph, and Sections 2 and 4 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

806 KAR 9:221. Repeal of 806 KAR 009:001, 806 KAR 009:070, and 806 KAR 009:220.

A motion was made and seconded to approve the following amendments: to amend the STATUTORY AUTHORITY and NECESSITY, FUNCTION, AND CONFORMITY paragraphs to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

806 KAR 9:310. Life settlement licenses.

A motion was made and seconded to approve the following amendments: (1) to amend the NECESSITY, FUNCTION, AND CONFORMITY paragraph and Sections 1 through 4 and 6 to comply with the drafting requirements of KRS Chapter 13A; and (2) to amend Section 1 to cross reference 806 KAR 9:025 that incorporates by reference the NAIC Individual Insurance Producer license application and the Uniform Application for Business Entity Insurance License. Without objection, and with agreement of the agency, the amendments were approved.

806 KAR 9:321. Repeal of 806 KAR 009:320.

806 KAR 9:341. Repeal of 806 KAR 009:341.

806 KAR 9:350. Recognition of financial planning certification and designation for receipt of fees and commissions.

A motion was made and seconded to approve the following amendments: to amend the RELATES TO paragraph and Section 1 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Surplus Lines

806 KAR 10:061. Repeal of 806 KAR 010:060.

Insurance Contract

806 KAR 14:061. Repeal of 806 KAR 014:060.

CABINET FOR HEALTH AND FAMILY SERVICES: Office of Inspector General: Division of Healthcare: Health Services and Facilities

902 KAR 20:370. Operations and services; private duty nursing agencies. Stephanie Brammer – Barnes, regulation coordinator, and Steve Davis, inspector general, represented the division. Heidi Schissler, legal director, Kentucky Protection and Advocacy appeared in opposition to this administrative regulation.

In response to a question by Co-Chair West, Mr. Davis stated that the four (4) hour limit for private duty nursing stemmed from a legacy concern about encroachment into the home health jurisdiction by private duty nurses. Currently, home health and private duty nursing were separate and different services; therefore, concerns about encroachment were no longer salient. Removing the four (4) hour limit would correct gaps in coverage that were occurring. Home health agencies were required to obtain a Certificate of Need. Private duty nursing was certified through a nonsubstantive review process. There were currently only twelve (12) certified private duty nursing providers, due in some instances to the four (4) hour limit. There were also gaps in coverage due to lack of emergency service providers. The Energy Employees' Occupation Illness Compensation Act established a federal payment source for specific types of employee illnesses, such as illnesses related to gaseous diffusion operations. There were jurisdictional encroachment issues pertaining to these providers.

In response to questions by Co-Chair Hale, Ms. Schissler stated that Kentucky Protection and Advocacy supported removing the four (4) hour limit. Ms. Schissler requested that, for the protection of patients, the division amend this administrative regulation to add background check requirements for private duty nurses, including the Child Abuse and Neglect Central Registry and certain, relevant misdemeanors.

In response to questions by Co-Chair West, Ms.

Schissler stated that the fee to conduct a background check pertaining to the Child Abuse and Neglect Central Registry was ten (10) dollars. There was no expected additional cost to search for certain misdemeanors because a felony check was already required.

In response to a question by Co-Chair Hale, Mr. Davis stated that the reason for not including these background checks was to keep requirements as commensurate as possible between home health providers and private duty nurses. While the cost for the background check was nominal, it was an additional burden not currently required for home health providers. Ms. Brammer – Barnes stated that there was already a requirement for a criminal records check upon initial employment, and there was nothing that prohibited a provider from disqualifying an applicant for employment based on any criminal violations. Nursing licensure requirements already included fingerprint-supported state and FBI background checks.

In response to a question by Senator Raque Adams, Mr. Davis stated that the division was not opposed to the additional background checks, but was interested in maintaining commensurate requirements for both home health providers and private duty nurses. Usually, a guardian remained present during private duty nursing care of a child. Senator Raque Adams stated that the additional cost in this case seemed to be worth the protection and this check was required for public school employees, in which case the fee was paid by the applicant. Co-Chair West stated that the additional cost seemed to be worth the protection to children, but the amendment should clarify if the background check was an initial pre-employment check or an annual check. Ms. Schissler stated that sometimes child abuse and neglect were not treated as criminal violations and might not appear in some background checks. Mr. Davis stated that it was a pre-employment, not an annual check.

In response to questions by Co-Chairs Hale and West, Mr. Davis stated that the division would agree to an oral amendment to include requirements for a background check through the Child Abuse and Neglect Central Registry, as established in 922 KAR 1:470, and to include relevant misdemeanors. It was important that the misdemeanors be only relevant ones in order to avoid excluding well-qualified employees, because many people had misdemeanors that were unrelated to potential service. Ms. Schissler stated that Kentucky Protection and Advocacy was concerned about misdemeanors related to abuse, neglect, or exploitation of a child.

A motion was made and seconded to approve the following amendments: to amend Section 4 to: (1) require a background check through the Child Abuse and Neglect Central Registry, as established in 922 KAR 1:470; (2) comply with the formatting requirements of KRS Chapter 13A; and (3) include relevant misdemeanors as part of the background check for working with children. Without objection, and with agreement of the agency, the amendments were approved.

902 KAR 20:430 & E. Facilities specifications, operation and services; behavioral health services organizations for mental health treatment.

Department for Medicaid Services: Division of Policy and Operations: Behavioral Health

907 KAR 15:005 & E. Definitions for 907 KAR Chapter 015. Jonathan Scott, regulatory and legislative advisor, represented the division.

A motion was made and seconded to approve the following amendments: to amend Section 1 to: (1) comply with the drafting requirements of KRS Chapter 13A; and (2) establish a six (6) month grace period for registered behavior technicians to complete the required training program, assessment, and examination. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 15:010 & E. Coverage provisions and requirements regarding behavioral health services provided by individual approved behavioral health practitioners, behavioral health provider groups, and behavioral health multi-specialty groups.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph and Section 3 to comply with the drafting requirements of KRS Chapter 13A; (2) to amend Section 3 to: (a) establish a new service category of Applied Behavior Analysis (ABA); and (b) add registered behavior technicians to ABA support services and remove them from comprehensive community support services; and (3) to amend Section 4 to clarify terminology used for laboratory services. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 15:015 & E. Reimbursement provisions and requirements for behavioral health services provided by individual approved behavioral health practitioners, behavioral health provider groups or behavioral health multi-specialty groups.

A motion was made and seconded to approve the following amendments: to amend Section 5 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 15:020 & E. Coverage provisions and requirement regarding services provided by behavioral health services organizations for mental health treatment.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph and Section 3 to comply with the drafting requirements of KRS Chapter 13A; (2) to amend Section 2 to allow a one-time extension for obtaining accreditation; and (3) to amend Section 3 to: (a) establish a new service category of Applied Behavior Analysis (ABA); (b) add registered behavior technicians to ABA support services and remove them from comprehensive community support services; and (c) clarify when laboratory services will be reimbursable. Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 15:022 & E. Coverage provisions and requirements regarding services provided by behavioral health services organizations for substance use disorder treatment and co-occurring disorders.

A motion was made and seconded to approve the following amendments: (1) to amend the RELATES TO paragraph to comply with the drafting requirements of KRS Chapter 13A; (2) to amend Section 2 to allow a one-time extension for obtaining

accreditation; and (3) to amend Section 3 to: (a) require residential treatment providers to establish a contractual relationship with a narcotic treatment program that dispenses methadone if a recipient's choice of medication assisted treatment is methadone; (b) clarify terminology used for laboratory services; and (c) allow temporarily certified alcohol and drug counselors in narcotic treatment programs to practice for three (3) years instead of two (2). Without objection, and with agreement of the agency, the amendments were approved.

907 KAR 15:025 & E. Reimbursement provisions and requirements regarding behavioral health services provided by behavioral health services organizations.

A motion was made and seconded to approve the following amendments: to amend Sections 2 and 6 to comply with the drafting requirements of KRS Chapter 13A. Without objection, and with agreement of the agency, the amendments were approved.

Department for Community Based Services: Division of Protection and Permanency: Child Welfare

922 KAR 1:320 & E. Service appeals. Laura Begin, regulation coordinator, and Rachael Ratliff, legislative liaison, represented the division.

The following administrative regulations were deferred or removed from the November 12, 2019, subcommittee agenda:

STATE BOARD OF ELECTIONS: Forms and Procedures

31 KAR 4:120. Additional and emergency precinct officers.

BOARDS AND COMMISSIONS: Board of Pharmacy

201 KAR 2:095. Pharmacist interns.

Real Estate Appraisers

201 KAR 30:130. Education provider, instructor, and course.

TOURISM, ARTS, AND HERITAGE CABINET: Department of Fish and Wildlife Resources: Game

301 KAR 2:185. Hunter education.

JUSTICE AND PUBLIC SAFETY CABINET: Asset Forfeiture

500 KAR 9:011. Repeal of 500 KAR 009:010, 500 KAR 009:020, 500 KAR 009:030, and 500 KAR 009:040.

Motorcycle Safety Education Commission

500 KAR 15:010 & E. Motorcycle safety education program.

TRANSPORTATION CABINET: Department of Vehicle Regulation: Division of Driver Licensing: Administration

601 KAR 2:030E. Ignition interlock.

ENERGY AND ENVIRONMENT CABINET: Department for Natural Resources: Division of Oil and Gas

805 KAR 1:001. Definitions for 805 KAR Chapter 001.

805 KAR 1:020. Protection of fresh water zones.

805 KAR 1:030. Well location and as-drilled location plat, preparation, form and contents.

805 KAR 1:050. Bonds, requirements, cancellation.

805 KAR 1:060. Plugging wells.

805 KAR 1:080. Gas storage reservoirs; drilling, plugging in vicinity.

805 KAR 1:110. Underground injection control.

805 KAR 1:120. Operating or deepening existing wells and drilling deeper than the permitted depth.

805 KAR 1:140. Directional and horizontal wells.

Division of Oil and Gas

805 KAR 1:170. Content of the operations and reclamation plan.

805 KAR 1:180. Production reporting.

805 KAR 1:190. Gathering lines.

805 KAR 1:200. General information associated with oil and gas permits.

Sanctions and Penalties

805 KAR 9:011. Repeal of 805 KAR Chapter 009.

CABINET FOR HEALTH AND FAMILY SERVICES: Office of Inspector General: Division of Healthcare: Health Services and Facilities

902 KAR 20:036. Operation and services; personal care homes. Stephanie Brammer – Barnes, regulation coordinator, and Steve Davis, inspector general, represented the division.

In response to a question by Co-Chair Hale, Mr. Davis stated that the division requested to defer consideration of this administrative regulation to the December meeting of the subcommittee. A motion was made and seconded to approve the deferral request. Without objection, and with the agreement of the agency, this administrative regulation was deferred.

Department for Community Based Services: Child Welfare

922 KAR 1:330 & E. Child protective services.

The subcommittee adjourned at 11:50 a.m. The next meeting of the subcommittee is tentatively scheduled for December 16, 2019, at 1 p.m.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 8th Meeting of the 2019 Interim

November 6, 2019

Call to Order and Roll Call

The 8th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Wednesday, November 6, 2019, at 1:00 PM, in Room 154 of the Capitol Annex. Senator C.B. Embry Jr., Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator C.B. Embry Jr., Co-Chair; Representative Myron Dossett, Co-Chair; Senator Dennis Parrett; Representatives Kim King, Phillip Pratt, Rick Rand, Brandon Reed, and Dean Schamore.

Guests: Warren Beeler, Executive Director, Governor's Office of Agricultural Policy (GOAP); Bill McCloskey, Deputy Executive Director, GOAP; and Paulette Akers, Director, Division of Conservation, Department for Natural Resources, Energy and Environment Cabinet.

LRC Staff: Stefan Kasacavage, Nathan Smith, and Rachel Hartley.

Governor's Office of Agricultural Policy Report

Warren Beeler provided a brief overview of the Kentucky Agricultural Finance Corporation loan programs including: Agricultural Infrastructure, Agricultural Processing, Beginning Farmer,

Diversification through Entrepreneurship in Agribusiness, and Large/Food Animal Veterinary Incentive Program (LFAVIP).

In response to a question from Senator Parrett, Mr. Beeler stated there should be stipulations to be eligible to receive funds through LFAVIP. There should be no tobacco settlements funds granted to veterinarians who only treat small animals such as dogs and cats.

There have been more than 900 loans approved for approximately \$133 million since the tobacco settlement fund was created. Based on an evaluation by the University of Kentucky, 79 percent of lenders would not have funded projects without the participation of the Kentucky Agricultural Finance Corporation.

Bill McCloskey described the Agricultural Development Board's projects for October under the program. Mr. McCloskey highlighted programs including the County Agricultural Investment Program (CAIP) and the On-Farm Energy Program.

The projects discussed included:

Brangers Angus Farm was approved for up to \$10,000 in state funds to install a water harvesting system as part of a compost bedded pack barn.

Bagdad Roller Mills was approved for up to \$200,000 in multiple county funds to expand its grain storage and handling equipment.

Berea College, Grow Appalachia was approved for up to \$274,695 in state and multiple county funds to expand the Eastern Kentucky Direct Integrated Grower Support Program to offer on-farm consultations and production planning.

The Kentucky Center for Agriculture and Rural Development was approved for up to \$900,000 in state funds over two years to deliver technical assistance and provide educational opportunities to agricultural and rural businesses.

The City of Hazard was approved for up to \$99,500 in state funds and \$500 in Perry County funds for the construction of a farmers market pavilion.

Division of Conservation

Paulette Akers stated the state cost share program was established in 1994 and started receiving tobacco settlement funds in 2000. The funds provide financial assistance to farmers at a 75 percent reimbursement rate with the assistance of local conservation districts. There are funds that are returned every year due to canceled projects or an overestimation of cost. These funds are appropriated in the next fiscal year. The last biennial budget appropriated \$2.5 million.

The Division of Conservation is currently drafting a regulation revision that will change the funding cap of \$7,500 to \$20,000. The funding cap has not been revised since 1994 and 50 percent of projects are impacted by the current funding cap.

There being no further business, the meeting was adjourned.

MEDICAID OVERSIGHT AND ADVISORY COMMITTEE

Minutes

October 7, 2019

Call to Order and Roll Call

The 5th meeting of the Medicaid Oversight and Advisory Committee was held on Monday, October 7, 2019, at 10:00 AM, in Room 171 of the Capitol Annex. Representative Daniel Elliott, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Daniel Elliott, Co-Chair; Senators Ralph Alvarado, Danny Carroll, and Jimmy Higdon; Representatives Jim Gooch Jr., Melinda Gibbons Prunty, and Steve Sheldon.

Guests: Dr. Julia F. Costich, JD, PhD, Professor of Health Management and Policy, University of Kentucky College of Public Health; Dick Barlett, Trauma and Emergency Preparedness Coordinator, Kentucky Hospital Association; Carol Steckel, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Dr. Judy Theriot, Medical Director, Department for Medicaid Services, Cabinet for Health and Family Services; Emily Ferrell, Epidemiologist, Department of Public Health, Cabinet for Health and Family Services.

LRC Staff: DeeAnn Wenk, Lead Staff, Chris Joffrion, Hillary McGoodwin, Dana Simmons.

Approval of Minutes

A motion to approve the September 9, 2019 meeting minutes was made by Senator Alvarado and seconded by Representative Sheldon, and approved by a voice vote.

Kentucky Trauma Care Systems

Dick Barlett, Trauma and Emergency Preparedness Coordinator, Kentucky Hospital Association stated the movement to create a statewide trauma care system was originally led by Dr. Paul Kearney, trauma surgeon at the University of Kentucky and Dr. Mary Fallat, a pediatric trauma surgeon at Kosair Children's Hospital in 2007. The goal was to create a voluntary governing body that oversaw trauma certifications throughout the state to increase the trauma care capacity in rural regions throughout the state. In 2008, KRS 211.499- 211.486 was enacted to create the Kentucky Trauma Advisory Committee which developed criteria for in-state verification of Level II-IV trauma centers. There was no provision for state funding.

Mr. Bartlett stated that the long range goals for the Kentucky Trauma System are to decrease the death rate from injury, decrease morbidity and disability, and decrease the overall healthcare impact trauma has on the Commonwealth. Mr. Bartlett stated that since 2008, Kentucky has 22 trauma centers with two to three regional hospitals in central Kentucky that are in the process of receiving Level III designation and four hospitals across the state working on Level IV designations. Mr. Bartlett added that Pikeville Medical Center is currently working on developing a pediatric trauma center.

Mr. Bartlett stated that there are 13,000 trauma records in the registry with men making up 60 percent of the entries and isolated hip fractures

being the most common traumatic injury. The data reflected that trauma is seasonal as the high volume of trauma registry entries happen in the spring and summer months. 17 percent of all trauma entries are medically classified as severe. 75 percent of trauma cases in the registry were admitted into the operating room, and 13.7 percent were severe enough to need to be transferred to another hospital. The data reflected that 38.24 percent of cases were covered by commercial insurance, 26.95 percent were covered by Medicare, 25.85 percent were covered by Medicaid, and 6.4 percent were either self-pay or uninsured.

Mr. Bartlett stated that the short term goal of the Kentucky Trauma Care System is to secure funding to support the growth and operation of the system. Through legislation, several sources of funding could be found in measures like Georgia's Super Speeder Law, enhanced distracted driving fines, and having a trauma registry add-on to the Kentucky motor vehicle registration forms. The funding would help with employing a full-time program manager, a full time trauma educator, adding software support for the registry, increasing basic operating costs, and facilitating more educational programming.

Dr. Costich stated that the registry currently receives funds from a National Highway Traffic Safety Administration grant which covers annual compilation and analysis of the registry's data. Annual data shows that there are very few trauma deaths in Kentucky due to the rising number of hospitals that can accommodate trauma cases. However, the data does not reflect the cases of motor vehicle deaths in rural areas that never make it to the hospital to be captured in the registry. A comprehensive approach to preventing trauma in rural areas and expanding rescue and trauma resources in rural Kentucky is imperative to preventing deaths.

In response to questions and comments from Senator Meredith, Mr. Bartlett stated that by investing in the trauma system, the state would see savings through the stabilization of patients in their communities. Also communities could, with the help of the Kentucky Hospital Association invest in adequate ground transport so air transportation is not the main transportation method for trauma cases. Mr. Bartlett stated that air transportation costs the state \$20,000-\$40,000 per event, and is often not a medical necessity but merely the only means of transportation available. Senator Meredith stated that he would like to see a graph of the future savings in proportion with the investments.

In response to questions and comments from Representative Sheldon, Mr. Bartlett stated he would meet with Representative Sheldon and Representative Tipton to discuss their proposed distracted driving bill, 20RS BR 156, to see if the trauma system can be a designated recipient of revenue from the proposed bill.

In response to questions and comments from Representative Prunty, Mr. Barlett stated that in western Kentucky, Bowling Green is working towards a Level III designation since Vanderbilt is just down the road as a Level I trauma center. Mr. Bartlett stated that in Paducah, the struggle has been with the buy-in from the medical team for the on-call hours needed to qualify for trauma status. Mr. Barlett stated that the

trauma system and hospitals across the state would benefit from a cap on Medicaid transport, a review of surprise billing for trauma cases and a review of cost for the air transportation system.

Maternal Health and Wellness for New Mothers and Their Children

Carol Steckel, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services stated that the state is working diligently to ensure that resources are maximized for Medicaid beneficiaries, even if that means using multiple agencies. Commissioner Steckel stated that there were 56,000 live births in Kentucky in 2018, 46 percent were paid for by Medicaid which is lower than the national average of 55 percent. In Kentucky, in 2018, there were 27,542 Medicaid covered babies and 24,839 covered mothers.

Dr. Judy Theriot, Medical Director, Department for Medicaid Services, Cabinet for Health and Family Services, stated that Kentucky leads the country with 35 percent caesarean section births compared to the national average of 32 percent. Kentucky's pre-term birth rate is 11 percent which is 3 percent higher than the national average. Dr. Theriot stated that Kentucky is second in the nation behind West Virginia in the percentage of pregnant mothers who smoke.

Dr. Theriot stated that 700 women die each year and 60 percent of those deaths are preventable. Pregnancy related mortality is based on the time while the mother is pregnant, the few weeks after, and up until a year post-partum. Kentucky is thirteenth in the nation for maternal deaths with 22.9 percent per 100,000 compared to the national average of 17.2 per 100,000. This number is up significantly from 25 years ago when the national average was 12 percent. Mothers today have a greater chance of dying from childbirth related causes than their own mothers, 25 years prior.

Dr. Theriot stated that infant mortality rate in Kentucky is 6.8 per thousand births and most causes of infant deaths are preventable. Infant death causes range from sudden infant death syndrome, which often occurs due to co-sleeping or not using age appropriate bedding, birth defects that are often caused during gestation through substance use and smoking, complications from pre-term births, and accidents/injury. Educating new and expecting mothers is the key to preventing many maternal and infant deaths. The Department for Medicaid Services (DMS) is working with the Department of Public Health and Managed Care Organizations (MCO) to educate mothers and families.

Dr. Theriot stated that the state is emphasizing the "Healthy Babies are Worth the Wait" initiative which advocates for mothers to not elect to give birth before 39 weeks. Most Medicaid mothers are covered by a MCO which means they receive case management and resources that meet with the mothers pre-birth and up to twelve months post-partum. The MCOs support the "Healthy Babies are Worth the Wait" initiative, because if a recipient was to elect to give birth, prior to being 39 weeks pregnant and without medical necessity, the MCO would not get paid. Together with the MCOs and doctors, the state is trying to incentivize pre-birth and post-partum

doctor's visits and using this time to educate the mothers on safe sleeping, healthy habits, as well as informing mothers of their option to receive long acting reversible contraception (LARC). Only 62 percent of Medicaid mothers attended their post-partum doctor's visits. Only 42 percent of Medicaid mothers who gave birth to drug exposed babies attend their follow-up visits.

Dr. Theriot stated that the Centers for Disease Control reported that ensuring healthy intervals between births increases the likelihood of a healthy child and lowers the rate of maternal deaths. In 2018, the LARC was given to only 4.2 percent of mothers between the ages of 15 to 44 years of age. Dr. Theriot attributed this to the low attendance percentage for post-partum doctor visits where those options can be addressed. Commissioner Steckel stated that in the 2020 contract for MCOs, there will be strict accountability and outcomes measures for healthy mothers, incentivizing providers to utilize available programming.

Emily Ferrell, Epidemiologist, Department of Public Health (DPH), Cabinet for Health and Family Services, stated that the cabinet utilizes several in-home services to new mothers and families. The HANDS program is a home visiting program available to women and families during pregnancy and through early childhood. HANDS provides nurses, social workers and community health workers to help prepare families for the challenges of parenthood while also connecting them to resources. Ms. Ferrell stated that the First Steps program is also a service that the state brings to new families to help aid the healthy development of their infants and to help identify any conditions and developmental barriers the children have while connecting them with additional resources.

Ms. Ferrell stated that under the Department for Public Health, a multi-disciplinary maternal morality review committee has been established. Additionally, DPH has several maternal health based review boards: the Public Health Child Fatality Program, Sudden Infant Death Syndrome Fatality review program, and the Neo-Natal Abstinence Syndrome review. These review boards will aggregate topic issued data that will be used to develop a standardized method of care for hospitals and agencies.

In response to questions and comments from Senator Meredith, Dr. Theriot stated that pre-natal compliance is an issue that can be helped by cooperation and involvement from the MCOs and by offering incentives for the patient. Dr. Theriot stated that since the percentage of mothers who attend their post-partum visits is low, it would be very useful to educate mothers during the pre-natal visits about the benefits of LARC, all the preventable causes of infant death, and the resources they have available to them.

In response to questions and comments from Representative Prunty, Dr. Theriot stated that the fear physicians have of getting sued may contribute to the volume of doctor's consenting to pre-term, C-section births but that she does not have the data on hand to support that claim. Commissioner Steckel stated that since transportation is a Medicaid covered expense, that should not be a barrier to mothers attending their

doctor's visits and if it is, it is on a case by case basis.

Adjournment

There being no further business, the meeting was adjourned at 11:30AM.

PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE Minutes

November 22, 2019

Call to Order and Roll Call

The Program Review and Investigations Committee met on Friday, November 22, 2019, at 8:00 AM, in Room 131 of the Capitol Annex. Senator Danny Carroll, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Representative Rob Rothenburger, Co-Chair; Senators Tom Buford, Perry B. Clark, Reginald Thomas, Stephen West, and Phillip Wheeler; Representatives Lynn Bechler, Al Gentry, Adam Koenig, Ruth Ann Palumbo, Steve Riley, and Walker Thomas.

Guests: Deck G. Decker, Interim Chief Executive Officer, Kentucky Communications Network Authority; Lonnie Lawson, President and John Gillum, corporate attorney, Center for Rural Development; Andrew McNeill, State Director, Americans for Prosperity.

LRC Staff: Greg Hager, Committee Staff Administrator; Greg Daly;

Christopher T. Hall; Van Knowles; Catherine Moran; Jean Ann Myatt; Jeremy Skinner; William Spears; Shane Stevens; Joel Thomas; and Christy Young, Committee Assistant.

Minutes for October 4, 2019

Upon motion by Representative Palumbo and second by Representative Riley, minutes for the October 4, 2019 meeting were approved by voice vote without objection.

Staff Report: Procurement And Financing Of KentuckyWired

Mr. Thomas gave a brief description of the KentuckyWired project, including the role of broadband in economic development, the timeline and organizational structure of the project, financing, and potential wholesale revenue. The Center for Rural Development (CRD) began working on the idea for a regional middle mile network in eastern Kentucky that eventually became the statewide KentuckyWired project.

The state contracted with Columbia Telecommunications Corporation as a consultant on KentuckyWired in 2014. The Finance and Administration Cabinet (FAC) issued a request for proposals (RFP) for a public-private partnership (P3) and awarded the contract to Macquarie Infrastructure Developments in December 2014. Significantly revised contracts replaced the original contract in September 2015. The state was obligated to make availability payments starting when the first network sections became operational. The design included six interconnected rings. In August 2015, the Kentucky Communications Network Authority (KCNA) was established within the Governor's Office. KCNA is responsible for oversight of the KentuckyWired

network.

The state created the nonprofit KentuckyWired Infrastructure Company, referred to as Project Company in the report. Its main purpose was to borrow using less expensive tax-exempt bonds. With the state's approval, Macquarie transferred to Project Company its responsibilities under the original contract for building and operating the network. Macquarie created the KentuckyWired Operations Company, referred to as Operations Company in the report. Project Company assigned Operations Company almost all its responsibilities.

Supervening events are situations in which the contractor claims compensation for extra costs or delays. Supervening event costs eventually exceeded \$191 million but were negotiated down to \$101 million in a 2018 settlement.

A wholesaler, OpenFiber, was created to market and lease the extra fiber built into the KentuckyWired network.

Mr. Knowles explained that the executive and legislative branches exercise oversight of capital projects. The secretary's office in FAC may authorize deviations from policies and procedures, which was done for several aspects of the KentuckyWired procurement and contract negotiations. It was unusual for a construction project to be handled by the Office of Procurement Services, for a contract to be revised so much, and for the cabinet's buyer not to be aware of all contract changes. Some related contracts were not entered into the accounting system until 2019. Two agreements that might have required legislative review were not presented to the Government Contract Review Committee, and six construction contracts had not been entered into the state accounting system as of October.

Mr. Knowles said that legislative oversight of capital projects is primarily the responsibility of the Capital Projects and Bond Oversight Committee. He explained the process by which the committee considers project debt and other actions for approval or disapproval, subject to an agency head's decision to proceed despite lack of approval. The committee also determines whether the project complies with applicable statutes and may request a court injunction to stop a project for noncompliance, the only sure way for the legislature to stop a project during a legislative interim. Both the bond sale and transfer of proceeds for KentuckyWired were submitted to the committee. In each case, the meeting that month was canceled for lack of a quorum, and the FAC secretary decided to proceed. The committee had no knowledge of statutory violations for which to request an injunction, so the project went forward.

P3s often reduce risks to the government, but in this case availability payments and negotiations shifted risk to the state as a way to lower financing and construction costs. These risks added construction cost in the form of supervening event claims primarily for pole attachments, easements, and highway rights-of-way.

Before September 2015, there were three milestones at which the state could have terminated the contract for less than \$7 million, but after that the cost could have exceeded \$300 million.

Mr. Skinner noted that the state's primary financial

obligation in the contract is to make availability payments to Project Company. The state intended to fund the availability payments by diverting funds state agencies were already spending on internet service, so availability payments would have to match the internet spending of the government sites connecting to the network. Agencies that were expected to connect to the KentuckyWired network included the Kentucky Department of Education's (KDE's) K-12 network, state agencies, higher education, and the judicial branch. The redirected net spending of these sites was expected to be approximately \$2.4 million per month, matching the baseline maximum availability payment. Mr. Skinner described how the state cut project costs to facilitate this matching.

Availability payments were scheduled to start with the completion of the first ring and the subsequent migration of sites to the network. Payments would increase as additional sites were connected to the network. Completion of network construction was originally scheduled to be August 2018, at which point the state would make the full baseline maximum availability payment less any performance deductions.

Supervening events caused delays that were deemed to be the state's responsibility. The project agreement specifies that in the event of delays due to supervening events, the state has to pay the availability payments as if the project were on schedule. In the 3-year period ending in May 2019, the state paid nearly \$70 million in availability payments despite there being no contributing funds from state sites connected to the network.

Funding shortfalls are expected due to the availability payments exceeding network spending and due to expenses that are not covered by the availability payments. The largest funding gap is the lack of K-12 spending. E-rate is a federal program that provides schools with rebates of up to 90 percent of the cost of broadband services. Federal rules for E-rate eligibility require that services be procured through a competitive solicitation. Basing the project's affordability model on the assumption that KentuckyWired would automatically win such a solicitation was questionable. In 2015, after determining that the KentuckyWired contract was not eligible for E-rate, an RFP was issued to replace the KIH3 contract, which is the state's existing internet service contract that included K-12. KCNA was in the process of preparing a proposal for submission when AT&T, the existing provider, filed a protest. FAC canceled the solicitation in November 2015 without providing a reason.

The availability payments are subject to annual increases of approximately 2.5 percent, which means that the state's funding plan assumed that internet spending of education and state government sites would also increase 2.5 percent annually. Based on available data, the market price for broadband services has increased at less than this rate.

The state's expected availability payment obligation over the contract term is approximately \$1.2 billion. Program Review staff estimated that state agency spending over the term will be \$643.4 million, so the funding gap is estimated to be \$564 million over the full contract term. If state agency broadband spending

increases only 1 percent annually, the funding gap would grow by nearly \$150 million to \$713 million.

KDE officials have stated that they would consider a bid from KCNA on a future RFP for K-12 broadband services if KentuckyWired is operational and has demonstrated adequate reliability. KCNA officials have said that they do not plan to bid on future K-12 RFPs, deferring that responsibility to the wholesaler OpenFiber. KCNA officials also said that in the absence of a direct bid, OpenFiber could explore leasing fiber infrastructure to other entities that might want to bid for the K-12 service. Because OpenFiber would keep a share of revenue, such a plan would almost certainly bring in less money than a direct contract between KCNA and KDE. Another vendor might have a better proposal and win the contract, leaving the state with no K-12 spending to apply toward KentuckyWired.

The expected funding gap could be reduced by wholesale revenue, but projections of the state's potential revenue are highly speculative. A portion of the state's wholesale revenue share might go to CRD. A 2015 agreement with CRD stated that in exchange for \$23.5 million in grant funding, CRD would receive a significant share of the state's wholesale revenue. This agreement was replaced by a new agreement in August 2019. CRD will now provide an additional \$20 million in grant funding, increasing the total grant funding to \$43.6 million, in exchange for ownership of a section of the network for which the state will pay an annual rent of \$2 million for 30 years. The agreement would allow the state to pay for certain expenses not covered by the availability payments prior to CRD receiving a share of wholesale revenue. Once the required expenses were paid by the state, CRD will receive 25 percent of the remaining portion of the state's share of wholesale revenue generated from the I-75 corridor.

Funding shortfalls that could exceed \$400 million are also anticipated due to costs not covered by the availability payments. These include KCNA operating expenses, bonds to finance the supervening events settlement, and system refreshes. For system refreshes, the state is required to update and replace aging equipment and software prior to years 11 and 21 of the project.

Program Review staff estimated that expenses could be mitigated by an estimated \$643 million in state agency spending and approximately \$340 million in wholesale revenue. The OpenFiber wholesale model predicted that the state's share of revenue would be approximately \$1.1 billion from FY 2018 to FY 2047. Staff adjusted the model so that the state's share starts in FY 2022 and ends September 2045, which resulted in a state share of \$682 million. A KCNA official has stated that half the projected wholesale revenue would be a more conservative expectation. Given this, staff estimated the state's share of wholesale revenue to be \$341.2 million. Based on these assumptions, the estimated total deficit for the project is \$641.3 million.

Early termination of a P3 contract is complex. The state would be required to make a termination payment to Project Company in the event of a termination of the KentuckyWired project. In a termination for convenience, the state would be obligated, at a minimum, to make a termination payment equal to

the outstanding senior debt, the fair market value of both the subordinate debt and any outstanding ownership interest in the Operations Company, and any employee payments and contractor breakage fees. The most significant cost would be paying the outstanding senior debt. KCNA indicated that just paying the outstanding principal and interest accrued through the termination date would not satisfy creditors who anticipate a return on their investment at least through the call date, which is the date on which bonds can be redeemed prior to maturity. It might be necessary for the state to pay bondholders at least a portion of the interest anticipated through the July 2025 call date.

If the project were to be terminated as of January 1, 2020, the remaining balance on the senior debt would total \$288 million. The interest payments from then until the call date of July 1, 2025 would be nearly \$75 million for a total of \$363 million. It is unclear whether the full interest through the call date or a partial payment would be necessary to satisfy lenders. The other components of a termination payment are difficult to determine as they would be based largely on the timing of the termination. Other likely costs are related to the termination of other agreements such as wholesaler agreements with OpenFiber and the CRD lease agreement. Other possible costs, such as litigation, could be significant.

In response to questions from Senator Carroll, Mr. Knowles said although the initial request in the budget was for \$100 million, the General Assembly only authorized \$70 million: \$20 million federal funding, \$30 million state bonds, \$20 million third-party financing.

Senator Carroll asked why the Macquarie bid was \$274.8 million but the bond issue was \$311.4 million. Mr. Skinner said that there are additional costs beyond construction such as interest expense and operating costs.

Senator Carroll asked whether staff found any documentation of what the overall projected cost would be and whether there was a thorough vetting of the project. Mr. Knowles said that the biggest issue was the lack of K-12 funding. At the time, the documentation indicates that decision makers thought that the funding and the project would work out.

In response to a question from Senator Carroll, Mr. Knowles said that the contract includes internet connections to state agencies.

In response to a question from Senator Carroll, Mr. Skinner said that the assumption for KentuckyWired wholesale revenue was that both the customer base and price would increase.

Senator Thomas asked whether additional appropriations are needed, how firm the October 2020 completion date is, and whether there are additional potential revenue sources. Mr. Knowles said that the report focuses on what happened in 2014 and 2015 and the consequences. KCNA is better able to answer these questions.

Representative Thomas, the current House co-chair of the Capital Projects and Bond Oversight Committee, said that he is troubled that meetings of the committee were canceled in 2015, so that the KentuckyWired bonds were not reviewed. The

committee's has no other recourse if nothing illegal is found regarding a bond issue.

In response to questions from Senator Carroll, Mr. Knowles confirmed that five committee meetings were canceled, including the two related to KentuckyWired. The procurement irregularities were approved by the secretary or deputy secretary of FAC, which is acceptable according to statute. In response to a question from Representative Rothenburger, Mr. Knowles said that staff found no documentation for why the normal policies and procedures were not followed.

In response to questions from Representative Rothenburger, Mr. Knowles said that the buyer is the designated person in the Office of Procurement Services for overseeing the RFP process and contract negotiations. Staff found no documentation for why the buyer was not involved in the usual way. Staff have not been able to determine whether this violates statute. He said that he is unaware whether anyone is looking into this, but it is on the list of what Program Review staff could review further. Representative Rothenburger said that he is concerned that so many meetings of the Capital Projects and Bond Oversight Committee were missed because of a lack of quorum and that special meetings were not called.

In response to a question from Representative Rothenburger, Mr. Knowles said that staff found no documentation for why it took so long for contracts to be recorded in the accounting system. More than 300 documents were sent to the Office of Procurement Services in February 2019 at the office's request for everything related to KentuckyWired. Representative Rothenburger said that he will not be satisfied until answers are provided regarding the lack of oversight and transparency.

Senator Carroll said that the committee has a long-range plan to get testimony from decision makers who were involved in the process.

In response to questions from Senator West, Mr. Knowles said that the recent agreement with CRD has not gone through the Government Contract Review Committee. Mr. Skinner said that part of the impetus for the new agreement is that the original agreement with CRD did not cap wholesale revenue that would go to CRD, which could have been hundreds of millions of dollars. The new agreement lowers the percentage of revenue from the I-75 corridor that goes to CRD from 50 to 25 and also deducts specified expenses before CRD gets a share of revenue. Mr. Knowles said that the state auditor's office and Program Review staff had raised questions about whether the original agreement was done properly.

In response to questions from Senator West, Mr. Knowles said that the six outside construction contracts have been posted on the KCNA website but are not in the accounting system. The contracts were signed at the secretary level.

In response to questions from Senator West, Mr. Skinner said that the estimate in the report of \$634 million in projected state agency spending for internet service does not include K-12 education revenue. At the time of contract closing, the state broadband cost was assumed to keep increasing over time. In reality, broadband costs are not necessarily increasing. Mr. Knowles said there is an opportunity for state agencies

to obtain better service, the question is whether the General Assembly considers it worthwhile to pay for this.

Senator Carroll said that the wholesaler will have the opportunity to bid for the K-12 contract. There will be competition from private entities in parts of the state, which will reduce prices.

In response to questions from Senator Carroll, Mr. Knowles said that Stephanie Williams, Assistant Director of Procurement Services, was the buyer. It is fair to say that she was not pleased not to have been involved more.

In response to a question from Representative Bechler, Mr. Knowles said that the six contracts were not included in the accounting system as of a month ago. Mr. Decker said that they are in the system. Mr. Knowles said that they were included as attachments to the KentuckyWired contract in the submission of documents in February but were not in the system separately.

In response to questions from Representative Bechler, Mr. Skinner said that the \$641 million deficit shown in the report is mostly for the period through 2045, but some settlement bonds are for beyond this date. Senior debt totals \$363 million, including \$75 million in estimated expected interest. Representative Bechler proposed that if the project were terminated, then the savings would be \$288 million (\$641 million minus \$263 million) minus any extra costs. Mr. Skinner said that other costs, including potential litigation, cannot be estimated at this point. Representative Bechler said that it seems unlikely that the unknown costs would eat up the \$288 million in savings. This further affirms his belief that the cost to taxpayers would be less if the agreement were terminated immediately.

Senator Buford said that this is a good lesson regarding P3s. If this is such a good idea, the private sector would have done it already. This will be a good system if it is ever completed. The system will likely be obsolete by the time the bonds are paid off. At this point, the issue is mitigating losses. He said that the key questions are what the original estimated cost was, what the current cost is, and what the appropriations request will be for next year.

Mr. Lawson said that the project originated with an idea he proposed to the CRD Board in 2012. The goal was to build a middle mile network in eastern Kentucky. The center worked with US Representative Hal Rogers, Governor Steven Beshear, Senator Stivers, and Representative Stumbo. Governor Beshear wanted to take the project statewide. The center has continued to look for funding to build out in eastern Kentucky.

Senator Carroll asked for information about the original agreement. Mr. Lawson said that there was a feasibility study in 2014. The goal was to have a hotel access point near Cincinnati with a spine down I-75 and connected rings. Because the center was contributing federal funds, a revenue share was negotiated for the I-75 spine and the eastern Kentucky rings. The goal was to generate revenue that could be used for last-mile construction for communities in eastern Kentucky that could not get access otherwise. In response to further questions from Senator Carroll, Mr. Lawson said that the original contribution was

\$23.5 million. If the state wishes, \$43.6 million is now available. Given how the revenue would be used, there was not great concern about how the agreement would be perceived outside the region. CRD is taking a risk in supplying the federal funds. The main concern for a long time has been that the middle mile would not be built. Federal grant funding has not been transferred to the state yet. Grant guidelines require that CRD own the rings funded through the grants. Once the funds are transferred, CRD is on the hook for the funds, which will fully cover the cost of Ring 2. It will not cover the cost of Ring 1B because construction had proceeded too far when the additional funding was obtained.

In response to questions from Senator Carroll about the new agreement, Mr. Lawson said it is a cleaner document because it is an actual lease of assets. Revenue will be less than it potentially would have been under the previous agreement. CRD has no liability for the project other than the grant funding.

In response to questions from Senator Carroll about connections to the middle mile in eastern Kentucky, Mr. Lawson said that there many providers willing to build out the last mile with assistance. Fiber to all homes is not realistic, but wireless providers are willing to step in.

In response to questions from Senator Carroll about costs, Mr. Lawson said that no one understood the bottom line costs of pole agreements, easements, rights of way, and make ready construction. He said that he is unaware of any consultants who were brought in regarding these issues.

In response to a request, Mr. Lawson said the 2014 feasibility study referenced earlier would be sent to committee staff. In response to questions from Representative Rothenburger, Mr. Lawson said that CRD and the state are not counting the same wholesale revenue from the I-75 corridor in their projections. It is still a goal to do the last mile in eastern Kentucky with high speed internet in every county. CRD will use other funding to provide "meet-me" points to reduce the cost of the last mile. Companies and local governments will be eligible to apply for grants through CRD to offset costs. The state will be responsible for maintenance of the middle mile. CRD was not involved in any of the original negotiations that resulted in changes in the KentuckyWired contract.

In response to questions from Senator Carroll, Mr. Skinner said that too much information is unknown for payments to CRD to be included in the projected costs in the report. Mr. Lawson said the projected lack of wholesale revenue for 5 years will affect CRD, but overall the wholesale revenue will allow CRD to proceed with its plans. Mr. Daly said that CRD will be paid \$2 million per year in lease payments. Once I-75 corridor revenue reaches a threshold, then CRD gets a share. Mr. Lawson said that the cost of supervening events and other costs are deducted first.

In response to a question from Senator West, Mr. Lawson said that Ring 2 in eastern Kentucky is one of the more difficult rings to construct.

Senator Carroll said that the need for this project is understood; the issues are the cost and how decisions have been made.

Mr. McNeill said that the takeaway is that there is

a \$500 million to \$700 million funding gap. Requests for general fund appropriations will be substantial. This will be looked upon in the future as a debacle, to which the Steve Beshear administration and CRD contributed. CRD has not contributed any of its own funds. The state provided \$10 million in matching for CRD to get the federal grants. These grants in turn gave CRD leverage to get a lease agreement under which it will receive at least \$60 million in payments over 30 years. CRD owns the eastern Kentucky fiber but the state is responsible for maintenance and refreshes. Under the original memorandum of agreement, CRD would have not received any revenue for years.

Mr. Decker suggested that the committee call Mary Lassiter [former Secretary of the Governor's Executive Cabinet] to testify.

Senator Carroll said that this project will be a tremendous cost to the state. The best that can be done is to ensure transparency given the poor decisions that have been made.

The meeting adjourned at 10:08 AM.

PUBLIC ASSISTANCE REFORM TASK FORCE

Minutes of the 5th Meeting of the 2019 Interim

November 18, 2019

Call to Order and Roll Call

The 5th meeting of the Public Assistance Reform Task Force was held on Monday, November 18, 2019, at 3:00 PM, in Room 129 of the Capitol Annex. Senator Stan Humphries, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stan Humphries, Co-Chair; Representative David Meade, Co-Chair; Senators Whitney Westerfield and Max Wise; Representatives Nima Kulkarni and Russell Webber; Elizabeth Caywood, , and Bill Wagner.

Guests: Julianne Vantland, Drew Vantland, and Erin Kidder.

LRC Staff: Chris Joffrion, Sean Meloney, and Christy Young.

Approval of Minutes

A motion to approve the minutes from the October 30, 2019 meeting was made by Senator Wise, seconded by Bill Wagner, and approved by voice vote.

Discussion and Approval of the Task Force Findings and Recommendations

Elizabeth Caywood made a motion to amend finding number one by replacing references to Kentucky Transitional Assistance Programs (K-TAP) with Transitional Assistance Nutrition Fund (TANF). The motion was seconded by Bill Wagner and approved by a voice vote.

Ms. Caywood made a motion to amend finding number one by adding: "These percentages do not include funding for supportive services" at the end of the second paragraph of finding number one. The motion was seconded by Bill Wagner and approved by voice vote.

Ms. Caywood commented in relation to recommendation number one that federal Title IV-E funds for foster care are going down each year which

will mean that the state will have to start investing more money in child welfare services

Senator Westerfield made a motion to amend recommendation number four by inserting, "update, or identify" after the word "develop" in the first sentence of recommendation number four; to delete the word "assessment" in the first sentence of recommendation number four; and to insert "where appropriate refer applicants for assessment" at the end of the last sentence of recommendation number four. The motion was seconded by Elizabeth Caywood and approved by voice vote.

Senator Wise made a motion to accept the draft memorandum as amended. The motion was seconded by Senator Westerfield. After a roll call vote of 8 yes votes, 0 no votes, and 0 pass votes, the amended memorandum was approved by the task force.

Public Comments

Julianne Vantland, a SNAP recipient, stated that she feared that the work requirements would place an undue stress on her family as she is a stay at home mother whose spouse is a full-time doctoral degree student. Ms. Vantland stated that she would not be able to raise her children, meet the work requirements, but she cannot afford to lose her benefits.

Closing Remarks

Senator Humphries stated that there is more to learn on this topic, and he appreciates the open minded approach of the Task Force this interim. Senator Humphries stated that to find a solution for the issue at hand is not a simple, easy process, but the recommendations will reflect that this Task Force tried to avoid collateral damage by not making hasty recommendations.

Representative Meade stated that the recommendations show that our work on this topic is far from over and echoing the statements from Senator Humphries, the more education and data we can have on this issue, the better we can address the problems, with the least amount of unintended consequences. Representative Meade stated that the goal of this Task Force is to help those return to work who are making a choice not to work despite being able-bodied. In the process, we do not wish to adversely affect those to whom that does not apply. Representative Meade stated that the task force will continue to address this subject in a loving, kind, and caring manner as we seek solutions.

Adjournment

There being no further business, the meeting was adjourned at 4:00 PM.

PUBLIC PENSION OVERSIGHT BOARD

Minutes of the 9th Meeting of the 2019 Interim

November 25, 2019

Call to Order and Roll Call

The 9th meeting of the Public Pension Oversight Board was held on Monday, November 25, 2019, at 1:00 PM, in Room 154 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon, Co-Chair; Representative Jim DuPlessis, Co-Chair; Senators Christian McDaniel, Dennis Parrett, Wil Schroder, and Mike Wilson; Representatives Joe Graviss, Jerry T. Miller, Phillip Pratt, Russell Webber, and Buddy Wheatley; J. Michael Brown, John Chilton, Timothy Fyffe, Mike Harmon, and James M. "Mac" Jefferson.

Guests: David Eager, Executive Director, Kentucky Retirement Systems and Danny White, GRS Retirement Consulting via Phone Conference; Beau Barnes, Deputy Executive Secretary and General Counsel, Teachers' Retirement System; and Donna Early, Executive Director, Stephen LeLaurin, Investment Committee, and A.C. Donahue, Board Trustee, Kentucky Judicial Form Retirement System.

LRC Staff: Brad Gross, Jennifer Black Hans, Bo Cracraft, and Angela Rhodes.

Approval of Minutes

Representative Miller moved that the minutes of the October 28, 2019 meeting be approved. Representative Pratt seconded the motion, and the minutes were approved without objection.

Senator Higdon announced that during the December 16, 2019 Public Pension Oversight Board (PPOB) meeting, recommendations for legislation will be considered.

Actuarial/Financial Update – Kentucky Retirement Systems

David Eager, Executive Director, Kentucky Retirement Systems (KRS), began with opening remarks regarding the recently completed valuation. He noted that the economic and demographic assumption changes were the primary driver of the more than \$2 billion increase in unfunded liability in the current valuation and the more than \$7 billion increase in unfunded liability since 2017 for the KRS pension funds collectively. He stated that most of the plans' funding status had declined due to the changes. However, the increased funding received had placed each plan on a road to improvement.

In response to a question from Senator Higdon in regards to the frequency of experience studies and future assumption changes, Mr. Eager stated that assumptions were examined annually and, if a change was warranted, it would be done more frequently. He also stated that experience studies might occur every four years rather than five.

Next, Mr. Eager made several general comments about the valuation results. First, he emphasized the importance of maintaining or increasing the contribution efforts for the Kentucky Employees Retirement System (KERS) non-hazardous pension fund, which had liabilities of just over \$16 billion and a funding status of 13.4 percent. Secondly, he noted the valuation included all new assumptions that had been adopted by the board in April of 2019. Third, he discussed investment experience, which ranged from 5.0 to 5.8 percent, and resulted in modest negative experience relative to assumptions. Fourth, he discussed changes in active membership and payroll, pointing out the KERS nonhazardous and State Police Retirement System plans continued to deal with a trend of decreased payroll. He stated the County Employees Retirement System (CERS) non-

hazardous and hazardous payroll had grown by 2.2 and 4.8 percent, respectively.

In response to questions from Senator Higdon regarding a group of KERS non-hazardous members who were transferred to the hazardous plan, Mr. Eager stated that approximately 500 employees were transferred. In response to a follow-up question regarding how the existing liability would be paid down, Danny White, GRS Retirement Consulting (GRS), stated that the liability and assets remained in the KERS non-hazardous plan, thus the remaining employers will have to pay a higher rate to cover the unfunded liability left behind. Senator Higdon expressed concern with this practice, given the difference in contribution rates and the fact that an employer was moving employees' benefits at the expense of other employers.

Mr. Eager continued by providing a summary of liability experience during the year for the pension and insurance funds. On the pension side, the previously referenced changes in assumptions, most notably mortality rates, had resulted in an increase of \$1.8 billion across all plans. In addition to the assumption changes, an additional \$354 million was added due to performance relative to all assumptions. On the insurance side, Mr. Eager pointed out that a spike in Medicare premiums, which grew 13 percent, was an additional factor.

In response to a question from Senator Higdon, clarifying how much of the change in liability was due to actual losses versus actuarial changes, Mr. White stated the \$1.8 billion was due to updated demographic assumptions, while the additional \$354 million was due to actual liability being higher than what was expected, based on assumptions from the 2018 valuation. He referenced members retiring earlier than expected and individual salary increases as two items that impacted liability changes.

Mr. Eager presented a slide showing the employer contribution rates for the pension and insurance plans of each system as calculated in the 2018 and 2019 valuations, compared to the FY 2020 budgeted rate. In addition, he reviewed a similar slide comparing the unfunded liability for each system in 2019 compared to 2018. He pointed out the total unfunded liability across all plans was \$28.93 billion, with KERS and CERS nonhazardous representing \$16.0 and \$8.3 billion respectively.

Mr. Eager provided the historical trends of each system as it related to active members, covered payroll, retired membership and total benefits paid. He pointed out the continued decline of both membership and payroll for the KERS nonhazardous plan, while noting the active to retiree ratio of both KERS and CERS continued to decline.

In response to a question from Representative Graviss regarding a projection of when the retired membership would peak in the future, Mr. Eager and Mr. White stated that was attainable, but not on hand. Representative Graviss requested the information be made available for the December 2019 PPOB meeting.

In response, Representative DuPlessis expressed some concern with having GRS spend the time and money to provide projections given, what he believed legislators were actively working together to make

changes that would change future outcomes. Senator Higdon commented that the chairs would discuss the potential request at a later time.

Senator McDaniel requested that KRS provide the data underlying the historical trends on membership count and the benefit distribution that Mr. Eager had just reviewed.

In response to a question from Mr. Chilton regarding how the funding ratio of 13.4 percent for KERS non-hazardous was impacted by the budget surplus allocation, Mr. Eager stated that the funded ratio would have been approximately 13.0 or 13.1 percent without the budget surplus allocation.

Mr. Eager continued by providing several slides that provided 30-year projected liabilities, funding ratio, and contribution information for the pension and insurance funds of each system. He pointed out that each of the plans would require 24 additional years of higher contributions to pay off the unfunded liability, but in 2044, the total contributions would drop significantly to just the normal cost.

Senator Higdon commented on the projected unfunded liabilities of the CERS plans as compared to KERS, pointing out the CERS plans were projected to see a slight increase over the next couple of years while the KERS plans would decline. In response to the comment, Mr. Eager stated the difference was primarily due to CERS phasing into a full ARC payment while the KERS plans moved to the full rate in FY 2019.

Mr. Eager discussed a few comments from the actuary. First, it is imperative the State and participating employers in the systems contribute the actuarially determined contribution in each future year to improve the system's financial security. Secondly, GRS also recommended that KRS work with the General Assembly for an alternative method to collect the amortization cost from participating employers that is not payroll based.

Mr. Eager discussed a few legislative recommendations or proposals KRS has for the 2020 Regular Session. The first and strongest recommendation from KRS staff is to adopt a fixed allocation funding model, which would allocate contributions that are based on each employer's actual share of the total unfunded liability. A drawback to the proposal is that some employers will see rates go up, while others will drop, so there are definite losers that might require some additional financial assistance in the form of subsidies.

In response to a question from Senator Higdon regarding if the recommendation was being made for all agencies or just quasi-governmental employers, Mr. Eager stated that it would be for all agencies and that even state agencies had been reducing payroll and headcount. So, moving away from payroll would remove the incentive for decline. Mr. Eager noted that all state agencies would be grouped together and pay the same rate, while each quasi-governmental employer would have a separate contribution rate.

Representative DuPlessis commented that he is currently working on a bill regarding the fixed allocation funding for quasi-governmental agencies.

In response to a question from Representative DuPlessis regarding the significant drop in contribution rates projected at the end of the

amortization period and if there was a way to smooth it out, Mr. White stated that at current funding levels the current contribution rate policy needed to be continued, but that as the plans get closer to the end of the window, there could be some restructuring to smooth out or minimize the cliff in contribution rates. He referenced moving to a layered amortization approach, which would spread the debt out across multiple maturities.

In response to a question from Representative Graviss regarding whether KRS was recommending a fixed allocation method for the other systems, Mr. Eager stated they were only recommending for KERS nonhazardous at this point.

Representative Miller expressed some concern with slowing down or adjusting assumptions that might impact the amortization policy. He referenced how recent payroll growth had not met historical assumptions for several plans and was the cause for the current need for additional contributions.

Senator McDaniel commented on the General Assembly's decision to reset the closed 30-year amortization period in 2013 and noted how many of the assumptions had changed since that decision was made. He pointed out that changes to payroll growth, investment return, and mortality assumptions had significantly impacted rates and requested that KRS look into how rates would be impacted if the 30-year amortization period was reset on July 1, 2020 or July 1, 2021.

Representative Miller commented that he would also like to discuss a stacked amortization period in regards to the assumption changes. Mr. White stated that amortization changes would require a statutory change.

In response to a question from Representative Wheatley regarding assumption changes and what steps could be taken to lessen the volatility on contribution rates, Mr. Eager stated the plan was to make more frequent reviews of assumptions so that any changes are smaller. He stated KRS had waited until the changes needed were significant, which resulted in such a sharp increase to the employer contribution levels

Mr. Chilton commented that moving to a fixed allocation method would remove the issue of payroll growth or decline from the equation. In addition, under this proposed method, the amount of liabilities assigned to each employer is the actual liability associated with their specific active, inactive, and retired employees. So, an agency that has high turnover or employees with shorter tenures will not be paying other agencies' unfunded liabilities. Mr. Chilton stated he believes these items should be pursued for the reason of eliminating the payroll estimate from the formula.

Senator Higdon referenced employers that had aggressively cut payroll, while also receiving subsidies to assist with the added contributions. He commented some had taken advantage of the situation and any changes should also prevent employers continuing to do so.

Mr. Eager continued with KRS staff's legislative recommendations. A second recommendation would

revise reciprocity with regards to health insurance coverage for retired members that have time in both Teachers' Retirement System (TRS) and KRS. Their recommendation was to require members to choose coverage from the system in which they had the most service. Third, KRS recommended language be added to provide a penalty under KRS 61.685 for the commission of a fraud against KRS to obtain benefits or assist anyone to do the same. Fourth, staff was asking that SB 2 be amended to exempt the posting of all investment contracts that were signed prior to the enactment of SB 2. In closing, Mr. Eager outlined a few technical and conforming items that would be included in a KRS housekeeping request.

In response to a comment from Representative Graviss regarding if additional language was needed for the disclosure of carried interest, Mr. Eager stated that KRS does disclose their carried interest.

Senator Higdon commented that the Auditor's report pointed out three deficiencies between the systems: disclosure of investment contracts entered into before and after SB 2, KRS redactions, and the lack of transparency on carried interest by the TRS. Mr. Harmon confirmed these deficiencies.

In response to a question from Representative DuPlessis, Mr. Eager stated that the Kentucky Association of Counties, Kentucky League of Cities, and Kentucky School Boards Association are scheduled to present at the December 5, 2019 KRS Board meeting and then KRS will decide what their view is regarding the CERS separation.

Mr. Eager continued with cash flow and investments. He discussed the cash flow trends for the pension and insurance funds. He discussed contributions, which included, total cash inflows, total cash outflows, and net cash flow for KERS and CERS for pension and insurance. Mr. Eager discussed the investment performance by reviewing the 1-, 3-, and 5- year returns for all plans for the pension and insurance funds.

In response to a question from Senator Higdon, Mr. Eager stated the investment performance for the 30-year is 9.02 percent, the 20-year is 5.77 percent, and the 10-year is 7.78 percent.

Actuarial/Financial Update – Teachers' Retirement System

Beau Barnes, TRS, started his presentation with a discussion of recent investment performance. He discussed the most recent quarter, 1-, 3-, 5-, 10-, and 20-year retirement annuity trust returns ending September 30, 2019.

In response to a question from Senator Higdon, Mr. Barnes stated that their payroll growth for the past 1-year period was close to 3 percent and the assumption was at 3.5 percent.

Mr. Barnes continued his review of recent TRS investment performance, pointing out that above average performance from 2008 to 2019, when compared to the average pension plan, had resulted in an additional \$3 billion in returns.

Mr. Barnes discussed the cash flow update for the pension and health funds for the first quarter of FY 2020 as compared to FY 2019. He pointed out cash inflows, cash outflows, and the total net plan assets across both periods.

In response to a question from Representative

Miller regarding what recovery income represented in the retiree health fund, Mr. Barnes stated the income represented things like rebates from pharmaceutical companies and subsidies from the federal government that is collected to help pay the costs of medical insurance.

Mr. Barnes discussed the actuarial valuations for the pension and health funds for the FY 2018 compared to FY 2019. He pointed out the funding ratio of the pension fund had increased for the third consecutive year to 58.1 percent. On the insurance side, he noted the plan has grown from 3 percent in 2010 to 46 percent as of June 30, 2019.

In response to a question from Mr. Jefferson regarding the pension plan's negative cash flow, and what legislative proposals, if any, TRS had to address, Mr. Barnes stated negative cash flow is not necessarily a bad thing, especially for mature plans like TRS. However, Mr. Barnes stated that TRS was proposing \$110 million of additional funding above the ARC, which he stated would lead TRS out of negative cash flow in about three years.

In response to a follow up question from Senator Higdon regarding an additional \$110 million budget request, Mr. Barnes stated that TRS' budget request will be the standard ARC, which totals approximately \$1.3 billion, but they have added an additional \$110 million to address cash flow.

In response to a question from Mr. Chilton regarding how the plan can reach full funding while negatively cash flowing, Mr. Barnes stated that total appreciation of assets help offset any negative cash flow. He stated that as the state continues to pay the full employer contribution along with investment return will result in a fully funded plan.

In response to a follow up question from Representative DuPlessis regarding cash flow and what could be done to make it more manageable, Mr. Barnes stated that the important statistic for the PPOB to be thinking about in regard to negative cash flow is what percentage of assets is under management. Any level above five percent tends to be problematic. Outside of additional cash, Mr. Barnes stated only cutting benefits could help and that is limited due to the inviolable contract and those items exempted from the contract, like cutting sick time payment impacts on pensions, do not necessarily have large savings.

Representative Miller commented that while he did agree with Mr. Barnes that cutting sick time was not a game changer, he stated the TRS board could address some of their cash flow issues by just using more accurate assumptions. Using a more accurate payroll growth and investment return assumption would result in more cash through contributions, instead of the board making this separate request in addition to the ARC.

In response to a question from Representative Graviss regarding if TRS provided actuarial projections, Mr. Barnes stated that TRS does provide projections in their annual valuations. Representative Graviss stated that he felt like having TRS provide projections would help validate some of the information being shared.

In response to a question from Senator Wilson regarding TRS' statutory language, Mr. Barnes agreed

that TRS did not have language statutorily with regards to an ARC. Senator Wilson noted that statutorily, TRS has a fixed rate that currently is below the amount calculated by actuaries and currently being paid by the General Assembly. He commented that he did not hear TRS requesting legislative changes with regards to that language.

Mr. Barnes continued his presentation with a few comments regarding their actuarial valuations. He noted that TRS had received 100 percent of actuarially determined employer contribution, that their annuity trust increased by \$390 million, and that negative cash flow improved for 2019 as percentage of assets to (3.48) percent from (3.63) percent.

In response to a question from Senator Higdon regarding what percent of contributions the insurance fund received, Mr. Barnes stated the contribution the General Assembly made towards the insurance fund was premium costs for new retirees under the age of 65, on or after July 1, 2010. In FY 2019 the cost was approximately \$60 million and the General Assembly appropriated the full amount. Mr. Barnes also stated that active teachers and school districts are also making contributions of 3 percent annually.

Mr. Barnes continued with a discussion of actuarial gains and losses during the most recent fiscal year, by source. During the year, the plan had slight actuarial losses from investment returns, while individual teacher salary increases were less than expected and resulted in an actuarial gain. He stated that since 2015, each year's gains or losses are separately amortized over 20-year periods.

In response to a question from Senator Higdon regarding an actuarial loss on new entrants, Mr. Barnes stated that is the result of the actuary's method of counting new members and represents a small group of new members who started mid-year during the prior fiscal year.

In response to questions from Senator McDaniel regarding payroll growth and average retirements, Mr. Barnes stated that payroll growth is mostly inflation and TRS' payroll growth is currently 3.5 percent. Mr. Barnes stated that there are approximately 3,000 teachers retiring per year. Senator McDaniel commented on how state mandated raises could potentially have measurable impact on long term liabilities, especially for teachers who reach 30 years and received a higher benefit factor

In response to a request from Representative Webber for the data underlying the actuarial gains and losses, Mr. Barnes stated that he could provide data.

In response to a question from Mr. Chilton with regards to asset smoothing, Mr. Barnes stated only the investment returns were smoothed. In a response to a follow up question, Mr. Barnes stated that their actuarial reports were placed on their website upon approval by the Board.

Mr. Barnes concluded his presentation by noting that TRS would be having an experience study performed in 2020 for the 5-year period ending June 30, 2020. Lastly, he stated that TRS will have their legislative recommendations to the PPOB by December 6th.

In response to questions from Senator Schroder regarding the amortization period, Mr. Barnes stated

the period was initially set as 30 years. The legacy UAL is the majority of payment and currently sits at 25 years remaining. Annual gains and losses will be added and amortized over 20 years, but TRS expects them to be incremental.

In response to questions from Representative Graviss regarding disclosing carried interest, Mr. Barnes stated TRS has not disclosed because of its proprietary nature, and it could compromise their ability to invest. Mr. Barnes stated that TRS does believe it can be reported at asset class level and hopes that could be a resolution.

In response to a follow up question from Representative DuPlessis regarding how other pension systems, in and out of the Commonwealth, are reporting carried interest without investor problems, Mr. Barnes stated that TRS' general partners considered carried interest proprietary and did not want their competitors knowing how much profit is made in their investments. In response to a question regarding how TRS' investment peer rankings have dropped over the 1-year period, Mr. Barnes stated the drop is reflective of the current markets, which did not favor the value-oriented style of TRS external managers.

Senator Higdon made a follow up comment with regards to the earlier discussion on insurance contributions. He noted actuaries had determined the fund received approximately 239 percent of the calculated ARC.

Actuarial/Financial Update – Judicial Form Retirement System

Donna Early, Executive Director, Stephen LeLaurin, Investment Committee, and A.C. Donahue, Board Trustee, Kentucky Judicial Form Retirement System (JFRS), started their presentation with a review of investment performance for the quarter, and 1-, 3-, 5-, 10-, and 20-year periods for each of the plans. Ms. Early noted that JFRS outperformed their benchmark.

Ms. Early discussed the cash flow update for the Judicial Retirement Plan and Legislators' Retirement Plan for FY 2020 as compared to FY 2019. She pointed out cash inflows, cash outflows, and the total net plan assets across both periods.

Ms. Early discussed the funding data for the 2020-2022 biennium that is required under KRS 21.525 and KRS 21.540(1) for the judicial and legislator plans. She noted that the actuarial assumptions are extremely reasonable.

Ms. Early discussed JFRS' legislative agenda for the 2020 regular session. She stated that it is very important to continue to maintain a status of being actuarially sound. She stated their actuary had raised a concern with regards to how the plan's unfunded liability is amortized, which has led to a proposal to amend KRS 21.525 and the current process. Mr. LeLaurin added the change was important due to the fact that the current process will never lead to the unfunded principal being paid off.

Representative Miller commented that Representative Tipton is working on an amendment that would affect the JFRS plan and urged them to contact him.

Ms. Early concluded with the legislative agenda

stating that it is imperative that the actuarial required contribution be met.

With no further business, the meeting was adjourned.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

November 14, 2019

Call to Order and Roll Call

The Capital Projects and Bond Oversight Committee meeting was held on Thursday, November 14, 2019, at 1:00 PM, in Room 169 of the Capitol Annex. Senator Rick Girdler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler, Co-Chair; Representative Walker Thomas, Co-Chair; Senator Christian McDaniel; Representatives Steven Rudy, and Steve Sheldon.

Guests: Elizabeth Baker, Planning Director, University of Kentucky; Jeff Spoelker, Associate Athletic Director for Finance, University of Louisville Athletics; Janice Tones, Deputy State Budget Director; Scott Brinkman, Secretary of the Governor's Executive Cabinet; Doug Hendrix, General Counsel, Kentucky Communications Network Authority; Mike Hayden, Chief Operating Officer, Kentucky Communications Network Authority; Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services; Linda Bridwell, Deputy Executive Director, Kentucky Infrastructure Authority; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran, Committee Staff Administrator; Julia Wang, Legislative Analyst; and Jenny Wells Lathrem, Committee Assistant.

Approval of Minutes (October 15, 2019)

Representative Rudy moved to approve the minutes of the October 15, 2019 meeting. Representative Sheldon seconded the motion, and the committee approved the minutes by voice vote.

Information Items

Ms. Halloran referenced three information items. Pursuant to KRS 45.760(5), the University of Kentucky (UK) reported two medical equipment purchases totaling \$840,000, an ambulance for UK Chandler and a robotic surgical system for UK Good Samaritan.

Pursuant to KRS 45.812(1), the Hart and Menifee school districts reported upcoming bond issues to finance new projects for which no tax increases were necessary.

Pursuant to KRS 65.4931(3) and Section 8.22 of the Series 2017 Loan Agreement, the Louisville Arena Authority reported its operations and financial condition.

Senator Girdler congratulated Representative Thomas on his chairmanship of the House Veterans, Military Affairs, and Public Protection Committee and acknowledged John Paul Alexander's, House Communications Specialist, birthday.

Lease Report from Postsecondary Institutions University of Kentucky

Ms. Baker submitted a new lease for UK Healthcare Information Technology; 32,550 square feet of office

space costing \$626,587 annually. The space will house around 250 people, about half of which will be temporary, to implement UK's replacement electronic health records system.

Representative Rudy moved to approve the new lease, seconded by Representative Thomas, and approved by unanimous roll call vote.

University of Louisville

Mr. Spoelker submitted a new lease for the University of Louisville (UofL) Athletic Association for office space and vehicle storage. The 21,000 square feet UofL Foundation building will provide space for the men's and women's golf programs, equipment, central receiving, transportation, pep band, and cheer and dance squads. The term is five years with two, five year renewable options. The annual cost for the first five years is around \$112,000, which includes the build-out, declining to around \$63,000 after the first renewal.

Representative Thomas moved to approve the new lease, seconded by Representative Rudy, and approved by unanimous roll call vote.

Report from the Finance and Administration Cabinet

Ms. Tones submitted a \$20,062,400 federal funds appropriation increase for the Kentucky Communications Network Authority (KCNA), Next Generation Information Highway project, bringing the total project scope to \$454,462,400, including the \$43.5 million revised federal funds appropriation. The 2014-2016 biennial budget bill included \$20 million in federal funds and the Secretary of the Finance and Administration Cabinet proceeded with a \$3.5 million federal funds appropriation increase in September 2015. The Appalachian Regional Commission (ARC) granted the federal funds through the Center for Rural Development (CRD) in Somerset, Kentucky.

In response to Representative Sheldon, Secretary Brinkman said there are five separate ARC grants. The first three totaled approximately \$27.5 million, which will be deposited into the project fund for middle-mile network construction costs. The other two grants are \$8 million each, one for last-mile service to four state parks that were not on the original site list (Carter Caves, Cumberland Falls, Dale Hollow, and Lake Cumberland) and the other, in tandem with the wholesaler, for last-mile service to local governments within the ARC region, which includes 54 counties.

Secretary Brinkman spoke with the Secretary of the Kentucky Tourism, Arts and Heritage Cabinet and the Commissioner of Parks about broadband enhancing the consumer experience and driving room nights for state parks as well as creating a revenue stream to defray costs of using the \$8 million. Revenue streams from local governments for use and possible purchase of the equipment and use of the fiber will defray the cost of using the other \$8 million. KCNA expects the arrangements to either be revenue neutral or profitable.

Secretary Brinkman said that the wholesaler agreement with OpenFiber Kentucky involved the use of half of the strands, available to the private sector as well as local governments. The second \$8 million will be used in combination with wholesaler funds in fronting the capital costs to provide last-mile service to those entities, with KCNA and OpenFiber

recouping the costs through private sector and local governmental payments. The other half of the strands will be used by state agencies.

In response to Senator McDaniel, Mr. Hayden said that KCNA is submitting documentation, including information to support USDA's requirement for completion certification of the ARC middle-mile construction, for receipt of the federal funds.

In response to Senator McDaniel, Secretary Brinkman said that CRD owns all of Ring 2 and the bottom of Ring 1B and that KCNA's lease with CRD replaces the 2015 Memorandum of Agreement. The 2015 MOA allowed CRD to receive all of the net revenues from Eastern Kentucky; which includes Rings 1B, 2, and 5, and half of the I-75 spine. That arrangement was problematic because revenues were not capped. Therefore, CRD and the commonwealth entered into a lease in which the commonwealth would pay 4.5 percent of the \$43.5 million CRD grant award per year, consistent with borrowing costs, plus the greater of \$40,000 or twenty-five percent of the net wholesaler revenues received by KCNA. The greater of \$40,000 or twenty-five percent of the net wholesaler revenues was in lieu of CPI rental increases and the fifty percent of net revenues along the I-75 spine.

In response to Representative Rudy, Mr. Hayden said that Rings 1A and 1B were lit, Ring 2 was within four weeks of being lit, and Rings 3, 4, and 5 were scheduled to be lit by February 2020 and that last-mile service to state parks was incremental to the project and would not interfere with the completion of Rings 3, 4, and 5.

In response to Senator McDaniel, Mr. Hayden said that last-mile construction to state parks was initially planned and then set-aside due to financials as some of the parks were ten to twelve miles away from the current backbone.

Due to the policy shift of using funds for last-mile construction and wishing for input from additional stakeholders, Senator McDaniel moved to defer action on the appropriation increase until the following month.

In response to Representatives Rudy and Sheldon and Senator Girdler, Secretary Brinkman said that the committee's deferral of action may impact last-mile construction federal funds receipts but would not impact the lease as it was already signed for receipt of middle-mile construction federal funds.

Representative Rudy seconded Senator McDaniel's motion to defer action on the appropriation increase until the following month.

With four yes votes and one no vote, the motion failed.

Lease Report from the Finance and Administration Cabinet

Mr. Aubrey submitted one lease renewal under the same terms and conditions for the Cabinet for Health and Family Services in Lincoln County; \$13.89 per square foot through June 30, 2028.

Representative Thomas moved to approve the lease renewal, seconded by Representative Sheldon, and approved by unanimous roll call vote.

Mr. Aubrey reported a lease modification, improvements and the addition of one year to the lease term, under \$50,000 for the Energy and Environment Cabinet in Franklin County. The improvements

include additional electrical outlets, exterior water spigot, and insulated area for water pumper vehicle storage. The lower of two bids for each improvement was selected and the \$21,828 total will be amortized through the June 30, 2022 lease expiration.

Report from the Office of Financial Management Kentucky Infrastructure Authority

Representative Thomas moved to roll the Clean Water State Revolving Fund (Fund A) loans into one roll call vote, seconded by Representative Rudy, and approved by voice vote.

Ms. Bridwell submitted two Kentucky Infrastructure Authority (KIA) loan requests. The Metropolitan Sewer District (MSD), Jefferson County, requested to assume eight Oldham County Environmental Authority (OCEA) loans, executed between 2010 and 2018, with a \$19,492,651 principal balance. The OCEA, created by ordinance on September 21, 2010, serves all of Oldham County except the cities of LaGrange and Crestwood and operates through Veolia North America. Approval of the loan assumptions is required before MSD can assume OCEA's assets, which include its wastewater collection and treatment system, and obligations. Per MSD and OCEA's interlocal agreement, OCEA customers will keep their current rates, \$79.12 per month for 4,000 gallons, until the existing contract with Veolia expires. In August 2022, OCEA customers' monthly bills will be reduced by approximately \$10. Going forward, MSD will raise existing OCEA customer rates at a maximum of five percent per year until those rates equalize with MSD's other customers, whose monthly bill is currently \$49 for 4,000 gallons [with 6.9 percent usual annual rate increases].

The City of Mount Sterling, Montgomery County, requested a \$525,000 Fund A Planning and Design Loan for the Wastewater Treatment Plant Capacity Upgrade project. The project will increase the Hinkston Creek Wastewater Treatment Plant's current capacity from three to six million gallons per day. The plant is in excess of its organic loading capacity and at 79 percent of its hydraulic capacity. The construction period will be from October 2020 to October 2021. For 4,000 gallons, effective July 1, 2019, inside and outside city sewer rates are \$26.15 and \$29.59 and inside and outside city water rates are \$24.91 and \$27.82. The term is five years at a 2.5 percent interest rate.

Representative Sheldon moved to approve the Fund A loans, seconded by Senator McDaniel, and approved by unanimous roll call vote.

Office of Financial Management Previous Debt Issue

Mr. Barrow reported the State Property and Buildings Commission (SPBC) Revenue and Revenue Refunding Bonds, Project No. 122 debt issue. Series A financed \$175 million of new projects authorized in various appropriations bills; Series B current refunded, closing within ninety days of the prior debt's earliest redemption date, debt for around \$520,000, or 18 percent, net present value savings; and Series D advance refunded debt for around \$10.3 million, or 11.3 percent, net present value savings. The savings percentages were high since interest rates are historically low, even though the Series D

was taxable due to the 2017 Tax Cuts and Jobs Act. Series C, reported separately as it was a tax-exempt forward delivery closing next year, refunded debt for around \$1.7 million, or 2.6 percent, net present value savings. Although the Series C transaction involved the commonwealth's payment of a slight premium, all of OFM's financial models showed savings, even if interest rates were to decline further. OFM last executed a forward delivery transaction ten years ago.

School District Bond Issues with School Facilities Construction Commission Debt Service Participation

Senator McDaniel moved to roll the ten school district bond issues into one roll call vote, seconded by Representative Sheldon, and approved by voice vote.

Mr. Barrow submitted four school district bond issues with School Facilities Construction Commission (SFCC) debt service participation for new projects in the Campbell County, Clinton County, Greenup County, and Marion County school districts with a total anticipated issuance of just over \$7 million and 33.53 percent SFCC participation. No tax increases were necessary to finance these projects. Mr. Barrow also submitted six current refunding bond issues for the Barbourville Independent (Knox County), Carlisle County, Crittenden County, Martin County, Pike County, and Raceland Independent (Greenup County) school districts with about the same total anticipated issuance, just under \$7 million, with two-thirds of the debt SFCC supported.

Senator McDaniel moved to approve the school bond issues, seconded by Representative Sheldon, and approved by unanimous roll call vote.

Senator Girdler announced the next meeting would be Tuesday, December 17, 2019 with Representative Thomas as chair.

With there being no further business the meeting adjourned at 1:50 p.m.

MEDICAID OVERSIGHT AND ADVISORY COMMITTEE

Minutes of the Meeting of the 2019 Interim

December 9, 2019

Call to Order and Roll Call

The meeting of the Medicaid Oversight and Advisory Committee was held on Monday, December 9, 2019, at 10:00 AM, in Room 171 of the Capitol Annex. Senator Stephen Meredith, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Daniel Elliott, Co-Chair; Senators Ralph Alvarado, Danny Carroll, Jimmy Higdon, and Morgan McGarvey; Representatives Jim Gooch Jr., Melinda Gibbons Prunty, Steve Sheldon, and Lisa Willner.

Guests: Representative Danny Bentley; Representative Adam Bowling; Representative Joni Jenkins; Representative Stan Lee; Representative Kim Moser; Bill Marshall, Jiseki Health; Alison Moore, Jiseki Health; Tushar Vasisht, CEO Jiseki Health; Sonny Patel, Chief Business Development Officer, Jiseski Health; Chandra Nagaraja, Chief Technology

Officer, Jiseki Health; Secretary Adam Meier, Cabinet for Health and Family Services; Jonathan Scott, Department for Medicaid Services, Cabinet for Health and Family Services; Angela Parker, Director Division of Program Quality and Outcomes, Department for Medicaid Services, Cabinet for Health and Family Services.

LRC Staff: Chris Joffrion, Becky Lancaster, Hillary McGoodwin, Dana Simmons, and DeeAnn Wenk.

Approval of Minutes

A motion to approve the November 18, 2019 meeting minutes was made by Senator Alvarado and seconded by Representative Sheldon, and approved by a voice vote.

Telehealth Platform for the Medicaid Expansion Population

Bill Marshall, Account Manager, Jiseki Health, presented on a possible whole healthcare delivery system for Medicaid recipients. Joined over teleconference, Tushar Vasisht, CEO, Jiseki Health stated that Jiseki's product of Wi-Fi and phone based healthcare would have a projected 30 percent savings to the state's Medicaid budget. If the recipient has a phone, they will get care and unlike discipline specific telehealth, Jiseki's product will be a one stop shop for all care needs. The Jiseki product will have connections to general practitioners, specialists for issues like psychiatry, endocrinology, and help for chronic illnesses that are often prevalent in the Medicaid population. The whole health approach saves the state money by reducing the need for multiple healthcare telehealth platforms.

In response to questions from Representative Gibbons-Prunty, Mr. Vasisht stated that the mention of gambling companies in the PowerPoint was a reference to corporate partners who help make the platform accessible. They were not mentioned to imply that there is a gaming component to their product.

In response to questions from Senator Higdon, Mr. Vasisht stated that the 80 million dollars savings mentioned in the presentation is the estimated dollar amount of the 30 percent cost savings. Mr. Vasisht stated that he would be happy to provide Senator Higdon and other members of the committee with more detailed cost-savings analysis.

In response to questions and comments from Senator Alvarado, Mr. Marshall stated that a patient's provider preference will be included and that Jiseki's delivery system is a collaborative approach to care versus an insurance direct care system.

Discussion on Pharmacy Benefits

Adam Meier, Secretary, Cabinet for Health and Family Services stated that the previously released pharmacy benefit report has been rescinded due to errors in the fiscal analysis. The error miscalculated the projected savings of a of the pharmacy benefit carve-out to the state.

In response to questions and comments from Senator Meredith, Secretary Meier stated that everyone makes mistakes and the company who oversaw the fiscal report made a mistake.

In response to questions and comments from Representative Sheldon, Jonathan Scott, Department for Medicaid Services, stated that some of the errors

were in the spread projections and that the report over-estimated the cost savings. Secretary Meier stated that the carve-out portion of the pharmacy benefit program, which was the section of the report modeled after West Virginia's program, was expedited by request of the Cabinet.

Managed Care Organization (MCO) Contracts

Secretary Meier stated the five managed care contracts Governor Bevin awarded on November 27, 2019 were not done in haste and that the legislature can only advise the Cabinet on what contracts should be awarded. Secretary Meier stated that the contracts will begin July 1, 2020.

In response to questions and comments from Senator Meredith, Secretary Meier stated that the reason for awarding some contracts and not others is not something that is mandated to be discussed with the state legislature and such discussion, prior to the awarding of the contracts, would have been in violation of the request for proposal (RFP) portion of the process.

In response to questions and comments from Senator McGarvey, Secretary Meier stated that the decision to award the contracts was not secret, intentionally confidential, or rushed. Secretary Meier reiterated that discussion of proposed contracts would be in violation of the RFP process.

In response to questions and comments from Senator Carroll, Secretary Meier stated that the limit for the number of MCO contracts is five and federal law states no less than three no more than five MCO contracts should awarded.

Adjournment

There being no further business, the meeting was adjourned at 12:00 pm.

GOVERNMENT CONTRACT REVIEW COMMITTEE

Committee Minutes

December 9, 2019

Call to Order and Roll Call

The Government Contract Review Committee met on Monday, December 9, 2019, at 10:00 AM, in Room 131 of the Capitol Annex. Representative Stan Lee, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Stan Lee, Co-Chair; Senator Paul Hornback; Representatives Charles Booker, Chris Fugate, and Mark Hart.

Guests: Joan Graham and Amy Monroe.

LRC Staff: Kim Eisner, Jarrod Schmidt, and Kim Smith.

A motion was made by Representative Fugate to approve Minutes of the November 2019, meeting of the committee. Representative Booker seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Personal Service Contract List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Personal Service Contract Amendment List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Memoranda of Agreement List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed without objection.

A motion was made by Senator Meredith to consider as reviewed the Memoranda of Agreement Amendment List, with exception of those items selected for further review by members of the committee. Representative Hart seconded the motion, which passed without objection.

THE FOLLOWING PERSONAL SERVICE CONTRACTS WERE REVIEWED WITHOUT OBJECTION:

DEPARTMENT OF HIGHWAYS

Aecom Technical Services, Inc., 2000000830; HDR Engineering, Inc., 2000000832; Palmer Engineering County, 2000000836; Bacon Farmer Workman Engineering & Testing, Inc., 2000000838; QK4, Inc., 2000000839; WSP USA, Inc., 2000000983.

DEPARTMENT OF INSURANCE

Renee Hanshaw Consulting, LLC, 2000000987.

EASTERN KENTUCKY UNIVERSITY

English, Lucas, Priest & Owsley, 20-289.

ECON DEV - OFFICE OF THE SECRETARY

The Pace Group, Inc., 2000000828.

EDUCATION - OFFICE OF THE SECRETARY

McBrayer, McGinnis, Leslie & Kirkland-Frankfort, PLLC, 2000001047.

KENTUCKY RETIREMENT SYSTEMS

Hirschler Fleischer, A Professional Corporation, 1900004776.

KENTUCKY STATE POLICE

Robert Morris, 2000000899.

KY HOUSING CORPORATION

Cavanaugh MacDonald Consulting, LLC, 2020-36.

MURRAY STATE UNIVERSITY

Academic Partnerships, LLC, 019-20.

NORTHERN KENTUCKY UNIVERSITY

Ayers, Saint, Gross, Inc., 2020-109.

UNIVERSITY OF KENTUCKY

Ekhooff, Ochenkoski, Polk Architects, A201150; Isaacson Miller, Inc., K20-139; Smith Management Group, K20-140.

UNIVERSITY OF LOUISVILLE

Korn Ferry, 20-047.

WESTERN KENTUCKY UNIVERSITY

Gensler Architecture, Design & Planning, 181927.

THE FOLLOWING PERSONAL SERVICE AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

BOARD OF ELECTIONS

McBrayer McGinnis Leslie & Kirkland, PLLC, 1900002068.

DEPARTMENT OF CORRECTIONS

KPMG, LLP, 1900002851.

DEPARTMENT OF HIGHWAYS

Florence & Hutcheson, 1100003026; ICA Engineering, Inc. f/k/a Florence & Hutcheson, Inc., 1400000810; Palmer Engineering Company, 1400003301; URS Corporation, 1600000934; QK4, Inc., 1700002590; Strand Associates, Inc., 1800000402; Strand Associates, Inc., 1800000409; Strand Associates, Inc., 1800000638; Palmer Engineering County, 1800002021; Michael Baker International, Inc., 1800002105; Vaughn & Melton Consulting Engineers, Inc., 1800002226; QK4, Inc., 1800002274; Corradino Group, 1900002032; Michael Baker International, Inc., 1900003824; Vaughn & Melton Consulting Engineers, Inc., 1900005012.

FACILITIES & SUPPORT SERVICES

Kohrs Lonnemann Heil Engineers, PSC, 1600000312; Ensafé, Inc., 1600002252; Stantec Consulting Services, Inc., 1700001105; Staggs and Fisher Consulting Engineers, Inc., 1700002742; Redwing Ecological Services, Inc., 1800002056; Omni Architects, 1900003527.

TOURISM - OFFICE OF THE SECRETARY

Lofthouse Enterprises, 2000000492.

TRANSPORTATION - OFFICE OF THE SECRETARY

Legacy Title Company, LLC, 1900004054.

UNIVERSITY OF KENTUCKY

THP Limited, Inc., A181150; JRA Architects, A191080; CMTA, Inc., A191150; Apax Software, K20-127.

UNIVERSITY OF LOUISVILLE

Walker Parking Consultants, 19-072.

THE FOLLOWING MEMORANDA OF AGREEMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS

Morehead State University, 2000001059; Morehead State University, 2000001060; Morehead State University, 2000001061; Morehead State University, 2000001063.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Mountain Comprehensive Care Center, 2000000903.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Family Scholar House, Inc., 2000000528.

DEPARTMENT FOR LOCAL GOVERNMENT

City of Mount Sterling, 2000000578; Campbell County Fiscal Court, 2000000694; City of Paducah, 2000000728; City of Beattyville, 2000000840; City of Booneville, 2000000845; City of Stanton, 2000000869; Wolfe County Fiscal Court, 2000000888; McCreary County Industrial Development Authority, 2000001009; Union County Fiscal Court, 2000001015; Monticello-Wayne County Industrial Development Authority, 2000001017; City of Hopkinsville, 2000001019; Menifee County Fiscal Court, 2000001037.

DEPARTMENT FOR PUBLIC HEALTH

Lewis County Primary Care Center, Inc., 2000000257.

DEPARTMENT FOR WORKFORCE INVESTMENT

Bracken County Board of Education, 2000000763; Breathitt County Board of Education, 2000000764; Caldwell County Board of Education, 2000000766; Calloway County Board of Education, 2000000767; Christian County Board of Education, 2000000769; Dawson Springs Board of Education, 2000000771; Fairview Independent School District, 2000000772; Fulton County Board of Education, 2000000776; Fulton Independent Board of Education, 2000000777; Hopkins County Board of Education, 2000000786; Johnson County Board of Education, 2000000788; Owensboro Independent School District, 2000000795; Paducah Independent School District, 2000000797; Robertson County Board of Education, 2000000799; Washington County Board of Education, 2000000804.

DEPARTMENT OF AGRICULTURE

Kentucky 4-H Foundation, 2000000734; Kentucky FFA Foundation, 2000000735.

DEPARTMENT OF CORRECTIONS

Kentucky Administrative Office of the Courts, 2000000456; Grant County Fiscal Court, 2000000586.

DEPARTMENT OF EDUCATION

Ashland Board of Education, 2000000706; Montgomery County Board of Education, 2000000848; Jefferson County Board of Education, 2000000889; Jefferson County Board of Education, 2000000891; Jefferson County Board of Education, 2000000892; University of Kentucky Research Foundation, 2000000893; Fayette County Board of Education, 2000000996.

DEPARTMENT OF JUVENILE JUSTICE

Foothills Academy, Inc., 1900003311; Ramey Estep Homes, Inc., 2000000660.

DEPARTMENT OF MILITARY AFFAIRS

Boyd County Fiscal Court, 2000000542.

KENTUCKY STATE FAIR BOARD

Louisville Jefferson County Metro Government, 2000000725.

THE FOLLOWING MEMORANDA OF AGREEMENT AMENDMENTS WERE REVIEWED WITHOUT OBJECTION:

ADMINISTRATIVE OFFICE OF THE COURTS

Morehead State University, 1700001015.

BEHAVIORAL HEALTH, DEVELOPMENTAL & INTELLECTUAL DISABILITIES

Chrysalis House, Inc., 1900003003; Green River Regional MHMR Board, Inc., 1900004141; Western Kentucky Regional Mental Health & Retardation Advisory Board, 1900004144; Pathways, Inc., 1900004169; Communicare, Inc., 1900004178; Centerstone of Kentucky, Inc., 1900004187; Mountain Comprehensive Care Center, 1900004217; Lake Cumberland Mental Health Mental Retardation Board, 1900004222; Bluegrassorg, 1900004235; Kentucky River Community Care, Inc., 1900004241.

CHFS - DEPARTMENT FOR AGING AND INDEPENDENT LIVING

Multi, 1900000633; Multi, 1900000816; Multi, 1900000876.

DEPARTMENT FOR COMMUNITY BASED SERVICES

Louisville Jefferson County Metro Government, 1800001665.

DEPARTMENT FOR LOCAL GOVERNMENT

Perry County Fiscal Court, 1900003310; The Appalachian Wildlife Foundation, Inc., 1900003822; Ohio County Fiscal Court, 2000000336.

DEPARTMENT FOR PUBLIC HEALTH

University of Kentucky Research Foundation, 1800001731; University of Kentucky Research Foundation, 1900003156; Multi, 1900004001.

DEPARTMENT FOR WORKFORCE INVESTMENT

Connected Nation, Inc., 2000000299.

DEPARTMENT OF AGRICULTURE

Multi, 1900003211.

DEPARTMENT OF EDUCATION

Utah State University, 1900003851; Estill County Board of Education, 1900004158; Jefferson County Board of Education, 2000000302.

TRANSPORTATION - OFFICE OF THE SECRETARY

University of Kentucky Research Foundation, 1800001354-1.

DISCUSSION ON MANAGED CARE ORGANIZATION CONTRACTS (MCO's):

Joan Graham, Executive Director, Office of Procurement, Finance and Administration Cabinet

and Amy Monroe, Division Director, Office of Procurement, Finance and Administration Cabinet were present to testify regarding five (5) Managed Care Organization (MCO) Contracts: Molina Healthcare of Kentucky, MA 758-2000000190; United Healthcare of Kentucky, Ltd, d/b/a/ United Healthcare Community Plan of Kentucky, MA 758-2000000191; WellCare Health Insurance of Kentucky, Inc. MA 758- 2000000192; Aetna Better Health of Kentucky, Assignee for Coventry Health and Life, MA 758-2000000193; Humana Health Plan, Inc. MA 758-2000000194. Senator Meredith stated that since the Kentucky Medicaid Programs inception in 1965 until 2001 it was administered by a single entity. In 2011, with the introduction of the managed care model, the Medicaid program has been administered by as many as six managed care organizations; even though the Centers for Medicare and Medicaid Services only requires a minimum of two organizations. The present arrangement of contracting with five managed care organizations to administer the Medicaid program has compromised the commonwealth's ability to take advantage of economies of scale and negotiate more favorable rates; and thereby reduce the administration cost of the program. Contracting with five managed care organizations has also created unnecessary and excessive bureaucracy and increased cost for all organizations contracting with the commonwealth to provide health care services to Medicaid recipients. These excessive costs are compromising the financial position of healthcare providers and their ability to provide needed medical services with a disproportionate and prejudicial burden being placed on healthcare providers in rural communities. A motion was made by Senator Meredith to add the five (5) contracts to agenda. Representative Hart seconded the motion, which passed. A motion was made by Senator Meredith to disapprove the contracts. Senator Hornback seconded the motion, which passed.

There being no further business, the meeting adjourned at 10:28 AM.

ALZHEIMER'S AND DEMENTIA WORKFORCE ASSESSMENT TASK FORCE

Minutes of the 7th Meeting of the 2019 Interim

November 19, 2019

Call to Order and Roll Call

The 7th meeting of the Alzheimer's and Dementia Workforce Assessment Task Force was held on Tuesday, November 19, 2019, at 1:00 PM, in Room 131 of the Capitol Annex. Representative Deanna Frazier, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair; Representative Deanna Frazier, Co-Chair; Senator Reginald Thomas; Representative Lisa Willner; Bill Cooper, Steven Davis, Mackenzie Longoria, Devon McFadden, Andrea Renfrow, Mary Romelfanger, Kelly Upchurch, and Denise Wells.

Guests: Representatives George Brown and Joe Graviss.

LRC Staff: Dana L. Simmons, Lead Staff, Chris Joffrion, and Becky Lancaster.

Approval of Minutes

A motion to approve the minutes of the October 24, 2019 meeting was made by Senator Mills, seconded by Mary Romelfanger, and approved by voice vote.

Discussion and Approval of the Draft Memorandum for the Task Force Findings and Strategies

Senator Reginald Thomas stated that there are many budget issues that need to be addressed in Kentucky. In reviewing the draft memorandum for the Task Force Findings and Strategies, Senator Thomas is in favor of finding one, strategy one, on page two; however, the state is already providing significant funding to the University of Kentucky Sanders-Brown Center on Aging. He believes the state is best served with funding going to the center and not a separate entity.

Mary Romelfanger stated that she is in favor of funding so that emerging technologies that help caregivers in the home will be able to be tracked.

Steve Davis stated that finding three, on page two, adequately states what the Office of the Inspector General believes is needed for Alzheimer's and dementia patients. He stated that finding four, on page three, reflects the tiered congregate living scenario, and he concurs with the recommendations. He stated that he concurs with the recommendations in finding six, on page four.

Mackenzie Longoria made a motion to remove "focus solely" from the draft memorandum on page five, line 14, and to insert "incorporate". The motion was seconded by Senator Thomas and approved by voice vote.

Representative Lisa Willner made a motion to add "resources" after "Association" to the draft memorandum on page eight, line 26. The motion was seconded by Senator Mills and approved by voice vote.

Denise Wells made a motion to remove "ex-offenders" from the draft memorandum on page eight, line three. The motion was seconded by Ms. Romelfanger and approved by voice vote.

Mr. Upchurch commented on the status of 1915(c) waivers that are not being used because people are not informed about the services that are available to them if they meet qualifications. He supports using "required" in finding 21, strategy four.

Ms. Longoria made a motion to remove finding 21, strategy four on page nine. After comments from Mr. Upchurch, Ms. Longoria withdrew the motion.

Representative Willner made a motion to remove "should" and to insert "shall" on page nine, line eight. The motion was seconded by Ms. Longoria and approved by voice vote.

Senator Thomas made a motion to remove strategy four of finding 21, on page nine and to insert "of the utility and economic viability" to page nine, line eight. The motion was seconded by Mr. Upchurch and approved by voice vote.

Ms. Longoria commented on additional recommendations for changes that she submitted to the task force by email. There was not a motion to amend the draft memorandum.

Ms. Romelfanger gave an overview of legislation that has been introduced at the federal level regarding the Centers for Medicare & Medicaid Services (CMS) policy to prevent facilities from engaging in certified nursing assistant (CNA) training within the facility if the facility has received penalties. She stated that the Kentucky Nurses Association and the Kentucky Nurses Foundation appreciated the opportunity to be represented and participate in the task force.

In response to questions and comments from Representative Willner, Senator Mills stated that to continue the task force a resolution would need to be passed in the 2020 Regular Session and leadership would have to appoint members.

Mary Romelfanger made a motion to accept the draft memorandum for the Task Force Findings and Strategies as amended, and it was seconded by Mackenzie Longoria. After a roll call vote of 12 yes votes, 0 no votes, and 0 pass votes, the amended memorandum was approved by the task force.

Adjournment

There being no further business, the meeting was adjourned at 1:46 PM.

TOBACCO SETTLEMENT AGREEMENT FUND OVERSIGHT COMMITTEE

Minutes of the 9th Meeting of the 2019 Interim

December 4, 2019

Call to Order and Roll Call

The 9th meeting of the Tobacco Settlement Agreement Fund Oversight Committee was held on Wednesday, December 4, 2019, at 10:00 AM, in Room 129 of the Capitol Annex. Representative Myron Dossett, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator C.B. Embry Jr., Co-Chair; Representative Myron Dossett, Co-Chair; Senators Paul Hornback, and Robin L. Webb; Representatives Kim King, Phillip Pratt, and Brandon Reed.

Guests: Warren Beeler, Executive Director, Governor's Office of Agricultural Policy (GOAP); Bill McCloskey, Deputy Executive Director, GOAP; Van Ingram, Executive Director, Kentucky Office of Drug Control Policy (KODCP); Heather Wainscott, Branch Manager, KODCP; Amy Andrews, Program Manager, Kentucky Agency for Substance Abuse Policy, KODCP.

LRC Staff: Nathan Smith, Kelly Ludwig, and Rachel Hartley.

Governor's Office of Agricultural Policy Report

Senator Hornback stated the tobacco receiving stations opened December 3, 2019, and full loads of tobacco were rejected. Philip Morris has told farmers the crop insurance would cover costs, but Senator Hornback stated the crop insurance will not be enough and the farmers could go bankrupt.

In response to a question from Representative King, Senator Hornback stated businesses will import tobacco, because it is cheaper than growing domestically.

In response to a question from Representative

Pratt, Mr. Beeler stated the rejected tobacco was dried more than it cured making the tobacco yellow. Senator Hornback stated the purchasers determine if the quality of the tobacco is acceptable. The contracts are subjective, and the farmer has no recourse.

Warren Beeler provided a brief overview of the end of year changes to the County Agricultural Investment Program (CAIP), and the approved guideline changes for the Agricultural Finance Corporation.

Bill McCloskey described the Agricultural Development Board's projects for October under the program. Mr. McCloskey highlighted programs including CAIP, Deceased Farm Animal Removal, Next Generation Farmer, Shared-Use Equipment Program, and Youth Agriculture Incentive Program.

Requested program amendments included:

Adair County Cattlemen's Association requested an additional \$10,500 in Adair County funds for CAIP. The board recommended approval, which would bring the program total to \$197,500.

Garrard County Farm Bureau requested an additional \$20,863 in Garrard County funds for CAIP. The board recommended approval, which would bring the program total to \$255,403.

The projects discussed included:

The University of Kentucky Research Foundation was approved for up to \$200,000 in state and multiple county funds to develop a web-based mobile application software for Kentucky beef producers.

The Kentucky Sheep and Goat Development Office was approved for up to \$183,475 in state funds over two years for the creation of an online comprehensive educational program and Kentucky Natural Fiber Center in Millersburg.

The World Heritage Animal Genomic Resources was denied \$1,651,032 in state funds to build a training and conservation center in Mt. Sterling. The board denied the request due to limited producer impact.

Senator Hornback stated the University of Kentucky has invested billions of dollars in upgrades to the campus; however, there have been no dollars going to the College of Agriculture, Food, and Environment. Agriculture is the number one industry in Kentucky and enrollment increases every year.

Kentucky Office of Drug Control Policy

Van Ingram provided some good news for the committee including: from 2017 to 2018 the United States had a 5 percent decrease in overdose deaths and Kentucky had a 15 percent decrease over the same period. Waiting lists for residential treatment have been eliminated.

The Kentucky Agency for Substance Abuse Policy (KY-ASAP) has local boards in 119 counties. Kentucky already has the infrastructure with local boards to utilize the Helping to End Addiction Long-Term (HEAL) grant for which the University of Kentucky has applied.

Transitional housing is important for recovery from addiction. The Oxford House is a national program and is supported through a revolving loan fund managed by the Kentucky Housing Corporation

(KHC). KY-ASAP supported the Oxford House with \$100,000 from the tobacco settlement. There are approximately 70 houses managed by KHC.

KODCP has partnered with the Kentucky Chamber of Commerce to assist companies in changing their policies so they are able to hire an individual in recovery.

Heather Wainscott stated there will be a local board in Elliott County in 2020. Once Elliott County receives its designation, Kentucky will have a local board in all Kentucky counties.

KY-ASAP is marketing against electronic cigarettes and vaping. The Bullitt County School District is the first in Kentucky to file a lawsuit against Juul.

Amy Andrews stated the largest expenditure in 2019 is to the local boards, because local boards will know how to best spend the money received. The local boards received \$3.8 million. The second biggest expenditure was \$650,000 to the Eastern Kentucky Concentrated Recovery Program.

In response to a question from Representative King, Mr. Ingram stated Narcan does work for canines.

In response to a question from Senator Webb, Mr. Ingram stated the data showing the outcome of the money spent is being prepared.

In response to a question from Representative Reed, Mr. Ingram stated police chiefs and sheriffs apply for Narcan. There is \$300,000 set aside from the tobacco settlement for law enforcement and the other funds are federal.

In response to a question from Representative Dossett, Mr. Ingram stated the jails in Kentucky are overcrowded, and it is crucial to identify substance abuse problems before criminal activity arises. There being no further business, the meeting was adjourned.

2020 Prefiled Bills

BR3 - Representative Rob Wiederstein
(11/7/2019)

AN ACT relating to government data by providing for the adoption of an open data standard to allow for centralization of government data sets at a uniquely identified uniform Web site resource locator address.

Create new sections of KRS Chapter 42 to define “agency strategic data architecture plan,” “application programming interface,” “data,” “data portal,” “data set,” “machine-readable,” “metadata,” “open operating standard,” “public data set,” “state agency,” “technical data standard,” and “voluntary consensus standards body”; create an open operating standard for the Commonwealth of Kentucky; require public data sets available on the Internet to be accessible through a single, Web-based data portal with external search capabilities maintained by the Commonwealth Office of Technology; establish requirements for operation of the data portal; establish standards for prioritizing of data sets; to create the data working group and establish its duties and functions; require the Auditor of Public Accounts to examine and verify compliance with the provisions of the Act; establish the Kentucky Data Governance and Management Advisory Board; amend KRS 12.050 to include agency data officers; amend KRS 42.732 to provide that the Kentucky Information Technology Advisory Council shall advise the data working group on inclusion of data sets to be included in the open data portal; amend KRS 42.726 require the Commonwealth Office of Technology to develop, implement, and manage the sharing of data and data set development by all state agencies; establish a short title.

(Prefiled by the sponsor(s).)

BR4 - Representative Rob Wiederstein
(9/25/2019)

AN ACT relating to legislative accountability by providing for the expanded use of cost estimates, a regulatory impact assessment of pending legislation, and the limitation of bill introductions during a regular session.

Create new sections of KRS Chapter 6 to define “fiscal note,” “machine-readable,” and “regulatory burden”; establish requirements for fiscal notes; allow the waiver of the fiscal note requirements; establish responsibilities of the Legislative Research Commission in regard to fiscal notes; allow for the validity of any measure duly passed by the legislature even if fiscal note or bill limit requirements are not met; create a new section

of KRS Chapter 6 to establish bill filing limitations for regular sessions and allow exemptions; amend various KRS statutes for technical corrections and conforming changes.

(Prefiled by the sponsor(s).)

BR6 - Representative Diane St. Onge
(4/18/2019)

AN ACT relating to cruelty to equines.

Create a new section of KRS Chapter 525 to prohibit cruelty to equines, including situations involving abuse or neglect; make cruelty to equines a Class D felony and provide for the termination of ownership; list exceptions; establish a short title of “Klaire’s Law.”

(Prefiled by the sponsor(s).)

BR7 - Representative Danny Bentley
(6/4/2019)

AN ACT relating to voluntary non-opioid directives.

Create a new section of KRS Chapter 218A to define terms and to establish a voluntary non-opioid directive form to inform practitioners that an opioid drug shall not be prescribed, ordered, or administered to a patient who has filed the form with the Cabinet for Health and Family Services; amend KRS 218A.172 to require a practitioner to determine if a patient has filed a voluntary non-opioid directive and to provide the patient with a copy of the form prior to prescribing an opioid drug; amend KRS 218A.202 to establish that the electronic monitoring system established in this section shall permit the cabinet to report and document receipt of a voluntary non-opioid directive and to permit a practitioner to determine if a patient has filed a voluntary non-opioid directive.

(Prefiled by the sponsor(s).)

BR8 - Representative Danny Bentley
(10/24/2019)

AN ACT relating to controlled substances.

Create a new section of KRS Chapter 218A to require a practitioner to offer a prescription for naloxone hydrochloride or another drug approved by the Food and Drug Administration for the complete or partial reversal of opioid depression when prescribing an opioid drug and to provide education on overdose prevention and on use of an opioid depression reversal drug; amend KRS 218A.172 to delete reference to Schedule III controlled substances containing hydrocodone and to

add issues that a practitioner is required to discuss with a patient prior to prescribing or dispensing a controlled substance to a patient; amend KRS 205.529, 218A.205, and 304.17A-165 to delete reference to Schedule III controlled substances containing hydrocodone.

(Prefiled by the sponsor(s).)

BR9 - Representative Danny Bentley
(10/24/2019)

AN ACT relating to prescription drugs.

Amend KRS 304.17A-164 to define “financial assistance” and “generic alternative;” and to require an insurer to apply financial assistance received by an insured toward any cost sharing owed by the insured with certain exceptions; EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

BR23 - Representative Charles Booker
(5/3/2019)

AN ACT proposing an amendment to Section 145 of the Constitution of Kentucky relating to persons entitled to vote.

Propose to amend Section 145 of the Constitution of Kentucky to restore voting rights to persons convicted of felonies upon completion of their sentence; submit to the voters for ratification or rejection.

(Prefiled by the sponsor(s).)

BR27 - Representative Attica Scott
(5/10/2019)

AN ACT relating to historical instruction.

Create a new section of KRS Chapter 158 to require African history instruction in certain middle and high school world history and civilization courses; require Native American history instruction in certain middle and high school United States history courses; require the Kentucky Board of Education to promulgate administrative regulations establishing academic standards for the required historical instructions; require local school boards to adopt curricula for required instruction; require the Department of Education to collaborate with the Kentucky African American Heritage and the Kentucky Native American Heritage Commission to develop recommended curricula and instruction guidelines for the required historical instruction, elective high school course offerings in African history and Native American history, and relevant professional development materials.

(Prefiled by the sponsor(s).)

BR31 - Representative Derek Lewis
(7/2/2019)

AN ACT relating to teachers and making an appropriation therefor.

Create a new section of KRS Chapter 164 to define terms; establish a student loan forgiveness program for STEM teachers employed at a public school district within a federally designated promise zone; authorize the Kentucky Higher Education Assistance Authority to promulgate administrative regulations to administer the program; create the STEM teacher promise zone scholarship fund; APPROPRIATION.

(Prefiled by the sponsor(s).)

BR32 - Representative Jerry Miller
(8/21/2019)

AN ACT relating to the taxation of tobacco products.

Amend KRS 138.130 to define terms; amend KRS 138.140 to impose an excise tax on vapor products; amend KRS 138.143 to impose a floor stock tax; EFFECTIVE 11:59 p.m. on June 31, 2020.

(Prefiled by the sponsor(s).)

BR36 - Representative John Sims Jr
(7/12/2019)

AN ACT relating to an increase in tax rates.

Amend KRS 139.200 to provide for a sales and use tax rate of eight percent (8%) on or after January 1, 2021; amend KRS 139.230 and 139.310 to conform; amend KRS 139.471 to provide a six percent (6%) sales tax rate on property purchased for use in the performance of a lump sum, fixed fee contract, sales made under a fixed fee contract, or sales made under a fixed price contract, if the contracts were executed on or before July 10, 2019; amend 138.460 to provide for a motor vehicle usage tax rate of eight percent (8%) on vehicles purchased on or after January 1, 2021; amend KRS 138.463 to provide for an eight percent (8%) U-Drive-It tax rate for rental and leasehold contracts entered into after January 1, 2021; amend KRS 139.260 and 139.470 to conform.

(Prefiled by the sponsor(s).)

BR37 - Representative Randy Bridges, Representative Brandon Reed
(10/1/2019)

AN ACT relating to crimes against sports officials.

Amend KRS 518.090 to make assault of a sports official a Class D felony; create a new section of KRS Chapter 518 to establish the

offense of intimidation of a sports official as a Class A misdemeanor; state that the restrictions of KRS 6.945(1) do not apply.

(Prefiled by the sponsor(s).)

BR45 - Representative Jason Nemes
(6/19/2019)

AN ACT relating to fire districts.

Amend KRS 75.040 to deem that emergency ambulance service provided by a fire protection district, volunteer fire department district, or subdistrict, is the primary emergency ambulance service within the district or subdistrict in the boundaries of the county containing the largest population within the district boundaries; add a method for boards of trustees to declare that the district or subdistrict is not the primary provider of emergency ambulance service within the district; declare status for secondary providers of emergency ambulance service; require that the additional tax moneys allowed for being a primary provider are no longer allowable; and require local governments providing secondary emergency ambulance service within the district or subdistrict within the boundaries of the county containing the largest population within the district boundaries to credit the amount of taxes paid by taxpayers of the district or subdistrict for emergency ambulance service to the taxes owed to the local government by the taxpayer.

(Prefiled by the sponsor(s).)

BR47 - Representative Les Yates
(9/12/2019)

AN ACT relating to vacancies in elective office.

Amend KRS 83A.165, 118.115, 118.165, 118.365, 118.375, and 118A.100 to extend by ten calendar days the deadline for filing nomination papers to fill an unexpired term if the vacancy occurs five calendar days or less before the prescribed deadline; amend KRS 118.225 to conform; amend KRS 132.380 to require an examination whenever there is a vacancy in the office of property valuation administrator and to direct that the certificates of any examination shall remain valid for four years.

(Prefiled by the sponsor(s).)

BR48 - Representative Rob Wiederstein
(11/4/2019)

AN ACT relating to physician employment contracts.

Create a new section of KRS 311.530 to 311.620 to make non-compete provisions in physician and osteopath employment contracts void and unenforceable, except in limited circumstances when the contract is for the sale of a practice or for employment as a faculty member at a medical school.

(Prefiled by the sponsor(s).)

BR49 - Representative Rob Wiederstein
(10/31/2019)

AN ACT relating to elimination of the certificate of need and declaring an emergency.

Amend KRS 13B.020 to delete reference to certificate of need hearings; amend KRS 194A.010 to delete reference to the certificate of need and the state health plan; amend KRS 194A.030 to delete reference to the certificate of need; amend KRS 211.192 to correct a statutory citation; amend KRS 205.634 to delete requirement for certificate of need; amend KRS 216.361 to delete requirement for certificate of need; amend KRS 216.380 to delete requirement for certificate of need and reference to the state health plan; amend KRS 216.560 to correct a statutory citation; amend KRS 216.885 to delete requirement for certificate of need; amend KRS 216B.015 to delete and correct definitions relating to certificate of need; amend KRS 216B.020 to delete exemptions to the certificate of need; amend KRS 216B.042 to delete reference to the certificate of need; amend KRS 216B.0445 to delete the requirement for a certificate of need; amend KRS 216B.065 to delete the requirement for a certificate of need; amend KRS 216B.066 to delete the requirement for a certificate of need; amend KRS 216B.115 to delete reference to the certificate of need; amend KRS 216B.131 to delete reference to the certificate of need; amend KRS 216B.185 to correct a statutory citation; amend KRS 216B.250 to change Human Resources to Health and Family Services; amend KRS 216B.300 to correct a statutory citation; amend KRS 216B.332 to delete exemption from certificate of need; amend KRS 216B.455 to delete the requirement for a certificate of need; amend KRS 216B.457 to delete the requirement for a certificate of need; amend KRS 216B.990 to delete penalty for not obtaining a certificate of need; amend KRS 218A.175 to correct a statutory reference; amend KRS 304.17-312, 304.17-313, 304.17-317, 304.18-035, 304.18-037, 304.32-156, 304.32-280, 304.38-210, and 311.760 to replace the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board with the Cabinet for Health and Family Services; amend KRS 304.17A-147 to correct a statutory reference; amend KRS 304.17A-1473 to correct a statutory reference; amend KRS 304.38-020 to delete reference to the certificate of need; amend KRS 304.38-040 to delete required evidence of a certificate of need; amend KRS 304.38-090 and KRS 304.38-130 to replace the Kentucky Certificate of Need and Licensure Board with the Cabinet for Health and Family Services; amend KRS 311.377 to delete references to the certificate of need; amend KRS 314.027 to delete reference to the certificate of need; amend KRS 347.040 to delete reference to the state health plan; repeal KRS 211.9523, 216B.010, 216B.035, 216B.040, 216B.061, 216B.0615,

216B.062, 216B.085, 216B.086, 216B.090, 216B.095, 216B.125, 216B.130, 216B.180, and 216B.182; EMERGENCY.

(Prefiled by the sponsor(s).)

BR50 - Representative Rob Wiederstein
(10/31/2019)

AN ACT relating to health care to provide for an all-payer claims database and making an appropriation therefor.

Create a new section of Subtitle 17A of KRS Chapter 304 to require the commissioner of the Department of Insurance to establish an advisory committee to make recommendations regarding the creation of a Kentucky all-payer claims database; establish the Kentucky all-payer claims database fund; APPROPRIATION.

(Prefiled by the sponsor(s).)

BR61 - Representative Attica Scott, Representative Mary Lou Marzian, Representative Charles Booker, Representative Joe Graviss, Representative Kathy Hinkle, Representative Nima Kulkarni
(7/9/2019)

AN ACT relating to public charter schools.

Amend KRS 156.095 and KRS 158.4416 to remove references to public charter schools; repeal KRS 160.1590, 160.1591, 160.1592, 160.1593, 160.1594, 160.1595, 160.1596, 160.1597, 160.1598, 160.1599, and 161.141.

(Prefiled by the sponsor(s).)

BR63 - Representative Susan Westrom
(12/11/2019)

AN ACT relating to the reporting of child abuse.

Amend KRS 620.030, relating to the requirement to report child abuse, to limit the clergy-penitent exemption; amend KRS 620.050, relating to the reporting of child abuse, to limit the clergy-penitent exemption.

(Prefiled by the sponsor(s).)

BR66 - Representative Rob Wiederstein
(10/30/2019)

AN ACT relating to community healthcare foundations by providing for the approval and oversight of not-for-profit hospital, health maintenance organization, and healthcare insurer conversions, and declaring an emergency.

Create new sections of KRS Chapter 367 to provide definitions concerning nonprofit healthcare conversion transactions; provide notification requirements; require the Attorney General to notify a nonprofit healthcare entity regarding the status of a decision; require that the Attorney General to hold public meetings related to the

proposed nonprofit healthcare conversion transaction; specify what the Attorney General must consider in determining whether to approve or disapprove a proposed nonprofit healthcare conversion transaction including a requirement that the Attorney General consult with and receive expert advice; require the Attorney General to also determine the impact of the proposed nonprofit healthcare conversion transaction on the affected community; allow the Attorney General to request additional information necessary to complete a review of the proposed nonprofit healthcare conversion transaction; authorize the Attorney General to contract with additional counsel in order to assist in the review of the proposed nonprofit healthcare conversion transaction; specify that the Attorney General is entitled to reimbursement from the nonprofit healthcare entity for certain costs related to review of the proposed transaction; prescribe parameters for public review of documents related to the proposed healthcare conversion transaction; prescribe penalties for a violation of this Act by a nonprofit healthcare entity; specify the applicability of this Act to current law; specify the parameters of this Act; provide that this Act may be cited as the Kentucky Nonprofit Healthcare Conversion Act; amend KRS 386B.4-130 to conform; EMERGENCY.

(Prefiled by the sponsor(s).)

BR72 - Representative Melinda Prunty
(9/10/2019)

AN ACT relating to the recognition and registration of professional employer organizations.

Create new sections of KRS Chapter 336 to declare that professional employer organizations provide a valuable service to commerce and should be properly recognized and regulated; define “client,” “co-employer,” “co-employment relationship,” “covered employee,” “professional employer organization group,” “person,” “professional employer agreement,” “professional employer organization,” “professional employer services,” “registrant,” and “temporary help service”; indicate that covered employees shall be deemed employees of the client for purposes of determining tax credits or economic incentives; require a person providing professional employer services to be registered and to set forth the registration requirements; require professional employer organizations to pay a registration fee; require a professional employer organization to either maintain positive working capital or provide a bond, letter of credit, or security; set forth the rights and responsibilities of parties to a co-employment agreement; set forth the health insurance obligations of professional employer organizations; set forth the workers’ compensation requirements of professional employer organizations and the client; set forth the unemployment insurance obligations of the professional employer organization and the client; prohibit a person from knowingly providing professional employer services without

becoming registered and set forth actions that may be taken by the Labor Cabinet against any person in violation; amend KRS 336.990 to provide a civil penalty; amend the definition of “premium” in KRS 342.0011 to include co-employment relationships with a professional employer organization; amend KRS 342.990 to delete references to KRS 342.615; repeal KRS 342.615; state that the provisions of this Act are severable.

(Prefiled by the sponsor(s).)

BR76 - Representative Rob Wiederstein
(10/1/2019)

AN ACT relating to evidence-based budget allocations by providing for the formation of the Office for Program Evaluation and Quality Assurance within the Office of State Budget Director, the establishment of an evidence-based program inventory, the regular evaluation of state programs, the elimination of ineffective state programs, and the creation of an evaluation officer position within state agencies.

Amend KRS 11.068 to abolish the Governor’s Office for Policy Research and to create the Governor’s Office for Program Evaluation and Quality Assurance within the Office of State Budget Director; create new sections in KRS Chapter 11 to define terms, require an inventory of evidence-based programs, create the evidence building workgroup, require reporting by the program agencies, and lapse state funding for any program if the program agency does not comply with the reporting requirements; amend KRS 48.110 and 48.180 to conform.

(Prefiled by the sponsor(s).)

BR78 - Representative Rob Wiederstein
(10/28/2019)

AN ACT proposing an amendment to Section 32 of the Constitution of Kentucky relating to terms of members of the General Assembly.

Propose to amend Section 32 of the Constitution of Kentucky to prevent Senators from serving more than three consecutive terms of office, not including partial terms of two years or less, and to prevent members of the House of Representatives from serving more than six consecutive terms of office, not including partial terms of two years or less, beginning with those elected in November 2022; allow legislators to resume service in the house from which they were term-limited after two or more years have elapsed; provide ballot language; submit to voters for ratification or rejection.

(Prefiled by the sponsor(s).)

BR79 - Representative Attica Scott
(5/23/2019)

AN ACT relating to the investigation of a shooting or deadly incident by a law enforcement

officer.

Create new sections of KRS Chapter 15A to provide definitions and establish an Officer Shooting Review Board to investigate any shooting of an individual by a law enforcement officer or officers or any deadly incident involving law enforcement; set requirements for board members; provide duties of the board; specify requirements related to investigatory work performed by the Kentucky State Police Critical Incident Response Team on behalf of the board; establish investigatory procedures and protocols; provide requirements for submission of the board's report to the Commonwealth's attorney of the jurisdiction in which the shooting or deadly incident took place or to the Attorney General; provide requirements for independent investigation of any shooting of an individual by a law enforcement officer or officers or any deadly incident involving law enforcement.

(Prefiled by the sponsor(s).)

BR80 - Representative Dennis Keene
(5/8/2019)

AN ACT relating to the expansion of gaming and making an appropriation therefor.

Create a new section of KRS Chapter 154A to state the findings of the General Assembly; amend KRS 154A.010 to define, "authorizing location," "casino," "county," "county legislative body," "department," "full casino gaming," "gaming licensee," "gross gaming revenue," "handle," "licensee," "limited casino gaming," and "principal"; amend KRS 154A.030 to expand the Lottery Corporation board membership and duties; amend KRS 154A.040 to include casino licensees; amend 154A.063 to remove prohibition against casino gaming; create new sections of KRS Chapter 154A to require a local option election in any precinct wanting to host a casino; describe the duties of the county clerk and sheriff in a casino gaming local option election; state requirements for local option elections held on a day other than a regular election day; require the corporation to advertise an invitation to bid for casinos; require the corporation to evaluate all proposals for full casinos; establish initial licensing fees for full casinos at \$50 million with an initial licensing period of ten years and annual renewal thereafter at \$6 million per year; permit limited casino gaming at horse racing tracks licensed under KRS Chapter 230; establish requirements for limited casinos; establish requirements for any track holding a limited casino license; establish requirements for principals of any corporation granted a casino license; create license application requirements for casino, manufacturer's, or supplier's licenses; prohibit anyone not licensed from selling, leasing, or otherwise furnishing gaming supplies; prohibit anyone under the age of 21 from participating in casino gaming; require the Lottery Corporation to determine occupations

related to casino gaming that require licensure and establish criteria for occupational licensing; permit the corporation to initiate disciplinary action against applicants and license holders; establish an appeal process; create new sections of KRS Chapter 138 to establish wagering and admissions taxes to be remitted by gaming licensees and full and limited casinos; create new sections of KRS Chapter 154A to establish the casino gaming revenue distribution trust fund and limit that money to the benefit of the state retirement systems for the first ten years; establish the regional tourism and infrastructure development fund and provide criteria for projects seeking money from the fund; waive 15 U.S.C. secs. 1172, 1173, and 1174 for devices authorized by this Act; require the corporation to promulgate administrative regulations to define and limit games and devices permitted for gaming in casinos; provide guidelines for exclusion or ejection of certain persons; define "cheat" and provide penalties for those who cheat at casino games; amend KRS 243.500 to exempt limited or full casino gaming; amend KRS 525.090 to exempt persons engaged in casino gaming; amend KRS 528.010 to exempt gambling activity and devices licensed under KRS Chapter 154A; amend KRS 528.020 to conform; amend KRS 528.070 to exempt activity licensed under KRS Chapter 154A; amend KRS 528.080 to exempt those with the appropriate license required under KRS Chapter 154A; amend KRS 528.100 to exempt limited or full casino gaming licensed under KRS Chapter 154A; APPROPRIATION; EFFECTIVE DATE DELAYED.

(Prefiled by the sponsor(s).)

BR82 - Representative Rob Rothenburger,
Representative Mark Hart
(6/10/2019)

AN ACT relating to tuition benefits and making an appropriation therefor.

Amend KRS 164.2841, relating to college tuition benefits for spouses and children of specified emergency response personnel and public employees who have died in the course of their duties to specify that the beneficiary is eligible for up to a maximum of 128 credit hours of undergraduate instruction; amend KRS 164.2842, relating to college tuition benefits for spouses and children of specified emergency response personnel and public employees who have been totally and permanently disabled in the course of their duties to specify that the beneficiary is eligible for up to a maximum of 128 credit hours of undergraduate instruction.

(Prefiled by the sponsor(s).)

BR83 - Representative Rob Rothenburger,
Representative Mark Hart
(5/9/2019)

AN ACT relating to ground ambulance service providers and making an appropriation

therefor.

Create new sections of KRS Chapter 205 to define terms; establish the Medicaid ground ambulance service provider assessment; require ground ambulance service providers to pay a Medicaid ambulance service provider assessment quarterly; authorize the Cabinet for Health and Family Services to promulgate administrative regulations necessary to implement the Medicaid ground ambulance service provider assessment; create the ambulance service assessment revenue fund; APPROPRIATION.

(Prefiled by the sponsor(s).)

BR85 - Representative C. Ed Massey
(6/18/2019)

AN ACT relating to the Honor and Remember flag.

Create a new section of KRS Chapter 2 to designate the Honor and Remember flag as the state's emblem of the service and sacrifice of the brave men and women of the United States Armed Forces who have given their lives in the line of duty; specify locations, dates, and circumstances under which the flag may be displayed.

(Prefiled by the sponsor(s).)

BR86 - Representative C. Ed Massey
(11/13/2019)

AN ACT relating to hearing officers.

Amend KRS 311.591 to require the executive director of the Kentucky Board of Medical Licensure to request a hearing officer for administrative hearings relating to discipline of physicians or doctors of osteopathic medicine; require the hearing officer to be randomly selected by the Attorney General or his or her designee from a pool of qualified hearing officers; require the hearing officer to have at least five years of experience in the practice of law; require the hearing officer to be familiar with the law relating to licensure, qualifications, and credentials of physicians or doctors of osteopathic medicine and other qualifications as determined by the board; allow the Attorney General or his or her designee to contract with private attorneys if there are no qualified hearing officers in the pool who meet the qualifications of this section; require the hearing officer to issue recommendations to the board; require the board to consider hearing officer recommendations and issue a final order relating to the discipline of a physician or doctor of osteopathic medicine; eliminate all references to the hearing panel; prohibit a hearing officer from revoking any licenses or placing any licensees on probation; amend KRS 161.790 to ensure that hearing officers in teacher tribunals are randomly selected; amend KRS 311.550, KRS 311.565, KRS 311.572 & KRS 311.594 to conform.

(Prefiled by the sponsor(s).)

BR87 - Representative C. Ed Massey
(11/12/2019)

AN ACT relating to school construction.
Amend KRS 162.065 to require the Kentucky Board of Education to include “construction management-at-risk” as a project delivery method option for school construction projects.
(Prefiled by the sponsor(s).)

BR88 - Representative Attica Scott, Representative Rob Wiederstein
(12/6/2019)

AN ACT relating to maternal health.
Amend KRS 211.680 to expand the scope of the legislative intent and findings; amend KRS 211.684 and KRS 211.686 to require the existence of the state and local child and maternal fatality review teams; create new sections of KRS Chapter 211 to require licensed health facilities under KRS Chapter 216B to provide each patient with written information regarding the patient’s rights; define terms; require health facilities licensed under KRS 216B to implement an evidence-based implicit bias program for all health providers involved in the perinatal care of patients within those facilities; require the Department for Public Health to track data on maternal death and severe morbidity; require Medicaid reimbursement for the services of a qualified doula and require a report to be submitted to the Legislative Research Commission annually.
(Prefiled by the sponsor(s).)

BR94 - Senator John Schickel
(6/4/2019)

AN ACT relating to criminal damage to rental property.
Create a new section of KRS Chapter 512 to specify that a tenant who, having no right to do so or any reasonable ground to believe that he or she has such right, intentionally or wantonly defaces, destroys, or damages residential rental property is to be charged with violating KRS 512.020, 512.030, or 512.040 as appropriate.
(Prefiled by the sponsor(s).)

BR97 - Representative Susan Westrom
(11/18/2019)

AN ACT relating to interpersonal protective orders.
Amend KRS 456.030 to provide that a mental health professional or clergy person who provides pastoral care and who is a victim of stalking or assault by a patient may petition for an interpersonal protective order; and amend KRS 456.010 to include definitions to clarify.
(Prefiled by the sponsor(s).)

BR98 - Senator Ralph Alvarado
(12/4/2019)

AN ACT relating to insurance policy renewals.
Amend KRS 304.20-035 to require property and casualty insurers to notify insureds of changes in the terms and conditions offered in a renewal policy.
(Prefiled by the sponsor(s).)

BR102 - Representative R. Travis Brenda
(9/12/2019)

AN ACT relating to the taxation of certain services.
Amend KRS 139.200 to exclude mowing, fence cleaning, and other pasture maintenance services performed on agricultural or horticultural land for a farmer or retired farmer from landscaping services; EFFECTIVE August 1, 2020.
(Prefiled by the sponsor(s).)

BR105 - Representative Danny Bentley
(6/4/2019)

AN ACT relating to prescription insulin.
Amend KRS 304-17A.148 to cap the cost sharing requirements for prescription insulin at \$100 per 30 day supply; EFFECTIVE January 1, 2021.
(Prefiled by the sponsor(s).)

BR107 - Representative Attica Scott
(7/11/2019)

AN ACT relating to an exemption of feminine hygiene products from sales and use taxation.
Amend KRS 139.010 to define feminine hygiene products; amend KRS 139.480 to exempt from sales and use tax the sale or purchase of feminine hygiene products; apply to sales or purchases made after August 1, 2020, but before August 1, 2024; require Department of Revenue to report to the Interim Joint Committee on Appropriations and Revenue the amount of exemptions claimed.
(Prefiled by the sponsor(s).)

BR109 - Representative Regina Huff
(9/25/2019)

Direct the Transportation Cabinet to designate mile-point 22 on Interstate 75, in Whitley County as the “Veterans Suicide Memorial Mile”; erect the appropriate signage denoting this designation.
(Prefiled by the sponsor(s).)

BR113 - Representative Jason Nemes
(6/6/2019)

AN ACT relating to call centers.
Create a new section of KRS Chapter 337 to require an employer intending to relocate a call center from Kentucky to a foreign country to notify the secretary of the Labor Cabinet at least 120 days prior to such relocation; require the secretary to compile a list of employers that have relocated a call center to a foreign country; amend KRS 337.990 to create a civil penalty of not more than \$1,000 for each violation; provide short title.
(Prefiled by the sponsor(s).)

BR117 - Senator C.B. Embry Jr.
(8/20/2019)

AN ACT relating to the taxation of pension income.
Amend KRS 141.019 to increase the pension income exclusion from \$31,110 to \$41,110.
(Prefiled by the sponsor(s).)

BR118 - Senator C.B. Embry Jr.
(9/5/2019)

AN ACT relating to solid waste.
Amend KRS 224.40-310 to 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; amend KRS 224.40-315 to remove the exception for private facilities that dispose of their own waste on their own property from the requirements to obtain approval from local governing body when a municipal solid waste disposal facility seeks to expand or construct a facility.
(Prefiled by the sponsor(s).)

BR119 - Senator C.B. Embry Jr.
(8/20/2019)

AN ACT relating to road safety.
Amend KRS 512.070 to include, as criminal littering, permitting unsafe amounts of leaves or mowed grass to remain on a highway.
(Prefiled by the sponsor(s).)

BR120 - Representative Steve Riley, Representative Jason Nemes, Representative Rob Wiederstein, Representative Lisa Willner
(7/9/2019)

AN ACT relating to corporal punishment in schools.
Create a new section of KRS 158.440 to 158.449 to define “corporal punishment”; prohibit a person employed by a school district from

using corporal physical discipline; amend KRS 158.444 to remove corporal punishment as a form of discipline in a school; amend KRS 503.110 to remove the exception that permitted the use of physical force by a teacher against a minor.

(Prefiled by the sponsor(s).)

BR121 - Representative Steve Riley
(7/19/2019)

AN ACT relating to long-term care administrators.

Amend KRS 216A.070 to extend temporary permits from a period not to exceed 6 months to 9 months.

(Prefiled by the sponsor(s).)

BR124 - Representative Regina Huff
(9/25/2019)

AN ACT relating to bus safety.

Amend KRS 186.560 to allow the Transportation Cabinet to revoke the license of any operator of a motor vehicle for a period of 90 days, upon receiving record of his or her conviction of illegally passing a school or church bus as outlined in KRS 189.370; amend KRS 189.370 to conform.

(Prefiled by the sponsor(s).)

BR125 - Representative Michael Lee Meredith, Representative Patti Minter, Representative Tim Moore, Representative Jason Petrie, Representative Phillip Pratt, Representative Melinda Prunty, Representative Brandon Reed, Representative Steve Riley, Representative Bart Rowland, Representative Steve Sheldon, Representative Wilson Stone, Representative Walker Wood Thomas, Representative Ken Upchurch
(7/9/2019)

AN ACT relating to the Bowling Green Veterans Center, making an appropriation therefor, and declaring an emergency.

Appropriate to the Department of Veterans' Affairs \$2,500,000 from the General Fund in fiscal year 2019-2020 for design and preconstruction costs for the Bowling Green Veterans Center; stipulate that appropriations in this Act shall be paid from the General Fund Surplus Account or the Budget Reserve Trust Fund Account; APPROPRIATION; EMERGENCY.

(Prefiled by the sponsor(s).)

BR126 - Representative Josie Raymond
(7/22/2019)

AN ACT relating to bullying.

Amend KRS 158.148 to include incidents that occur at non-school-sponsored events or through the use of technology in the definition of bullying; require a school district's code of acceptable

behavior to include notification procedures for parents in situations of alleged bullying; require the school district's code of acceptable behavior to include procedures for restoring a student's sense of safety.

(Prefiled by the sponsor(s).)

BR127 - Representative Kevin Bratcher
(7/9/2019)

AN ACT proposing an amendment to Section 170 of the Constitution of Kentucky relating to exemptions from taxation.

Propose to amend Section 170 of the Constitution of Kentucky to exempt certain veterans' organizations from property taxation; provide ballot question with proposed amendment; submit to voters for ratification or rejection.

(Prefiled by the sponsor(s).)

BR132 - Senator Reginald Thomas
(8/20/2019)

AN ACT relating to wages.

Amend KRS 337.010 to increase the applicable threshold of employees of retail stores and service industries from \$95,000 to \$500,000 average annual gross volume of sales for the employer; amend KRS 337.275 to raise the state minimum wage to \$8.20 per hour on July 1, 2020, \$9.15 per hour on July 1, 2021, \$10.10 per hour on July 1, 2022, \$11 per hour on July 1, 2023, \$12.05 per hour on July 1, 2024, \$13.10 per hour on July 1, 2025, \$13.95 per hour on July 1, 2026, and \$15 per hour on July 1, 2027, and to raise the state minimum wage for tipped employees to \$2.13 per hour on the effective date of the Act, \$3.05 per hour on July 1, 2021, \$3.95 per hour on July 1, 2022, and \$4.90 per hour on July 1, 2023; include anti-preemption language permitting local governments to establish minimum wage ordinances in excess of the state minimum wage.

(Prefiled by the sponsor(s).)

BR133 - Representative Regina Huff
(6/12/2019)

AN ACT relating to road safety.

Amend KRS 512.070 to include, as criminal littering, permitting unsafe amounts of mowed grass to remain on a highway.

(Prefiled by the sponsor(s).)

BR135 - Representative Cherynn Stevenson
(11/18/2019)

AN ACT relating to cruelty to animals.

Amend KRS 525.130 to require forfeiture of animals subjected to cruelty, and make technical changes.

(Prefiled by the sponsor(s).)

BR136 - Representative Robert Goforth, Representative Joe Graviss, Representative Jason Nemes, Representative Steve Sheldon, Representative Jim Stewart III
(8/1/2019)

AN ACT relating to school bus safety and making an appropriation therefor.

Create a new section of KRS Chapter 160 to define "owner," "recorded images," "school bus stop arm camera," and "third party designee"; create a new section of KRS Chapter 160 to require each local school district to install and maintain school bus stop arm cameras on daily route school buses by August 1, 2023; allow districts to contract for purchase and maintenance of cameras; allow districts to contract for the processing of an alleged violation of KRS 189.370(1); require school districts to establish procedures or contract with a third-party designee prior to utilizing school bus stop arm cameras; provide an emergency exception to the stop arm requirement; permit school districts with a population density equal to or less than 100% of the state average to apply for special permission to suspend the stop arm requirement for up to five years; establish requirements for school districts granted special permission to suspend the stop arm requirement; require the Kentucky Board of Education to promulgate administrative regulations; create a new section of KRS Chapter 160 to establish annual on-site compliance inspections for school districts and penalties for noncompliance; create a new section of KRS Chapter 174 to define "owner," "school bus stop arm camera", and "third-party designee"; require the Transportation Cabinet or third-party designee to review images for violations of KRS 189.370(1) recorded by school bus stop arm cameras after July 1, 2021, and issue civil citations for violations; establish civil penalties for a violation of KRS 189.370 recorded by a school bus stop arm camera after July 1, 2021; require the Transportation Cabinet to adopt a uniform civil citation form and establish the form's minimum contents; establish notification requirements; require a recipient of a uniform civil citation to pay civil penalty or submit proof of a criminal citation or appeal the uniform civil citation to the Transportation Cabinet within 30 days; grant the Transportation Cabinet appellate powers and authority; establish potential defenses the Transportation Cabinet may consider for uniform civil citations; allow for suspension of registration for failure to pay a fine, require third-party designee to notify the Transportation Cabinet of the need to release a suspension within 1 business day of payment; appropriate 80 percent of funds collected by the Transportation Cabinet for a uniform civil citation to the school district; allow a third-party designee to keep up to 80 percent of funds but no more than \$160 per civil penalty collected by a third party designee; appropriate 10 percent of all funds collected from a uniform civil citation to the

Kentucky Department of Education; appropriate 10 percent of all funds collected from a uniform civil citation to the Transportation Cabinet; appropriate any remaining funds collected by a third party designee to the local school district; provide that a uniform civil citation shall not result in points against a driving record; require the Transportation Cabinet to promulgate administrative regulations necessary to effectuate the purpose of administering stop arm camera use, enforcement, and calibration; amend KRS 189.990 to appropriate 80 percent of funds collected from criminal fines levied by law enforcement for violation of KRS 189.370 to the local school district, 10 percent to the Kentucky Department of Education, and 10 percent to local law enforcement.

(Prefiled by the sponsor(s).)

BR137 - Representative Kim King
(11/26/2019)

AN ACT proposing an amendment to Section 42 of the Constitution of Kentucky relating to compensation for members of the General Assembly.

Propose to amend Section 42 of the Constitution of Kentucky to prohibit members of the General Assembly from receiving legislative pay for a special session that has been called by the Governor because the General Assembly adjourned without passing a state budget; ballot language; submit to the voters for ratification or rejection.

(Prefiled by the sponsor(s).)

BR139 - Representative Kim King
(6/14/2019)

AN ACT relating to assistance dogs.

Amend KRS 258.500 to prohibit the misrepresentation of assistance dogs; allow peace officers to investigate; amend KRS 258.991 to conform and to remove outdated references.

(Prefiled by the sponsor(s).)

BR140 - Senator John Schickel
(11/21/2019)

Adjourn in honor and loving memory of Joy Lee Brady Meiman.

(Prefiled by the sponsor(s).)

BR141 - Senator Ralph Alvarado
(12/3/2019)

AN ACT relating to absentee voting.

Amend KRS 117.085 to include essential service personnel as an eligible class of persons who may request and cast an in-person or mail-in absentee ballot; define "essential service personnel"; make technical corrections.

(Prefiled by the sponsor(s).)

BR143 - Representative Lynn Bechler
(9/9/2019)

AN ACT relating to child abuse and declaring an emergency.

Amend KRS 500.050 to remove the five-year statute of limitations for misdemeanor sex offenses against minors and allow prosecution to be commenced at any time; amend KRS 413.249 to remove the ten-year statute of limitations for civil actions arising from childhood sexual assault or abuse and allow a suit to be commenced at any time; amend KRS 620.030, relating to the requirement to report child abuse, to limit the clergy-penitent exemption and make any person who intentionally fails to report guilty of a Class D felony; amend KRS 620.050, relating to the reporting of child abuse, to limit the clergy-penitent exemption; provide for severability; EMERGENCY.

(Prefiled by the sponsor(s).)

BR151 - Representative Rob Rothenburger
(11/18/2019)

AN ACT relating to emergency medical service fees and declaring an emergency.

Create a new section of KRS Chapter 67 to allow a fiscal court to levy a fee on certain units for the provision of emergency medical services; define units subject to fee; require fee to be placed on tax bill; allow collection by sheriff in the same manner as for property taxes; allow sheriff to receive up to 4.25% fee for collection; define "residential," "commercial," "charitable," and "educational" units; allow levy on occupied or unoccupied units or both, occupation determined at time of initial levy and July 1 thereafter; require fee increases to be imposed by ordinance; require fees collected to be placed in separate fund, used only for provision of emergency medical services; specify that fees are not to be in lieu of any taxes or fees established for the provision of emergency medical services; EMERGENCY.

(Prefiled by the sponsor(s).)

BR154 - Representative Dean Schamore
(12/11/2019)

AN ACT relating to the recall of elected officials.

Create a new section of KRS Chapter 63 establishing a procedure for the recall of any elected sheriff, jailer, constable, or peace officer; amend KRS 63.990 to include a criminal penalty for giving money or anything of value in exchange for a signature on a petition.

(Prefiled by the sponsor(s).)

BR155 - Representative Dean Schamore
(12/11/2019)

AN ACT proposing an amendment to Sections 30, 31, and 32 of the Constitution of Kentucky relating to terms of members of the General Assembly.

Propose to amend Sections 30 and 31 of the Constitution of Kentucky to elect Senators for terms of six years beginning in November, 2022, for even-numbered Senatorial districts and beginning in November, 2024, for odd-numbered Senatorial districts, and Representatives for terms of four years beginning in November, 2022; propose to amend Section 32 of the Constitution of Kentucky to prevent Senators from serving more than two consecutive six-year terms of office, and prevent Representatives from serving more than three consecutive four-year terms of office, beginning with those elected in November 2022; allow legislators to resume service in the chamber from which they were term-limited after a full term of office has elapsed; provide ballot language; submit to voters for ratification or rejection.

(Prefiled by the sponsor(s).)

BR160 - Representative Kevin Bratcher, Representative Joe Graviss
(7/11/2019)

AN ACT relating to state symbols.

Create a new section of KRS Chapter 2 to name and designate as the official pets of Kentucky domestic cats and dogs that reside in or have been adopted from Kentucky animal shelters or rescue organizations.

(Prefiled by the sponsor(s).)

BR173 - Representative Cherlynn Stevenson
(11/18/2019)

AN ACT relating to the safety of canines and felines.

Create a new section of KRS Chapter 411 to provide civil immunity for damaging a vehicle if a person enters the vehicle with the reasonable, good-faith belief that a dog or cat is in immediate danger of death if not removed.

(Prefiled by the sponsor(s).)

BR174 - Representative Cherlynn Stevenson
(11/18/2019)

AN ACT relating to the reporting of animal abuse.

Amend KRS 321.185 to specify that a veterinarian shall not be subject to discipline when acting in good faith to report, provide information about, or testify on a suspected animal abuse violation prohibited by KRS 525.125, 525.130, 525.135, or 525.137.

(Prefiled by the sponsor(s).)

BR176 - Senator Danny Carroll
(7/22/2019)

AN ACT relating to road safety.

Amend KRS 512.070 to include, as criminal littering, permitting unsafe amounts of mowed grass to remain on a highway.

(Prefiled by the sponsor(s).)

BR178 - Representative Attica Scott
(9/11/2019)

AN ACT relating to taxation.

Amend KRS 139.010 to define “diapers”; amend KRS 139.480 to exempt from sales and use tax the sale or purchase of diapers, breast pumps, and certain baby products; provide that the exemptions apply to sales or purchases made after August 1, 2020, but before August 1, 2024; require the Department of Revenue to report to the Interim Joint Committee on Appropriations and Revenue the amount of exemptions claimed.

(Prefiled by the sponsor(s).)

BR179 - Representative Jerry Miller
(9/9/2019)

AN ACT relating to the promotion of living donor human organ and bone marrow donation.

Create a new section of KRS Chapter 18A to allow full-time employees of the Commonwealth of Kentucky a paid leave of absence of 240 hours for donating a human organ and 40 hours for donating bone marrow and to set requirements for the paid leave of absence; amend KRS 141.010 to define “human organ” and “qualified organ donation expenses”; amend KRS 18A.025 and 18A.110 to conform; amend KRS 141.019 to allow a tax deduction in an amount equal to the qualified organ donation expenses incurred by a taxpayer up to \$10,000 and require reporting by the Department of Revenue; amend KRS 131.190 to allow the Kentucky Department of Revenue to report organ donation tax deduction data to the Legislative Research Commission.

(Prefiled by the sponsor(s).)

BR180 - Representative Patti Minter
(7/3/2019)

AN ACT relating to mandatory benefits for health benefit plans.

Amend KRS 304.17A-200 to extend health-status eligibility rules to individual and employer-organized association markets; authorize insurance commissioner to designate additional health status-related factors; prohibit adjustment of premium or contribution amounts for group health benefit plans on the basis of genetic information; amend KRS 304.17A-220 to remove requirements

relating to preexisting condition exclusions; repeal and reenact KRS 304.17A-230 to define “preexisting condition exclusion”; prohibit health benefit plans in any market from imposing any preexisting condition exclusion; amend KRS 304.17A-155, 304.17A-250, 304.17A-430, 304.17A-706, 304.17B-001, 304.17B-019, and 304.18-114 to conform; provide that provisions of Act apply to all health benefit plans issued or renewed on or after January 1, 2021; EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

BR181 - Representative Brandon Reed, Representative Bart Rowland, Representative Danny Bentley, Representative John Blanton, Representative Randy Bridges, Representative John Bam Carney, Representative Larry Elkins, Representative Daniel Elliott, Representative Chris Freeland, Representative Robert Goforth, Representative Mark Hart, Representative Regina Huff, Representative Thomas Huff, Representative Stan Lee, Representative Derek Lewis, Representative C. Ed Massey, Representative Bobby McCool, Representative David Meade, Representative Michael Lee Meredith, Representative Phillip Pratt, Representative Steve Riley, Representative Dean Schamore, Representative Steve Sheldon, Representative John Sims Jr, Representative Tommy Turner, Representative Ken Upchurch, Representative Russell Webber
(7/1/2019)

AN ACT relating to time.

Create a new section of KRS Chapter 2 to adopt year-round daylight saving time in the state of Kentucky if authorized by the United States Congress; EFFECTIVE upon the first Sunday of November following passage of enabling legislation by Congress.

(Prefiled by the sponsor(s).)

BR182 - Senator Danny Carroll
(8/20/2019)

AN ACT relating to assisted-living communities.

Create a new section of KRS 194A.700 to 194A.729 to prohibit certification or certification renewal of an assisted-living community if it is owned, managed, or operated by any person convicted of certain crimes or listed on an abuse list; exempt owner of an assisted-living facility certified as of July 1, 2020; amend KRS 194A.700 to amend definitions; amend KRS 194A.707 to make changes to the appeals and renewal processes; amend KRS 194A.717 to prohibit on-site staff person from being shared with another level of care; amend KRS 194A.723 to permit the cabinet to initiate injunctive relief in Circuit Court.

(Prefiled by the sponsor(s).)

BR184 - Senator Jimmy Higdon, Senator Ernie Harris, Senator Robert Stivers II
(11/5/2019)

AN ACT relating to transportation and making an appropriation therefor.

Create new sections of KRS Chapter 174 to establish the Kentucky Transportation Board; set forth membership, appointment, qualifications, and duties; outline board duties in relation to nomination and employment of the Transportation Cabinet secretary; require the board to establish a statewide prioritization process for the use of funds apportioned pursuant to 23 U.S.C. sec. 104, with some exceptions; identify 5 factors that form the basis for the objective scoring: congestion mitigation, economic development, accessibility, safety, and asset management; allow the board to weight factors differently in each highway district; require the board to develop the biennial highway construction plan and six-year road plan; require advanced publication of recommended projects for the biennial highway construction plan and six-year road plan scored under the objective system, along with data regarding the scoring process; require advanced publication of bridge and pavement maintenance projects recommended for inclusion in the biennial highway construction plan and six-year road plan; amend KRS 176.430 to require the board to develop the biennial highway construction plan and six-year road plan; require the Department of Highways to notify the General Assembly, through the LRC, of any projects in the biennial highway construction plan which the department will not undertake in the year prescribed in the plan; amend KRS 48.110 to require the board to approve the biennial highway construction plan and six-year road plan before the Governor can submit the plan to the General Assembly; amend KRS 176.050 to require the Department of Highways to issue an annual list of bridge and pavement improvement needs, prioritized by safety and state of disrepair, from which the board will select projects for inclusion in the biennial highway construction plan and six-year road plan; amend KRS 45.247 to require that at the end of each fiscal year, any moneys in the highway construction contingency account in excess of 10% of the amount appropriated to that fund for that fiscal year will lapse to the state construction account; amend KRS 174.020 to attach the Kentucky Transportation Board to the Transportation Cabinet Office of the Secretary for administrative purposes; set forth staggered terms for initial appointments to the board.

(Prefiled by the sponsor(s).)

BR185 - Representative Steve Sheldon
(12/13/2019)

AN ACT relating to exemptions from fees for operator’s licenses and personal identification

cards.

Amend KRS. 186.531 to waive fees for vehicle operator's licenses, identification cards, and other forms of travel identification for certain disabled veterans.

(Prefiled by the sponsor(s).)

BR187 - Representative Charles Booker
(7/22/2019)

AN ACT relating to carrying concealed weapons.

Repeal KRS 237.109, which provides authorization to carry concealed deadly weapons without a license; amend KRS 527.020 and 237.115 to conform.

(Prefiled by the sponsor(s).)

BR197 - Representative Regina Huff
(12/2/2019)

AN ACT relating to the reporting of statistics involving domestic violence.

Amend KRS 17.153 on annual crime reporting to require the State Police to collect certain statistics on homicides when domestic violence is a circumstance of the offense.

(Prefiled by the sponsor(s).)

BR198 - Senator John Schickel
(11/21/2019)

Honor Lisa Raterman upon the occasion of her retirement.

(Prefiled by the sponsor(s).)

BR203 - Representative Mark Hart
(8/20/2019)

AN ACT relating to arts education.

Create a new section of KRS Chapter 158 to require schools to offer all students instruction in the visual and performing arts, submit an annual report to the Department of Education, and implement school policies regarding visual and performing arts instruction; require the Department of Education to develop visual and performing arts program standards, guidelines on model programs, and strategies and initiatives for meeting the requirements of the section; require the Department of Education to provide resources, assessment tools, and a reporting checklist to schools; require the Department of Education to report to the Interim Joint Committee on Education by December 1, 2021, on the status of schools meeting the requirements of this section; amend KRS 158.6453 to require the school profile report to be included in the school report card and require the visual and performing arts program data to be included in the school profile report; amend KRS 160.345 and 158.153 to conform; cite the Act as

the Arts Education Equity Act.

(Prefiled by the sponsor(s).)

BR204 - Representative Jim Gooch Jr.
(8/29/2019)

AN ACT relating to key infrastructure asset.

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; create a new section of KRS 411 that a civil action may be maintained against a person that compensates or remunerates a person to violate KRS 512.020 and the compensated person is convicted of criminal mischief in the first degree.

(Prefiled by the sponsor(s).)

BR205 - Senator C.B. Embry Jr.
(8/20/2019)

AN ACT relating to veterinarians.

Creates a new section of KRS Chapter 321 to require that a veterinarian report abuse and to allow immunity for a good faith report; amends KRS 321.185 to allow veterinarians to release information in order to report abuse.

(Prefiled by the sponsor(s).)

BR206 - Senator C.B. Embry Jr.
(8/20/2019)

AN ACT relating to solid waste.

Amend KRS KRS 68.178 to 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; amend KRS 224.40-315 to delete the exclusions from the definition of "municipal solid waste disposal facility."

(Prefiled by the sponsor(s).)

BR212 - Representative Regina Huff
(10/2/2019)

AN ACT relating to operating a motor vehicle.

Amend KRS 189.292 to provide that no person shall use a personal communication device or stand-alone electronic device while operating a motor vehicle; set forth exceptions; provide that persons under the age of 18 shall not use a personal communications device while driving, except for emergencies; amend KRS 189.990 to set forth penalties for the violation of KRS 189.292;

amend KRS 186.452, 186.454, and 189.2327 to conform; repeal KRS 189.294.

(Prefiled by the sponsor(s).)

BR214 - Senator John Schickel
(11/21/2019)

Honor Pat Rosel upon his retirement as baseball coach at Ryle High School.

(Prefiled by the sponsor(s).)

BR215 - Representative Regina Huff
(8/5/2019)

AN ACT relating to the taxation of pension income, making an appropriation therefor, and declaring an emergency.

Amend KRS 141.019 to increase the pension income exclusion from \$31,110 to \$41,110; apply retroactively for taxable years beginning on or after January 1, 2018; require the Department of Revenue to automatically issue refunds; APPROPRIATION; EMERGENCY.

(Prefiled by the sponsor(s).)

BR218 - Representative Danny Bentley,
Representative Steve Sheldon
(11/20/2019)

AN ACT relating to qualified mental health professionals.

Amend KRS 202A.011 to expand the definition of qualified mental health professional to include a licensed pharmacist who is board certified as a psychiatric pharmacist.

(Prefiled by the sponsor(s).)

BR221 - Senator Phillip Wheeler
(10/7/2019)

AN ACT relating to prescription insulin.

Amend KRS 304.17A-148 to cap the cost-sharing requirements for prescription insulin at \$100 per 30-day supply; create a new section of KRS Chapter 315 to require pharmaceutical manufacturers and wholesale distributors to rebate individuals for a portion of their out-of-pocket expenses paid for prescription insulin; EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

BR222 - Senator Phillip Wheeler
(12/5/2019)

AN ACT relating to insulin assistance and making an appropriation therefor.

Create new sections of KRS Chapter 315 to define terms; establish the insulin assistance program; establish the process by which individuals may qualify for the program; establish the process by which pharmacies may voluntarily

participate in the program; establish an insulin product fee; establish reporting requirements; establish the insulin assistance fund; authorize the Kentucky Board of Pharmacy to promulgate administrative regulations necessary to carry out the provisions of this Act; APPROPRIATION.

(Prefiled by the sponsor(s).)

BR224 - Representative James Tipton
(11/12/2019)

AN ACT relating to dually employed retirement system members.

Amend KRS 61.545 to 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 of taking employment in the nonhazardous position; amend KRS 61.680 to conform; specify that provisions shall only apply to prospective nonhazardous employment occurring on or after the effective date of the Act.

(Prefiled by the sponsor(s).)

BR231 - Representative Attica Scott
(7/26/2019)

AN ACT relating to discriminatory practices against a person.

Amend KRS 344.010 to provide definitions of “protective hairstyle” and “race” that include traits historically associated with race.

(Prefiled by the sponsor(s).)

BR233 - Representative Attica Scott
(8/20/2019)

AN ACT relating to cosmetic services.

Amend KRS 317A.155 to permit a cosmetologist, esthetician, or nail technician to operate outside of a licensed establishment for persons with physical mobility limitations, as attested by a physician in writing, or for persons residing in a long-term care nursing facility or assisted living facility.

(Prefiled by the sponsor(s).)

BR236 - Senator Julian Carroll
(8/20/2019)

AN ACT relating to sports wagering and making an appropriation therefor.

Establish KRS Chapter 239 and create new sections to define “amateur athletics,” “collegiate sports contest,” “commission,”

“principal,” “professional sports contest,” “sports wager,” and “sports wagering”; create the Kentucky Gaming Commission; establish membership to be appointed by the Governor with the advice and consent of the Senate; establish the commission’s responsibilities and authority; require the Governor to appoint an executive director and establish the executive director’s responsibilities; require the commission to promulgate administrative regulations relating to sports wagering conducted by the Kentucky Lottery Corporation, racing associations licensed under KRS Chapter 230, and other locations; establish licensing fees; prohibit persons from wagering on an event in which they are a participant; establish the sports wagering distribution trust fund and the uses of the fund; establish penalties for tampering with the outcome of a sporting event and wagering on a sporting event by a participant; create a new section of KRS Chapter 138 to impose an excise tax on sports wagering at 25 percent of net sports wagering receipts; amend KRS 138.1817 to permit the Department of Revenue to work with the commission to restrict licensure in the event that sports wagering taxes are not paid; amend KRS 154A.010 to revise the definition of “amateur sports contest,” and to define “collegiate sports contest,” “professional sports contest,” “sports wager,” and “sports wagering”; amend KRS 154A.030 to conform and to prohibit the director or family member from being a part owner of a professional team or a board member of a college or university that engages in collegiate sports upon which sports wagers may be placed; amend KRS 154A.050 to include sports wagering; amend KRS 154A.060 to include sports wagering and to include contracts for the purchase of goods and services necessary for sports wagering; require monthly and annual reports to be submitted to the Kentucky Gaming Commission; amend KRS 154A.063 to permit sports wagering on collegiate and professional sports contests; amend KRS 154A.065 to prohibit accepting sports wagers on the outcomes of contests involving horses; amend KRS 154A.070 to include sports wagering and require contracts to be in accord with administrative regulations of the Lottery Corporation and the Kentucky Gaming Commission; amend KRS 154A.090 to stipulate that sports wagering retailers aggrieved by a decision of the board may appeal to the Kentucky Gaming Commission; amend KRS 154A.110 to include sports wagering; stipulate that unclaimed sports wagering prize money be added to the sports wagering distribution trust fund; to prohibit sports wagers from being accepted from members or coaches of professional or collegiate team; amend 154A.120 to include sports wagering; amend KRS 154A.130 to specify net sports wagering receipts collected by lottery to be used for expenses and moneys in excess of expenses shall be dedicated to the sports wagering distribution trust fund; amend KRS 154A.400 to include sports wagering and stipulate the criteria for selecting sports wagering retailers shall be developed in consultation

with the Kentucky Gaming Commission; amend KRS 154A.420 to include sports wagering and permit the Lottery Corporation to require a retailer to establish separate sports wagering electronic funds transfer accounts; amend KRS 154A.430, 154A.440, 154A.600, and 154A.650 to include sports wagering; amend KRS 230.225 to permit the Kentucky Horse Racing Commission to oversee sports wagering at licensed racing associations; amend KRS 230.370 to require administrative regulations relating to sports wagering to be developed in consultation with the Kentucky Gaming Commission; amend KRS 243.500 to exempt the conduct of sports wagering licensed or permitted under KRS Chapter 239; amend KRS 12.020 to administratively attach the Kentucky Gaming Commission to the Public Protection Cabinet.

(Prefiled by the sponsor(s).)

BR237 - Representative Kathy Hinkle, Representative Rocky Adkins, Representative Charles Booker, Representative Jeffery Donohue, Representative Derrick Graham, Representative Joe Graviss, Representative Chris Harris, Representative Joni Jenkins, Representative Nima Kulkarni, Representative Maria Sorolis, Representative Cherlynn Stevenson, Representative Buddy Wheatley, Representative Rob Wiederstein
(8/21/2019)

AN ACT relating to wages.

Amend KRS 337.010 to increase the applicable threshold of employees of retail stores and service industries from \$95,000 to \$500,000 average annual gross volume of sales for the employer; amend KRS 337.275 to raise the state minimum wage to \$8.20 per hour on July 1, 2020, \$9.15 per hour on July 1, 2021, \$10.10 per hour on July 1, 2022, \$11 per hour on July 1, 2023, \$12.05 per hour on July 1, 2024, \$13.10 per hour on July 1, 2025, \$13.95 per hour on July 1, 2026, and \$15 per hour on July 1, 2027, and to raise the state minimum wage for tipped employees to \$2.13 per hour on the effective date of the Act, \$3.05 per hour on July 1, 2021, \$3.95 per hour on July 1, 2022, and \$4.90 per hour on July 1, 2023; include anti-preemption language permitting local governments to establish minimum wage ordinances in excess of the state minimum wage.

(Prefiled by the sponsor(s).)

BR239 - Representative Lynn Bechler
(12/9/2019)

AN ACT prohibiting the payment of public agency funds to any entity that performs, induces, refers for, or counsels in favor of abortions.

Amend KRS 311.715 to provide that public agency funds shall not be paid to any entity, organization, or individual that performs, induces, refers for, or counsels in favor of abortions; establish exceptions.

(Prefiled by the sponsor(s).)

BR240 - Representative Lynn Bechler, Representative Brandon Reed, Representative Danny Bentley, Representative Myron Dossett, Representative Joseph Fischer, Representative Chris Fugate, Representative Robert Goforth, Representative David Hale, Representative Richard Heath, Representative Thomas Huff, Representative Kim King, Representative Bobby McCool, Representative Steve Sheldon, Representative Walker Wood Thomas, Representative Tommy Turner, Representative Ken Upchurch, Representative Les Yates
(9/10/2019)

AN ACT relating to compliance with state and federal law.

Amend KRS 65.133 to require local law enforcement agencies and Kentucky State Police to enforce immigration laws; create a new section of KRS Chapter 65 to define terms, including “sanctuary” and “sanctuary policy”; prohibit local governments from adopting sanctuary policies; establish hearing procedures for determination of sanctuary status; provide for the withholding of state funding from sanctuaries; create new sections of KRS Chapter 164 to prohibit postsecondary educational institutions from enrolling employing or contracting with illegal aliens; require postsecondary educational institutions to keep records of immigration status; provide for the withholding of state funding from postsecondary educational institutions that enroll, employ, or contract with illegal aliens; limit who may be considered a Kentucky resident for in-state tuition purposes; EFFECTIVE in part January 1, 2021.

(Prefiled by the sponsor(s).)

BR241 - Representative Joseph Fischer
(10/4/2019)

AN ACT proposing an amendment to the Constitution of Kentucky relating to abortion.

Propose to create a new section of the Constitution of Kentucky to state that Kentucky’s Constitution does not secure or protect a right to abortion or funding of abortion.

(Prefiled by the sponsor(s).)

BR246 - Representative Jim Glenn
(12/6/2019)

AN ACT relating to an exemption of income for centenarians.

Amend KRS 141.019 to exclude from state income tax all income of any resident centenarian; require reporting by the Department of Revenue; amend KRS 131.190 to conform; amend KRS 68.180, 68.197, 91.200, and 92.300 to exclude all income of any centenarian from occupational license fees or taxes.

(Prefiled by the sponsor(s).)

BR247 - Representative Matthew Koch
(8/16/2019)

AN ACT relating to property taxes for veteran service organizations.

Create a new section in KRS Chapter 132 to exempt veteran service organizations from ad valorem taxation if over fifty percent of the organization’s annual net income is expended on behalf of veterans and other charitable causes; amend KRS 132.010 to define veteran service organization; apply to property assessed on or after January 1, 2021.

(Prefiled by the sponsor(s).)

BR251 - Representative Walker Wood Thomas
(11/12/2019)

AN ACT relating to an exemption of income taxation for military pensions.

Amend KRS 141.019 to exclude United States military retirees’ pension income from income taxation for taxable years beginning on or after January 1, 2020, and before January 1, 2024; require reporting by the Department of Revenue; amend KRS 131.190 to conform.

(Prefiled by the sponsor(s).)

BR252 - Representative Walker Wood Thomas
(9/17/2019)

AN ACT relating to the Kentucky Community and Technical College System, making an appropriation therefor, and declaring an emergency.

Create a new section of KRS Chapter 164 to establish the Kentucky Community and Technical College endowment match fund; transfer \$3 million annually to the fund from general fund; authorize promulgation of administrative regulations.

(Prefiled by the sponsor(s).)

BR257 - Senator Danny Carroll
(8/20/2019)

AN ACT relating to employees of quasi-governmental agencies.

Create a new section of KRS Chapter 18A to allow state hiring preference for employees of quasi-governmental agencies ceasing participation in the Kentucky Retirement Systems; require an employing state agency offer an interview to all finalist entitled to preference unless five or more of the finalists are entitled to preference; require that if more than five finalists are entitled to preference, the employing state agency shall offer an interview to no fewer than five.

(Prefiled by the sponsor(s).)

BR258 - Representative Derek Lewis
(9/10/2019)

AN ACT relating to hunting coyotes.

Amend KRS 150.360 to require the administrative regulations promulgated by the Department of Fish and Wildlife Resources relating to the hunting of coyotes at night to: require hunters to carry a hunting license, unless license-exempt, allow the use of electronic or mouth calls and decoys, specify which weapons may be used, prohibit hunting of coyotes at night on wildlife management areas or during any deer gun or muzzle loading season, prohibit hunting coyotes at any time from a road or motor vehicle; prohibit hunting coyotes at night using white light, and place no bag limit on coyotes; and amend KRS 150.395 to allow the hunting of coyotes at night using only non-white light.

(Prefiled by the sponsor(s).)

BR263 - Representative Bobby McCool
(8/21/2019)

AN ACT relating to wage theft.

Create a new section of Chapter 514 to create the offense of theft of wages and establish penalties; define employer and employee; amend KRS 336.080 to indicate the secretary may enter places of employment without unreasonable delay to inspect a place of employment; amend KRS 337.020 to allow the commissioner to charge and collect past due wages; amend KRS 337.070 to require certain employers to include rate of pay, the number of hours worked, and the total amount of gross pay earned on wage statements provided to employees; amend KRS 337.320 to require employers to keep record for three years of the name, address, and occupation of each employee, the rate of pay and amount paid to each employee, a list of personnel policies provided to the employees, and a copy of the wage statement provided to each employee; create a new section of Chapter 337 to require employers to provide to an employee a written notice at the time of hire that sets forth the rate and method of pay, the employees employment status, accruals of time, deductions that may be made from pay, and the name and address of the employer, and require the employer to keep a copy of the notice signed by the employee; amend KRS 337.990 to include a civil penalty for failure to provide the written notice to employee and maintain a copy of the signed notice.

(Prefiled by the sponsor(s).)

BR269 - Representative Kimberly Moser
(12/2/2019)

AN ACT relating to public health, making an appropriation therefor, and declaring an emergency.

Create new sections of KRS 211.180 to 211.190 to establish definitions; establish the amount of funds to be allocated to and used

by local health departments in Kentucky for employment, services, and programs; amend KRS 194A.050, 211.180, 211.357, 211.976, 217.125, and 217.811 to establish new requirements of allowable fees; APPROPRIATION; EMERGENCY.

(Prefiled by the sponsor(s).)

BR270 - Senator Johnny Ray Turner
(8/15/2019)

AN ACT relating to mining permits and making an appropriation therefor.

Create a new section of KRS Chapter 350 to require the Energy and Environment Cabinet to notify the Department of Workplace Standards of any applicant or permittee that may be subject to the performance bonding requirements of KRS 337.200; create a new section of KRS Chapter 337 to require the commissioner of the Department of Workplace Standards to notify the Energy and Environment Cabinet of any employer engaged in the severance, preparation, or transportation of minerals that is not compliant with the performance bonding requirements of KRS 337.200; amend KRS 350.085 to prohibit the approval of mining permit applications for applicants that are not compliant with the requirements of KRS 337.200; amend KRS 350.130 to make compliance with the requirements of KRS 337.200 a condition of a mining permit issued under KRS Chapter 350 or the administrative regulations promulgated thereunder; amend KRS 337.200 to remove references to liquidated damages and attorneys' fees as provided by law; amend KRS 337.994 to require that all penalties collected for violations of KRS 337.200 be paid to employees injured by the employer's failure to post the performance bond; APPROPRIATION.

(Prefiled by the sponsor(s).)

BR272 - Representative Cluster Howard
(12/9/2019)

AN ACT relating to the regulation of cannabis and making an appropriation therefor.

Establish KRS Chapter 245 and create a section to define terms such as "cannabis accessory", "cannabis product", "immature cannabis plant", "indoor cultivator", "mature cannabis plant", and "outdoor cultivator"; create new sections of KRS Chapter 245 to require cannabis to be tracked from seed to consumer; establish license types, application fees, and license fees, and to direct license fees to the permanent pension fund; define sizes for cultivator license types; specify allowed transactions for each license type; set parameters for the home grower permit; require the board to promulgate an administrative regulation for license applications; set license length at one year and allow the board to establish renewal system; limit cannabis retail locations to one for every two thousand three hundred persons per county; require cannabis retail stores to

be separate from other store and only carry cannabis, cannabis products, and cannabis accessories; create requirements for child-proof packaging and labeling; establish procedures for license denial and a hearing in accordance with KRS Chapter 13B; establish payments in lieu of suspension for licensees and direct the funds to the permanent pension fund and the agency's revolving trust and agency account; establish minimum age of twenty-one to use or buy cannabis and create status offense for minors under eighteen; ban smoking cannabis in public; and require signs in retail locations regarding minors and the US Surgeon General's statement on cannabis; create new sections of KRS Chapter 138 to define "cannabis", "cannabis administrator", and "cannabis product"; set wholesale tax rates and payment schedules for cannabis cultivator and processor licensees, allow local governments to impose up to a 5% regulatory license fee on cannabis licensees in their territory; establish conditions for tax liability; impose civil penalties for tax violations; create a new section of KRS Chapter 245 to set conditions for the cannabis tax rates effective July 1, 2026 and beyond; amend KRS 2.015 to exempt cannabis from age of majority; amend KRS 42.205 to include licensing and permit fees, payments in lieu of suspension, and moneys from wholesale taxes to go to the permanent pension fund and to be distributed quarterly to KERS nonhazardous and TRS funds; amend KRS 241.020 to include a Division of Cannabis in the Department of Alcoholic Beverage Control; amend KRS 241.030 to add administrator of the Division of Cannabis; amend KRS 241.060 to add supervision of the cultivation, processing, testing, and trafficking of cannabis to the board's duties; amend KRS 241.090 to add cannabis to search provisions; amend KRS 243.025 to direct application fees for cannabis licenses into the agency revolving trust account; amend KRS 218A.1421 to exempt cannabis licenses from trafficking statute; amend KRS 218A.1422 to exempt one ounce of marijuana from possession statute; amend KRS 218A.1423 to permit cannabis cultivator licensees and home grower permits to cultivate under their license or permit; amend KRS 218A.500 to exclude cannabis accessories from drug paraphernalia; create a new section of KRS Chapter 431 to create process for expungement of marijuana misdemeanor charges and to waive fees; amend KRS 431.079 to exclude need for certification of eligibility for expungement; amend KRS 131.1815 to include cannabis licensees in delinquent taxpayer statute; amend KRS 600.020 to include cannabis offenses in the definition of status offense; amend KRS 12.020 to create Division of Cannabis within the Department of Alcoholic Beverage Control.

(Prefiled by the sponsor(s).)

BR273 - Representative Tom Burch
(11/18/2019)

AN ACT relating to voter registration.

Amend KRS 116.045 to permit a process of voter preregistration for persons at the minimum age of 16 years; require the State Board of Elections to promulgate administrative regulations to provide for preregistration and subsequent registration confirmation; amend KRS 116.046 to direct schools and the county clerk to inform students and school personnel, not less than once each school year, about the availability of preregistration and registration forms; direct the State Board of Education to implement programs of public education, not less than once during each school year, regarding elections, voting procedures, and election fraud, which shall include sophomores; direct school districts to submit an annual report to the Legislative Research Commission regarding student voter preregistration and registration; amend KRS 116.055 for technical corrections to conform; amend KRS 116.0455 to provide that each application for a motor vehicle driver's license shall be a simultaneous application for voter preregistration and registration unless declined by the applicant.

(Prefiled by the sponsor(s).)

BR274 - Senator Stephen Meredith
(12/9/2019)

AN ACT proposing to amend Sections 30 and 31 of the Constitution of Kentucky relating to elections of members of the General Assembly.

Propose to amend Sections 30 and 31 of the Constitution of Kentucky to increase the number of years in a term for a Senator from four to six years and to increase the number of years in a term for a Representative from two to four years beginning with the regular election in November 2022; provide ballot language; submit to the voters for ratification or rejection.

(Prefiled by the sponsor(s).)

BR275 - Senator Stephen Meredith
(8/20/2019)

AN ACT relating to Medicaid payments.

Amend KRS 304.17A-527 to require Medicaid managed care organizations to provide all payment schedules utilized to reimburse health care providers with whom they have maintained a contractual relationship for the previous three months to the Medicaid Oversight and Advisory Committee on a quarterly basis for the committee's review; create a new section of KRS Chapter 205 to require that services provided in rural counties be reimbursed at least at the median amount paid to an urban health care provider within the nearest metropolitan statistical area; establish a penalty that goes to the underpaid provider. .

(Prefiled by the sponsor(s).)

BR278 - Senator Stephen Meredith
(8/20/2019)

AN ACT relating to Medicaid managed care contracts.

Create a new section of KRS Chapter 205 to limit the number of managed care organization (MCO) contracts to operate the Medicaid program to three.

(Prefiled by the sponsor(s).)

BR279 - Senator Stephen Meredith
(12/9/2019)

AN ACT proposing to amend Sections 70, 72, 73, 74, 84, 85, 86, 87, 90, 91, and 95 and repeal Section 82 of the Constitution of Kentucky relating to abolishing the Office of the Lieutenant Governor.

Propose to amend various sections of the Constitution of Kentucky to abolish the Office of the Lieutenant Governor beginning with the gubernatorial election in November 2023; to establish the President of the Senate as first in line for gubernatorial succession, or the Senate Minority Floor Leader if the Governor is of the same political party as that of the minority political party in the Senate; establish the Speaker of the House as the second in line for gubernatorial succession, or the House of Representatives' Minority Floor Leader if the Governor is of the same political party as that of the minority political party in the House of Representatives; eliminate the Attorney General's and the Auditor of Public Accounts' constitutional duties regarding gubernatorial line of succession; repeal Section 82 of the Constitution of Kentucky relating to succession of Lieutenant Governor; provide ballot language; submit to the voters for ratification or rejection.

(Prefiled by the sponsor(s).)

BR282 - Senator Gerald Neal
(12/12/2019)

AN ACT relating to firearm storage.

Create a new section of KRS Chapter 527 to make it a crime to unlawfully store a firearm; establish elements of the crime for recklessly allowing access to an unsecured firearm by a minor; establish the crime as a Class B misdemeanor unless a physical injury results, in which case it is a Class A misdemeanor.

(Prefiled by the sponsor(s).)

BR284 - Representative Jim Glenn
(12/6/2019)

AN ACT relating to the state spirit.

Create a new section of KRS Chapter 2 to designate bourbon as the official state

spirit of Kentucky.

(Prefiled by the sponsor(s).)

BR285 - Representative Jim DuPlessis
(9/6/2019)

Urge Congress to require car manufacturers to install safety features to help prevent children from being left in hot cars.

(Prefiled by the sponsor(s).)

BR288 - Representative Regina Huff
(9/25/2019)

AN ACT relating to veterinarians.

Create a new section of KRS Chapter 321 to require that a veterinarian report suspected animal abuse to an animal control officer; amend KRS 321.185 to allow veterinarians to report suspected animal abuse.

(Prefiled by the sponsor(s).)

BR290 - Representative David Osborne
(11/15/2019)

AN ACT establishing the Direct Health Care Services and Research Facilities Operations Loan, making an appropriation therefor, and declaring an emergency.

Appropriate to the Cabinet for Economic Development General Fund moneys in the amount of \$50,000,000 in fiscal year 2019-2020 for the establishment and implementation of the Direct Health Care Services and Research Facilities Operations Loan; set out parameters for the Direct Health Care Services and Research Facilities Operations Loan; direct the University of Louisville to provide an annual report detailing the status of any loan agreement granted under the Direct Health Care Services and Research Facilities Operations Loan for as long as the loan is in effect; stipulate that authorized appropriations shall be paid from the General Fund Surplus Account or the Budget Reserve Trust Fund Account; APPROPRIATION; EMERGENCY.

(Prefiled by the sponsor(s).)

BR291 - Representative C. Ed Massey
(11/15/2019)

AN ACT relating to First Responder Recognition Day.

Create a new section of KRS Chapter 2 to designate the first Saturday of October of each year as "First Responder Recognition Day"; require the Governor to proclaim the date each year and require state flags to be lowered on state public buildings from sun-up to sun-down on that day.

(Prefiled by the sponsor(s).)

BR292 - Representative Jim DuPlessis,
Representative Steve Sheldon

(12/12/2019)

AN ACT relating to retirement costs for Kentucky Retirement Systems employers, declaring an emergency, and making an appropriation therefor.

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; provide that the set dollar amount for the actuarially accrued liability contribution for KERS nonhazardous funds shall be allocated to each individual employer based upon the employer's percent share of the liability as of the June 30, 2019 actuarial valuation and shall be paid by employers in equal installments monthly; provide criteria for when adjustments to the dollar value and percent share may occur; make technical, clerical, and conforming amendments and to conform to a recent court decision; create a new section of KRS Chapter 42 to establish the Kentucky retirement contribution assistance fund; provide that the purpose of the fund shall be to assist health departments, community mental health centers, and certain other quasi-governmental employers in the Kentucky Employees Retirement System with financial assistance in paying employer contribution rates to the system; specify that funds shall be disbursed by the state budget director and provide criteria for disbursement; amend KRS 61.510 to confirm to a recent court decision as it relates to a definition used for purposes of KRS 61.565; provide that Kentucky Retirement Systems shall amend the 2019 actuarial valuation in accordance with the amendments to KRS 61.565 in this Act and provide updated employer contributions to the Governor and General Assembly; APPROPRIATION; EMERGENCY.

(Prefiled by the sponsor(s).)

BR297 - Senator John Schickel
(8/20/2019)

Proclaim September 2020 as Prostate Cancer Awareness Month in Kentucky.

(Prefiled by the sponsor(s).)

BR300 - Representative Rob Wiederstein
(10/14/2019)

AN ACT relating to adopting the most cost-effective alternative in administrative regulations having a major economic impact on the Kentucky economy.

Create new sections of KRS Chapter 13A to establish requirements and procedures for an administrative regulation that constitutes a major economic action; create the Regulatory Economic Analysis Advisory Group to consult

on these regulations; set the group's membership, powers, and duties; require a promulgating agency to provide listed documents to the group and the public at least 60 days before filing the regulation; direct an agency to conduct and publish a detailed analysis of any major economic action regulation, including a cost-benefit analysis; establish filing requirements for these regulations; require an agency to publicly provide a framework for assessing the regulation; designate a short title of the "Kentucky Administrative Regulation Accountability Act of 2020"; amend KRS 13A.010 to define a major economic action; amend KRS 13A.030 to add a defective major economic action to the list of reasons a subcommittee may find a regulation deficient; amend KRS 13A.3104 to establish certification letter procedures for a major economic action regulation; stagger the initial terms of the appointed members of the advisory group.

(Prefiled by the sponsor(s).)

BR306 - Senator Reginald Thomas
(12/11/2019)

AN ACT relating to health care services received at no-cost or reduced-cost health facilities by persons covered under a health insurance policy.

Create a new section of Subtitle 17A of KRS Chapter 304 to require health insurance policies not exempt from state regulation under federal law to apply the fair market value of covered health care services received by a covered person at a no-cost or reduced-cost health facility to any deductible or out-of-pocket maximum owed by the covered person under the policy; create a new section of Subtitle 17C of KRS Chapter 304 to apply those provisions to limited health service benefit plans, including limited health service contracts defined in KRS 304.38A-010; amend KRS 18A.225 to require the state employee health plan to comply; EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

BR310 - Representative Kimberly Moser
(12/12/2019)

AN ACT relating to legislative ethics.

Create new sections of KRS 6.601 to 6.849 to make it ethical misconduct for a legislator, legislative agent, or director of the Legislative Research Commission to intentionally engage in discrimination, harassment, or sexual harassment; define "discrimination," "harassment," and "sexual harassment"; declare that if a provision of KRS 6.601 to 6.849 is designated a misdemeanor or felony, an alleged violation of the provision may be adjudicated by the Legislative Ethics Commission as ethical misconduct; amend KRS 6.686 to allow dismissal of complaints by the Legislative Ethics Commission based upon an affirmative vote of at least 5 members at a regularly scheduled meeting or, upon written or oral notification by the chair, a teleconference

meeting that the preliminary inquiry fails to state a claim of an ethics violation; allow complaints to be filed against former legislators, former legislative agents, and former employers of legislative agents for extended periods if they are related to discrimination, harassment, or sexual harassment; amend KRS 6.701 to include legislative branch employees in mandatory ethics education already required for legislators; amend KRS 6.711 to remove the requirement that orientation courses be designed to receive continuing legal education ethics credit; amend KRS 6.716 to require the Legislative Ethics Commission to administer a current issues seminar for legislative branch employees in addition to the existing requirement for legislators and to reduce the length of the current issues seminar for legislators from three to two hours; amend KRS 7.101 to require the Legislative Research Commission to coordinate the development and presentation of a training course regarding workplace harassment for legislators with the assistance of the Legislative Ethics Commission.

(Prefiled by the sponsor(s).)

BR313 - Representative Kimberly Moser
(12/11/2019)

AN ACT relating to mental health first aid training and making an appropriation therefor.

Create a new section of KRS Chapter 210 to establish the Kentucky Mental Health First Aid Training Program or similar program to be administered by the Cabinet for Health and Family Services, subject to appropriation by the General Assembly or funding from other sources; list objectives of the training program; direct how grants are to be awarded; require the cabinet to promulgate administrative regulations to implement the program; create the Kentucky Mental Health First Aid Training fund; require moneys from the fund to be used for the training program.

(Prefiled by the sponsor(s).)

BR315 - Senator Stephen Meredith
(8/20/2019)

AN ACT relating to copayments by medical assistance recipients.

Amend KRS 205.6312 to prohibit the cabinet or a managed care organization contracted to provide services from instituting copayments, cost sharing, or similar charges to be paid by any medical assistance recipients, their spouses, or parents, for any assistance provided pursuant KRS Chapter 205, federal law, or any federal Medicaid waiver; amend KRS 205.6485 to prohibit copayments to be charged in the Kentucky Children's Health Insurance Program.

(Prefiled by the sponsor(s).)

BR316 - Representative McKenzie Cantrell
(11/21/2019)

AN ACT relating to employment schedules.

Create new sections of KRS Chapter 337 requiring employers to give employees a good-faith schedule of hours to be worked, to have a voluntary standby list of employees who wish to work additional hours, to post weekly schedules at least 7 days in advance, and to provide certain rest periods for employees from being scheduled; allow employees to identify time limitations for scheduling work hours; require compensation for employer changes to the schedule; set forth unlawful practices; amend KRS 337.990 to establish a penalty for violations.

(Prefiled by the sponsor(s).)

BR317 - Representative McKenzie Cantrell
(11/21/2019)

AN ACT relating to leave from employment for crime victims.

Amend KRS 337.415, relating to court-ordered appearances by employees, to prohibit employers from discharging or retaliating against an employee who is a crime victim when the employee takes leave to attend proceedings associated with a crime; require an employee to give an employer reasonable notice to take leave when practicable; provide guidelines for use of paid leave; require the employer to maintain confidentiality of records and communication with employee crime victim; create a penalty for failing to maintain confidentiality; define terms.

(Prefiled by the sponsor(s).)

BR319 - Representative McKenzie Cantrell
(11/21/2019)

AN ACT relating to earned paid sick leave.

Create a new section of KRS Chapter 337 to require employers to provide earned paid sick leave to employees; provide that employees earn paid sick leave upon the date of hire and can use the leave after being employed for 90 days; set forth allowable uses of earned paid sick time; designate how notice of need to use sick time is provided by employees; amend KRS 337.990 to establish penalty for employers that fail to follow paid sick leave requirements.

(Prefiled by the sponsor(s).)

BR320 - Representative Josie Raymond
(12/13/2019)

AN ACT relating to employment provisions for employees on parental leave.

Create a new section of KRS Chapter 337 to require employers with 50 or more

employees to provide twelve weeks of paid parental leave for an employee who has been employed for at least one year; allow an employee to waive the paid parental leave; provide for the promulgation of administrative regulations.

(Prefiled by the sponsor(s).)

BR323 - Representative Nima Kulkarni
(10/30/2019)

AN ACT relating to prevailing wage.

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.

(Prefiled by the sponsor(s).)

BR324 - Representative Jeffery Donohue
(11/19/2019)

AN ACT relating to public procurement.

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; define “manufactured in Kentucky,” “manufactured in the United States,” and “United States”; require preference for iron, steel, and manufactured goods made in Kentucky in construction and maintenance contracts and subcontracts; provide for a waiver of the Kentucky preference requirement; require preference for iron, steel, and manufactured goods made in the United States if the Kentucky waiver is granted; provide for a waiver of the United States preference requirement; establish a short title of “Kentucky Buy American Act”; amend KRS 45A.343, 45A.352, 65.027, 162.070, 164A.575, 176.080, and 424.260 to require compliance.

(Prefiled by the sponsor(s).)

BR325 - Representative Jeffery Donohue
(11/19/2019)

AN ACT relating to economic development incentives.

Amend KRS 154.32.010 to define “weekly minimum wage”; amend KRS 154.32-020 to require an approved company to pay all new full-time employees whose jobs were created as a result of the economic development project no less than the minimum weekly wage and provide employee benefits for those jobs equal to at least 15% of the minimum weekly wage established by the agreement; amend KRS 154.32-030 to delete all provisions that allow the approved company to receive full incentives if 90% of the job and wage requirements are met upon activation or annual review; amend KRS 154.32-040 to delete a provision that would allow the approved company to receive a reduction in tax incentives for

failing to meet job and wage requirements.

(Prefiled by the sponsor(s).)

BR328 - Representative Jeffery Donohue
(11/19/2019)

AN ACT relating to railroads.

Create a new section of KRS Chapter 277 to require two-person crews on trains or light engines used in connection with the movement of freight; establish civil penalties for failure to have a two-person crew.

(Prefiled by the sponsor(s).)

BR334 - Representative Josie Raymond
(8/23/2019)

AN ACT relating to full-day kindergarten.

Amend KRS 158.060 to remove language that allows for half-day kindergarten programs; amend KRS 157.320, 157.360, and 158.030 to conform.

(Prefiled by the sponsor(s).)

BR337 - Representative George Brown Jr
(11/21/2019)

AN ACT proposing an amendment to Section 145 of the Constitution of Kentucky relating to persons entitled to vote.

Propose to amend Section 145 of the Constitution of Kentucky to restructure the voting restrictions relating to felons and persons with mental disabilities; ballot language; submit to voters for ratification or rejection.

(Prefiled by the sponsor(s).)

BR339 - Representative George Brown Jr
(8/27/2019)

AN ACT relating to the rural hospital tax credit.

Create a new section of KRS Chapter 141 to establish the rural hospital organization donation tax credit; amend KRS 141.0205 to order the new tax credit; amend KRS 131.190 to allow reporting by the Department of Revenue.

(Prefiled by the sponsor(s).)

BR342 - Representative George Brown Jr
(9/4/2019)

AN ACT relating to firearms and declaring an emergency.

Create new sections of KRS Chapter 237 to specify definitions for “assault weapons,” “large-capacity ammunition-feeding devices,” and “ammunition sellers”; require background checks for private firearms sales; require reporting to law enforcement of firearm and ammunition thefts and losses; require the safe storage of firearms; amend

KRS 395.250 to require an estate’s inventory to list each firearm; amend KRS 403.735 to require judges, when issuing an order of protection, to consider whether a person against whom the order is entered should be prohibited from possessing an firearm; amend KRS 504.030 to require judges in criminal cases where a person is found not guilty by reason of insanity to demand the surrender of the defendant’s firearms; amend KRS 237.104 to conform; amend KRS 506.080 to specify that the offense of facilitation includes assistance in providing firearms; amend KRS 508.020 to include physical injury to a minor by virtue of the intentional discharge of a firearm within the offense of assault in the second degree; create a new section of KRS Chapter 527 to create the offense of criminal purchase or disposal of a weapon; amend KRS 527.040 to require that the sentence for a felon in possession of a firearm be served subsequent to any other felony sentence; amend KRS 527.070 to include postsecondary education facilities within the existing ban on firearms in schools; amend KRS 532.030 to require the judge pronouncing a defendant guilty but mentally ill to demand the surrender of the person’s firearms; create a new section of KRS Chapter 237 to require the State Police to promulgate administrative regulations relating to the licensing of persons to possess handguns and assault weapons, the registration of handguns and assault weapons, and the logging of firearms and ammunition sales effective January 1, 2021; amend KRS 532.025 to conform; amend KRS 237.115 to conform; repeal KRS 65.870; EMERGENCY; some provisions EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

BR343 - Representative George Brown Jr
(8/27/2019)

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 “Ban the Box - The Criminal Record Employment Discrimination Act.”

(Prefiled by the sponsor(s).)

BR351 - Representative Rob Wiederstein,
Representative Attica Scott
(12/9/2019)

AN ACT relating to solitary confinement of juveniles.

Create a new section of KRS Chapter 15A to limit use of solitary confinement for juveniles and require reporting of data on its use.

(Prefiled by the sponsor(s).)

BR354 - Representative Jeffery Donohue
(12/2/2019)

AN ACT relating to firearms and making an appropriation therefor.

Amend KRS 527.010 to define “assault weapons” and “large-capacity ammunition-feeding devices”; create a new section of KRS Chapter 527 to criminalize possession and transfer of large-capacity ammunition-feeding devices; create a new section of KRS Chapter 527 to criminalize the possession of unregistered assault weapons and to require the owners of registered assault weapons to store the weapons in a manner which renders them inoperable to unauthorized users; create a new section of KRS Chapter 237 to establish the assault weapons registration program and a weapons buyback program under the Department of Kentucky State Police and to authorize a fee and trust account and make an appropriation; amend KRS 16.220 and 237.104 to exempt weapons from the buyback program from prohibitions on the destruction of certain weapons.

(Prefiled by the sponsor(s).)

BR355 - Representative Jeffery Donohue
(9/9/2019)

AN ACT relating to tax credits for airport noise mitigation.

Create a new section of KRS Chapter 141 to establish a refundable income tax credit for the costs of mitigating noise from a commercial airport for taxable years beginning on or after January 1, 2020, but before January 1, 2024; amend KRS 131.190 to conform; amend KRS 141.0205 to order the credit.

(Prefiled by the sponsor(s).)

BR356 - Representative Jeffery Donohue
(9/9/2019)

AN ACT relating to the sale or transfer of historic places.

Amend KRS 171.382 to require the Finance and Administration Cabinet to give notice to the Kentucky Heritage Council 90 days prior to the transfer or sale of a property nominated by the Kentucky Historic Preservation Review Board to be listed on the National Register of Historic Places; require the Kentucky Heritage Council to consult with the Finance and Administration Cabinet regarding the property’s historic, cultural, and archeological resources; require the Kentucky Heritage Council to make a written recommendation to the Finance and Administration Cabinet on whether the property should have a preservation easement; if a preservation easement is recommended, no sale or transfer of the property shall take place until the easement is listed on the deed; amend KRS 82.660 to update council name.

(Prefiled by the sponsor(s).)

BR357 - Representative Jeffery Donohue
(9/9/2019)

AN ACT relating to education.

Amend KRS 158.785, relating to the management of local school districts, to include criteria to review when completing a management audit; require the chief state school officer to provide a local district with written deficiencies found through the management audit and corrective actions and a time frame for completion in order to exit assistance; specify that a district can only be a “state managed district” after at least two years of unsuccessful assistance, criminal malfeasance, or insolvency; restrict the chief state school officer’s authority during state management to only those specific items found through the management audit; amend KRS 156.029 to require the Kentucky Board of Education to include two at-large members who are current or retired elementary or secondary teachers; amend KRS 156.040 to clarify that a state board member cannot hold any elective federal, state, county, or city office.

(Prefiled by the sponsor(s).)

BR358 - Representative Terri Branham Clark
(12/13/2019)

AN ACT relating to assault on a service animal.

Amend KRS 525.200 to include assistance animals in the definition of “service animals” that are covered by assault on a service animal in the first degree.

(Prefiled by the sponsor(s).)

BR361 - Representative Rob Wiederstein
(12/9/2019)

AN ACT relating to low-volume surgery requirements.

Create a new section of KRS Chapter 216B to establish a low-volume surgery requirement and registry for hospitals and surgeons in the Commonwealth.

(Prefiled by the sponsor(s).)

BR364 - Representative Adam Koenig
(12/5/2019)

AN ACT relating to wagering and making an appropriation therefor.

Establish KRS Chapter 239 and create new sections to define “adjusted gross revenue,” “beginner,” “cabinet,” “confidential information,” “entry fee,” “fantasy contest,” “fantasy contest operator,” “fantasy contest participant,” “highly experienced player,” “immediate family,” “location percentage,” “person,” “principal stockholder,” “registered fantasy contest operator,” “script,”

“secretary,” and “wager”; establish requirements for registration as a fantasy contest operator; require the cabinet to promulgate administrative regulations for the operation of fantasy contests; establish the wagering administration fund and direct the uses of that fund; establish the Kentucky problem gambling assistance account and direct the uses of that account; require an annual audit of fantasy contest registrants; establish requirements for fantasy contest procedures; amend KRS 230.210 to define “professional sports venue” and “sports wagering”; create new sections of KRS Chapter 230 to require the racing commission to institute a system of sports wagering at tracks and other specified locations; limit the types of events upon which wagers may be placed; amend KRS 230.215 to declare the intent to allow citizens to enjoy sports wagering and allow the racing commission to promulgate administrative regulations prescribing conditions under which sports wagering is to be conducted; amend KRS 230.225, 230.240, and 230.260 to include sports wagering; create a new section of KRS Chapter 230 to establish sports wagering licensure requirements; amend KRS 230.320 to conform; amend KRS 230.361 to include sports wagering; amend KRS 230.3615 to conform; create a new section of KRS Chapter 138 to define “adjusted gross income” and impose a tax on sports wagering; amend KRS 230.362, 230.363, 230.364, 230.365, 230.366, 230.369, 230.371, 230.372, 230.373, 230.374, and 230.750 to conform; create a new section of KRS Chapter 230 to prohibit participants from wagering on events in which they participate and to prohibit tampering with the outcome of a sporting event; amend KRS 230.990 to provide penalties for participants who wager on sporting events or tamper with the outcome of a sporting event; amend KRS Chapter 154A.010 to define “net poker revenue,” “online poker,” and “rake”; amend KRS 154A.050 and 154A.060 to include conducting online poker games; amend KRS 154A.063 to delete restriction on playing cards and where winners are based on the outcome of a sports contest; amend KRS 154A.070 to include online poker; amend 154A.110 to prohibit anyone under 18 from placing a wager through an online poker game; amend KRS 154A.120 to include online poker; amend KRS 154A.130 to exempt online poker; create new sections of KRS Chapter 154A to require licensure for online poker games; require the Lottery Corporation to promulgate requirements in conformance with federal law for providers through administrative regulations; establish licensing fees; impose a gaming fee on providers; establish the Kentucky Lottery Corporation online poker account and provide for the uses of the funds deposited therein; amend KRS 154A.600 to include online poker; amend KRS 243.500 to exempt sports wagering and online poker; amend KRS 525.090 to exempt sports wagering; amend KRS 528.010 to exempt fantasy contests, sports wagering, and online poker and the devices used in the conduct of those

forms of wagering; amend KRS 528.020, 528.070, and KRS 528.080 to exempt fantasy contests, sports wagering, and online poker; create a noncodified section to assert that the provisions of the Act are severable.

(Prefiled by the sponsor(s).)

BR366 - Representative Jason Nemes
(11/1/2019)

AN ACT relating to medicinal marijuana and making an appropriation therefor.

Create various new sections of KRS Chapter 218A to define terms; to exempt the medicinal marijuana program from existing provisions in Kentucky law to the contrary; to require the Department for Alcoholic Beverage and Cannabis Control to implement and regulate the medicinal marijuana program in Kentucky; to establish the Division of Medicinal Marijuana within the Department of Alcoholic Beverage and Cannabis Control; to establish restrictions on the possession of medicinal marijuana by qualifying patients, visiting patients, and designated caregivers; to establish certain protections for cardholders; to establish professional protections for practitioners; to provide for the authorizing of practitioners by state licensing boards to issue written certifications for the use medicinal marijuana; to establish professional protections for attorneys; to prohibit the possession and use of medicinal marijuana on a school bus, on the grounds of any preschool or primary or secondary school, in a correctional facility, any property of the federal government, or while operating a motor vehicle; to prohibit smoking of medicinal marijuana; to permit an employer to restrict the possession and use of medicinal marijuana by an employee; to require the department to implement and operate a registry identification card program; to establish requirements for registry identification cards; to establish registry identification card fees; to require the department to operate a provisional licensure receipt system; to establish the application requirements for a registry identification card; to establish when the department may deny an application for a registry identification card; to establish certain responsibilities for cardholders; to establish when a registry identification card may be revoked; to establish various cannabis business licensure categories; to establish tiering of cannabis business licenses; to require certain information be included in an application for a cannabis business license; to establish when the department may deny an application for a cannabis business license; to prohibit a practitioner from being a board member or principal officer of a cannabis business; to prohibit cross-ownership of certain classes of cannabis businesses; to establish rules for local sales, including establishing the process by which a local legislative body may prohibit the operation of cannabis businesses within its territory and the process for local ordinances and ballot

initiatives; to establish technical requirements for cannabis businesses; to establish limits on the THC content of medicinal marijuana that can be produced or sold in the state; to establish requirements for cannabis cultivators, including cultivation square footage limits; to establish requirements for cannabis dispensaries; to establish requirements for safety compliance facilities; to establish requirements for cannabis processors; to establish procedures for the department to inspect cannabis businesses; to establish procedures for the suspension or revocation of a cannabis business license; to exempt certain records and information from the disclosure under the Kentucky Open Records Act; to require the department to develop, maintain, and operate electronic systems for monitoring the medicinal marijuana program; to require the department to promulgate administrative regulations necessary to implement the medicinal marijuana program; to establish that nothing in the bill requires government programs or private insurers to reimburse for the cost of use; to establish the medicinal marijuana trust fund; to establish the local medicinal marijuana trust fund; and to establish procedures for the distribution of local cannabis trust fund moneys; create a new section of KRS Chapter 138 to establish an excise tax of 12% for cultivators and processors for selling to dispensaries; to require that 80% of the revenue from the excise taxes be deposited into the medicinal marijuana trust fund; to require that 20% of the revenue from the excise taxes be deposited into the local medicinal marijuana trust fund; amend KRS 342.815 to establish that the Employer's Mutual Insurance Authority shall not be required to provide coverage to an employer if doing so would subject the authority to a violation of state or federal law; amend KRS 139.470 to exempt the sale of medical marijuana from the state sales tax; amend KRS 218A.010, 218A.1421, 218A.1422, 218A.1423, and 218A.500 to conform; amend KRS 12.020 to change the name of the Department of Alcoholic Beverage Control to the Department of Alcoholic Beverage and Cannabis Control and to create the Division of Medicinal Marijuana; and amend KRS 12.252, 15.300, 15.380, 15.398, 15A.340, 15.420, 61.592, 62.160, 131.1815, 211.285, 241.010, 241.015, 241.030, 243.025, 243.0307, 243.038, 243.090, 243.360, 438.310, 438.311, 438.313, 438.315, 438.317, 438.320, 438.325, 438.330, 438.337, and 438.340 to conform; EFFECTIVE January 1, 2021; APPROPRIATION.

(Prefiled by the sponsor(s).)

BR367 - Representative C. Ed Massey
(11/13/2019)

AN ACT relating to an exemption from income taxation for military pensions.

Amend KRS 141.019 to exclude United States military retirees' pension income from income taxation for taxable years beginning on or

after January 1, 2020, and before January 1, 2024; require reporting by the Department of Revenue; amend KRS 131.190 to conform.

(Prefiled by the sponsor(s).)

BR368 - Senator Danny Carroll
(12/9/2019)

AN ACT relating to reporting dependency, neglect, or abuse.

Amend KRS 620.030 to establish that an investigation of child dependency, neglect, or abuse shall not be conducted by school personnel or other persons before a report is made; amend KRS 620.029 to conform; and amend KRS 620.040 to conform and to establish that no investigation of child dependency, neglect, or abuse shall be conducted by school personnel or other persons before the report is made.

(Prefiled by the sponsor(s).)

BR370 - Representative John Blanton
(12/13/2019)

AN ACT relating to law enforcement officers.

Create a new section of KRS Chapter 411 relating to qualified and complete immunity from civil liability for a law enforcement officer's operation of a vehicle when responding to an emergency or pursuing a suspect.

(Prefiled by the sponsor(s).)

BR371 - Representative Rob Wiederstein
(10/21/2019)

Direct the Finance and Administration Cabinet to create the Evidence-Based Policymaking Task Force to study how state agencies collect and share data; APPROPRIATION.

(Prefiled by the sponsor(s).)

BR372 - Representative R. Travis Brenda
(12/12/2019)

AN ACT relating to involuntary termination of parental rights.

Amend KRS 625.060 to specify the rights of a foster parent related to involuntary termination of parental rights cases.

(Prefiled by the sponsor(s).)

BR377 - Representative Walker Wood Thomas, Representative Lisa Willner
(11/18/2019)

AN ACT relating to the psychology interjurisdictional compact.

Create a new section of KRS Chapter 319 to enact and enter into the Psychology Interjurisdictional Compact with all other jurisdictions

that legally join the compact; declare the purpose of the compact; define terms; allow a psychologist to hold one or more compact state licenses at a time; recognize the right of a psychologist licensed in the compact to practice telepsychology in other compact states the psychologist is not licensed; establish conditions under which a psychologist licensed to practice in compact state can practice telepsychology; establish the conditions under which a psychologist licensed to practice in a compact state may be granted a Temporary Authorization to Practice; authorize a home state to take adverse action against a psychologist's licensed issued by the Home State; allow a receiving state to take adverse action on a psychologist's Authority to Practice Interjurisdictional Telepsychology within that receiving state; authorize a compact state's ability to issue subpoenas for hearings and investigation as well as cease and desist and injunctive relief orders to revoke a psychologist's authority to practice interjurisdictional telepsychology and temporary authorization to practice; establish the Psychology Interjurisdictional Compact Commission; require the commission to provide for and maintain a Coordinated Licensure Information System (Coordinated Database) and reporting system containing licensure and disciplinary action information on psychologists participating in the compact; provide immunity for members, officers, executive director, employees, and representatives of the commission who act in accordance with the provisions of the compact; authorize the commission to establish rulemaking procedures; authorize the executive, judicial, and legislative branches of state government to enforce the provisions of the compact; affirm that rules promulgated will have standing as statutory law; require provisions of the compact to become effective on the date the compact is enacted into law.

(Prefiled by the sponsor(s).)

BR379 - Representative Phillip Pratt
(11/21/2019)

AN ACT relating to the transfer of county jail inmates.

Amend KRS 441.520 to require a judicial removal order cite danger for order of removal, establish incarceration rates and medical costs, impose geographic limits for removal, place liability for transfers upon the Administrative Office of the Courts, require that in all other removal orders the judge shall receive the written agreement of the originating and receiving jailer, establish the details of written agreement, establish criteria for cost and transportation, and require judge to review removal orders every 90 days for safety and security of inmates.

(Prefiled by the sponsor(s).)

BR391 - Representative C. Ed Massey
(11/13/2019)

AN ACT relating to high school students pursuing military careers.

Create a new section of KRS Chapter 158 requiring schools to offer the Armed Services Vocational Aptitude Battery (ASVAB) test annually to students in grades 10 through 12, offer counseling based on the ASVAB test results, and allow up to four excused absences to meet with a recruiter of the Armed Forces of the United States or Kentucky National Guard; amend KRS 159.035 to allow excused absences for students who meet with a military recruiter, receive ASVAB counseling, or pursue enlistment.

(Prefiled by the sponsor(s).)

BR394 - Senator Reginald Thomas
(12/11/2019)

AN ACT relating to direct care staff training in dementia care.

Create a new section of KRS Chapter 216 to require direct care staff and managers to receive training in dementia care.

(Prefiled by the sponsor(s).)

BR403 - Representative Brandon Reed
(9/18/2019)

AN ACT relating to farmer suicide prevention and awareness.

Create a new section of KRS Chapter 2 to designate the Wednesday of National Farm Safety Week, which is the third week of September, as "Farmer Suicide Prevention Day".

(Prefiled by the sponsor(s).)

BR407 - Representative Attica Scott
(9/13/2019)

AN ACT relating to providing free feminine hygiene products for women public postsecondary students.

Create a new section of KRS Chapter 164 to require each public postsecondary education institution to provide free feminine hygiene products to women students; require the governing boards of each public postsecondary education institution to adopt policies for the distribution of free feminine hygiene products; define feminine hygiene products.

(Prefiled by the sponsor(s).)

BR409 - Representative Joe Graviss
(10/24/2019)

AN ACT relating to state employee compensation.

Amend KRS 18A.355 to provide

for an annual increment for state employees with the annual increment being the average of the consumer price index for the two calendar years prior to the biennium.

(Prefiled by the sponsor(s).)

BR411 - Representative Mark Hart
(12/12/2019)

AN ACT relating to individuals with intellectual and developmental disabilities.

Create a new section of KRS 210.005 to 210.366 to establish the rights of individuals with intellectual disabilities; cite as the Frank Huffman Act.

(Prefiled by the sponsor(s).)

BR412 - Senator Dennis Parrett
(9/19/2019)

AN ACT relating to veteran-owned nonprofit businesses.

Amend KRS 14A.1-070 to add a nonprofit business which is at least 51 percent unconditionally controlled by a veteran to the definition of "veteran-owned business"; amend KRS 14A.2-060 and KRS 14A.2-165 to conform.

(Prefiled by the sponsor(s).)

BR413 - Representative Angie Hatton
(11/26/2019)

AN ACT relating to information technology.

Amend KRS 154.15-010 to create a definition for paid prioritization; create a new section of Subchapter 15 of KRS Chapter 154 to require KentuckyWired contracts between the Kentucky Communications Network Authority and public or private Internet service providers contain certain provisions to ensure open and fair access to the network by customers.

(Prefiled by the sponsor(s).)

BR414 - Representative Angie Hatton
(11/26/2019)

AN ACT relating to workers' compensation.

Amend KRS 342.315 to eliminate the requirement that physicians contracting with the commissioner to perform evaluations in occupational disease claims be "B" readers who are licensed in Kentucky and are board-certified pulmonary specialists; amend KRS 342.316 to allow the commissioner to select a physician or medical facility for referral in occupational disease claims and eliminate the requirement that such physicians be "B" readers who are licensed in Kentucky and are board-certified pulmonary specialists; amend KRS 342.794 to delete the definition of "board-certified pulmonary specialist" and eliminate the requirement that physicians on the list of qualified "B" readers

maintained by the commissioner include only those licensed in Kentucky and board-certified pulmonary specialists.

(Prefiled by the sponsor(s).)

BR415 - Representative Angie Hatton
(11/26/2019)

AN ACT relating to utility rates.

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.

(Prefiled by the sponsor(s).)

BR418 - Representative Joseph Fischer
(12/9/2019)

AN ACT relating to the interpretation of state insurance laws and declaring an emergency.

Create a new section of Subtitle 1 of KRS Chapter 304 to provide that a statement of law in the American Law Institute's Restatement of the Law, Liability Insurance does not constitute the law or public policy of the Commonwealth when in conflict with listed authority; amend KRS 304.1-120 to apply Section 1 of the Act to the listed organizations; provide short title; EMERGENCY.

(Prefiled by the sponsor(s).)

BR421 - Representative Larry Elkins
(12/6/2019)

AN ACT relating to the election of board members of library districts.

Create a new section of KRS 173.450 to 173.650 to provide for the election of board members to public library districts; amend KRS 173.480 to remove references to appointment and integrate election protocols; create a new section of KRS 173.710 to 800 to provide for the election of board members to public library districts formed by petition; amend KRS 173.725 to remove references to appointment and integrate election protocols; amend KRS 173.650 to specify that the certification of election results other than for the election of library board members are certified by the county judge/executive in each county; amend KRS 118.305 to allow candidates for library boards to be placed on the ballot; amend KRS 118.315 to include candidates for library boards within nomination protocols for election; amend KRS 118.365 to allow candidates for library boards to be integrated with the petition of nomination process for elections; repeal KRS 173.490, relating to the boards of public library

districts and KRS 173.730, relating to the boards of library districts formed by petition; establish that the terms of appointed board members expire upon the election and qualification of elected board members; EFFECTIVE JANUARY 1, 2022

(Prefiled by the sponsor(s).)

BR423 - Senator Stephen Meredith
(10/1/2019)

AN ACT relating to the disposition of human remains.

Amend KRS 367.93117 to allow a court-appointed guardian or conservator to determine the disposition of remains after death if other alternatives have been exhausted; permit cremation under specified circumstances.

(Prefiled by the sponsor(s).)

BR425 - Senator Ralph Alvarado
(12/12/2019)

AN ACT relating to cost sharing under a health benefit plan.

Create a new section of Subtitle 17A of KRS Chapter 304 to require payments made by or on behalf of an insured for health care services, and the usual and customary rate of health care services received at a no or reduced cost health care facility, to apply toward any cost-sharing requirements under a health benefit plan; define terms; Create a new section of Subtitle 17A of KRS Chapter 304 to require the commissioner to promulgate administrative regulations; require the department to publish charge information. EFFECTIVE, January 1, 2021.

(Prefiled by the sponsor(s).)

BR430 - Senator Danny Carroll
(12/9/2019)

AN ACT relating to the enforcement of sanctuary policies.

Create a new section of KRS Chapter 61 to prevent law enforcement agencies, law enforcement officials or employees of a law enforcement agency, or public agencies, or public officials or employees of a public agency to enact, adopt, or otherwise enforce any sanctuary policy and require law enforcement officials, representatives, agents, and employees of law enforcement agencies, public officials, representatives, agents, and employees of public agencies to use their best efforts, considering available resources to support the enforcement of federal immigration law, exempt school districts, district boards of education, and public charter school, and employees and contractors from the provisions of the section; create a new section of KRS Chapter 61 to provide that any sanctuary policy adopted prior to or after the effective date of the Act in violation of Section 1 of the Act is invalid, void, and unenforceable, and allow the Governor,

Attorney General, or any state constitutional officer to bring an action for enforcement through injunctive action.

(Prefiled by the sponsor(s).)

BR431 - Representative Maria Sorolis
(10/31/2019)

AN ACT relating to voting.

Create a new section of KRS Chapter 117 to allow in-person early voting between 9 a.m. and 4 p.m. on the three Saturdays preceding any primary, regular election, or special election; amend KRS 117.087, 117.165, 117.235, 117.995, and 118.035 to conform.

(Prefiled by the sponsor(s).)

BR432 - Representative Maria Sorolis
(10/31/2019)

AN ACT relating to elections.

Create a new section of KRS Chapter 117 to provide for the establishment of designated voting locations by the county board of elections in counties with a population of 90,000 or more.

(Prefiled by the sponsor(s).)

BR433 - Senator Ralph Alvarado
(12/12/2019)

AN ACT relating to non-compete agreements with health-care providers.

Create a new section of KRS Chapter 372 to prohibit non-compete agreements for certain health-care providers.

(Prefiled by the sponsor(s).)

BR435 - Senator Denise Harper Angel
(10/23/2019)

AN ACT relating to student health and safety.

Create a new section of KRS Chapter 158 to require any student identification badge issued to a public middle or high school student to contain the contact information for national crisis hotlines specializing in domestic violence, sexual assault, and suicide; apply the requirement to public charter schools; require the Cabinet for Health and Family Services to publish recommendations for at least one national crisis hotline in each specialized area; create a new section of KRS Chapter 164 to require any student identification badge issued by a public or private postsecondary institution or other institution that offers a postsecondary degree, certificate, or license to contain the contact information for national crisis hotlines specializing in domestic assault, sexual assault, and suicide.

(Prefiled by the sponsor(s).)

BR436 - Representative John Sims Jr
(11/18/2019)

AN ACT relating to employment-related drug screens.

Create a new section of KRS Chapter 344 to prohibit employment discrimination based on a positive drug screen for cannabidiol or tetrahydrocannabinol.

(Prefiled by the sponsor(s).)

BR439 - Senator Reginald Thomas
(12/12/2019)

AN ACT relating to voting.

Create a new section of KRS Chapter 117 to allow in-person early voting between 9 a.m. and 4 p.m. on the three Saturdays preceding any primary, regular election, or special election; amend KRS 117.087, 117.165, 117.235, 117.995, and 118.035 to conform.

(Prefiled by the sponsor(s).)

BR440 - Senator Reginald Thomas
(12/12/2019)

AN ACT relating to elections.

Create a new section of KRS Chapter 117 to provide for the establishment of designated voting locations by the county board of elections in counties with a population of 90,000 or more.

(Prefiled by the sponsor(s).)

BR450 - Representative Attica Scott, Representative Charles Booker
(9/25/2019)

AN ACT relating to gang violence.

Amend KRS 506.120 to remove language related to “criminal gang syndicate;” repeal KRS 506.135 relating to definitions, KRS 506.140 relating to criminal gang recruitment, KRS 506.150 relating to criminal gang activity or recruitment, 506.160, relating to minimum service of sentence for defendant acting as a member of a criminal gang, KRS 506.170 relating to enhancement of penalty for conviction for criminal gang-related felonies, KRS 506.180 relating to cause of action by victim of criminal gang incident, and KRS 506.190 relating to criminal gang-related property subject to forfeiture; amend KRS 532.080 to conform.

(Prefiled by the sponsor(s).)

BR456 - Representative Susan Westrom
(11/18/2019)

AN ACT relating to wages for employment.

Create a new section of KRS Chapter 337 to make it a discriminatory employment action if an employer asks questions about previous

salary or wages, relies on previous salary when setting a new salary, or refuses to hire if an applicant does not provide previous salary, except to allow a request for information voluntarily provided in response to an offer of employment; allow previous salary to be considered when required by law, when discovered while looking at other nonsalary information, and for public employee positions; require notice to be posted for employees; amend KRS 337.990 to assess a civil penalty for a violation.

(Prefiled by the sponsor(s).)

BR457 - Representative Attica Scott
(12/11/2019)

AN ACT relating to creative arts therapies.

Amend KRS 309.130 and 309.131 to change the name of the Kentucky Board of Licensure for Professional Art Therapists to the Kentucky Board of Creative Arts Therapies; increase the board membership to six members; require three of the board members to be licensed professional art therapists; require two members of the board to be a registered drama therapist, board-certified dance/movement therapist, or board-certified music therapist; require professional drama therapists, dance/movement therapists, or music therapists to be appointed from lists of names submitted by the corresponding disciplines’ associations.

(Prefiled by the sponsor(s).)

BR461 - Representative James Tipton
(12/9/2019)

AN ACT relating to state employee compensation.

Amend KRS 18A.355 to provide for an annual cost of living adjustment for state employees with the cost of living adjustment being the average of the consumer price index for the two calendar years prior to the biennium and not less than zero; and amend KRS 18A.110 to conform.

(Prefiled by the sponsor(s).)

BR463 - Representative Buddy Wheatley
(11/18/2019)

AN ACT relating to changing beneficiaries after retirement in state-administered retirement systems.

Amend KRS 61.542 to allow a retiree who experiences a qualifying event, including marriage, remarriage, the birth or adoption of a child, or the death of a designated beneficiary, to elect to change his or her beneficiary and optional payment plan provided the election is made within 120 days of the qualifying event on a form prescribed by the Kentucky Retirement Systems and provide that in the case of a divorce, annulment, or dissolution of marriage, the retiree’s estate shall become the beneficiary; amend KRS 61.590, 61.615, and 61.630

to conform; amend KRS 161.630 to expand the qualifying events for which a retiree may elect to change his or her beneficiary and optional payment plan to include a birth or adoption of a child in addition to marriage, remarriage, and the death of a beneficiary, require that the election be made within 120 days of the qualifying event on a form prescribed by the Teachers’ Retirement System, and make technical corrections; amend KRS 161.480 to conform.

(Prefiled by the sponsor(s).)

BR467 - Representative Joe Graviss
(12/12/2019)

Directs the Secretary of Personnel to remove the midpoint pay restrictions for the nursing staff of veterans centers operated by the Office of Kentucky Veterans Centers.

(Prefiled by the sponsor(s).)

BR468 - Representative Jerry Miller
(10/21/2019)

AN ACT relating to vapor products.

Amend KRS 438.305 to define “vapor product enhanced cartridge”; create a new section of KRS 438.305 to 438.340 to require a retailer or manufacturer of a vapor product enhanced cartridge to register and pay a \$700 annual fee; prohibit sales of vapor product enhanced cartridge other than through in-person purchase; prohibit sales to anyone under 18, require age verification through an electronic third-party source.

(Prefiled by the sponsor(s).)

BR474 - Senator Ralph Alvarado
(12/4/2019)

Declare October 5, 2020, to be Ostomy Awareness Day.

(Prefiled by the sponsor(s).)

BR475 - Representative Cherlynn Stevenson
(12/13/2019)

AN ACT relating to surprise billing.

Amend KRS 304.17A-005 to define “balance billing,” “cost sharing,” and other terms; create new sections of Subtitle 17A of KRS Chapter 304 to require the insurance commissioner or a designated nonprofit organization to establish and maintain a database of billed health care services charges collected from insurers; define “unanticipated out-of-network care,” “covered person” and “usual and customary rate”; require an insurer to reimburse for unanticipated out-of-network care at the lower of the billed amount or the usual and customary rate less any cost sharing owed by the covered person; prohibit balance billing from a provider who has been reimbursed as required; allow a provider to bill for

any applicable cost-sharing requirements owed by the covered person; amend KRS18A.225, 304.17A-0954, 304.17A-096, 304.17A-500, 304.17A-580, 304.17A-649, 304.17B-001, 304.17B-015, 304.17B-033, 304.17C-010, 304.18-114, 304.38A-010, and 304.39-241 to conform; repeal KRS 304.17A-640; EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

BR480 - Representative R. Travis Brenda
(11/27/2019)

AN ACT related to animal-drawn vehicles and making an appropriation therefor.

Create a new section of KRS Chapter 189 to prohibit animal-drawn vehicles from being drawn by an animal wearing shoes that will damage the highway; amend KRS 189.990 to establish a penalty of \$25 for the first offense and \$50 for subsequent offenses; forward money from fines to the road fund; allow for prepayment of fine; exempt from court costs; APPROPRIATION.

(Prefiled by the sponsor(s).)

BR482 - Representative Regina Huff
(10/4/2019)

Declare May 2020 to be Ehlers-Danlos Syndrome Awareness Month.

(Prefiled by the sponsor(s).)

BR485 - Representative C. Ed Massey
(11/15/2019)

AN ACT relating to causes of actions for building code violations.

Amend KRS 198B.130 to allow a court award under KRS Chapter 198B or the Uniform Building Code to include attorney's fees if a certificate of occupancy has not been issued.

(Prefiled by the sponsor(s).)

BR486 - Representative Attica Scott
(10/23/2019)

Urge the Kentucky Department of Education to create a task force to consider ways to improve diversity in STEAM education.

(Prefiled by the sponsor(s).)

BR488 - Senator Danny Carroll
(12/9/2019)

AN ACT relating to child-care centers in Kentucky.

Create a new section of KRS 199.896 to 199.8996 to establish operational standards for child-care centers in Kentucky.

(Prefiled by the sponsor(s).)

BR492 - Senator Julie Adams
(11/8/2019)

AN ACT relating to trapping furbearers.

Amend KRS 150.400 to prohibit the use of commercially manufactured, spring-loaded traps for the purposes of taking furbearers.

(Prefiled by the sponsor(s).)

BR494 - Senator Danny Carroll
(11/18/2019)

AN ACT relating to the Workers' Compensation Funding Commission.

Amend KRS 12.020, 336.020, and 342.1243 to remove the Division of Workers' Compensation Funds; amend KRS 342.120 and 342.265 to replace the Division of Workers' Compensation Funds with the Kentucky Workers' Compensation Funding Commission; amend KRS 342.1223 to allow the commission to administer the fund; amend KRS 342.232 to replace the director of the Division of Workers' Compensation Funds and to make reports annual; amend KRS 342.760 to move the uninsured employers' fund to the Kentucky Workers' Compensation Funding Commission; replace the secretary of the Labor Cabinet with the board of directors of the commission; remove the Labor Cabinet from this section; amend KRS 342.765 to replace the secretary with board of directors; replace the reference to the Interim Joint Committee on Labor and Industry with the Interim Joint Committee on Economic Development and Workforce Investment; amend KRS 393.082 to replace the Labor Cabinet with the Kentucky Workers' Compensation Funding Commission; amend KRS 342.0015 to conform.

(Prefiled by the sponsor(s).)

BR499 - Representative Angie Hatton
(11/19/2019)

AN ACT relating to executive branch ethics.

Create a new section of KRS Chapter 11A to require statewide elected officials to file a statement of use of state resources with the Executive Branch Ethics Commission when state resources are used for nonpublic purposes and the value of that use of state resources exceeds \$250; require that the statement of use of state resources be filed within 30 days of an event where state resources were used for nonpublic purposes; require that within ten days of submission of a statement of use of state resources, the Executive Branch Ethics Commission shall determine whether the submission complies with legal requirements; require statement of use of state resources to be filed on a form prescribed by the Executive Branch Ethics Commission; require statements of use of state resources to include the name, title, and business address of the statewide elected official using state resources for nonpublic purposes and a detailed description of the events

under which the use of state resources for nonpublic purposes took place; amend KRS 11A.010 to define "nonpublic purpose" and "state resources"; amend KRS 11A.990 to require the withholding of the salary of any statewide elected official who does not comply with legal requirements related to the filing of a statement of use of state resources.

(Prefiled by the sponsor(s).)

BR801 - Representative Derrick Graham
(11/19/2019)

AN ACT relating to campaign finance.

Amend KRS 118.125 to require a candidate for constitutional statewide office who files a notification and declaration for elective office, including slates of candidates for Governor and Lieutenant Governor, to submit a copy of his or her previous five years of federal income tax returns with the Registry of Election Finance; provide for written consent for public disclosure of the federal income tax returns; require that the federal income tax returns shall be made available on the registry's Web site when appropriate redaction of personal information occurs and not later than seven days after submission to the registry; require fines to be levied against a constitutional candidate or slate of candidates if the filing of federal tax returns does not timely occur; require the registry to retain the submitted tax returns for a time certain; and permit the registry to promulgate administrative regulations under KRS Chapter 13A to implement and enforce; amend KRS 118.367 to require an independent, political organization, or group candidate for constitutional statewide office who files a statement-of-candidacy form for elective office, including slates of candidates for Governor and Lieutenant Governor, to submit a copy of his or her previous five years of federal income tax returns with the registry; provide for written consent for public disclosure of the federal income tax returns; require that the federal income tax returns shall be made available on the registry's Web site when appropriate redaction of personal information occurs and not later than seven days after submission to the registry; require fines to be levied against a constitutional candidate or slate of candidates if the filing of federal tax returns does not timely occur; require the registry to retain the submitted tax returns for a time certain; and permit the registry to promulgate administrative regulations under KRS Chapter 13A to implement and enforce.

(Prefiled by the sponsor(s).)

BR803 - Representative Joni Jenkins
(11/19/2019)

AN ACT relating to campaign finance.

Amend KRS 121.150 to require that all personal loans made by candidates for all constitutional state officers, including the Governor and Lieutenant Governor, to their campaigns be

repaid by their campaign committees within one year if the candidates are elected beginning with the regular election in November 2019; amend KRS 121.180 to provide for filing a report verifying repayment of personal loans to candidates for all constitutional state officers, including Governor and Lieutenant Governor, by December 31 in the year following their election; amend KRS 23A.070 to conform.

(Prefiled by the sponsor(s).)

BR808 - Representative Thomas Huff, Representative Kevin Bratcher, Representative Jason Nemes, Representative Russell Webber
(10/10/2019)

Direct the Energy and Environment Cabinet and the Louisville Metro Air Pollution Control District to determine the environmental benefits, related costs, and potential alternatives to the federal reformulated gasoline requirements currently imposed in Jefferson County and partial areas in Bullitt and Oldham Counties.

(Prefiled by the sponsor(s).)

BR813 - Representative Rob Wiederstein
(12/9/2019)

A CONCURRENT RESOLUTION to create a task force on neonatal intensive care units.

Create the Using the Neonatal Intensive Care Unit Wisely Task Force to study and make recommendations related to the utilization, effectiveness, and cost of Kentucky's Neonatal Intensive Care Units; outline task force membership; require the task force to meet at least three times during the 2020 interim and to submit findings and recommendations to the Legislative Research Commission by December 1, 2020.

(Prefiled by the sponsor(s).)

BR817 - Representative Regina Huff, Representative Deanna Frazier
(11/5/2019)

AN ACT relating to high school graduation requirements.

Create a new section of KRS Chapter 158 to require completion of the Free Application for Federal Student Aid form as a high school graduation requirement; provide waiver options for meeting the requirement; require local boards of education to develop policies and procedures to assist students in completing the requirement.

(Prefiled by the sponsor(s).)

BR819 - Representative Rob Wiederstein
(10/29/2019)

AN ACT relating to patient safety by requiring Kentucky hospitals to annually survey

employees regarding patient safety culture and practices with the results to be publicly reported on a Web site maintained by the Cabinet for Health and Family Services.

Create a new section of KRS 216.2920 to 216.2929 to require all hospitals to annually survey employees on patient safety culture; require the Cabinet for Health and Family Services to design, collect, analyze, and publish survey data; list requirements for the survey design; list requirements for the survey content; require the survey design to be completed by October 30, 2020, and the survey results to be made available by June 30 each year beginning with June 30, 2021, on the cabinet's Web site and reported to the Interim Joint Committee on Health, Welfare, and Family Services; permit the cabinet to promulgate administrative regulations to implement the survey requirements.

(Prefiled by the sponsor(s).)

BR827 - Representative Derek Lewis
(11/12/2019)

AN ACT establishing a tax credit for employers that make payments on refinanced loans issued by the Kentucky Higher Education Student Loan Corporation to employees.

Create a new section of KRS Chapter 141 to allow an income tax credit for certain employers that make payments on refinanced loans issued by the Kentucky Higher Education Student Loan Corporation to certain employees; amend KRS 141.0205 to order the new tax credit; amend KRS 131.190 to require reporting by the Department of Revenue to the Legislative Research Commission.

(Prefiled by the sponsor(s).)

BR832 - Representative James Tipton
(11/12/2019)

AN ACT relating to the Kentucky tuition grant program.

Amend KRS 164.785 to delete the requirement that postsecondary institutions participating in the Kentucky Tuition Grant be accredited by the Southern Association of Colleges and Schools or be reviewed and approved by the Council on Postsecondary Education based on the same criteria; amend KRS 164.740 to update the definition of regional accrediting association.

(Prefiled by the sponsor(s).)

BR833 - Representative Nima Kulkarni
(11/19/2019)

AN ACT relating to required Medicaid coverage of services.

Amend KRS 205.560 to require that dental and optometric services provided to eligible recipients ages 21 and over be the same as those provided to eligible children ages 21 and

under; establish minimum requirements for dental services provided to all age groups; require coverage of nonemergency medically necessary transportation for eligible recipients.

(Prefiled by the sponsor(s).)

BR835 - Representative Nima Kulkarni
(10/30/2019)

AN ACT relating to firearms possession.

Amend KRS 527.010 to define "domestic abuse offense," "domestic violence protective order," and "physical force"; create a new section of KRS Chapter 527 to create the crimes of possession of a firearm by a convicted domestic abuser and possession of a firearm by the subject of a domestic violence protective order; create a new section of KRS Chapter 527 to require the surrender of firearms by people subject to protective orders or convicted of specified crimes; amend KRS 403.740 and 456.060 to require courts to inform the subject of a domestic violence order or an interpersonal protective order of the firearm possession prohibition.

(Prefiled by the sponsor(s).)

BR843 - Representative McKenzie Cantrell
(12/12/2019)

AN ACT relating to uninsured motorist coverage.

Amend KRS 304.20-020 to add property damage in limits set forth in KRS 304.39-110 as part of the minimum coverage required under the section for insureds who are legally entitled to recover damages from owners or operators of uninsured motor vehicles; make technical amendments; EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

BR844 - Representative Bobby McCool
(11/1/2019)

AN ACT relating to birth certificates for stillborn children.

Amend KRS 213.096 to permit either parent to file an application for a certificate of birth resulting in stillbirth for any fetal death reported; require the state registrar to issue a certificate of birth resulting in stillbirth upon completion of an application; require the certificate of birth resulting in stillbirth to clearly indicate that it is not proof of a live birth and that it does not replace the requirement to file a report of fetal death; require that the certificate of birth resulting in stillbirth not be a proof of a live birth for tax purposes.

(Prefiled by the sponsor(s).)

BR853 - Representative Maria Sorolis
(10/31/2019)

AN ACT relating to elections.

Amend KRS 116.025 to provide that a voter shall be a resident of the state and precinct on or before the day of an election; amend KRS 116.045 to provide that a person who has not registered to vote prior to the time that the registration books are closed, and who possesses all other qualifications for voter registration, may register at the person's precinct of residence on the day of the election, shall not be permitted to change party affiliation, and shall be permitted to vote in that election; provide for confirmation of identity and affidavit; amend KRS 116.0452 to provide for time of receipt of precinct voter registration; provide that county clerk shall provide the State Board of Elections with a report of the number of voters registering to vote at the precincts on election day; amend KRS 117.225 to provide that if the person is not listed on the precinct roster, that the person be given the opportunity to register and vote at the precinct on the day of an election; amend KRS 117.365 to provide that applications for voter registration at the precinct shall be presented to the grand jury and retained by the county clerk.

(Prefiled by the sponsor(s).)

BR854 - Representative Maria Sorolis
(10/31/2019)

AN ACT relating to voter registration.

Amend KRS 116.0455 to provide that each application for a motor vehicle driver's license shall be a simultaneous application for voter registration unless declined by the applicant; amend KRS 116.048 to provide that each application filed through a designated voter registration agency shall be a simultaneous application for voter registration unless declined by the applicant.

(Prefiled by the sponsor(s).)

BR856 - Representative McKenzie Cantrell
(12/12/2019)

AN ACT relating to preserving families that include a parent who is blind.

Create new sections of KRS Chapter 405 relating to parents or prospective parents with blindness; define terms; establish rights of parents or prospective parents with blindness.

(Prefiled by the sponsor(s).)

BR859 - Senator Gerald Neal
(11/6/2019)

AN ACT proposing an amendment to Section 145 of the Constitution of Kentucky relating to persons entitled to vote.

Propose to amend Section 145

of the Constitution of Kentucky to allow persons convicted of a felony, other than felonies designated by the General Assembly, the right to vote; submit to the voters for ratification or rejection.

(Prefiled by the sponsor(s).)

BR865 - Representative Steve Sheldon
(12/5/2019)

AN ACT relating to physician assistants.

Amend KRS 311.842 to require the Kentucky Board of Medical Licensure to promulgate administrative regulations relating the prescribing of controlled substances by physician assistants; amend KRS 311.844 to establish continuing education requirements for physician assistants who are authorized to prescribe controlled substances; amend KRS 311.850 to permit the board to take action against the license of a physician's assistant for certain sexual offenses, for being unable to practice medicine due to physical or mental illness, or for engaging in dishonorable, unethical, or unprofessional conduct; amend KRS 311.854 to permit the executive director of the board to temporarily approve an application for licensure and to require the board to review and approve or deny the application; 311.856 to conform; amend 311.858 to establish the process by which a physician assistant can apply for authorization to prescribe and administer controlled substances and to establish limitations on prescriptions for controlled substances issued by a physician assistant; create a new section of KRS 311.840 to 311.862 to permit a hearing or inquiry panel to order a physician assistant to undergo a physical or mental examination; create a new section of KRS 311.840 to 311.862 to permit a hearing or inquiry panel to order a physician assistant to complete a clinical competency examination or clinical skills assessment; amend KRS 311.616 to expand the impaired physicians program to include physician assistants; amend KRS 311.617 to expand the Kentucky Physicians Health Foundation to include physician assistants; amend KRS 311.619 to provide confidentiality to physician assistants participating in the impaired physician and physician assistants program; and amend KRS 218A.010 to amend the definition of practitioner.

(Prefiled by the sponsor(s).)

BR873 - Representative Russell Webber
(12/9/2019)

AN ACT proposing an amendment to Section 70 of the Constitution of Kentucky relating to the election of Governor and Lieutenant Governor.

Propose to amend Section 70 of the Kentucky Constitution to require a Governor to name his or her Lieutenant Governor within 30 days of receiving the nomination for Governor.

(Prefiled by the sponsor(s).)

BR885 - Senator Tom Buford
(12/9/2019)

Direct the Cabinet for Health and Family Services to create a task force to study prescription drug transparency and affordability.

(Prefiled by the sponsor(s).)

BR886 - Representative Danny Bentley
(11/20/2019)

Proclaim April 26, 2020, to be Diabetic Ketoacidosis Awareness Day.

(Prefiled by the sponsor(s).)

BR897 - Senator Tom Buford
(11/19/2019)

AN ACT relating to local option elections.

Amend KRS 242.020 to allow a countywide wet or dry local option election based on a petition signed by at least 500 qualified voters in a county with a population of less than 100,000 residents; exempt cities or moist territories within the county from the effect of the election.

(Prefiled by the sponsor(s).)

BR898 - Representative Steve Riley
(11/18/2019)

AN ACT relating to the Asset Resolution Corporation.

Amend KRS 164A.055 to redefine "board"; establish the Asset Resolution Corporation as an independent de jure municipal corporation and political subdivision; authorize the retention and compensation of employees; empower the corporation to serve and support schools or students concerning student finances, postsecondary education, and workforce development.

(Prefiled by the sponsor(s).)

BR901 - Representative Nima Kulkarni
(12/5/2019)

AN ACT relating to legal actions concerning the exercise of a person's constitutional rights.

Create new sections of KRS Chapter 454 to provide definitions and establish procedures for dismissing legal actions filed in response to a party's exercise of free speech, right to petition, or right to association; allow for an immediate appeal as a matter of right; allow for costs to be awarded to petitioning party if dismissal is granted; allow for costs to be awarded to responding party if the motion was found to be frivolous or filed solely for the purpose of unnecessary delay; provide that this Act may be cited as the Kentucky Public Participation Act.

(Prefiled by the sponsor(s).)

BR903 - Representative Cluster Howard
(12/11/2019)

AN ACT proposing an amendment to Section 32 of the Constitution of Kentucky relating to terms of members of the General Assembly.

Propose to amend Section 32 of the Constitution of Kentucky to prevent Senators from serving more than four terms of office, not including partial terms of two years or less, and to prevent members of the House of Representatives from serving more than six terms of office, not including partial terms of two years or less, beginning with those elected in November 2022; provide ballot language; submit to voters for ratification or rejection.

(Prefiled by the sponsor(s).)

BR906 - Senator Ralph Alvarado
(12/4/2019)

AN ACT proposing an amendment to Section 54 of the Constitution of Kentucky.

Propose an amendment to Section 54 of the Constitution of Kentucky to allow the General Assembly the power to limit noneconomic damages for injuries resulting in death or for injuries to persons or property, and the power to provide statutes of limitation; provide for submission to the voters.

(Prefiled by the sponsor(s).)

BR907 - Senator Ralph Alvarado
(12/11/2019)

AN ACT relating to special purpose governmental entities.

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.

(Prefiled by the sponsor(s).)

BR909 - Senator Ralph Alvarado
(12/4/2019)

AN ACT relating to the Solemn Covenant of the States to Award Prizes for Curing Diseases Interstate Compact.

Create a new section of KRS Chapter 214 to enact and enter into the Solemn Covenant of the States to Award Prizes for Curing Diseases Interstate Compact with all other jurisdictions that legally join in the compact; declare the purpose of the compact; define terms; establish the Solemn Covenant of States Commission and set

forth the functions of the commission.
(Prefiled by the sponsor(s).)

BR910 - Senator Ralph Alvarado
(12/12/2019)

AN ACT relating to sheltered employment.
Amend KRS 337.010 to redefine “employee” to include workers in sheltered workshops whose employment begins on or after January 1, 2024; amend KRS 337.295 to require new administrative regulations concerning sheltered workshops and sheltered workshop employment; amend KRS 205.5605 to exclude referrals to sheltered employment from the definition of “covered services and supports” as of January 1, 2024.

(Prefiled by the sponsor(s).)

BR917 - Senator Alice Kerr
(11/19/2019)

AN ACT relating to coverage for medically necessary fertility preservation services.

Create a new section of Subtitle 17A of KRS Chapter 304 to establish that any health benefit plan issued or renewed in the Commonwealth that provides coverage for hospital, medical, or surgical expenses, shall include coverage for standard fertility preservation services when a necessary medical treatment may directly or indirectly cause iatrogenic infertility to an insured; establish language to specify that fertility preservation coverage is not required to be provided or included in any employer-sponsored health benefit plan offered by an employer to its employees if the employer is a religious organization; EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

BR925 - Representative Buddy Wheatley
(12/11/2019)

AN ACT relating to flavored vapor products.
Amend KRS 438.305 to include definitions for “flavored vapor product” and “characterizing flavor”; create a new section of KRS 438.305 to 438.340 to ban the sale, purchase, and distribution of flavored vapor products in the Commonwealth including online transactions; establish the fines for violations.

(Prefiled by the sponsor(s).)

BR931 - Representative Thomas Huff
(12/11/2019)

AN ACT relating to the sponsorship of Transportation Cabinet facilities and vehicles and making an appropriation therefor.

Create a new section of KRS Chapter 174 to direct the Transportation Cabinet to implement a commercial sponsorship program for

facilities and vehicles and allocate the profits of the program to the maintenance account within the road fund.

(Prefiled by the sponsor(s).)

BR936 - Representative Susan Westrom, Representative Terri Branham Clark
(12/5/2019)

AN ACT relating to the certification of sober living homes and declaring an emergency.

Create a new section of KRS Chapter 210 to define “sober living homes”; require the Cabinet for Health and Family Services to provide access to a certification program for sober living homes; require the cabinet to develop and make available on its Web site a directory of certified sober living homes; permit the cabinet to promulgate administrative regulations; require the cabinet to report on progress by December 1, 2020; EMERGENCY.

(Prefiled by the sponsor(s).)

BR947 - Senator Brandon Smith
(12/11/2019)

AN ACT relating to blockchain technology.
Create a new section of KRS Chapter 42 to create a six-member Blockchain Technology Working Group; attach the working group to the Commonwealth Office of Technology; require the working group to examine the applicability of blockchain technology for various utility sectors and report to the Governor and the LRC by December 1 of each year.

(Prefiled by the sponsor(s).)

BR957 - Senator Ralph Alvarado
(12/4/2019)

Adjourn in honor and loving memory of Dr. Robert Couch.

(Prefiled by the sponsor(s).)

BR965 - Representative Chris Freeland
(12/13/2019)

AN ACT relating to public records and declaring an emergency.

Amend KRS 61.878 to exclude from the Open Records Act gruesome photographs or videos of persons prepared, owned, used, possessed, or retained by public agencies.

(Prefiled by the sponsor(s).)

BR967 - Senator Ralph Alvarado
(12/12/2019)

AN ACT relating to the sale of tobacco, alternative nicotine, and vapor products.

Amend KRS 438.305 to change the

definition of “proof of age”; amend KRS 438.310 to prohibit the sale of tobacco, alternative nicotine, or vapor products to persons under the age of 21; amend KRS 438.311 to make it unlawful for persons under 21 to buy tobacco, alternative nicotine, or vapor products; establish a fine of not less than \$50 nor more than \$500 for a person over the age of 18 who violates the age restrictions for purchasing or receiving tobacco, alternative nicotine, or vapor products; remove status offense designation for violations by persons under 18; remove jurisdiction of the juvenile section of the District Court for violations by persons under 18; remove references to arrest and court appearances by persons under 18; amend KRS 438.313 to prohibit the wholesale, retail, or manufacturer distribution of tobacco or vapor products to persons under 21; remove references to arrest and court appearances for persons under 18; amend KRS 438.315 to raise the minimum age for vending machine sales of tobacco, alternative nicotine, or vapor products to 21; remove references to arrest and court appearances for persons under 18; amend KRS 438.325 to establish 21 as the age limit regarding tobacco, alternative nicotine, or vapor product retail notifications; amend KRS 438.330 to set tobacco, alternative nicotine, and vapor product enforcement standards so that they relate to persons under the age of 21; amend KRS 438.350 regarding possession of tobacco, alternative nicotine, or vapor products by a person under age 21; amend KRS 600.020 to remove tobacco offenses from the definition of “status offense action”; amend 610.010 to remove tobacco related offenses as provided in KRS 438.305 to 438.340 from the jurisdiction of the juvenile section of the District Court; amend 630.020 to remove tobacco related offenses as provided in KRS 438.305 to 438.340 from the jurisdiction of the juvenile section of the District Court; amend 630.120 to remove the reference to child tobacco offenses under KRS 438.305 to 438.340; EFFECTIVE January 1, 2021.

(Prefiled by the sponsor(s).)

BR976 - Representative Chris Freeland
(12/9/2019)

AN ACT relating to Kentucky Educational Excellence Scholarships.

Amend KRS 164.7879 to allow a student who attends an out of state high school or Department of Defense school due to a parent’s military transfer to earn a KEES award.

(Prefiled by the sponsor(s).)

BR983 - Representative Cherlynn Stevenson
(12/13/2019)

AN ACT relating to health care insurance waiting periods.

Create a new section of Chapter 337 to eliminate health insurance waiting periods for new employees; amend KRS 337.900 to add a

penalty for failure to provide insurance to employee from first day of employment.

(Prefiled by the sponsor(s).)

BR996 - Representative C. Ed Massey
(12/12/2019)

AN ACT relating to felony mediation.

Create a new section of KRS Chapter 421 to allow victims of felonies to request felony mediation; require the Chief Justice to maintain a list of felony mediators.

(Prefiled by the sponsor(s).)

BR997 - Representative C. Ed Massey
(12/11/2019)

AN ACT relating to theft.

Amend KRS 514.030 to raise the threshold level of property value for a Class D felony for theft by unlawful taking or disposition from \$500 to \$1,500.

(Prefiled by the sponsor(s).)

BR999 - Representative Mary Lou Marzian
(12/5/2019)

AN ACT relating to plastic waste.

Amend KRS 224.50-545 to establish definitions; prohibit the intentional release of more than 25 plastic balloons; establish a ban on plastic, single-use carryout bags by July 1, 2025; establish a ban the provision of single-use plastic straws and Styrofoam food and beverage containers by retail food and beverage establishments by July 1, 2023; establish civil penalty of \$100 per day for violation of bans.

(Prefiled by the sponsor(s).)

BR1001 - Representative C. Ed Massey
(12/11/2019)

AN ACT relating to powers of appointment.

Establish KRS Chapter 390 and create new sections thereof to define various terms; specify the governing law over a power of appointment; state that common law supplements this chapter; outline the creation of a power of appointment; prohibit the transfer of a power of appointment; specify general presumptions upon a power of appointment’s creation; make an exception to the general presumption about a power of appointment; define “adverse party”; allow a donor to revoke or amend a power of appointment in certain instances; state when a power of appointment may be exercised; provide that a residuary clause manifests a powerholder’s intent to exercise a power of appointment; state that a blanket-exercise clause extends to a power acquired by the powerholder after executing the instrument containing the clause; require substantial compliance with a formal

requirement of appointment; outline permissible appointments; provide that appointment to a deceased appointee is ineffective and appointment to an impermissible appointee is ineffective; require a powerholder’s intent to be carried out in cases of selective allocation; establish the procedure for disposition of property ineffectively appointed; provide for the disposition of unappointed property under released or unexercised general power; provide for the disposition of unappointed property under released or unexercised nongeneral power; provide for the disposition of unappointed property if partial appointment is to the taker in default; provide for the disposition of property appointed to the taker in default; allow a powerholder to revoke or amend an exercise; allow a powerholder to disclaim a power of appointment or contract to appoint or not appoint any property subject to the power; allow a powerholder to release a power of appointment; state the method in which a powerholder may release a power of appointment; allow a powerholder to revoke or amend a release of power; allow a powerholder of a presently exercisable power of appointment and a not presently exercisable power of appointment to contract; establish a remedy for a powerholder’s breach of a contract to appoint or not to appoint appointive property; outline the rights of a powerholder’s creditors in appointive property; state when appointive property is subject to a claim when the power is general; state when appointive property is subject to a claim when the power is nongeneral; require uniformity of interpretation and application with regard to other states that have enacted this Act; specify how the enactment of this Act affects existing powers of appointment; provide that KRS Chapter 390 may be known as the Kentucky Uniform Powers of Appointment Act; amend KRS 381.225 to provide that a new perpetuities period may be started when a power of appointment is exercised, if the person exercising the power so provides; amend KRS 381.226 to exclude any interest in property created by the exercise of a special power of appointment granted by an instrument that was irrevocable on September 25, 1985, from being construed as requiring the interests to vest within the period specified in KRS 381.224, 381.225, and 381.226; repeal KRS 386.095, 394.060, and 394.070, which relate to exercise and release of powers.

(Prefiled by the sponsor(s).)

BR1002 - Representative C. Ed Massey
(12/11/2019)

AN ACT relating to property and trusts.

Create new sections of KRS Chapter 386 to establish the Kentucky Community Property Trust Act; set requirements for creation of community property trusts by spouses; amend KRS 141.019, relating to individual income tax, to provide that adjusted gross income does not include a change in the cost basis of the surviving spouse’s share of

property owned by a Kentucky community property trust occurring for federal income tax purposes; amend KRS 386.175 to provide that a second trust may be created from an original trust whose terms have been modified; create a new section of KRS Chapter 396 to provide that creditor claims are barred if not presented within 6 months after the appointment of a personal representative or if not presented within 60 days of a personal representative giving actual notice to the creditor; amend KRS 396.011 to require creditor claims to be brought within the earlier of 8 months after the decedent's death or the established time periods.

(Prefiled by the sponsor(s).)

BR1003 - Representative C. Ed Massey
(12/11/2019)

AN ACT relating to Uniform Fiduciary Access to Digital Assets Act.

Establish KRS Chapter 395A and create new sections thereof to enact the Revised Uniform Fiduciary Access to Digital Assets Act to establish a framework for the management and disposition of digital assets upon death or incapacitation; define terms; set forth the applicability of the chapter to fiduciaries, personal representatives, conservators, and trustees, and provide that the chapter does not apply to a digital asset of an employer that is used by an employee in the ordinary course of business; prioritize user directions regarding disclosure over certain terms-of-service agreements; provide that the Act does not impair custodian and user access to records under terms-of-service agreements; establish procedures for disclosing digital assets; enumerate documentation required for a personal representative to gain access to content of electronic communications; enumerate documentation required to access digital assets other than the content of a decedent's electronic communications; enumerate documentation required for a person with power of attorney to gain access to the content of electronic communications of principal; enumerate documentation required to access digital assets other than the content of a principal's electronic communications; authorize disclosure to trustees who are original users of a trust's digital assets; enumerate documentation required for content disclosure to a trustee; enumerate documentation required for disclosure of a trust's digital assets other than content; enumerate documentation required for a conservator to gain access to a protected person's digital assets; apply fiduciary duties and authority to digital assets; provide compliance guidelines for the custodians of digital records; require that the chapter be applied to promote uniformity among the states; establish conformity with federal requirements related to electronic signatures and records; provide that the chapter may be cited as the Revised Uniform Fiduciary Access to Digital Assets Act (2015).

(Prefiled by the sponsor(s).)

BR1008 - Representative Al Gentry
(12/13/2019)

AN ACT proposing an amendment to Section 226 of the Constitution of Kentucky relating to casino gaming.

Propose to amend Section 226 of the Constitution of Kentucky to authorize the General Assembly to define, permit, and regulate casino gaming; require that proceeds be used to pay for oversight of casino gaming; mandate that 100 percent of proceeds in excess of oversight costs go to specified retirement systems prior to July 1, 2040; allow the General Assembly to allocate all proceeds in excess of oversight costs after July 1, 2040; submit to voters.

(Prefiled by the sponsor(s).)

BR1010 - Representative Rob Wiederstein
(12/5/2019)

Urge the United States Congress to enact the Lower Health Care Costs Act.

(Prefiled by the sponsor(s).)

BR1011 - Representative Danny Bentley
(12/11/2019)

Urge federal policymakers to expedite research regarding the safety and efficacy of the use of marijuana for medical purposes.

(Prefiled by the sponsor(s).)

BR1020 - Representative David Hale
(12/5/2019)

AN ACT relating to student privacy and declaring a emergency.

Create new sections of KRS Chapter 158 to ensure that student privacy exists in school restrooms, locker rooms, and showers; require students born male to use only those facilities designated to be used by males and students born female to use only those facilities designated to be used by females; require schools to provide the best available accommodation to students who assert that their gender is different from their biological sex; identify consequences for using facilities designated for the opposite biological sex; identify the Act as the Kentucky Student Privacy Act; EMERGENCY.

(Prefiled by the sponsor(s).)

BR1024 - Representative Kathy Hinkle
(12/12/2019)

AN ACT relating to nonteaching time for teachers.

Amend KRS 158.060 to require teachers to be provided a minimum of 120 minutes per week for nonteaching activities; specify types

of teacher-directed activities to be completed during nonteaching time.

(Prefiled by the sponsor(s).)

BR1025 - Representative Kathy Hinkle
(12/12/2019)

AN ACT relating to boards of education.

Amend KRS 160.280 to require local school board members to be offered health insurance at the same rates offered to district employees.

(Prefiled by the sponsor(s).)

BR1038 - Representative Myron Dossett
(12/9/2019)

AN ACT relating to school building projects.

Amend KRS 162.070 to increase the minimum amount for advertising and bidding school building projects from \$7,500 to \$30,000.

(Prefiled by the sponsor(s).)

BR1042 - Representative David Meade
(12/12/2019)

AN ACT relating to involuntary termination of parental rights.

Amend KRS 625.060 and 625.070 to specify the rights of a foster parent related to involuntary termination of parental rights cases.

(Prefiled by the sponsor(s).)

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Community Property Trust Act, creation of - BR1002
Exemption for centenarians - BR246

Human organ donation, income tax deduction established - BR179

KBI program, minimum weekly wage, requiring - BR325

Military pensions, income tax deduction for - BR251;
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