

KACo Summary Report for the 2016 Regular Session

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The 60-day 2016 Regular Session gaveled to an end moments before midnight on Friday, April 15th, culminating a week of anxious negotiations over a budget that will govern the Commonwealth for the next two years. Most legislation that does not contain emergency clauses or different specified effective dates will go into effect in mid-July.

Legislative advocacy is truly a team sport. It takes a dedicated group to pass priority bills and stop those harmful to counties. We owe our gratitude to the efforts of the following:

- **To our KACo members.** Your one-on-one meetings with legislators, your emails, phone calls, and social media outreach all contributed to our successes. You are the most effective advocate for counties. The significance of your engagement cannot be overstated. THANK YOU.
- **To the KACo Legislative Committee.** Your attendance and participation in discussing and voting on legislation at our weekly meetings in Frankfort is essential to prioritizing county concerns. Thank you for your time away from your full-time job. We especially appreciate those who traveled from outside of Frankfort every Monday to attend and represent their fellow elected officials.
- Specific thanks to the affiliate representatives who attended weekly meetings:
Circuit Clerks: Hon. David Nicholson, Jefferson Co., Hon. Colby Slusher, Bell Co; Hon. Vince Riggs, Fayette Co.
Commonwealths Attorneys: Hon. Rob Sanders, Kenton County; Hon. Chris Cohron, Warren Co.; Hon. Jackie Steele, Laurel Co.
Coroners: Hon. John Goble, Scott Co.
County Attorneys: Hon. Marc Robbins, Madison Co.; Bill Patrick, Executive Director
County Clerks: Hon. Jeff Hancock, Franklin Co.; Bill May, Executive Director
County Judges: Hon. Tommy Turner, LaRue Co. ; Vince Lang, Executive Director
Jailers: Hon. Mike Simpson, Oldham Co.; Renee Craddock, Executive Director
Magistrates & Commissioners: Hon. Elbert Bennett, Caldwell Co; Hon. Hubert Pollett, Shelby Co.; JC Young, Executive Director; Richard Tanner, Coal & Mineral Co Coalition and KMCA
PVAs: Mack Bushart, Executive Director
Sheriffs: Jerry Wagner, Executive Director
- A special thanks to our chairman, KACo President and Simpson County Judge/Executive Jim Henderson, who traveled 300+ miles roundtrip weekly to Frankfort, often more than once a week, to preside over the committee and represent county government in meetings where his attendance was requested. This also included multiple “opportunities” to testify before the General Assembly on our behalf. President Henderson was always professional and concise in his remarks, and exemplified the first two rules of testifying: keep it short and know when to stop!

Thanks to Sara Massey from Louisville Metro government, Darrell Link of KCADD, and Steve Bing with the Kentucky Public Health Association for adding critical insights to our session.

- **To the KACo staff**, who work behind the scenes to help support our efforts with data, contacts and assistance in reviewing bills. A very grateful note to Legislative Assistant Vicki Pettus, who retired today. Her diligence, patience, and tenacity were essential to our accomplishments in the five sessions during her time here. We wish her all the best as she awaits the birth of her first grandson.
- **To the KACo lobbyists** – Ellen Williams, Sam Crawford and James Higdon – who worked the Capital hallways and advocated for counties throughout the Session. Their contacts and work ethic kept our message front and center.

Below is a listing of notable bills filed this past session. Click www.kaco.org to access the KACo website under ‘Legislative Services’, where you will find a complete listing of bills tracked during this session.

SAMPLING OF BILLS BECOMING LAW

Budget. House Bill 303 lays out \$21 billion worth of state spending over the next two fiscal years. The two-year state budget plan is aimed at creating savings in many areas and using more revenue to shore up public pension systems.

- The budget invests \$1.28 billion into the state pension systems to pay down on the unfunded actuarial liability of KERS non-hazardous and the KY Teachers Retirement System.
- There are no cuts to K-12 education but it does include the governor’s plan to cut most state agency funding by nine percent over the biennium.
- State spending will decrease by 4.5% for most public colleges and universities but the budget itself does not address current-fiscal year cuts, as the legislature typically avoids legislation on issues in litigation, and Attorney General Beshear filed suit against the Governor to stop his 4.5% FY16 budget reduction of public universities.
- It funds \$25M for the Work Ready scholarships for students enrolled in their first 2 years of an accredited post-secondary institution who carry 15 credit hours and maintain a GPA of 2.5 or higher.
- It provides more operational cash for coal counties and requires agreement among the legislators and local elected officials on economic development projects.

Governor Bevin issued seven veto messages late this past Wednesday afternoon, and those are attached for your review. Four of the bills survived in part by receiving only line-item mark-ups:

- HB 303 (State budget),
- HB 304 (Transportation Cabinet budget),
- HB 10 (higher ed scholarship programs),
- HB 129 (2-yr Highway construction plan).

Those bills vetoed in their entirety included HB 150 (incentives for employment in acquisitions), HB 245 (REAL ID), and HB 626 (delineating the path forward for implementation of both “Work Ready KY” scholarships and performance-based funding for most state universities.)

E-911 Fee Parity. After four years of effort, a good first step toward smarter 911 funding successfully passed. We owe our gratitude to stalwart Rep. Martha Jane King, who has been in the trenches with us from the beginning. HB 585 raises the amount of 911 fees on pre-paid cell phones in order to generate an equitable monthly collection of 70-cents per phone, as currently paid by post-paid phones, or “contract” cell phones. This bill offers *some* relief to fiscal courts that have been subsidizing the shortfall from their

general funds. We are estimating less than \$10M annually statewide. This bill does not address funding for Next Generation 911. In the past, our funding mechanism (raising the 70-cent state wireless fee), needed to subsidize local funding for NG911 implementation, has been rejected by the legislature. We will continue to work with legislators on that front.

In addition, HB 585 also renames the CMRS Board to the Kentucky 911 Services Board, to more accurately reflect the technology of today. It adds two county representatives where previously there were none. It also delineates the authorized expenditures of those grant monies for greater transparency, and encourages practical PSAP consolidation by doubling grant funding for PSAP merger.

Misdemeanant sentencing credits-HB 132. In addition to existing law allowing credit for every 8 hours of work, three more categories will be added that can reduce the sentence for a misdemeanor violation and save counties money:

- a. For labor performed outside the jail in a community service program or in the jail for maintenance or operation of jail services (i.e. food service), one sentence credit is earned and for every 5 sentence credits earned, one day of the sentence shall be deducted;
- b. For successfully receiving a GED or high school diploma, a service credit of 30 days shall be earned;
- c. For good behavior an amount not to exceed five days shall be earned for each month service, to be determined by the jailer or chief executive of the jail for the conduct of the inmate.

Pension oversight. House Bill 271 requires all state-administered retirement systems to report specific information on their members or members' beneficiaries to the state Public Pension Oversight Board each fiscal year. The information is to be used by the board to plan for future expenses and recommend changes to keep the retirement systems solvent.

Permanent Fund for KERS, KTRS pensions. House Bill 238 creates the \$125M "permanent fund" for public pensions funded in the Executive Branch budget bill, or HB 303. It also sets out specific requirements for public pension system reporting, including the requirement that an actuarial audit be performed on the state-administered retirement systems once every five years.

Public private partnerships. House Bill 309, which allows government and private entities to enter into public-private partnerships – known as P3s – to fund Kentucky's major infrastructure needs. The new law provides a framework for P3s as an alternative financing method for major public projects at the state and local level, including transportation projects. (The bill excludes P3s on bridges leading to Ohio – specifically referring to the Brent Spence Bridge in response to many legislators' opposition to tolls on that bridge.)

Office of Coroner records, training. HB 434 requires all outgoing coroners to turn over all records to the fiscal court clerk within ten days of either the end of their term, or the date of removal or vacancy. It also strengthens the current training required of deputy coroners.

Marriage licenses. SB 216 retains one form for application, and those applying for the license designate "bride," "groom," or "spouse". It still requires a signature from the office of county clerk to verify the certificate was recorded in the county in which it was filed, but that can be the clerk's or a deputy clerk's signature.

PVA clarification. SB 64 clarifies the definitions of "reasonable fee" and "personnel time" as it applies to this office.

Mineral severance. HB 52 caps the amount of a mineral severance county's LGEAF distribution that can be withheld when a refund is due. Currently the full quarterly payment can be withheld in order to satisfy a refund due. The new law allows only 50% of payment due to a county and its cities to be applied to the refund.

Local government. House Bill 189 makes it easier for local entities – like cities, police and fire departments – to share services. HB 189 sets procedures for amending interlocal agreements without the lengthy process of having to seek approval from the state Attorney General or the Department for Local Government.

Election regulations. Senate Bill 169 changed several election-centered statutes. Among them, it directed county clerks to redact voters' Social Security numbers before allowing the public to review voter rolls, and loosened restrictions on electioneering from 300 feet to 11 feet around polling sites. The law also expanded means of voter identification to include any county, state or federally issued ID.

Off-duty conceal and carry. House Bill 314 allows current and retired peace officers to carry concealed firearms at any location where current, on-duty officers can carry guns.

Booking photos. Under House Bill 132, websites or publications that use jail booking photographs for profit could face stiff court-ordered damages. The new law makes it illegal to post booking photos to a website or include them in a publication, then require payment to remove them from public view. Damages start at \$100 a day for each separate offense, along with attorney fees.

Felony expungement. Under House Bill 40, Kentuckians convicted of low-level felonies can ask the court to permanently seal—or expunge—their records. The new law allows those convicted of Class D felonies, or those who were charged but not formally indicted, to seek expungement after they have completed their sentence or probation. Sex crimes and crimes against children would not be included in the law.

Water resource protection. House Bill 529 created the Kentucky Water Resources Board to research current water resources in the Commonwealth, identify new available resources and examine efficiencies, especially to support farming. The new 11-member board includes officials from state interior and agriculture departments along with six gubernatorial appointees.

Drunken Driving. Senate Bill 56 will help increase felony convictions for DUI in Kentucky by allowing the courts to look at 10 years of prior convictions instead of five years. Kentucky law requires those convicted of a fourth offense DUI within five years to be charged with a felony. The clock for determining penalties for offenders is reset after five years under current law. Senate Bill 56 will extend that so-called “look-back” period to 10 years to allow more habitual offenders to face stiffer penalties like felony charges.

Distilleries and craft brewers. Senate Bill 11 modernizes the state's 1930s-era alcohol regulations to aid new interest in bourbon, craft beer and small-farm wine products. Among other provisions, SB 11 allows malt beverages to be sold at festivals and drinking on quadricycles (better known as “party bikes”), and permits bed and breakfasts to sell liquor by the drink. It also raises limits for on-site sales at distilleries from three liters to nine liters.

Legislation Left Behind

SUPPORTED BY KACo:

LIFT. Local options sales tax (LIFT – Local Investments for Transformation). The enabling legislation (HB 374) would have allowed an additional sales tax levy approved by local voters, if the constitutional amendment (HB 2) had passed. This would have been a valuable option to local governments attempting to fund sorely needed capital projects in their communities that are not possible under current revenue options.

TVA In-lieu-of taxes. These bills--HB 177, 206 and SB 38--would have required 50% of the state's portion of TVA payments to be transferred to the regional development agency assistance fund and distributed among fiscal court-designated local industrial development authorities for economic development and job creation activities. The draw-down would have been phased-in over a five-year period. This is the third consecutive year this bill has been filed.

OPPOSED and DID NOT PASS

Constables. HB 494 would have created incentive payments for constables and deputy constables who complete training; create the constable certification fund composed of a \$5 increase in Circuit and District Court criminal case fees. It also would give constables the authority to collect the same fees allowed sheriffs for similar services.

Occupational tax exemption. SB 280 would prohibit local governments from collecting occupational license fees from entities engaged in mining, entities that manufacture mining equipment, or entities that sell mining equipment if the entity can demonstrate that at least 50% of its sales are to mine operators or manufacturers of mining equipment.

Home rule intrusion on regulation of dog breeds. SB 116 and HB 510 would have prohibited local governments from passing an ordinance regulating dogs that was breed-specific, and would have made null and void any such ordinances, currently in place in some Kentucky counties.

Redistribution of road funding formula. HB 69 would have altered the current ‘formula of fifths’ to reallocate these dollars, already in short supply, toward more urbanized areas.

Asset forfeiture. HB 590 would have altered the current asset distribution forfeiture formula away from the agency or agencies who seized the property, such as a sheriff’s office, in favor of the Attorney General’s office.

SAMPLING OF ISSUES THAT DID NOT PASS

Right to work. SB 3 passed it originating chamber unanimously and was voted out of the House committee but faltered on the House floor.

Smoking ban. HB 351 would have enacted a statewide smoking ban in Kentucky. It would allow smoking in designated non-enclosed areas.

Marijuana. Two bills dealing with this issue were filed but never reached a committee hearing. SB 13 would have regulated the cultivation, testing, processing, taxing, and sale of marijuana to those aged 21 years and older. SB 304 would have established the Implementation Task Force on the Palliative and Hospice Use of Medical Marijuana to define "medically necessary marijuana" and prepare legislation for presentation before the 2017 General Assembly.