

Legislative Update: March 2, 2015



ARTICLE 03.02.15 DEAN DORTON

Frankfort was extremely busy last week as the Kentucky General Assembly moved at a fast pace after weather difficulties the previous week. To date there have been 209 bills sponsored by the Senate and 548 bills sponsored by the House. Many of these bills will have a significant impact on the construction industry. The following legislative update comes from information obtained from the Association of General Contractors (AGC)

- **HB 443 regarding Public Private Partnerships (P3):** This bill was passed out of the House and now heads to the Senate. Three amendments were added to the bill, but interestingly there was no amendment to prevent tolls on highway projects. While P3 projects do allow for tolls, they do not necessarily mandate tolls. The three amendments to HB 443 relate to P3 projects with adjoining states, costs-benefit analysis requirements on projects exceeding \$100 million in total cost, and the removal of tolls on projects exceeding \$100 million in costs once the initial construction debt has been repaid. AGC has been and continues to be a strong supporter of P3 legislation, making it a top priority in the 2015 Kentucky General Assembly.
- **HB 359 regarding definition of Construction Manager – General Contractor:** This bill was passed out of the House and now resides in the Senate. This bill defines “construction manager-general contractor” as a project delivery method in which the purchasing officer enters into a single contract with an offeror to provide preconstruction services. During the preconstruction phase, the successful offeror provides design consulting services. During the construction phase, the successful offeror acts as general contractor by contracting with subcontractors and providing for management and construction at a fixed price with a completion deadline. AGC is very supportive of HB 359.
- **HB 298 regarding UK’s Research Building:** This bill currently sits in the Senate after passing out of the House and Senate A&R committee. This bill authorizes and appropriates \$132.5 million in bond funds for a research building at the University of Kentucky. AGC supports HB 298.
- **HB 206 regarding Worker’s Compensation:** This bill would double the attorney fees; add medical benefits to age 70 or five years after the date of the injury, and increase the maximum for temporary total or partial income benefits from 100% of the state average weekly wage to 120% of the state average weekly wage. The full House is expected to take action on HB 206 this week. AGC is strongly opposing HB 206.

Other bills of interest to the construction industry include the following:

- [SB 29](#) Motor fuels tax
- [HB 118](#) Tax credits for rehabilitation of certified historic structures
- [HB 199](#) Excess licensing fees for HVAC and plumbers
- [HB 273](#) Urban development
- [HB 277](#) Worker’s compensation special fund
- [HB 331](#) Limited liability entity tax
- [HB 361](#) Taxpayer Rights Enhancement Act

Special thanks to Ron Wolf of AGC for providing the information above. If you have any questions about AGC’s position on legislation, please contact Ron Wolf, Director of External Relations, at rwolf@agcky.org. For further information please contact Hunter Stout at hstout@deandortonstg.wpenginepowered.com or Simon Keemer at skeemer@deandortonstg.wpenginepowered.com.

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