

Approved: 3-15-94
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Don Sallee at 8:00 a.m. on March 11, 1994 in Room 423-S of the Capitol.

All members were present or excused:

Committee staff present: Raney Gilliland, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Don Hayward, Revisor of Statutes
Clarene Wilms, Committee Secretary

Conferees appearing before the committee:
Darrell Montei, Legislative Liaison
Brian Moline, Kansas Corporation Commission

Others attending: See attached list

House Bill 2703 - hatchery stamps; relating to disposition of revenues

Darrell Montei, Legislative Liaison, Department of Wildlife and Parks, presented testimony stating that HB-2703 would amend statutes concerning the disposition of Milford Hatchery Bond funds. Attachment 1 This bill provides for the settlement of construction and bond servicing accounts and, after all obligations are paid, would allow remaining funds be transferred to the Wildlife Fee Fund providing no construction projects are performed on the Milford Hatchery during 1994. This would allow the Department to utilize those funds on hatchery and fisheries related projects throughout the state for the benefit of anglers.

HB-2665 - relating to hearing requirements for issuance of certain orders

Brian Moline, Kansas Corporation Commission, told committee members that this bill would amend five sections of general complaint statutes dealing with investigations by the State Corporation Commission. In each of the sections the word "affecting" would be replaced with the word "changing". Under current law any complaint made against any public utility or common carrier may be entitled to a hearing regardless of the complaint before the Commission.

Mr. Moline said that "affecting" seemed ambiguous, and can be read to mean that an order that does nothing can affect the complainant because it would mean their complaint had not been resolved. He further stated that the intent of the statute was that if you were going to proceed on an individual's complaint against one of the regulating entities, particularly without notice, that you shouldn't issue an order affecting them without holding a public hearing.

Following a short discussion Senator Hardenburger moved to recommend HB-2703 favorable for passage. Senator Lee seconded the motion and the motion carried.

Senator Lee moved to recommend HB-2665 favorable for passage. Senator Hardenburger seconded the motion and the motion carried.

There was discussion dealing with KDHE and how they handled issues dealt with in SB-800. A member expressed the opinion that the Department should have acted more stringently in the feed lot situation. Concern was also expressed about landfills, tires and "the no more stringent than EPA regulations. A member mentioned the issue of whole tires being baled, stored underground and those involved now wanting relief from that law. The member mentioned a situation where KDHE had planned to provide a grant for Resource, Conservation and Development to purchase a baler which also would ask for matching grants from the counties. The member stated he had discouraged this as he felt the government did not need to be in the business of baling tires in competition with the private sector.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 423-S Statehouse, at 8:00 a.m. on March 11, 1994.

Concern was expressed about the large numbers of tires in the state with additional large numbers accumulating each year. Another member questioned how the legislature can anticipate further actions by the department.

Staff commented that rules and regulations the committee had reviewed dealing with solid waste had not yet been adopted. The department has indicated that the rules and regulations would not be "adopted" until mid-summer and staff questioned whether these rules and regulations actually would go into effect 45 days after the convening of the 1995 legislature. Staff pointed out that no action may place people who are regulated by those rules and regulations in limbo until the legislature acts or until the rules and regulations go into effect. Staff told the committee that similar problems may exist with HB-2810 in Senate Governmental Organization committee. This bill would enact the same guidelines for all state agencies. The bill specifies the chairman of the committee on rules and regulations would have to be put on notice that any rule or regulation "more stringent than" a federal regulation and they would not become effective until 45 days after the next legislative session convened. This may present problems for state agencies and their process of promulgation of rules and regulations since there is also some question as to what "more stringent" means.

Staff told the committee there were at least three more sets of rules and regulations to be written and deal with solid waste. These deal with transfer stations, special wastes, and financial assurance.

Staff stated there has always been a possibility for the legislature to enact a statute that was inconsistent with the regulations. Solid waste landfills have been flagged because we changed the groundrules.

Staff commented that there will be a number of landfills that will be closed prior to the time the more stringent rules and regulations can be enacted and questioned whether the landfill that closed would have to go in and comply with more stringent regulations or can it get by because it closed prior to the more stringent regulations being approved.

A member commented that it appears nobody in Kansas can produce a competitive crumb rubber product cheaply enough for the Kansas Department of Transportation to use in highway work. Sliced tires can be used in roadfill at the frost line. A small company in Salina states they could produce crumb rubber fine enough for KDOT to use and would like to use money from tire fund to enable them to compete. It would appear that a sliced tire product could be used in roadbeds at the frost line. The question was raised as to why there seems to be no coordination between KDOT and KDHE.

A member suggested starting at the Department of Commerce and suggested Mr. Bider work with them. The member also suggested writing a letter to the Kansas Department of Transportation and the Kansas Technology Enterprise Corporation asking them to be aware of and support these businesses.

Further discussion suggested that an amendment be put into a house bill we now have in committee. Another member suggested that burial and baling stockpiling be allowed, put time certain to see if we want to continue, encourage finding a use for them and review at time certain.

A member reiterated the importance of document coming from the chairperson and committee explaining the effort to approach the problem in Salina. Another member suggested that a letter be sent stating the committee did not sanction government being in business that could be handled by private enterprise. Staff was instructed to draft something appropriate.

Another member suggested gutting HB-2561 and amend language pertinent to not burying tires into the bill.

Following considerable discussion the committee requested staff draw an amendment for HB-2651 which would address the issue of burying tires for storage or a method of disposal.

Senator Lee stated she would also like to amend SB-669 into the bill when it came time to work the bill.

The meeting adjourned at 8:55 a.m.

The next meeting is scheduled for March 15, 1994.

SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES

DATE March 11, 1994

(PLEASE PRINT)

NAME AND ADDRESS

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H.B. 2703

Testimony Presented To: Senate Energy and Natural Resources
Committee

Presented By: Department of Wildlife and Parks
March 11, 1994

H.B. 2703 amends existing statutes concerning the disposition of Milford Hatchery Bond Funds. It provides for the settlement of construction and bond servicing accounts and for the transfer of any remaining funds into the Wildlife Fee Fund. The Department cannot utilize any bond servicing funds that remain until authorized to do so pursuant to the provisions as contained in H.B. 2703. Construction account funds can presently be used only for construction projects on the Milford Fish Hatchery. There are several construction projects at the Milford Hatchery currently under review and may be performed during 1994. That will affect the actual amount of funds ultimately transferred to the Wildlife Fee Fund as a result of H.B. 2703.

In 1982, the Department issued \$6.0 million in revenue bonds for the purpose of constructing the Milford Fish Hatchery. A hatchery stamp (license punch) was established for purposes of bond repayment and was required of all individuals purchasing a fishing license. The fee for the hatchery stamp was set at \$3. The requirement for a hatchery stamp was discontinued effective January 1, 1993.

The Department estimates that a total of \$772,600 may be transferred to the Wildlife Fee Fund. This is the amount that is estimated to remain after all obligations of the bond issue (early pay penalties, and the principal and interest) are satisfied and if no construction projects are performed on the Milford Hatchery during 1994. The estimates are based on a call of all outstanding bonds on December 1, 1994. There will also be a savings of bank custodial fees and interest that would otherwise accrue through 1997, the full term of the bonds.

The transfer of funds to the Wildlife Fee Fund would allow the Department to utilize those funds on hatchery and fisheries related projects throughout the state for the benefit of anglers.

Senate Energy & Natural Resources
March 11, 1994
Attachment 1