Approved: March 29, 2001

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT.

The meeting was called to order by Chairperson Joann Freeborn at 3:30 p.m. on February 8, 2001 in Room 231-N of the Capitol.

All members were present except: Representative Tom Sloan - excused

Committee staff present: Emalene Correll, Kansas Legislative Research Department

Raney Gilliland, Kansas Legislative Research Department

Mary Torrence, Revisor of Statute's Office Mary Ann Graham, Committee Secretary

Conferees appearing before the committee: Tom Gross, Section Chief, Air Monitoring Services Section,

KDHE, Bldg. 283, Forbes, Topeka, KS 66620

Bill Bider, Director, Bureau of Waste Management, KDHE,

Bldg. 740, Forbes, Topeka, KS 66620

George McGrew, General Councel, Deffenbaugh Industries,

PO Box 3220, Shawnee, KS 66203

Nick Phillippi, General Manager, Kansasland Tire, PO Box

8479, Topeka, KS 66608

Randy Allen, Exec. Director, KS Assoc. of Counties, 6206

SW 9th Terrace, Topeka, KS 66615

Others attending: See Attached Sheet

Chairperson Joann Freeborn called the meeting to order at 3:30 p.m. She welcomed staff members of the Kansas Department of Health and Environment to the committee.

Tom Gross, Section Chief, Air Monitoring Services Section, KDHE, was welcomed. He briefed the committee on the Equus Beds Data Collection in response to the Governor's Executive Order 00-04. The briefing was presented by way of the Internet, with the assistance of Terry Franklin, KDHE. The Equus Beds Information Resource can be accessed at www.equusinfo.org Mr. Gross discussed "what's on the site"; Information about the Equus Beds; Executive Order; Pollution Prevention Programs (Federal, State, and Local); Actual Pollution Sources; and Potential Pollution Sources. Interactive Mapping System was reviewed; Identified Contaminated Sites; Leaking Storage Tank Sites; Oil and Gas Production; Hazardous Material and Petroleum; Solid Waste Facilities; Wastewater Facilities; Confined Animal Feeding Operations; and Federal, State, and Local Government Facilities. (See attachment 1) Questions and discussion followed.

The Chairperson thanked Mr. Gross for the presentation. She opened the hearing on **HB2134**.

HB2134: An act concerning solid waste.

Bill Bider, Director, Bureau of Waste Management, KDHE, was welcomed to the committee. He testified in support of the bill and explained changes that had been made. This bill was drafted and introduced at the request of the Department of Health and Environment and updates several sections of the solid waste statutes. Some changes clarify existing requirements; other changes improve the efficiency and effectiveness of the state regulatory and grant programs. Since initially drafting the bill, KDHE has worked with several interested persons representing businesses and government units to address comments and concerns which they have raised. Some recommended amendments are attached to their testimony to improve the initial proposal. Also presented, but not recommended, an additional amendment which the committee may want to consider to address some concerns raised by private landfill owners. (See attachment 2) A balloon to the bill was distributed for review. (See attachment 3)

George McGrew, General Council, Deffenbaugh Industries, was welcomed to the committee. He presented testimony in opposition to the bill. Deffenbaugh Industries, Inc. has concerns regarding a proposed

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT, Room 231-N of the Capitol at 3:30 p.m. on February 8, 2001.

amendment contained in the bill. The amendment seeks to make it unlawful for any person to: (8) Divide, sell, transfer, divest or otherwise encumber any portion of the real property in a permitted solid waste disposal area or solid waste processing facility without receiving prior approval from the secretary (KDHE). In their case, this provision would impact three full quarter sections of land making up their permitted solid waste disposal area. They believe this proposed legislation vests the Kansas Department of Health and Environment with unwarranted control over private business decisions and will result in unreasonable interference with a permittee's ability to make timely decisions regarding its business operations. (See attachment 4) Questions and discussion followed.

Written only testimony in opposition to the bill, from Steve Kearney, Waste Management of Kansas, was distributed to the committee. (SEE ATRUMENT 5)

Chairperson Freeborn announced that she was appointing a sub-committee to do further research on <u>HB2134</u>. The sub-committee members are Representative Bill Light, Representative Dan Thimesch and Chairperson Joann Freeborn. She closed the hearing on <u>HB2134</u> and opened the hearing on <u>HB2131</u>.

HB2131: An act concerning waste tires.

The Chairperson welcomed Bill Bider, Director, Bureau of Waste Management, KDHE, to the committee. He provided testimony in support of the bill, a waste tire bill drafted and introduced by the department. Most of the proposed amendments to the waste tire statutes proposed in the bill were developed following a public meeting held in May 2000 in Salina. About 100 people representing tire retailers, the waste tire management industry, and local governments provided KDHE with their ideas about how to update the state law to yield an effective long-term state waste tire program. Consensus was reached on most points leading to a comprehensive bill which addresses everything from compliance and enforcement to grants. (See attachment 6) A balloon to the bill was distributed. (See attachment 7) Questions and discussion by committee and committee staff followed.

Nick Phillippi, General Manager, Kansasland Tire, was welcomed to the committee. He addressed the committee on behalf Mid America Tire Dealers Association in support of the bill. They believe tire dealers in Kansas realize a need to address the scrap tire disposal problem, and support all reasonable efforts to remedy this ongoing management issue. The continued mishandling of scrap tires gives their industry a "black eye", and upstanding dealers must compete with those who refuse to play by the rules. This bill, if passed, would maintain a 50 cent excise tax on the sale of new tires instead of changing to 25 cents on July 1, 2001. Their membership is comfortable with maintaining the 50 cent excise tax. They have found that their customers are now accustomed to the charge and rarely object to the nominal expense to help keep the environment clean. Amendments to the bill are attached. (See attachment 8)

Randy Allen, Executive Director, Kansas Association of Counties, was welcomed. He testified in support of the bill. Currently, KDHE finances four major activities using the tire disposal excise tax (currently \$.50). These include (1) the cleanup of illegal tire piles; (2) compliance and enforcement work with regard to waste tire piles; (3) a business and public education program to promote waste tire management; and (4) waste tire recycling grants. Without legislative action, the responsibility for policing waste tire piles would shift from the state to counties. At the KAC annual meeting last fall, the membership unanimously approved a statement urging extension of the state's waste tire fund, continuation of the current excise tax rate of \$.50 after July 1, 2001, and continued placement of responsibility for the waste tire program at the state level. (See attachment 9) Questions and discussion followed.

Written only testimony in opposition to the bill, from Steve Kearney, Waste Management of Kansas, was distributed to the committee. (SEE ATTACHMENT 10)

The Chairperson closed the hearing on <u>HB2131</u>. She announced the bill will be put into the sub-committee with <u>HB2134</u> for further research. She reviewed the agenda for Tuesday, February 13.

The meeting adjourned at 5:30 p.m. The next meeting is scheduled for Tuesday, February 13, 2001.

HOUSE ENVIRONMENT COMMITTEE GUEST LIST

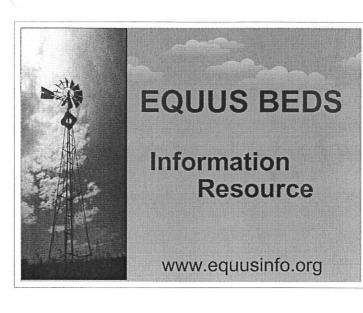
DATE: <u>February</u> 8, 2001

NAME	REPRESENTING
NIER PHILLIPPI	MID AMERICA TIKE DEALES
Randy Allen	Kansas assoc. of Counties
John Mitsell	KOHE
Vin Kaup	Cities of Hours Conda City
Dave Holitaus	LUR
John C. Botter by	tolleway
STEORGE R. MG-RAW	Deffenbaugh Ind.
StirkENDANG	UNDE NINGENENT
Larry Kleeman	(KM
Fellenking	KS Soc. of Arof. Eng.
Tom BRUNG	Jin Allen & Assoc.
WerdymHarms	KAPA
David Miller	DOB
Relieved Reed	KDA
Martin Burke	KDHE
Jamie Clover adams	KDA
V Charlie Sedlock	Hamm
Show family	Mid America Tu Vegles Aser
PHIL WITTER	JOHNSON CO. KS (ENVIRONMENTING)

HOUSE ENVIRONMENT COMMITTEE GUEST LIST

DATE: Feb 8, 2001

NAME	REPRESENTING
Bill Bider	KDHE
Rylan Martin	KUI

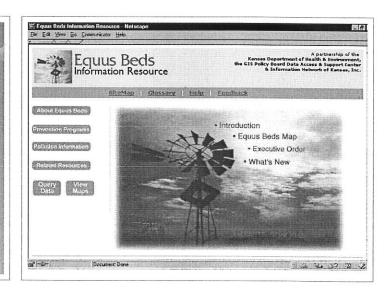


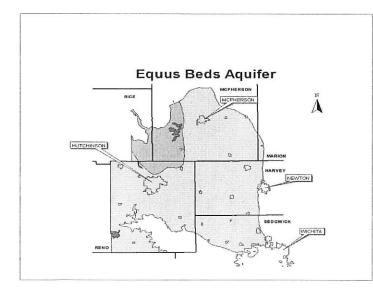
What's on the site?

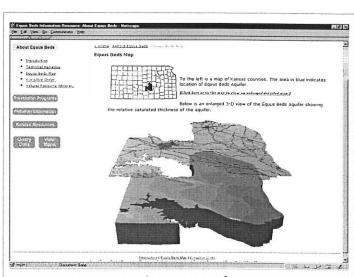
- ► Information about the Equus Beds
- ► Executive Order
- Pollution Prevention Programs
 - Federal
 - State
 - Local
- Actual Pollution Sources
- Potential Pollution Sources

Interactive Mapping System

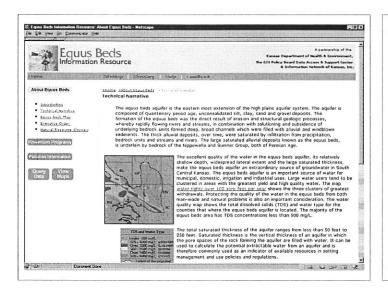
- Identified Contaminated Sites
- Leaking Storage Tank Sites
- Oil and Gas Production
- Hazardous Material and Petroleum
- Solid Waste Facilities
- Wastewater Facilities
- Confined Animal Feeding Operations
- Federal, State, and Local Government Facilities

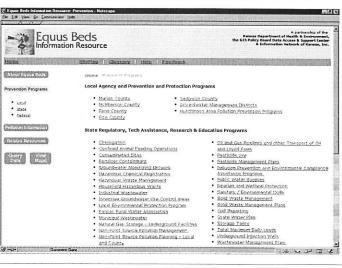


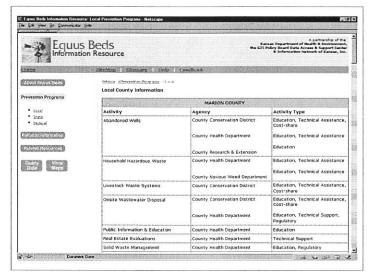


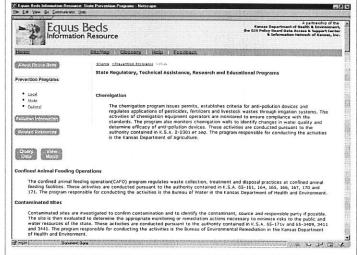


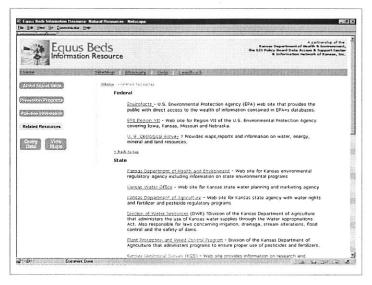
House Environment 2-8-01 Attachment

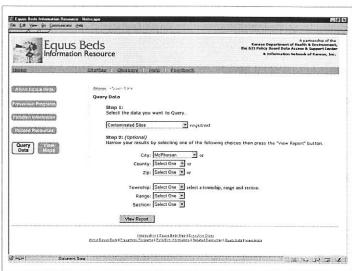


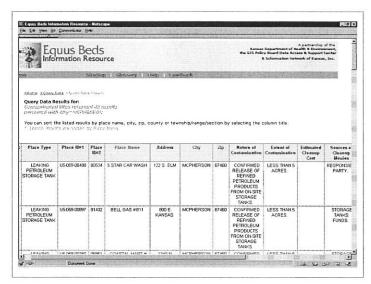


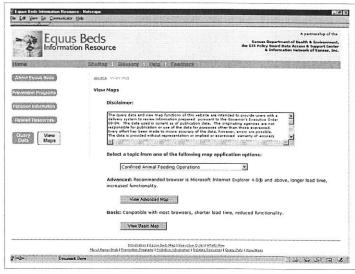


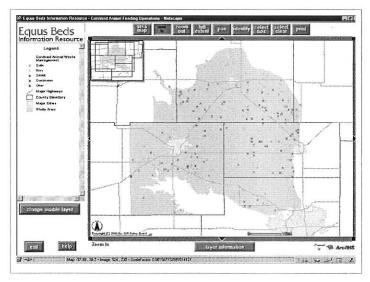


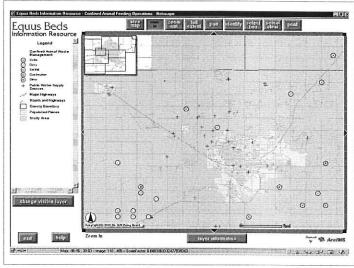


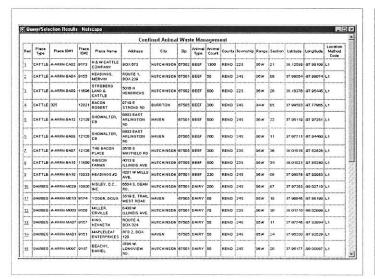


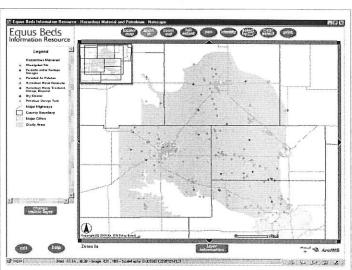


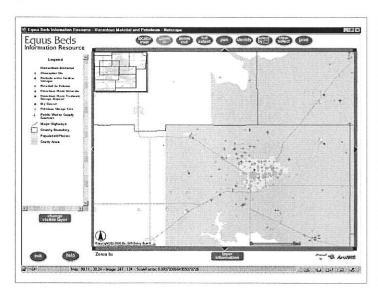


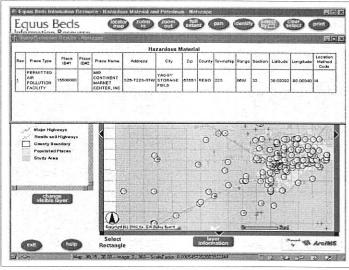


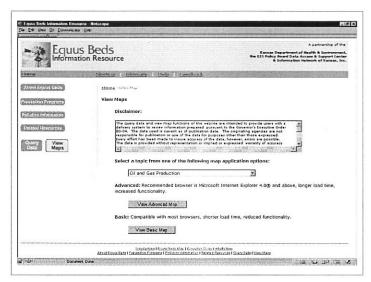


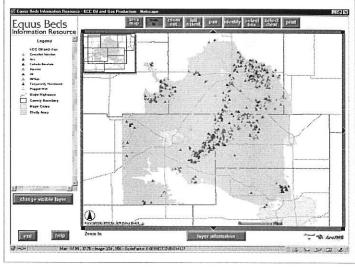


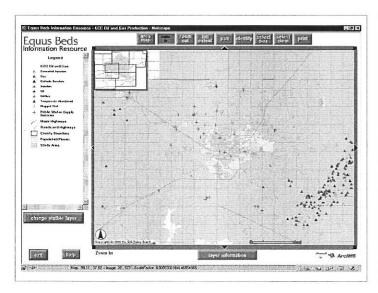


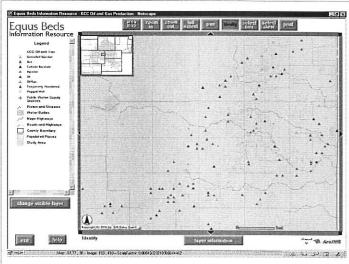














KANSAS DEPARTMENT OF HEALTH & ENVIRONMENT

BILL GRAVES, GOVERNOR Clyde D. Graeber, Secretary

Testimony on House Bill 2134 Miscellaneous Solid Waste Amendments to **House Environment Committee**

presented by Bill Bider, Director, Bureau of Waste Management

February 8, 2001

The Department of Health and Environment appreciates this opportunity to present testimony in support of House Bill 2134, a bill drafted and introduced at the request of the department. This bill updates several sections of the solid waste statutes. Some changes clarify existing requirements; other changes improve the efficiency and effectiveness of the state regulatory and grant programs. Since initially drafting this bill, KDHE has worked with several interested persons representing businesses and government units to address comments and concerns which they have raised. Some recommended amendments are attached to our testimony to improve the initial proposal. Also, we are presenting, but not recommending, an additional amendment which the committee may want to consider to address some concerns raised by private landfill owners.

The proposed changes to the law are related to permits, enforcement, and grants. Some statutory definitions also need to be changed to accomplish the desired outcomes. A brief overview of the changes proposed for each section of law follow:

K.S.A. 65-3402 : Definitions

- The definition of "solid waste" is revised to include "waste tires." This change is needed to confirm the department's enforcement authority related to the illegal disposal of waste tires. The department's position has always been that the solid waste enforcement authorities did apply to waste tires, but that authority has not been explicitly stated.
- The definition of "solid waste disposal area" is revised to clarify that it includes the entire permitted area, not just the disposal cells. This supports another proposed change to the law prohibiting the breaking up of permitted sites as explained in the following section.

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Topeka, KS 66603-3930

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FAX (785), 368-6368 ATTACHMENT

K.S.A. 65-3407 and 65-3407c: Permit Requirements

- KDHE authority to revoke solid waste permits is expanded to include the revocation of permits for violations of all "unlawful" solid waste acts or for violations of waste tire permit laws. Currently permits can only be revoked for violations of solid waste permit laws (K.S.A. 65-3407).
- KDHE is given new authority to waive permitting requirements for solid waste transfer stations or temporary solid waste storage sites used to manage waste generated by natural disasters such as tornados, floods, fires, etc.

K.S.A. 65-3409: Enforcement

The list of "unlawful acts" is expanded to include the following: (1) transporting waste tires without a permit, (2) acting as a mobile processor of waste tires without a permit, (3) violating any provision of the waste tire permit laws specified in K.S.A. 65-3424b, and (4) an action by a solid waste permit holder to break up the real property of a permitted "solid waste disposal area" for the purpose of selling or transferring a portion of the site without receiving KDHE approval.

Note: KDHE is submitting new language to address the prohibition on dividing an existing permitted site as given in paragraph (8). The amendment clarifies that the problem of concern to the department is the "dividing," or breaking up, of "real property" which is covered by a solid waste permit without KDHE oversight and approval. The suggested new provision gives KDHE authority to approve of such actions, when appropriate, without requiring one or more new permit applications. The amendment also clarifies that the secretary's approval requirement does not apply to the transfer of landfills used for waste generated on-site at industrial facilities.

K.S.A. 65-3415: Grants

- The entities eligible to receive solid waste reduction grants for recycling, composting, and public education is expanded to include schools, colleges, universities, and state agencies.
- Grant eligibility criteria are clarified to ensure that no grant funds will be disbursed to any applicant
 or entity that has already received a grant unless they have paid all applicable tonnage fees.
 Currently the law only applies this criteria to owners or operators of municipal solid waste landfills.
 It should also apply to transfer station owners or other landfill owners who may be required to pay
 fees.

KDHE is requesting another amendment to HB 2134 related to the purchase of Kansas landfills by private companies. It has come to our attention that there is a loophole in the current law which could allow the transfer of a privately-owned municipal solid waste landfill permit when a parent company sells all of the landfill assets and/or stock to a new parent, but maintains the old landfill name. We believe this

type of transaction is inconsistent with the legislative intent to prohibit such transfers as incorporated into law several years ago. This loophole could allow a private company to transfer the control and operation of a landfill to another private company which has very different plans for the use of the facility. A new owner could greatly increase the daily tonnage coming to the site or change the sources of the solid waste. These types of changes could significantly impact the landfill life expectancy. Such changes could impact the validity of county solid waste plans which were developed assuming the availability of the landfill for many years. Another major concern associated with this loophole is the fact that new controlling owners would exist who have not had to comply with the permit application requirements dealing with background checks, business disclosure statements, and compliance history.

KDHE believes that it has always been the legislature's intent to prohibit the change in the owner of a commercial landfill without requiring a review of the transaction by local officials and KDHE which is accomplished by the processing of a new permit application. For this reason, KDHE is requesting the addition of a new paragraph (j) to K.S.A. 65-3407 to provide the secretary with the authority to require that a new permit application be submitted whenever a change in control or ownership occurs. The new application process would require county commission review and approval for consistency with the county solid waste plan. An exception to this requirement is being maintained for the change in ownership of a landfill used only for the disposal of waste generated on-site, such as a landfill for power plant combustion residues.

Some private companies have expressed concerns with both the existing prohibition on the transfer of permits and the new clarifying proposal offered as new paragraph (j). Private companies have stated that the value of their landfill as a company asset is reduced by having a statutory requirement to implement a new permit process whenever the owner of the landfill changes. Any buyer knows that there is some risk that they will not be granted a new permit. While landfill value may be affected by these provisions, the state must ensure that any person that owns and operates a municipal solid waste landfill is qualified and financially able to assume the responsibilities. In response to industry's concerns, KDHE is providing an additional statutory change for the committee's consideration. The change, provided as an attachment to this testimony, allows the secretary to approve of the transfer of a solid waste permit, if the proposed purchaser provides the department with all of the necessary information to carry out a background investigation and financial assurance evaluation before the business transaction takes place. This option would eliminate the risk that the purchaser may not obtain a permit, thus maximizing the value of the landfill to the seller. KDHE does not prefer this option even though the state's primary concerns are satisfied because it does not consider the interests of local government to evaluate the implications of transferring landfills which they use and depend upon to a new owner.

KDHE appreciates this opportunity to appear before the committee in support of HB 2134.

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the financial responsibility of the permittee for accidental occurrences at the site of the facility or area. Any such liability insurance as may be required pursuant to this subsection or pursuant to the rules and regulations of the secretary shall be issued by an insurance company authorized to do business in Kansas or by a licensed insurance agent operating under authority of K.S.A. 40-246b, and amendments thereto, and shall be subject to the insurer's policy provisions filed with and approved by the commissioner of insurance pursuant to K.S.A. 40-216, and amendments thereto, except as authorized by K.S.A. 40-246b, and amendments thereto. Nothing contained in this subsection shall be deemed to apply to any state agency or department or agency of the federal government.

(i) Permits granted by the secretary, as provided in this act: (1) Shall not be transferable except that a permit for a solid waste disposal area may be transferred if both of the following conditions are met. (A)-The area is permitted for only solid waste produced on site from manufacturing and industrial processes or on-site construction or demolition activities; and (B) the only change in the permit is a name change resulting from a merger, acquisition, sale, corporate restructuring or other business transaction, and (2) shall be revocable or subject to suspension whenever the secretary shall determine that the solid waste processing or disposal facility or area is, or has been constructed or operated in violation of this act or the rules and regulations or standards adopted pursuant to the act, or is creating or threatens to create a hazard to persons or property in the area or to the environment, or is creating or threatens to create a public nuisance, or upon the failure to make payment of any fee required under this act. The secretary also may revoke, suspend or refuse to issue a permit when the secretary determines that past or continuing violations of the provisions of K.S.A. 65-3409, subsection (c)(3) of K.S.A. 65-3407 or K.S.A. 65-3424b, and amendments thereto, have been committed by a permittee, or any principal, shareholder or other person capable of exercising partial or total control over a permittee.

In case any permit is denied, suspended or revoked the person, city, county or other political subdivision or state agency may request a hearing before the secretary in accordance with K.S.A. 65-3412, and amendments thereto.

(k)(1) No permit to construct or operate a solid waste disposal area shall be issued on or after the effective date of this act if such area is located within ½ mile of a navigable stream used for interstate commerce or within one mile of an intake point for any public surface water supply system.

(2) Any permit, issued before the effective date of this act, to construct or operate a solid waste disposal area is hereby declared void if such area is not yet in operation and is located within ½ mile of a navi-

Alternate Proposal to Address Industry Concerns (not KDHE's preferred alternate)

: (A) A

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or (B) a permit for a solid waste disposal area or a solid waste processing facility may be transferred if the secretary approves of the transfer based upon information submitted to the secretary to conduct a background investigation of the new owner as specified in K.S.A. 65-3407(c) and (d), and amendments, thereto, and a financial assurance evaluation as specified in K.S.A. 65-3407(h), and amendments, thereto, at least 60 days prior to a change in ownership or control,

(j) Except as otherwise provided by K.S.A. 65-3407(i), and amendments hereto, the secretary may require a new permit application to be submitted for a solid waste processing facility or a solid waste disposal area in response to any change in ownership or control of the permitted real property or the existing permittee, either directly or indirectly.

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HOUSE BILL No. 2134

By Committee on Environment

1 - 23

AN ACT concerning solid waste; amending K.S.A. 2000 Supp. 65-3402, 65-3407, 65-3407c, 65-3409 and 65-3415 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2000 Supp. 65-3402 is hereby amended to read as follows: 65-3402. As used in this act, unless the context otherwise requires:

(a) "Solid waste" means garbage, refuse, waste tires as defined by K.S.A. 65-3424, and amendments thereto, and other discarded materials, including, but not limited to, solid, semisolid, sludges, liquid and contained gaseous waste materials resulting from industrial, commercial, agricultural and domestic activities. Solid waste does not include hazardous wastes as defined by subsection (f) of K.S.A. 65-3430, and amendments thereto, recyclables or the waste of domestic animals as described by subsection (a)(1) of K.S.A. 65-3409, and amendments thereto.

(b) "Solid waste management system" means the entire process of storage, collection, transportation, processing, and disposal of solid wastes by any person engaging in such process as a business, or by any state agency, city, authority, county or any combination thereof.

(c) "Solid waste processing facility" means incinerator, composting facility, household hazardous waste facility, waste-to-energy facility, transfer station, reclamation facility or any other location where solid wastes are consolidated, temporarily stored, salvaged or otherwise processed prior to being transported to a final disposal site. This term does not include a scrap material recycling and processing facility.

(d) "Solid waste disposal area" means any area used for the disposal of solid waste from more than one residential premises, or one or more commercial, industrial, manufacturing or municipal operations. "Solid waste disposal area" includes all property described or included within any permit issued pursuant to K.S.A. 65-3407, and amendments thereto.

(e) "Person" means individual, partnership, firm, trust, company, association, corporation, individual or individuals having controlling or majority interest in a corporation, institution, political subdivision, state agency or federal department or agency.

House Envisonment 2-8-01 Attachment 3

8-2

- (f) "Waters of the state" means all streams and springs, and all bodies of surface or groundwater, whether natural or artificial, within the boundaries of the state.
 - (g) "Secretary" means the secretary of health and environment.
 - (h) "Department" means the Kansas department of health and environment.
 - (i) "Disposal" means the discharge, deposit, injection, dumping, spilling, leaking or placing of any solid waste into or on any land or water so that such solid waste or any constituent thereof may enter the environment or be emitted into the air or discharged into any water.
 - (j) "Open dumping" means the disposal of solid waste at any solid waste disposal area or facility which is not permitted by the secretary under the authority of K.S.A. 65-3407, and amendments thereto, or the disposal of solid waste contrary to rules and regulations adopted pursuant to K.S.A. 65-3406, and amendments thereto.
 - (k) "Generator" means any person who produces or brings into existence solid waste.
 - (l) "Monitoring" means all procedures used to (1) systematically inspect and collect data on the operational parameters of a facility, an area or a transporter, or (2) to systematically collect and analyze data on the quality of the air, groundwater, surface water or soils on or in the vicinity of a solid waste processing facility or solid waste disposal area.
 - (m) "Closure" means the permanent cessation of active disposal operations, abandonment of the disposal area, revocation of the permit or filling with waste of all areas and volume specified in the permit and preparing the area for the long-term care.
 - (n) "Postclosure" means that period of time subsequent to closure of a solid waste disposal area when actions at the site must be performed.
 - (o) "Reclamation facility" means any location at which material containing a component defined as a hazardous substance pursuant to K.S.A. 65-3452a and amendments thereto or as an industrial waste pursuant to this section is processed.
 - (p) "Designated city" means a city or group of cities which, through interlocal agreement with the county in which they are located, is delegated the responsibility for preparation, adoption or implementation of the county solid waste plan.
- (q) "Nonhazardous special waste" means any solid waste designated by the secretary as requiring extraordinary handling in a solid waste disposal area.
- (r) "Recyclables" means any materials that will be used or reused, or prepared for use or reuse, as an ingredient in an industrial process to make a product, or as an effective substitute for a commercial product. "Recyclables" includes, but is not limited to, paper, glass, plastic, munic-

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ipal water treatment residues, as defined by K.S.A. 65-163 and amendments thereto, and metal, but does not include yard waste.

- (s) "Scrap material processing industry" means any person who accepts, processes and markets recyclables.
- (t) "Scrap material recycling and processing facility" means a fixed location that utilizes machinery and equipment for processing only recyclables.
- "Construction and demolition waste" means solid waste resulting from the construction, remodeling, repair and demolition of structures, roads, sidewalks and utilities; untreated wood and untreated sawdust from any source; solid waste consisting of motor vehicle window glass; and solid waste consisting of vegetation from land clearing and grubbing, utility maintenance, and seasonal or storm-related cleanup. Such wastes include, but are not limited to, bricks, concrete and other masonry materials, roofing materials, soil, rock, wood, wood products, wall or floor coverings, plaster, drywall, plumbing fixtures, electrical wiring, electrical components containing no hazardous materials, nonasbestos insulation and construction related packaging. "Construction and demolition waste" shall not include waste material containing friable asbestos, garbage, furniture, appliances, electrical equipment containing hazardous materials, tires, drums and containers even though such wastes resulted from construction and demolition activities. Clean rubble that is mixed with other construction and demolition waste during demolition or transportation shall be considered to be construction and demolition waste.
- (v) "Construction and demolition landfill" means a permitted solid waste disposal area used exclusively for the disposal on land of construction and demolition wastes. This term shall not include a site that is used exclusively for the disposal of clean rubble.
- (w) "Clean rubble" means inert uncontaminated construction and demolition waste which includes concrete and concrete products, reinforcing steel, asphalt pavement, brick, soil or rock.
- (x) "Industrial waste" means all solid waste resulting from manufacturing, commercial and industrial processes which is not suitable for discharge to a sanitary sewer or treatment in a community sewage treatment plant or is not beneficially used in a manner that meets the definition of recyclables. Industrial waste includes, but is not limited to: Mining wastes from extraction, beneficiation and processing of ores and minerals unless those minerals are returned to the mine site; fly ash, bottom ash, slag and flue gas emission wastes generated primarily from the combustion of coal or other fossil fuels; cement kiln dust; waste oil and sludges; waste oil filters; and fluorescent lamps.
- (y) "Composting facility" means any facility that composts wastes and has a composting area larger than one-half acre.

- (z) "Household hazardous waste facility" means a facility established for the purpose of collecting, accumulating and managing household hazardous waste and may also include small quantity generator waste or agricultural pesticide waste, or both. Household hazardous wastes are consumer products that when discarded exhibit hazardous characteristics.
- (aa) "Waste-to-energy facility" means a facility that processes solid waste to produce energy or fuel.
- (bb) "Transfer station" means any facility where solid wastes are transferred from one vehicle to another or where solid wastes are stored and consolidated before being transported elsewhere, but shall not include a collection box provided for public use as a part of a county-operated solid waste management system if the box is not equipped with compaction mechanisms or has a volume smaller than 20 cubic yards.
- (cc) "Municipal solid waste landfill" means a solid waste disposal area where residential waste is placed for disposal. A municipal solid waste landfill also may receive other nonhazardous wastes, including commercial solid waste, sludge and industrial solid waste.
- (dd) "Construction related packaging" means small quantities of packaging wastes that are generated in the construction, remodeling or repair of structures and related appurtenances. "Construction related packaging" does not include packaging wastes that are generated at retail establishments selling construction materials, chemical containers generated from any source or packaging wastes generated during maintenance of existing structures.
- Sec. 2. K.S.A. 2000 Supp. 65-3407 is hereby amended to read as follows: 65-3407. (a) Except as otherwise provided by K.S.A. 2000 Supp. 65-3407c and amendments thereto, no person shall construct, alter or operate a solid waste processing facility or a solid waste disposal area of a solid waste management system, except for clean rubble disposal sites, without first obtaining a permit from the secretary.
- (b) Every person desiring to obtain a permit to construct, alter or operate a solid waste processing facility or disposal area shall make application for such a permit on forms provided for such purpose by the rules and regulations of the secretary and shall provide the secretary with such information as necessary to show that the facility or area will comply with the purpose of this act. Upon receipt of any application and payment of the application fee, the secretary, with advice and counsel from the local health authorities and the county commission, shall make an investigation of the proposed solid waste processing facility or disposal area and determine whether it complies with the provisions of this act and any rules and regulations and standards adopted thereunder. The secretary also may consider the need for the facility or area in conjunction with the county or regional solid waste management plan. If the investigation re-

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veals that the facility or area conforms with the provisions of the act and the rules and regulations and standards adopted thereunder, the secretary shall approve the application and shall issue a permit for the operation of each solid waste processing or disposal facility or area set forth in the application. If the facility or area fails to meet the rules and regulations and standards required by this act the secretary shall issue a report to the applicant stating the deficiencies in the application. The secretary may issue temporary permits conditioned upon corrections of construction methods being completed and implemented.

(c) Before reviewing any application for permit, the secretary shall conduct a background investigation of the applicant. The secretary shall consider the financial, technical and management capabilities of the applicant as conditions for issuance of a permit. The secretary may reject the application prior to conducting an investigation into the merits of the

application if the secretary finds that:

(1) The applicant currently holds, or in the past has held, a permit under this section and while the applicant held a permit under this section the applicant violated a provision of subsection (a) of K.S.A. 65-3409, and amendments thereto; or

the applicant previously held a permit under this section and that

permit was revoked by the secretary; or

- (3) the applicant failed or continues to fail to comply with any of the provisions of the air, water or waste statutes, including rules and regulations issued thereunder, relating to environmental protection or to the protection of public health in this or any other state or the federal government of the United States, or any condition of any permit or license issued by the secretary; or if the secretary finds that the applicant has shown a lack of ability or intention to comply with any provision of any law referred to in this subsection or any rule and regulation or order or permit issued pursuant to any such law as indicated by past or continuing violations; or
- (4) the applicant is a corporation and any principal, shareholder, or other person capable of exercising total or partial control of such corporation could be determined ineligible to receive a permit pursuant to subsection (c)(1), (2) or (3) above.
- (d) Before reviewing any application for a permit, the secretary may request that the attorney general perform a comprehensive criminal background investigation of the applicant; or in the case of a corporate applicant, any principal, shareholder or other person capable of exercising total or partial control of the corporation. The secretary may reject the application prior to conducting an investigation into the merits of the application if the secretary finds that serious criminal violations have been committed by the applicant or a principal of the corporation.

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- (e) The fees for a solid waste processing or disposal permit shall be established by rules and regulations adopted by the secretary. The fee for the application and original permit shall not exceed \$5,000. The annual permit renewal fee shall not exceed \$2,000. No refund shall be made in case of revocation. In establishing fees for a construction and demolition landfill, the secretary shall adopt a differential fee schedule based upon the volume of construction and demolition waste to be disposed of at such landfill. All fees shall be deposited in the state treasury and credited to the solid waste management fund. A city, county, other political subdivision or state agency shall be exempt from payment of the fee but shall meet all other provisions of this act.
- (f) Plans, designs and relevant data for the construction of solid waste processing facilities and disposal sites shall be prepared by a professional engineer licensed to practice in Kansas and shall be submitted to the department for approval prior to the construction, alteration or operation of such facility or area. In adopting rules and regulations, the secretary may specify sites, areas or facilities where the environmental impact is minimal and may waive such preparation requirements provided that a review of such plans is conducted by a professional engineer licensed to practice in Kansas.
- (g) Each permit granted by the secretary, as provided in this act, shall be subject to such conditions as the secretary deems necessary to protect human health and the environment and to conserve the sites. Such conditions shall include approval by the secretary of the types and quantities of solid waste allowable for processing or disposal at the permitted location.
- (h) As a condition of granting a permit to operate any processing facility or disposal area for solid waste, the secretary shall require the permittee to: (1) Provide a trust fund, surety bond guaranteeing payment, irrevocable letter of credit or insurance policy, to pay the costs of closure and postclosure care; or (2) pass a financial test or obtain a financial guarantee from a related entity, to guarantee the future availability of funds to pay the costs of closure and postclosure care. The secretary shall prescribe the methods to be used by a permittee to demonstrate sufficient financial strength to become eligible to use a financial test or a financial guarantee procedure in lieu of providing the financial instruments listed in (1) above. Solid waste processing facilities or disposal areas, except municipal solid waste landfills, may also demonstrate financial assurance for closure and postclosure care costs by use of ad valorem taxing power. In addition, the secretary shall require the permittee to provide liability insurance coverage during the period that the facility or area is active, and during the term of the facility or area is subject to postclosure care, in such amount as determined by the secretary to insure

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the financial responsibility of the permittee for accidental occurrences at the site of the facility or area. Any such liability insurance as may be required pursuant to this subsection or pursuant to the rules and regulations of the secretary shall be issued by an insurance company authorized to do business in Kansas or by a licensed insurance agent operating under authority of K.S.A. 40-246b, and amendments thereto, and shall be subject to the insurer's policy provisions filed with and approved by the commissioner of insurance pursuant to K.S.A. 40-216, and amendments thereto, except as authorized by K.S.A. 40-246b, and amendments thereto. Nothing contained in this subsection shall be deemed to apply to any state agency or department or agency of the federal government.

(i) Permits granted by the secretary, as provided in this act: (1) Shall not be transferable except that a permit for a solid waste disposal area may be transferred if both of the following conditions are met: (A) The area is permitted for only solid waste produced on site from manufacturing and industrial processes or on-site construction or demolition activities; and (B) the only change in the permit is a name change resulting from a merger, acquisition, sale, corporate restructuring or other business transaction; and (2) shall be revocable or subject to suspension whenever the secretary shall determine that the solid waste processing or disposal facility or area is, or has been constructed or operated in violation of this act or the rules and regulations or standards adopted pursuant to the act, or is creating or threatens to create a hazard to persons or property in the area or to the environment, or is creating or threatens to create a public nuisance, or upon the failure to make payment of any fee required under this act. The secretary also may revoke, suspend or refuse to issue a permit when the secretary determines that past or continuing violations of the provisions of K.S.A. 65-3409, subsection (c)(3) of K.S.A. 65-3407 or K.S.A. 65-3424b, and amendments thereto, have been committed by a permittee, or any principal, shareholder or other person capable of exercising partial or total control over a permittee.

(j) In case any permit is denied, suspended or revoked the person, city, county or other political subdivision or state agency may request a hearing before the secretary in accordance with K.S.A. 65-3412, and amendments thereto.

(k) (1) No permit to construct or operate a solid waste disposal area shall be issued on or after the effective date of this act if such area is located within 1/2 mile of a navigable stream used for interstate commerce or within one mile of an intake point for any public surface water supply system.

(2) Any permit, issued before the effective date of this act, to construct or operate a solid waste disposal area is hereby declared void if such area is not yet in operation and is located within ½ mile of a navi-

(j) Except as otherwise provided by K.S.A. 65-3407(i), and amendments hereto, the secretary may require a new permit application to be submitted for a solid waste processing facility or a solid waste disposal area in response to any change in ownership or control of the permitted real property or the existing permittee, either directly or indirectly.

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gable stream used for interstate commerce or within one mile of an intake point for any public surface water supply system.

(3) The provisions of this subsection shall not be construed to prohibit: (A) Issuance of a permit for lateral expansion onto land contiguous to a permitted solid waste disposal area in operation on the effective date of this act; (B) issuance of a permit for a solid waste disposal area for disposal of a solid waste by-product produced on-site; (C) renewal of an existing permit for a solid waste area in operation on the effective date of this act; or (D) activities which are regulated under K.S.A. 65-163 through 65-165 or 65-171d, and amendments thereto.

(1) Before reviewing any application for a solid waste processing facility or solid waste disposal area, the secretary shall require the following

information as part of the application:

- (1) Certification by the board of county commissioners or the mayor of a designated city responsible for the development and adoption of the solid waste management plan for the location where the processing facility or disposal area is or will be located that the processing facility or disposal area is consistent with the plan. This certification shall not apply to a solid waste disposal area for disposal of only solid waste produced on site from manufacturing and industrial processes or from on-site construction or demolition activities.
- (2) If the location is zoned, certification by the local planning and zoning authority that the processing facility or disposal area is consistent with local land use restrictions or, if the location is not zoned, certification from the board of county commissioners that the processing facility or disposal area is compatible with surrounding land use.
- (3) For a solid waste disposal area permit issued on or after July 1, 1999, proof that the permittee owns the land where the disposal area will be located, if the disposal area is: (A) A municipal solid waste landfill; or (B) a solid waste disposal area that has: (i) A leachate or gas collection or treatment system; (ii) waste containment systems or appurtenances with planned maintenance schedules; or (iii) an environmental monitoring system with planned maintenance schedules or periodic sampling and analysis requirements. This requirement shall not apply to a permit for lateral or vertical expansion contiguous to a permitted solid waste disposal area in operation on July 1, 1999, if such expansion is on land leased by the permittee before April 1, 1999.
- Sec. 3. K.S.A. 2000 Supp. 65-3407c is hereby amended to read as follows: 65-3407c. (a) The secretary may authorize persons to carry out the following activities without a solid waste permit issued pursuant to K.S.A. 65-3407, and amendments thereto:
- (1) Dispose of solid waste at a site where the waste has been accumulated or illegally dumped. Disposal of some or all such waste must be

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- identified as an integral part of a site cleanup and closure plan submitted to the department by the person responsible for the site. No additional waste may be brought to the site following the department's approval of the site cleanup and closure plan.
- (2) Perform temporary projects to remediate soils contaminated by organic constituents capable of being reduced in concentration by biodegradation processes or volatilization, or both. Soil to be treated may be generated on-site or off-site. A project operating plan and a site closure plan must be submitted to the department as part of the project approval process.
- (3) Dispose of demolition waste resulting from demolition of an entire building or structure if such waste is disposed of at the site where the building or structure was located. Prior to the department's authorization, written approval for the disposal must be obtained from the landowner and the local governmental or zoning authority having jurisdiction over the disposal site. The disposal area must be covered with a minimum of two feet of soil and seeded, rocked or paved. The final grades for the disposal site must be compatible with and not detract from the appearance of adjacent properties.
- (4) Dispose of solid waste generated as a result of a transportation accident if such waste is disposed of on property adjacent to or near the accident site. Prior to the department's authorization, written approval for the disposal must be obtained from the landowner and the local governmental or zoning authority having jurisdiction over the disposal site. A closure plan must be submitted to the department as part of the authorization process.
- (5) Dispose of whole unprocessed livestock carcasses on property at, adjacent or near where the animals died if: (A) Such animals died as a result of a natural disaster or their presence has created an emergency situation; and (B) proper procedures are followed to minimize threats to human health and the environment. Prior to the department's authorization, written approval for the disposal must be obtained from the landowner and the local governmental or zoning authority having jurisdiction over the disposal site.
- (6) Dispose of solid waste resulting from natural disasters, such as storms, tornadoes, floods and fires, or other such emergencies, when a request for disposal is made by the local governmental authority having jurisdiction over the area. Authorization shall be granted by the department only when failure to act quickly could jeopardize human health or the environment. Prior to the department's authorization, written approval for the disposal must be obtained from the landowner and the local governmental or zoning authority having jurisdiction over the disposal site. The local governmental authority must agree to provide proper clo-

sure and postclosure maintenance of the disposal site as a condition of authorization.

- (7) Store solid waste resulting from natural disasters, such as storms, tornadoes, floods and fires, or other such emergencies, at temporary waste transfer sites, when a request for storage is made by the local governmental authority having jurisdiction over the area. Authorization shall be granted by the department only when failure to act quickly could jeopardize human health or the environment. Prior to the department's authorization, written approval for the storage must be obtained from the landowner and the local governmental or zoning authority having jurisdiction over the storage site. The local governmental authority must agree to provide proper closure of the storage and transfer site as a condition of authorization.
- (b) The secretary shall consider the following factors when determining eligibility for an exemption to the solid waste permitting requirements under this section:
 - (1) Potential impacts to human health and the environment.
- (2) Urgency to perform necessary work compared to typical permitting timeframes.
 - (3) Costs and impacts of alternative waste handling methods.
 - (4) Local land use restrictions.
 - (5) Financial resources of responsible parties.
 - (6) Technical feasibility of proposed project.
 - (7) Technical capabilities of persons performing proposed work.
- (c) The secretary may seek counsel from local government officials prior to exempting activities from solid waste permitting requirements under this section.
- Sec. 4. K.S.A. 2000 Supp. 65-3409 is hereby amended to read as follows: 65-3409. (a) It shall be unlawful for any person to:
- (1) Dispose of any solid waste by open dumping, but this provision shall not prohibit: (A) The use of solid wastes, except for waste tires, as defined by K.S.A. 65-3424, and amendments thereto, in normal farming operations or in the processing or manufacturing of other products in a manner that will not create a public nuisance or adversely affect the public health; or (B) an individual from dumping or depositing solid wastes resulting from such individual's own residential or agricultural activities onto the surface of land owned or leased by such individual when such wastes do not create a public nuisance or adversely affect the public health or the environment.
- (2) Except as otherwise provided by K.S.A. 2000 Supp. 65-3407c, and amendments thereto, construct, alter or operate a solid waste storage, processing or disposal facility or area of a solid waste management system or act as a waste tire transporter or mobile waste tire processor, as defined

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- by K.S.A. 65-3424, and amendments thereto, without a permit or be in violation of the rules and regulations, standards or orders of the secretary.
- (3) Violate any condition of any permit issued under K.S.A. 65-3407 or 65-3424b, and amendments thereto.
- (4) Conduct any solid waste burning operations in violation of the provisions of the Kansas air quality act.
- (5) Store, collect, transport, process, treat or dispose of solid waste contrary to the rules and regulations, standards or orders of the secretary or in such a manner as to create a public nuisance.
- (6) Refuse or hinder entry, inspection, sampling and the examination or copying of records related to the purposes of this act by an agent or employee of the secretary after such agent or employee identifies and gives notice of their purpose.
- (7) Violate subsection (b) of K.S.A. 65-3424a, subsection (c) of K.S.A. 65-3424b or K.S.A. 65-3424i, and amendments thereto.
- (8) Divide, sell, transfer, divest or otherwise encumber any portion of the real property included in a permitted solid waste disposal area or solid waste processing facility without receiving prior approval from the secretary.
- (b) No person shall be held responsible for failure to secure a permit under the provisions of this section for the dumping or depositing of any solid waste on land owned or leased by such person without such person's expressed or implied consent, permission or knowledge.
- (c) Any person who violates any provision of subsection (a) shall be guilty of a class A misdemeanor and, upon conviction thereof, shall be punished as provided by law.
- Sec. 5. K.S.A. 2000 Supp. 65-3415 is hereby amended to read as follows: 65-3415. (a) The secretary is authorized to assist counties, designated cities or regional solid waste management entities by administering grants to pay up to 60% of the costs of preparing and revising official plans for solid waste management systems in accordance with the requirements of this act and the rules and regulations and standards adopted pursuant to this act, and for carrying out related studies, surveys, investigations, inquiries, research and analyses.
- (b) The secretary is authorized to assist counties, designated cities, municipalities, regional solid waste management entities that are part of an interlocal agreement entered into pursuant to K.S.A. 12-2901 et seq. and amendments thereto or other applicable statutes, colleges, universities, schools, state agencies or private entities, by administering competitive grants that pay up to 75% of eligible costs incurred by such a county, city, regional entity, college, university, school, state agency or private entity pursuant to an approved solid waste management plan, for any project related to the development and operation of recycling, source

(8) Divide a solid waste disposal area which has been issued a permit pursuant to K.S.A. 65-3407, and amendments, thereto, into two or more parcels of real property for the purpose of selling or transferring a portion of the permitted area to a new owner without receiving prior approval from the secretary. Such approval shall not be necessary for the transfer of a permitted solid waste disposal area as allowed by K.S.A. 65-3407(i).

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40 41 reduction, waste minimization and solid waste management public education programs. Such projects shall include, but not be limited to, the implementation of innovative waste processing technologies which demonstrate nontraditional methods to reduce waste volume by recovering materials or by converting the waste into usable by-products or energy through chemical or physical processes. To be eligible for competitive grants awarded pursuant to this section, a county, designated city, regional entity, college, university, school, state agency or private entity must be implementing a project which is part of a solid waste management plan approved by the secretary or implementing a project with statewide significance as determined by the secretary with the advice and counsel of the solid waste grants advisory committee.

(c) The secretary is authorized to assist counties, cities or regional solid waste management entities that are part of an interlocal agreement entered into pursuant to K.S.A. 12-2901 et seq. and amendments thereto or other applicable statutes, by administering grants that pay up to 60% of costs incurred by such a county, city or regional entity for:

(1) The development or enhancement of temporary and permanent household hazardous waste programs operated in accordance with K.S.A. 65-3460 and amendments thereto;

(2) the first year of operation following initial start-up of temporary and permanent household hazardous waste programs; and

(3) educating the public regarding changes in household hazardous waste collection program operations or services.

(d) The secretary is authorized to assist counties, cities or regional solid waste management entities that are part of an interlocal agreement entered into pursuant to K.S.A. 12-2901 et seq. and amendments thereto or other applicable statutes, by administering grants that pay up to 75% of costs incurred by such a county, city or regional entity to develop and implement temporary agricultural pesticide collection programs.

(e) The secretary is authorized to assist counties, cities or regional solid waste management entities that are part of an interlocal agreement entered into pursuant to K.S.A. 12-2901 et seq. and amendments thereto or other applicable statutes, by administering grants that pay up to 75% of costs incurred by such a county, city, or regional entity to develop and implement exempt small quantity hazardous waste generator waste collection programs, subject to the following:

(1) The aggregate amount of all such grants made for a fiscal year shall not exceed \$150,000; and

(2) no grantee shall receive any such grants in an aggregate amount exceeding \$50,000.

(f) (1) Failure of a any public or private entity owning a municipal solid waste landfill to pay solid waste tonnage fees on wastes disposed in

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Kansas as required pursuant to K.S.A. 65-3415b, and amendments thereto, shall bar receipt of any grant funds by such entity until fees and related penalties have been paid.

- (2) Failure of a county or regional authority to perform annual solid waste plan reviews and five year public hearings, and submit appropriate notification to the secretary that such actions have been carried out pursuant to K.S.A. 65-3405, and amendments thereto, shall bar receipt of any grant funds by any entity within the jurisdiction of such county or regional authority unless the grant would support a project expected to yield benefits to counties outside the jurisdiction of such county or regional authority.
- (3) A city, county, regional authority or private entity shall not be eligible to receive grants authorized in K.S.A. 65-3415, and amendments thereto, if the department determines that such city, county, regional authority or private entity is operating in substantial violation of applicable solid and hazardous waste laws or rules and regulations.

(4) The secretary may establish additional minimum requirements for grant eligibility.

- (g) If the secretary determines that a grant recipient has utilized grant moneys for purposes not authorized in the grant contract, the secretary may order the repayment of such moneys and cancel any remaining department commitments under the grant. If the grant recipient fails to comply with the secretary's order, the secretary may initiate a civil action in district court to recover any unapproved expenditures, including administrative and legal expenses incurred to pursue such action. Recovered grant moneys or expenses shall be remitted to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the solid waste management fund.
- (h) All grants shall be made in accordance with appropriation acts from moneys in the solid waste management fund created by K.S.A. 65-3415a and amendments thereto.
- (i) Local match requirements for all solid waste grant programs may be met by in-kind contributions from counties, designated cities, regional solid waste management entities or private entities.

Sec. 6. K.S.A. 2000 Supp. 65-3402, 65-3407, 65-3407c, 65-3409 and 65-3415 are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the statute book.

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P.O. Box 3220 Shawnee, Kansas 66203 Telephone (913) 631-3300 Fax (913) 631-6647 George R. McGrew General Counsel

February 8, 2001

House Environment Committee Attn: Joann Freeborn, Chair State Capitol, Room 273-W Topeka, Kansas 66612

Re:

House Bill 2134

To the House Environment Committee:

Deffenbaugh Industries, Inc. wishes to express concern regarding a proposed amendment to K.S.A. 65-3409(a) contained in House Bill No. 2134 (Session of 2001). In relevant part, that amendment seeks to make it unlawful for any person to:

(8) Divide, sell, transfer, divest or otherwise encumber any portion of the real property in a permitted solid waste disposal area or solid waste processing facility without receiving prior approval from the secretary.

In our case, this provision would impact three full quarter sections of land making up our permitted solid waste disposal area.

This proposed legislation vests the Kansas Department of Health and Environment ("KDHE") with unwarranted control over private business decisions and will result in unreasonable interference with a permittee's ability to make timely decisions regarding its business operations. For the reasons discussed more fully below, the proposed legislation should be rejected.

Our first fundamental objection to the proposed legislation is that KDHE is given unfettered veto power over virtually any business decision that involves a division, sale, transfer, divestiture or other encumbrance (collectively hereinafter "Transfer") of the real property, in whole or in part, in a permitted solid waste disposal area or solid waste processing facility. Such power is an unwarranted intrusion into otherwise private business transactions and will only serve to unreasonably interfere with a company's ability to operate effectively and efficiently. For example, if the secretary must approve the encumbrance of landfill property with a

House ENVIRONMENT 2-8-01 AHACHMENT 4 mortgage, does that mean the secretary has the right to examine the intricate financing details that the landfill property owner is attempting to arrange with the lender that will take that mortgage? If a landfill property owner is asked to grant an easement to a public utility and the secretary decides the easement should not be granted, will the landfill property owner then be forced to contest any condemnation proceeding subsequently instituted by the utility to obtain the easement? As proposed, the legislation contains no limits on the secretary's power to investigate and approve a proposed Transfer.

This brings us to our second fundamental objection. The proposed legislation contains no standard by which the secretary is to evaluate and approve a proposed Transfer of the real property in a permitted solid waste disposal area or solid waste processing facility. For instance, what criteria will the secretary use to evaluate whether to allow a landfill property owner to mortgage its real property? Does it make a difference whether the financial institution the landfill property owner wants to borrow from is a bank headquartered in Topeka, Kansas or an insurance company headquartered in Delaware? Additionally, who within the KDHE will be responsible for evaluating whether a proposed Transfer may occur – the secretary, senior managers or fresh, inexperienced college graduates? As a practical matter, what mechanisms are in place to protect a landfill property owner from purely arbitrary decisions by the secretary? This question becomes more problematic when considering that decisions involving property Transfers often need to be made within a short timeframe, which typically will not tolerate delays associated with appealing the secretary's decision.

This brings us to our third and final fundamental objection. The proposed legislation provides the secretary with an unknown amount of time to approve a proposed Transfer. The proposed legislation contains no limit on the time within which the secretary must act. In today's business world, business owners must act quickly. Requiring a landfill property owner to seek and obtain the secretary's approval each time it decides to Transfer landfill property will make it impossible to timely respond, effectively operate and take advantage of business opportunities. Landfill owners already spend a significant amount of time waiting agency approval of plans, proposals and permit applications.

In closing, we believe that the current statutory and regulatory scheme provides the KDHE with adequate mechanisms to deal with any proposed Transfer of landfill property which it deems poses a threat to human health or the environment. For example, the Johnson County, Kansas permit for Deffenbaugh Industries, Inc.'s Johnson County Landfill includes the following notification provision:

The permittee agrees to notify the County in writing prior to making any change in ownership or operating lease or contract responsibility at least thirty (30) days in advance of the date of transfer. (Permit No. 01-05, General Conditions, paragraph six, for the period January 1, 2001 through December 31, 2001).

This provision protects the County by providing it with thirty (30) days advance notice of the proposed transfer of landfill real property. If the County deems the proposed transfer a threat to human health or the environment, it may take appropriate administrative or legal action to stop the transaction. Such a provision in the permit does not unreasonably interfere with the permittee's ability to make timely business decisions regarding its operations.

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Rather than including a similar notification provision in state permits, as it has done in the past¹, KDHE proposes legislation providing it with unfettered veto power over business decisions involving the fundamental right to freely alienate one's property without opportunity for effective redress by the landfill property owner. The proposed legislation, if enacted, will shift the burden to timely respond to the landfill property owner's notification of intent to transfer landfill property from the KDHE to the landfill property owner who must seek and wait indefinitely for the secretary's approval.

We respectfully submit that this proposed legislation weighs against public policy and, since there is a less intrusive alternative available, request that the proposed legislation be rejected.

Sincerely,

DEFFENBAUGH INDUSTRIES, INC.

George R. McGrew General Counsel

GRM:me

Kansas Permit No. 263 for Johnson County Landfill, Inc., November 13, 1984, General Conditions, paragraph 6.

1200 W. 10th Street Topeka, KS 66604 Phone: (785) 234-5859 Fax: (785) 234-2433

February 8, 2001

To: Chairperson Freeborn and Members of the House Environment Committee

From: Steve Kearney, Lobbyist, Waste Management

Re: HB 2131

Madam Chair and Members of the Committee:

Thank you for taking the time to allow me to present testimony regarding HB 2131 on behalf of Waste Management. I would like to present the following questions and concerns about this bill.

- 1. Has concrete data supporting the seriousness of a waste tire problem in Kansas been gathered? We would like to know if there really is a serious problem or if this bill is in response to one isolated incident.
- 2. Is it necessary to leave the excise tax at the \$.50 level to address a problem that does not appear to be sufficiently documented?
- 3. It appears the reason for leaving the fee at the \$.50 level instead of reducing it as the law would require would only serve to expand state grant programs and also expand the operational moneys for KDHE enforcement personnel without a clearly stated need.
- 4. Has the Department demonstrated a need to enter onto private property without the property owner's consent, as set forth on page 9, lines 9-14?

Sincerely,

Steve Kearney Lobbyist Waste Management

> House Environment 2-8-01 Attachment 5



KANSAS DEPARTMENT OF HEALTH & ENVIRONMENT

BILL GRAVES, GOVERNOR Clyde D. Graeber, Secretary

Testimony on House Bill 2131 KDHE Waste Tire Bill to **House Environment Committee**

presented by Bill Bider, Director, Bureau of Waste Management

February 8, 2001

The Department of Health and Environment appreciates this opportunity to provide testimony in support of House Bill 2131, a waste tire bill drafted and introduced by the department. Most of the proposed amendments to the waste tire statutes proposed in this bill were developed following a public meeting held in May 2000 in Salina. About 100 people representing tire retailers, the waste tire management industry, and local governments provided KDHE with their ideas about how to update the state law to yield an effective long-term state waste tire program. Consensus was reached on most points leading to a comprehensive bill which addresses everything from compliance and enforcement to grants.

The key recommendations received from the public and included in this bill follow:

- The tire excise tax of \$.50 per tire should be retained rather than decrease the tax to \$.25 per tire on July 1, 2001 as currently established in state law.
- The state should maintain authority to clean up waste tire sites, but only when the sites are illegal and when the responsible party is unknown, or unwilling or unable to perform the clean-up. This is the same authority that the state has to clean-up illegal solid waste dumps.
- Enhanced compliance and enforcement should continue to be a goal of the waste tire program, but the method to achieve this goal should be shifted from grants to local governments only to a combination of grants and additional KDHE staff. Only counties with populations above 100,000 would be eligible for grants. Smaller counties will be more efficiently addressed by four new KDHE staff members.

Capitol Tower Building 400 SW 8TH Street, Suite 200 (785) 296-0461

Topeka, KS 66603-3930 FAX (785) 368-6368

House ENVIRONMENT 2-8-01 Attachment 6

- A new competitive waste tire recycling grant program should be implemented to stimulate the formation of in-state businesses which process waste tires or utilize tire-derived material to manufacture consumer products. The grant program should provide financial assistance to the purchasers of products made from tire-derived rubber such as schools, parks, or other parties responsible for building and maintaining playgrounds or other recreational facilities.
- Waste tire disposal in municipal solid waste landfills should be allowed as long as the tires are processed. Market forces should determine disposal decisions rather than state laws.

A summary of the proposed statutory amendments in each section of law follows:

<u>K.S.A. 65-3424: Definitions</u> - Several definitions are deleted because they also exist in the solid waste statutes which immediately precede these sections and which have legal applicability to the tire provisions since waste tires are a type of solid waste. The definition of "processing" is amended to clarify that "baling" can be for disposal or for a beneficial use.

<u>K.S.A. 65-3424a</u>: <u>Restrictions on Disposal</u> - The prohibition on processed waste tire disposal in municipal solid waste landfills is eliminated.

K.S. A 65-3424f: Grants - The obsolete abatement grant program is eliminated. Enforcement grants will be limited to counties with populations above 100,000 people. A new competitive grant program to stimulate the formation of businesses to process and utilize tire-derived material will be established.

Note: KDHE is submitting an amendment to this section to delete wording which implies that regional enforcement grants are allowable. KDHE is proposing that only individual county grants be awarded to enhance local enforcement of tire laws and regulations.

K.S.A. 65-3424g: The Waste Tire Management Fund - KDHE expenditure authority for administrative expenses will be increased to allow for enhanced compliance and enforcement efforts in lieu of a broader enforcement grant program, as currently allowed by law. Four new KDHE staff are needed to cover the 100 counties which would not be eligible for enforcement grants. New authority is added to utilize money from this fund to clean-up illegal tire piles or illegal activities at permitted sites when the responsible party is unknown, or unwilling or unable to perform required work. New spending authority is also added for contractual services related to the education of the companies which handle waste tires and the general public.

Note: KDHE is submitting an amendment to the bill to make a deletion which was included in the draft submitted to the revisor's office, but omitted from the bill.

K.S.A. 65-3424k: Abatement and Enforcement Actions - Department authority to spend state funds for the abatement of "pre-law" tire piles is eliminated. Clean-up authority will be limited to illegal sites where health or environmental impacts or risks have been identified and where the responsible party is unknown, or unwilling or unable to perform required clean-up. Procedures are established for KDHE to implement clean-up work at eligible sites.

K.S.A. 65-3426: Solid Waste Grants Advisory Committee - The governor's solid waste grants advisory committee will add the review of the new waste tire recycling grant applications to its current responsibilities. The committee will make recommendations to the secretary regarding grant awards.

Note:

KDHE has identified the need to revise the reference to another subsection of law as it appears in this section. In paragraph (e), the referral to "subsection (c)" should be revised to "subsection (b)"

KDHE is requesting an additional amendment to clarify retailer recordkeeping requirements as specified in **K.S.A.** 65-3424b. Currently, the law requires retailers to use only permitted companies to transport, process, or dispose of the waste tires they generate. The law also requires retailers to keep records of the permitted companies they utilize to collect or store their waste tire. There is no recordkeeping requirement to document transportation or final disposal. This does not allow KDHE to assess compliance with the requirement to use only permitted companies, especially when a retailer claims to have transported their own tires to a local processor or landfill. The proposed revisions to this section of law, to correct this problem, are attached.

If the excise tax is retained at it current level of \$.50 per tire, approximately \$700,000 more in revenue will be generated each year. This money will be used to support the following three activities in order of priority: (1) the clean-up of illegal tire piles, (2) the enhancement of KDHE's compliance and enforcement program, (3) business and public education regarding proper waste tire management, and (4) waste tire recycling grants. The money available to support the grant program will be evaluated each year and the governor's grants committee will be informed of a budget allocation prior to their meetings to review grant applications and recommend grant awards.

Thank you for this opportunity to appear before the committee in support of HB 2131.

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HOUSE BILL No. 2131

By Committee on Environment

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AN ACT concerning waste tires; amending K.S.A. 2000 Supp. 65-3424, 65-3424a, 65-3424d, 65-3424f, 65-3424g, 65-3424k and 65-3426 and repealing the existing sections.

65-3424b,

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2000 Supp. 65-3424 is hereby amended to read as follows: 65-3424. As used in K.S.A. 65-3424 through 65-3424i, and amendments thereto, unless the context otherwise requires:

- (a) Terms have the meaning provided by K.S.A. 65-3402, and amendments thereto.
- (b) "Abatement" means the processing or removing to an approved storage site of waste tires which are creating a danger or nuisance.
- (b) (c) "Beneficial use" means the use or storage of waste tires in a way that creates an on-site economic benefit, other than from processing or recycling, to the owner of the tires.
- (e) (d) "Contaminated waste tire" means a tire which, as determined in accordance with rules and regulations adopted by the secretary, is recovered in a project to abate a waste tire accumulation and is so coated by or filled with dirt, mud, sludge or other natural substances as to render the tire substantially unsuitable for processing.
- (d) (e) "Landfill" means a disposal site in which the method of disposing of solid waste is by landfill, dump or pit and which has a solid waste disposal area permit issued under K.S.A. 65-3401 et seq., and amendments thereto.
- (e) (f) "Mobile waste tire processor" means a person who processes waste tires at other than a fixed site.
- (f) "Municipal landfill" means a landfill where residential waste, or residential and other nonhazardous waste, is placed for disposal.
- (g) "Person" means any individual, association, partnership, limited partnership, corporation or other entity.
- (h) (g) "Process" means bale or: (1) Cut or otherwise alter whole waste tires so that they are no longer whole; or (2) bale for disposal or beneficial use.
 - (i) "Secretary" means the secretary of health and environment.
- $-\frac{1}{2}$ (h) "Store" or "storage" means the placing of waste tires in a man-

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ner that does not constitute disposal of the waste tires. Storage includes the beneficial use of waste tires as silo covers and such other beneficial uses as the secretary determines do not create health or environmental risks.

- (k) (i) "Tire" means a continuous solid or pneumatic rubber covering used to encircle the wheel of a vehicle or aircraft, or an innertube of such a covering.
- $\frac{1}{2}$ (j) "Tire retailer" means a person in the business of selling new or used replacement tires at retail.
- $\frac{\text{(m)}}{k}$ "Used tire" means a tire that: (1) Has been removed from a wheel following a period of use or remains on a wheel removed from a vehicle or aircraft following a period of use; and (2) has been determined to have value in accordance with rules and regulations established pursuant to subsection (e)(7) of K.S.A. 65-3424b, and amendments thereto.
- (n) (l) "Vehicle" has the meaning provided by K.S.A. 8-1485 and amendments thereto and includes implements of husbandry, as defined by K.S.A. 8-1427 and amendments thereto.
- (o) (m) "Waste tire" means a whole tire that: (1) Has been removed from a wheel following a period of use or remains on a wheel removed from a vehicle or aircraft following a period of use; and (2) is no longer suitable for its original intended purpose because of wear, damage or defect.
- $\frac{P}{P}(n)$ "Waste tire collection center" means a site where used or waste tires are collected from the public or from customers of a business prior to being offered for recycling or disposal.
- $\frac{\langle q \rangle}{\langle o \rangle}$ "Waste tire processing facility" means a fixed site where equipment is used to process waste tires.
- $\langle \mathbf{r} \rangle$ (p) "Waste tire site" means a site at which 1,000 or more whole waste tires are accumulated. "Waste tire site" does not include: (1) A site that is an integral part of a permitted waste tire processing facility; (2) an accumulation of tires on the premises of a tire retreading business, for use in the business; (3) an accumulation of tires on the premises of a business that, in the ordinary course of business, removes tires from motor vehicles; er (4) an accumulation of tires on the premises of a tire retailer, accumulated in the normal course of the tire retailer's business; or (5) an accumulation of tires which has a beneficial use approved by statute or rules and regulations adopted by the secretary, or by the secretary pursuant to statute or rules and regulations.
- Sec. 2. K.S.A. 2000 Supp. 65-3424a is hereby amended to read as follows: 65-3424a. (a) The owner or operator of any waste tire site shall provide the department with information concerning the site's location and size and the approximate number of waste tires that are accumulated at the site.

- (b) No person shall:
- (1) Maintain a waste tire site unless such person holds a valid permit issued for such site pursuant to K.S.A. 65-3424b and amendments thereto;
- (2) dispose of waste tires in the state unless the waste tires are disposed of for processing, or collected for processing, at a solid waste processing facility, a waste tire site which is an integral part of a waste tire processing facility or a waste tire collection center or are made available to: (A) The department of wildlife and parks for use by the department; or (B) a person engaged in a farming or ranching activity, including the operation of a feedlot as defined by K.S.A. 47-1501, and amendments thereto, as long as the accumulation has a beneficial use to the person accumulating the tires and (i) the secretary determines that the use has no adverse environmental effects and (ii) the accumulation is in accordance with all applicable zoning regulations;
- (3) deposit waste tires in a landfill as a method of ultimate disposal, except that the secretary may authorize, by rules and regulations, may authorize or by permits issued pursuant to K.S.A. 65-3407, and amendments thereto: (A) The final disposal, before July 1, 1999, of uncontaminated of processed waste tires at a municipal landfill if the tires have been cut into sufficiently small parts to assure their proper disposal, (B) the final disposal of processed waste tires at a permitted waste tire monofill; (C) permitted municipal solid waste landfills and permitted waste tire monofills; (B) the final disposal of contaminated whole, unprocessed waste tires at a municipal landfill or permitted waste tire monofills; (C) the use of waste tires in their original state as part of a proven and approved leachate collection system at a landfill; or (E) (D) the use of waste tires which have been cut into two or more parts as daily cover material for a landfill; or
- (4) receive money in exchange for waste tires unless: (A) The person holds a permit issued by the secretary pursuant to K.S.A. 65-3424b, and amendments thereto; or (B) the person is a tire retailer who collects waste tires from the public in the ordinary course of business.
- Sec. 3. K.S.A. 2000 Supp. 65-3424d is hereby amended to read as follows: 65-3424d. (a) In addition to any other tax imposed upon the retail sale of new vehicle tires, there is hereby imposed on retail sales of new vehicle tires (excluding innertubes), including new tires mounted on a vehicle sold at retail for the first time, an excise tax at the following rate: (1) Before July 1, 2001, of \$.50 per vehicle tire; and (2) on or after July 1, 2001, \$.25. Such tax shall be paid by the purchaser of such tires and collected by the retailer thereof.
 - (b) The tax imposed by this section collected by the retailer shall

See K.S.A. 65-3424b attached

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become due and payable as follows: When the total tax for which any retailer is liable under this act does not exceed the sum of \$80 in any calendar year, the retailer shall file an annual return on or before January 25 of the following year; when the total tax liability does not exceed \$1,600 in any calendar year, the retailer shall file returns quarterly on or before the 25th day of the month following the end of each calendar quarter; when the total tax liability exceeds \$1,600 in any calendar year, the retailer shall file a return for each month on or before the 25th day of the following month. Each person collecting the tax imposed pursuant to this section shall make a true report to the department of revenue, on a form prescribed by the secretary of revenue, providing such information as may be necessary to determine the amounts of taxes due and payable hereunder for the applicable month or months, which report shall be accompanied by the tax disclosed thereby. Records of sales of new tires shall be kept separate and apart from the records of other retail sales made by the person charged to collect the tax imposed pursuant to this section in order to facilitate the examination of books and records as provided herein.

- (c) The secretary of revenue or the secretary's authorized representative shall have the right at all reasonable times during business hours to make such examination and inspection of the books and records of the person required to collect the tax imposed pursuant to this section as may be necessary to determine the accuracy of such reports required hereunder.
- (d) The secretary of revenue is hereby authorized to administer and collect the tax imposed by this section and to adopt such rules and regulations as may be necessary for the efficient and effective administration and enforcement of the collection thereof. Whenever any person liable to collect the taxes imposed hereunder refuses or neglects to pay them, the amount, including any penalty, shall be collected in the manner prescribed for the collection of the retailers' sales tax by K.S.A. 79-3617 and amendments thereto.
- (e) The secretary of revenue shall remit daily to the state treasurer all revenue collected under the provisions of this section. The state treasurer shall deposit the entire amount of each remittance in the state treasury and credit it to the waste tire management fund.
- (f) Whenever, in the judgment of the secretary of revenue, it is necessary, in order to secure the collection of any taxes, penalties or interest due, or to become due, under the provisions of this act, the secretary may require any person charged with the collection of such tax to file a bond with the director of taxation under conditions established by and in such form and amount as prescribed by rules and regulations adopted by the secretary.

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(g) The secretary of revenue and the secretary of health and environment shall cooperate to: (1) Ensure that retailers required to collect the tax imposed by this section collect such tax on sales of tires for all vehicles, as defined by K.S.A. 65-3424 and amendments thereto; and (2) develop and distribute to tire retailers educational materials that emphasize appropriate waste tire management practices.

Sec. 4. K.S.A. 2000 Supp. 65-3424f is hereby amended to read as follows: 65-3424f. (a) The secretary shall establish a program to make abatement grants to private companies, cities and counties which, individually or collectively, submit to the secretary plans approved by the secretary. Abatement grants shall be used for: (1) Projects to abate waste tire accumulations in existence before July 1, 1990, but no grants for such projects shall be used for any tires accumulated, or added to an existing accumulation, on or after July 1, 1990; and (2) programs to allow free lawful disposal of waste tires not generated in the ordinary course of a business, but not more than one such program shall be conducted per county. Not more than one abatement grant shall be awarded to abate the same waste tire accumulation unless it can be demonstrated by the applicant that the waste tire accumulation exceeded initial quantity estimates or that unknown circumstances, identified by the applicant, increased project difficulty and cost. No abatement grant payment shall be made on or after July 1, 2002. In awarding abatement grants, the secretary shall give preference to projects which include waste tire recycling or energy recovery. The secretary may authorize waste tire landfilling under abatement grant projects if the waste tires are contaminated or if no practical in-state markets are identified.

(b) The secretary shall establish a program to make enforcement grants to counties having populations of more than 100,000 which, individually or collectively, submit to the secretary plans approved by the secretary. Enforcement grants shall be used to pay the county's or counties' costs of assessing and enforcing compliance with this act and rules and regulations adopted under this act and to educate the public on the provisions and purposes of this act. Enforcement grants shall be for an amount not exceeding 75% of the costs incurred by the county or counties for eligible costs.

(b) The secretary shall establish a competitive waste tire recycling grant program to stimulate the processing of waste tires and the use and purchase of tire-derived products. Recycling grants under such program may be made to cities, counties, schools, colleges, universities, regional entities that are part of an interlocal agreement entered into pursuant to K.S.A. 12-2901 et seq., and amendments thereto, and nonprofit organizations to purchase tire-derived products for playgrounds, running tracks, hiking trails or other uses approved by the secretary to stimulate in-state

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businesses and institutions to process waste tires and utilize tire-derived material to manufacture and market consumer products. Waste tire recycling grants shall be in an amount not exceeding 75% of the cost of the approved purchase. Approved purchases may be from in-state and out-of-state companies in fiscal years 2002 and 2003. After July 1, 2003, approved purchases shall be only from companies which are located in Kansas and which recycle waste tires generated in Kansas at a minimum rate of 50% of total waste tire throughput. Applications for waste tire recycling grants shall be reviewed by the solid waste grants advisory committee established pursuant to K.S.A. 65-3426, and amendments thereto, which shall make recommendations to the secretary regarding project eligibility and funding.

- (c) Private companies, Cities and counties may join together, pooling their financial resources, when utilizing their grants for the purposes described in subsection (a).
- (d) The secretary may provide technical assistance, upon request, to a private company, city, county or group of private companies, cities or counties desiring assistance any eligible entity in applying for waste tire grants or choosing a method of waste tire management which would be an eligible use of the grant funds described in subsections (a) and (b).
- (e) The secretary shall submit to the legislature, on or before the first day of the regular legislative session each year, a report of all grants made pursuant to this section. The report shall include: (1) The total contract amounts awarded for each type of grant in each fiscal year and, of those amounts, the total amount awarded to individual counties, groups of counties and private entities; and (2) with respect to each grant awarded, the contract amount and type of grant, the recipient, a description of the project for which the grant was awarded, the number of tires involved and the amount actually spent. The secretary shall submit the report by filing it with the secretary of the senate, the chief clerk of the house of representatives and the chairperson and ranking minority member of each of the senate and house committees on energy and natural resources.
- Sec. 5. K.S.A. 2000 Supp. 65-3424g is hereby amended to read as follows: 65-3424g. (a) There is hereby established in the state treasury the waste tire management fund.
- (b) Money from the following sources shall be credited to the waste tire management fund:
- 38 (1) Revenue collected from the excise tax by K.S.A. 65-3424d and 39 amendments thereto;
- 40 (2) permit application and renewal fees provided for by K.S.A. 65-41 3424b and amendments thereto;
 - (3) interest provided for by subsection (e);
 - (4) additional sources of funding such as reimbursements and appro-

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priations intended to be used for the purposes of the fund;

- (5) any recoveries from abatement and enforcement actions provided for by K.S.A. 2000 Supp. 65-3424k and amendments thereto;
- (6) any interagency fund transfers relevant to providing business development grants for businesses engaged in recycling or utilizing waste tires in resource recovery programs provided for by K.S.A. 65-3424f and amendments thereto; and
 - (7) any other moneys provided by law.
- (c) Moneys in the waste tire management fund shall be used only for the purpose of:
- (1) Making grants as provided by K.S.A. 65-3424f, and amendments thereto;
- (2) paying compensation and other expenses of employing personnel to carry out the duties of the secretary pursuant to K.S.A. 65-3424 through 65-3424h, and amendments thereto, but not more than the following shall be used for such purpose: (A) For fiscal years beginning before July 1, 2002, 16% or \$200,000 35% or \$500,000, whichever amount is less, of the moneys credited to the fund during the preceding fiscal year; and (B) for fiscal years beginning on or after July 1, 2002, 32% or \$200,000, whichever amount is less, of the moneys credited to the fund during the preceding fiscal year,
- (3) action by the department before July 1, 2001, to abate waste tires accumulated prior to July 1, 1990, or to abate a nuisance or risk to the public health or the environment created or which could be created by waste tires accumulated after July 1, 1990, if the owner or operator of the site has not been identified or has not abated the nuisance;
- (4) action by the department before July 1, 2001, to abate waste tires accumulated by a city or county as a result of a temporary waste tire amnesty collection program, authorized by the department, to allow residents of the city or county free disposal of waste tires generated by farming and ranching activities and waste tires not generated in the ordinary course of any other business, provided that not more than one such amnesty program is conducted by the city or county after January 1999; and
- (5)—action by the department after July 1, 2001, to implement interim measures to minimize nuisances or risks to public health or the environment that are or could be created by waste tire accumulations, until the responsible party or county can fully abate the site
- (3) with the consent of the city or county, payment for the removal and disposal or on-site stabilization of waste tires which have been illegally accumulated or, with respect to the conditions of a permit issued by the department pursuant to K.S.A. 65-3407 or 65-3424b, and amendments thereto, illegally managed, when the responsible party is unknown or

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unwilling or unable to perform the necessary corrective action, provided moneys in the fund shall only be used to pay up to 75% of the costs of the required abatement action and the city or county shall pay the remaining 25% of such costs; and

- (4) the costs of using contractors to provide public education and technical training to persons involved with the management of waste tires.
- (d) All expenditures from the waste tire management fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary.
- (e) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the waste tire management fund interest earnings based on: (1) The average daily balance of moneys in the waste tire management fund for the preceding month; and (2) the net earnings rate for the pooled money investment portfolio for the preceding month.
- Sec. 6. K.S.A. 2000 Supp. 65-3424k is hereby amended to read as follows: 65-3424k. (a) Before July 1, 2001, the secretary may undertake appropriate abatement action and may enter into contracts, including grant contracts, for abatement of waste tire accumulations, utilizing funds from the waste tire management fund. After July 1, 2001, the secretary's actions shall be limited to contractual services to perform interim measures designed to minimize nuisances or risks to public health or the environment created by a waste tire accumulation.
- —(b) Any authorized representative of the secretary may enter, at reasonable times and upon written notice, onto any property or premises where an accumulation of waste tires is located to conduct an abatement of the accumulation or to perform interim measures to minimize nuisances or risks: (1) An inspection and site assessment to determine whether the accumulation creates a nuisance or risk to public health or and safety or to the environment created by a waste tire accumulation; or (2) interim measures to minimize risk to public health and safety or to the environment.
- (e) (b) Whenever the secretary has reason to believe that an owner or operator has accumulated waste tires that create accumulation of waste tires creates a nuisance or risk to public health or and safety or to the environment or is in violation of rules and regulations adopted by the secretary or conditions of a permit issued by the secretary, the secretary may require that owner or operator to abate the accumulation the person or persons responsible for the accumulation to carry out abatement activities. Such abatement activities shall be performed in accordance with a plan approved by the secretary. The secretary shall give notice, by letter, to the property owner and operator responsible parties that the waste

tires constitute a nuisance or risk to public health or the environment, and that the waste tire accumulation must be abated within a specified period. Before July 1, 2001, The secretary may undertake abatement action utilizing funds from the waste tire management fund if the owner or operator fails responsible parties fail to take the required action within the specified time period. After July 1, 2001, the secretary's actions shall be limited to contractual services to perform interim measures designed to minimize nuisances or risks to public health or the environment created by a waste tire accumulation. The department and its representatives are authorized to enter private property to perform abatement activities if the responsible party fails to perform required clean-up work, but no entry shall be made without the property owner's consent except upon notice and hearing in accordance with the Kansas administrative procedures act.

- (c) All costs incurred by the secretary in abatement of waste tires aecumulated after July 1, 1990, or in performing interim measures, including administrative and legal expenses, are recoverable from an owner or operator a responsible party or parties and may be recovered in a civil action in district court brought by the secretary. Abatement costs recovered under this section If any abatement costs are recovered under this section, the city or county that shared in the cost of the abatement action shall be reimbursed its costs not to exceed 25% of the amount recovered. The remaining amount recovered shall be remitted to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the waste tire management fund. An action to recover abatement or interim measures costs may be commenced at any stage of an abatement.
- (d) In performing or entering contracts for abatement actions under this section, the secretary shall give preference to actions that recycle the waste tires or burn the waste tires for energy recovery. Direct abatement expenditures may include landfilling when waste tires are contaminated or when practical in-state markets cannot be identified.
- (d) Permits granted by the secretary pursuant to K.S.A. 65-3424b, and amendments thereto, shall not be transferable and may be revoked or suspended whenever the secretary determines that the permit holder is operating in violation of this act or rules and regulations adopted pursuant to the act; is creating or threatens to create a hazard to persons, property or the environment; or is creating or threatens to create a public nuisance. The secretary may also revoke, suspend or refuse to issue a permit when the secretary determines that past or continuing violations of the provisions of K.S.A. 65-3409, and amendments thereto, have been committed by the applicant or permit holder.
- (e) Neither the state of Kansas nor the waste tire management fund shall be liable to any owner or, operator or responsible party for the loss

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of business, damages or taking of property associated with any abatement or enforcement action taken pursuant to this section.

- (f) If the secretary determines that the recipient of a grant, awarded pursuant to K.S.A. 65-3424f, and amendments thereto, has utilized grant moneys for purposes not authorized in the grant contract, the secretary may order the repayment of such moneys and cancel any remaining department commitments under the grant. If the grant recipient fails to comply with the secretary's order, the secretary may initiate a civil action in district court to recover any unapproved expenditures, including administrative and legal expenses incurred to pursue such action. Recovered grant moneys shall be remitted to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the waste tire management fund.
- Sec. 7. K.S.A. 2000 Supp. 65-3426 is hereby amended to read as follows: 65-3426. (a) There is hereby established within the department of health and environment the solid waste grants advisory committee, which shall be composed of seven members as follows:
- (1) Six members appointed by the governor, two of whom shall represent the interests of regional solid waste management entities, two of whom shall represent the interests of counties, one of whom shall represent the interests of cities and one of whom shall represent the interests of the private sector;
- (2) the secretary of health and environment or the secretary's designee.
- (b) Appointive members of the solid waste grants advisory committee shall serve terms of two years. The secretary of health and environment or the person designated by the secretary shall serve as chairperson of the advisory committee.
- (c) Members of the solid waste grants advisory committee shall receive amounts provided by subsection (e) of K.S.A. 75-3223 and amendments thereto for each day of actual attendance at any meeting of the advisory committee or any subcommittee meeting authorized by the advisory committee.
- (d) The secretary of health and environment shall provide technical support related to the activities of the solid waste grants advisory committee, including but not limited to establishing project selection criteria, performing technology evaluations, assessing technical feasibility and determining consistency with the statewide solid waste management plan, the applicable county or regional solid waste management plan and regional activities.
- (e) In accordance with schedules established by the secretary of health and environment, the solid waste grants advisory committee shall meet to review competitive grant applications submitted pursuant to sub-

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\smile_1	section (e) of K.S.A. 65-3415 and K.S.A. 65-3424f, and amendments	<i>b)</i>
2	thereto. The advisory committee shall establish a project priority list for each fiscal year <i>in each grant program</i> based upon the availability of funds	
4	as estimated by the secretary and shall make recommendations regarding	
5	the selection of grantees and the disbursement of moneys.	55-3424b,
6	Sec. 8. K.S.A. 2000 Supp. 65-3424, 65-3424a, 65-3424d, 65-3424f,	13-37270,
7	65-3424g, 65-3424k and 65-3426 are hereby repealed.	
8	Sec. 9. This act shall take effect and be in force from and after its	
9	publication in the statute book.	
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65-3424b. Permits and standards. (a) The secretary shall establish a system of permits for mobile waste tire processors and waste tire processing facilities and permits for waste tire transporters and collection centers. Such permits shall be issued for a period of one year and shall require an application fee established by the secretary in an amount not exceeding \$250 per year.

- (b) The secretary shall adopt rules and regulations establishing standards for mobile waste tire processors, waste tire processing facilities and associated waste tire sites, waste tire collection centers and waste tire transporters. Such standards shall include a requirement that the permittee file with the secretary a bond or other financial assurance in an amount determined by the secretary to be sufficient to pay any costs which may be incurred by the state to process any waste tires or dispose of any waste tires or processed waste tires if the permittee ceases business or fails to comply with this act.
- (c) Any person who contracts or arranges with another person to collect or transport waste tires for storage, processing or disposal shall so contract or arrange only with a person holding a permit from the secretary. Any person contracting or arranging with a person, permitted by the secretary, to collect or transport waste tires for storage, processing or disposal, transfers ownership of those waste tires to the permitted person and the person contracting or arranging with the person holding such permit to collect or transport such tires shall be released from liabilitytherefor. Any person contracting or arranging with any person, permitted by the secretary, for the collection, or transportation, storage, processing, or disposal of such tires shall maintain a record of such transaction for a period of not less than five years following the date of the transfer of such tires.

(d) No person shall:

(1) Own or operate a waste tire processing facility or waste tire collection center or act as a mobile waste tire processor or waste tire transporter unless such person holds a valid permit issued therefor pursuant to subsection (a); or

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- (2) own or operate a waste tire processing facility or waste tire collection center or act as a mobile waste tire processor or waste tire transporter except in compliance with the standards established by the secretary pursuant to subsection (b).
 - (e) The provisions of subsection (d)(1) shall not apply to:
- (1) A tire retreading business where fewer than 1,000 waste tires are kept on the business premises;
- (2) a business that, in the ordinary course of business, removes tires from motor vehicles if fewer than 1,500 of these tires are kept on the business premises;
- (3) a retail tire-selling business which is serving as a waste tire collection center if fewer than 1,500 waste tires are kept on the business premises;
 - (4) the department of wildlife and parks;
- (5) a person engaged in a farming or ranching activity, including the operation of a feedlot as defined by K.S.A. 47-1501, and amendments thereto, as long as the accumulation has a beneficial use;
- (6) a waste tire collection center where fewer than 1,500 used tires are kept on the premises;
- (7) a waste tire collection center where 1,500 or more used tires are kept on the premises, if the owner demonstrates through sales and inventory records that such tires have value, as established in accordance with standards adopted by rules and regulations of the secretary;
- (8) local units of government operating solid waste processing facilities and solid waste disposal areas permitted by the secretary under the authority of K.S.A. 65-3407 and amendments thereto;
- (9) a person transporting: (A) Waste tires mixed with other municipal solid waste; (B) fewer than five waste tires for lawful disposal; (C)

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waste tires generated by the business, farming activities of the person or the person's employer; or (D) waste tires for a beneficial use approved by statute or rules and regulations adopted by the secretary; or

- (10) a business engaged in processing, for resource recovery purposes, only waste tires generated by the business.
- (f) All fees collected by the secretary pursuant to this section shall be remitted to the state treasurer. The state treasurer shall deposit the entire amount of the remittance in the state treasury and credit it to the waste tire management fund.

History: L. 1990, ch. 319, § 3; L. 1991, ch. 197, § 3; L. 1996, ch. 173, § 3; July 1.

STATEMENT

OF THE

MID-AMERICA TIRE DEALERS ASSOCIATION

BEFORE THE

HOUSE ENVIRONMENT COMMITTEE

February 8, 2001

House Environment 2-8-01 Attachment 8 My name is Nick Phillippi. I'm the General Manager of Kansasland Tire. As a long-time member, President and on behalf of the Mid-America Tire Dealers Association, I appreciate the opportunity to be here today to express our position on House Bill 2131.

Tire dealers in Kansas realize a need to address the scrap tire disposal problem, and support all reasonable efforts to remedy this ongoing management issue. The continued mishandling of scrap tires gives our industry a "black eye," and upstanding dealers must compete with those who refuse to play by the rules.

HB 2131, if passed, would maintain a 50¢ excise tax on the sale of new tires instead of changing to 25¢ on July 1, 2001. Our membership is comfortable with maintaining the 50¢ excise tax. We have found that our customers are now accustomed to the charge and rarely object to the nominal expense to help keep the environment clean. The funds generated by this fee can help preserve a program that has been successful in managing a cumbersome waste stream and may help develop a good recycling venue for waste tires. Keeping the same fee would also eliminate a minor hassle of changing our point-of-sale software to reflect a change.

Conceptually, the 50¢ excise tax was originally collected, in part, to clean up years' worth of stockpiled waste tires in the state. For the most part, the majority of that goal has been reached. However, there are still some lessor piles of scrap tires in the state and there are still a few errant piles generated. Therefore, we feel that a portion of the extra funds collected by maintaining the 50¢ excise tax should be used to allow the state to continue some clean-up efforts. Some counties may not have the resources to maintain the level of clean-up that has nearly wiped out our Kansas waste tire blight.

We also feel that the enforcement grants should be spread proportionally among all counties in the state. Smaller counties should have smaller problems and need less funding. Additionally, by allowing the state to step in, it will alleviate a local government problem of state mandates without funding. It is felt that spending a large portion of the extra funds on salaries and other administrative expenses is counterproductive to the end goal of solving waste tire management issues. With less ongoing remediation, existing staff may be able to assume new responsibilities.

Noting that the majority of waste tire piles has been taken care of, it may be an opportune time to stimulate recycling with the extra funds generated by maintaining the 50¢ excise tax. This bill favors rubberized surfacing; a very good use for tire-derived products. In addition, however, our membership would recommend the use of tire chips as well and allowing other civil engineering projects. Also, private companies should have the opportunity to apply for grants as well as non-profits and local governments. Private companies have been involved in this effort for years and have proved themselves useful in helping to solve problems. These companies may need additional limitations, but eliminating their participation may prevent one of the best alternative uses for scrap tires from emerging. Also, the way the bill is written, a 50% throughput may be too aggressive for such a short term, although it is a good goal for the future.

Our membership has previously and still does support monofilling of waste tires because the state's small population prohibits major recycling outlets, and the high cost of transporting waste tires makes it cost prohibitive to totally ban landfilling of tires. However, allowing processed waste tires to be disposed of in municipal solid waste landfills seems in direct conflict to recycling goals. Also, given the expense of space in MSW landfills, it appears extravagant to use the space in this way.

Finally, our membership is aware that there have been some problems resulting in failures of baled whole tires when using them above ground. Apparently, once the bindings of the bale eventually break, one is left with a pile of whole tires again. There should be a way to prevent future problems and still allow the limited use of baled tires.

In conclusion, tire dealers feel that, given time, our waste tire problems will continue to diminish. Many states are having many more problems than Kansas, and our state is envied for our successful program. We should ensure that there are provisions for the ongoing management of this waste stream.

With these issues addressed, I would like to make it clear that the independent tire dealers, as an industry, do want to cooperate and help to be part of the solution to this problem. Thank you for allowing me to express my thoughts. Our suggested balloons are attached to my testimony, and I will try to answer any questions you may have.

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HOUSE BILL No. 2131

By Committee on Environment

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AN ACT concerning waste tires; amending K.S.A. 2000 Supp. 65-3424, 65-3424a, 65-3424d, 65-3424f, 65-3424g, 65-3424k and 65-3426 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2000 Supp. 65-3424 is hereby amended to read as follows: 65-3424. As used in K.S.A. 65-3424 through 65-3424i, and amendments thereto, unless the context otherwise requires:

- (a) Terms have the meaning provided by K.S.A. 65-3402, and amendments thereto.
- (b) "Abatement" means the processing or removing to an approved storage site of waste tires which are creating a danger or nuisance.
- (b) (c) "Beneficial use" means the use or storage of waste tires in a way that creates an on-site economic benefit, other than from processing or recycling, to the owner of the tires.
- (e) (d) "Contaminated waste tire" means a tire which, as determined in accordance with rules and regulations adopted by the secretary, is recovered in a project to abate a waste tire accumulation and is so coated by or filled with dirt, mud, sludge or other natural substances as to render the tire substantially unsuitable for processing.
- (d) (e) "Landfill" means a disposal site in which the method of disposing of solid waste is by landfill, dump or pit and which has a solid waste disposal area permit issued under K.S.A. 65-3401 et seq., and amendments thereto.
- (e) (f) "Mobile waste tire processor" means a person who processes waste tires at other than a fixed site.
- (f) "Municipal landfill" means a landfill where residential waste, or residential and other nonhazardous waste, is placed for disposal.
- (g) "Person" means any individual, association, partnership, limited partnership, corporation or other entity.
- —(h) (g) "Process" means bale or: (1) Cut or otherwise alter whole waste tires so that they are no longer whole; or (2) bale for disposal-or-
 - "Secretary" means the secretary of health and environment.
- (i) (h) "Store" or "storage" means the placing of waste tires in a man-

page 1 line 40-41 line out "or beneficial use."

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ner mat does not constitute disposal of the waste tires. Storage includes the beneficial use of waste tires as silo covers and such other beneficial uses as the secretary determines do not create health or environmental risks.

(k) (i) "Tire" means a continuous solid or pneumatic rubber covering used to encircle the wheel of a vehicle or aircraft, or an innertube of such a covering.

(+) (j) "Tire retailer" means a person in the business of selling new or

used replacement tires at retail.

- $\frac{\text{(m)}(k)}{k}$ "Used tire" means a tire that: (1) Has been removed from a wheel following a period of use or remains on a wheel removed from a vehicle or aircraft following a period of use; and (2) has been determined to have value in accordance with rules and regulations established pursuant to subsection (e)(7) of K.S.A. 65-3424b, and amendments thereto.
- (n) (l) "Vehicle" has the meaning provided by K.S.A. 8-1485 and amendments thereto and includes implements of husbandry, as defined by K.S.A. 8-1427 and amendments thereto.
- (e) (m) "Waste tire" means a whole tire that: (1) Has been removed from a wheel following a period of use or remains on a wheel removed from a vehicle or aircraft following a period of use; and (2) is no longer suitable for its original intended purpose because of wear, damage or defect.
- $\frac{P}{D}(n)$ "Waste tire collection center" means a site where used or waste tires are collected from the public or from customers of a business prior to being offered for recycling or disposal.

(q) (o) "Waste tire processing facility" means a fixed site where equip-

ment is used to process waste tires.

- (r) (p) "Waste tire site" means a site at which 1,000 or more whole waste tires are accumulated. "Waste tire site" does not include: (1) A site that is an integral part of a permitted waste tire processing facility; (2) an accumulation of tires on the premises of a tire retreading business, for use in the business; (3) an accumulation of tires on the premises of a business that, in the ordinary course of business, removes tires from motor vehicles; er (4) an accumulation of tires on the premises of a tire retailer, accumulated in the normal course of the tire retailer's business; or (5) an accumulation of tires which has a beneficial use approved by statute or rules and regulations adopted by the secretary pursuant to statute or rules and regulations.
- Sec. 2. K.S.A. 2000 Supp. 65-3424a is hereby amended to read as follows: 65-3424a. (a) The owner or operator of any waste tire site shall provide the department with information concerning the site's location and size and the approximate number of waste tires that are accumulated

at the site.

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. No person shall:

- (1) Maintain a waste tire site unless such person holds a valid permit issued for such site pursuant to K.S.A. 65-3424b and amendments thereto;
- (2) dispose of waste tires in the state unless the waste tires are disposed of for processing, or collected for processing, at a solid waste processing facility, a waste tire site which is an integral part of a waste tire processing facility or a waste tire collection center or are made available to: (A) The department of wildlife and parks for use by the department; or (B) a person engaged in a farming or ranching activity, including the operation of a feedlot as defined by K.S.A. 47-1501, and amendments thereto, as long as the accumulation has a beneficial use to the person accumulating the tires and (i) the secretary determines that the use has no adverse environmental effects and (ii) the accumulation is in accordance with all applicable zoning regulations;
- (3) deposit waste tires in a landfill as a method of ultimate disposal, except that the secretary may authorize, by rules and regulations, may authorize or by permits issued pursuant to K.S.A. 65-3407, and amendments thereto: (A) The final disposal, before July 1, 1999, of uncontaminated of processed waste tires at a municipal landfill if the tires have been cut into sufficiently small parts to assure their proper disposal, (B) the final disposal of processed waste tires at a permitted waste tire monofill, (C) permitted municipal solid waste landfills and permitted waste tire monofills; (B) the final disposal of contaminated whole, unprocessed waste tires at a municipal landfill or permitted waste tire monofill, (D) permitted municipal solid waste landfills and permitted waste tire monofills; (C) the use of waste tires in their original state as part of a proven and approved leachate collection system at a landfill; or (E) (D) the use of waste tires which have been cut into two or more parts as daily cover material for a landfill; or
- (4) receive money in exchange for waste tires unless: (A) The person holds a permit issued by the secretary pursuant to K.S.A. 65-3424b, and amendments thereto; or (B) the person is a tire retailer who collects waste tires from the public in the ordinary course of business.
- Sec. 3. K.S.A. 2000 Supp. 65-3424d is hereby amended to read as follows: 65-3424d. (a) In addition to any other tax imposed upon the retail sale of new vehicle tires, there is hereby imposed on retail sales of new vehicle tires (excluding innertubes), including new tires mounted on a vehicle sold at retail for the first time, an excise tax at the following rate: (1) Before July 1, 2001, of \$.50 per vehicle tire, and (2) on or after July 1, 2001, \$.25. Such tax shall be paid by the purchaser of such tires and collected by the retailer thereof.
 - (b) The tax imposed by this section collected by the retailer shall

* page 3 line 23 line out "permitted municipal solid waste landfills and"

* page 3 line 29 line our "two or" insert four or more parts with no part being greater than 1/3 of the original whole tire," become due and payable as follows: When the total tax for which any

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:1 :2 retailer is liable under this act does not exceed the sum of \$80 in any calendar year, the retailer shall file an annual return on or before January 25 of the following year; when the total tax liability does not exceed \$1,600 in any calendar year, the retailer shall file returns quarterly on or before the 25th day of the month following the end of each calendar quarter; when the total tax liability exceeds \$1,600 in any calendar year, the retailer shall file a return for each month on or before the 25th day of the following month. Each person collecting the tax imposed pursuant to this section shall make a true report to the department of revenue, on a form prescribed by the secretary of revenue, providing such information as may be necessary to determine the amounts of taxes due and payable hereunder for the applicable month or months, which report shall be accompanied by the tax disclosed thereby. Records of sales of new tires shall be kept separate and apart from the records of other retail sales made by the person charged to collect the tax imposed pursuant to this section in order to facilitate the examination of books and records as provided

- (c) The secretary of revenue or the secretary's authorized representative shall have the right at all reasonable times during business hours to make such examination and inspection of the books and records of the person required to collect the tax imposed pursuant to this section as may be necessary to determine the accuracy of such reports required hereunder.
- (d) The secretary of revenue is hereby authorized to administer and collect the tax imposed by this section and to adopt such rules and regulations as may be necessary for the efficient and effective administration and enforcement of the collection thereof. Whenever any person liable to collect the taxes imposed hereunder refuses or neglects to pay them, the amount, including any penalty, shall be collected in the manner prescribed for the collection of the retailers' sales tax by K.S.A. 79-3617 and amendments thereto.
- (e) The secretary of revenue shall remit daily to the state treasurer all revenue collected under the provisions of this section. The state treasurer shall deposit the entire amount of each remittance in the state treasury and credit it to the waste tire management fund.
- (f) Whenever, in the judgment of the secretary of revenue, it is necessary, in order to secure the collection of any taxes, penalties or interest due, or to become due, under the provisions of this act, the secretary may require any person charged with the collection of such tax to file a bond with the director of taxation under conditions established by and in such form and amount as prescribed by rules and regulations adopted by the secretary.

The secretary of revenue and the secretary of health and environment shall cooperate to: (1) Ensure that retailers required to collect the tax imposed by this section collect such tax on sales of tires for all vehicles, as defined by K.S.A. 65-3424 and amendments thereto; and (2) develop and distribute to tire retailers educational materials that emphasize appropriate waste tire management practices.

Sec. 4. K.S.A. 2000 Supp. 65-3424f is hereby amended to read as follows: 65-3424f. (a) The secretary shall establish a program to make abatement grants to private companies, cities and counties which, individually or collectively, submit to the secretary plans approved by the secretary. Abatement grants shall be used for: (1) Projects to abate waste tire accumulations in existence before July 1, 1990, but no grants for such projects shall be used for any tires accumulated, or added to an existing accumulation, on or after July 1, 1990, and (2) programs to allow free lawful disposal of waste tires not generated in the ordinary course of a business, but not more than one such program shall be conducted per county. Not more than one abatement grant shall be awarded to abate the same waste tire accumulation unless it can be demonstrated by the applicant that the waste tire accumulation exceeded initial quantity estimates or that unknown circumstances, identified by the applicant, inereased project difficulty and cost. No abatement grant payment shall be made on or after July 1, 2002. In awarding abatement grants, the secretary shall give preference to projects which include waste tire recycling or energy recovery. The secretary may authorize waste tire landfilling under abatement grant-projects if the waste tires are contaminated or if no practical in-state markets are identified.

—(b) The secretary shall establish a program to make enforcement grants to counties having populations of more than 100,000 which, individually or collectively, submit to the secretary plans approved by the secretary. Enforcement grants shall be used to pay the county's or counties' costs of assessing and enforcing compliance with this act and rules and regulations adopted under this act and to educate the public on the provisions and purposes of this act. Enforcement grants shall be for an amount not exceeding 75% of the costs incurred by the county or counties for eligible costs.

(b) The secretary shall establish a competitive waste tire recycling grant program to stimulate the processing of waste tires and the use and purchase of tire-derived products. Recycling grants under such program may be made to cities, counties, schools, colleges, universities, regional entities that are part of an interlocal agreement entered into pursuant to K.S.A. 12-2901 et seq., and amendments thereto, and nonprofit organizations to purchase tire-derived products for playgrounds, running tracks, hiking trails or other uses approved by the secretary to stimulate in-state

* page 5 line 8 insert "The secretary shall establish a program to make abatement grants to private companies, cities and counties which, individually or collectively, submit to the secretary plans approved by the secretary. Abatement grants shall be for an amount not exceeding 75% of the costs incurred. Abatement grants shall be used for: (1) Projects to abate waste tire accumulations in existence before July 1, 2000, but no grant for such projects shall be used for any tires accumulated, or added to an existing accumulation, on or after July 1, 2000 that have not been previously discovered and abated. Not more than one abatement grant shall be awarded to abate the same waste tire accumulation unless it can be demonstrated by the applicant that the waste tire accumulation exceeded initial quantity estimates or that unknown circumstances, identified by the applicant, increased project difficulty and cost. No abatement grant payment shall be made on or after July 1, 2004. In awarding abatement grants, the secretary shall give preference to projects which include waste tire recycling or energy recovery. The secretary may authorize waste tire landfilling under abatement grant projects if the waste tires are contaminated or if no practical in-state markets are identified."

^{*}page 5 line 28 line out having populations of more than 100,000

^{*}page 5 line 39 insert "private companies"

^{*} page 5 line 42 insert "tire chips & other"

^{*}page 5 line 43 insert "septic systems and other civil engineering projects,"

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bus. ses and institutions to process waste tires and utilize tire-derived material to manufacture and market consumer products. Waste tire recycling grants shall be in an amount not exceeding 75% of the cost of the approved purchase. Approved purchases may be from in-state and outof state companies in fiscal years 2002 and 2003. After July 1, 2003, approved purchases shall be only from companies which are located in Kansas and which recycle waste tires generated in Kansas at a minimum rate of 50% of total waste tire throughput. Applications for waste tire recycling grants shall be reviewed by the solid waste grants advisory committee established pursuant to K.S.A. 65-3426, and amendments thereto, which shall make recommendations to the secretary regarding project eligibility and funding.

- (c) *Private companies, Cities and counties may join together, pooling their financial resources, when utilizing their grants for the purposes described in subsection (a).
- (d) The secretary may provide technical assistance, upon request, to a private company, city, county or group of private companies, cities or counties desiring assistance any eligible entity in applying for waste tire grants or choosing a method of waste tire management which would be an eligible use of the grant funds described in subsections (a) and (b).
- (e) The secretary shall submit to the legislature, on or before the first day of the regular legislative session each year, a report of all grants made pursuant to this section. The report shall include: (1) The total contract amounts awarded for each type of grant in each fiscal year and, of those amounts, the total amount awarded to individual counties, groups of counties and private entities; and (2) with respect to each grant awarded, the contract amount and type of grant, the recipient, a description of the project for which the grant was awarded, the number of tires involved and the amount actually spent. The secretary shall submit the report by filing it with the secretary of the senate, the chief clerk of the house of representatives and the chairperson and ranking minority member of each of the senate and house committees on energy and natural resources.
- Sec. 5. K.S.A. 2000 Supp. 65-3424g is hereby amended to read as follows: 65-3424g. (a) There is hereby established in the state treasury the waste tire management fund.
- (b) Money from the following sources shall be credited to the waste tire management fund:
- (1) Revenue collected from the excise tax by K.S.A. 65-3424d and amendments thereto;
- (2) permit application and renewal fees provided for by K.S.A. 65-3424b and amendments thereto;
 - (3) interest provided for by subsection (e);
 - (4) additional sources of funding such as reimbursements and appro-

- * page 6 line 2 insert "industrial".
- * page 6 line 3 line out "75%" insert "50%"
- *page 6 line 4 insert "companies in fiscal years 2002 and 2003 and out-of-state companies in 2002 and 2003 if no in-state companies are available"
- * page 6 line 4-5 Line out "and out-of-state companies in fiscal years 2002 and 2003"
- *page 6 line 8 line out 50% and insert "of 10% of total waste tire throughput in Fiscal year 2003, plus 10% additional throughput for each subsequent year until fiscal year ending 2007 to attain 50% total waste tire through put"
- * page 6 line 13 leave in "Private companies"

prial intended to be used for the purposes of the fund;

(5) any recoveries from abatement and enforcement actions provided for by K.S.A. 2000 Supp. 65-3424k and amendments thereto;

- (6) any interagency fund transfers relevant to providing business development grants for businesses engaged in recycling or utilizing waste tires in resource recovery programs provided for by K.S.A. 65-3424f and amendments thereto; and
 - (7) any other moneys provided by law.
- (c) Moneys in the waste tire management fund shall be used only for the purpose of:
- (1) Making grants as provided by K.S.A. 65-3424f, and amendments thereto;
- (2) paying compensation and other expenses of employing personnel to carry out the duties of the secretary pursuant to K.S.A. 65-3424 through 65-3424h, and amendments thereto, but not more than the following shall be used for such purpose: (A) For fiscal years beginning before July 1, 2002, 16% or \$200,000 35% or \$500,000, whichever amount is less, of the moneys credited to the fund during the preceding fiscal year; and (B) for fiscal years beginning on or after July 1, 2002, 32% or \$200,000, which ever amount is less, of the moneys credited to the fund during the preceding fiscal year;
- **\(\mathcal{X}\)(3)—action by the department before July 1, 2001, to abate waste tires accumulated prior to July 1, 1990, or to abate a nuisance or risk to the public health or the environment created or which could be created by waste tires accumulated after July 1, 1990, if the owner or operator of the site has not been identified or has not abated the nuisance;
- (4)—action by the department before July 1, 2001, to abate waste tires accumulated by a city or county as a result of a temporary waste tire amnesty collection program, authorized by the department, to allow residents of the city or county free disposal of waste tires generated by farming and ranching activities and waste tires not generated in the ordinary course of any other business, provided that not more than one such amnesty program is conducted by the city or county after January 1909, and
- ★ (5) action by the department after July 1, 2001, to implement interim measures to minimize nuisances or risks to public health or the environment that are or could be created by waste tire accumulations, until the responsible party or county can fully abate the site
- (3) with the consent of the city or county, payment for the removal and disposal or on-site stabilization of waste tires which have been illegally accumulated or, with respect to the conditions of a permit issued by the department pursuant to K.S.A. 65-3407 or 65-3424b, and amendments thereto, illegally managed, when the responsible party is unknown or

- * page 7 line 16 Line out lines 16-21 insert "(A) For fiscal years beginning July 1, 2002, 16% or \$200,000 whichever amount is less of the moneys credited to the fund during the preceding fiscal year"
- * page 7 line 22 insert "(3) action by the department before July 1, 2003, to abate waste tires accumulated prior to July 1, 2000, or to abate a nuisance or risk to the public health or the environment created or which could be created by waste tires accumulated after July 1, 2000, if the owner or operator of the site has not been identified or has not abated the nuisance;"
- * page 7 line 35 insert "action by the department after July 1, 2003, to implement interim measures to minimize nuisances or risks to public health or the environment that are or could be created by waste tire acumulations, until the responsible party or county can fully abate the site.

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unw.....g or unable to perform the necessary corrective action, provided moneys in the fund shall only be used to pay up to 75% of the costs of the required abatement action and the city or county shall pay the remaining 25% of such costs; and

(4) the costs of using contractors to provide public education and technical training to persons involved with the management of waste tires.

- (d) All expenditures from the waste tire management fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary.
- (e) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the waste tire management fund interest earnings based on: (1) The average daily balance of moneys in the waste tire management fund for the preceding month; and (2) the net earnings rate for the pooled money investment portfolio for the preceding month.
- Sec. 6. K.S.A. 2000 Supp. 65-3424k is hereby amended to read as follows: 65-3424k. (a) Before July 1, 2001, the secretary may undertake appropriate abatement action and may enter into contracts, including grant contracts, for abatement of waste tire accumulations, utilizing funds from the waste tire management fund. After July 1, 2001, the secretary's actions shall be limited to contractual services to perform interim measures designed to minimize nuisances or risks to public health or the environment created by a waste tire accumulation.
- —(b) Any authorized representative of the secretary may enter, at reasonable times and upon written notice, onto any property or premises where an accumulation of waste tires is located to conduct an abatement of the accumulation or to perform interim measures to minimize nuisances or risks: (1) An inspection and site assessment to determine whether the accumulation creates a nuisance or risk to public health or and safety or to the environment ereated by a waste tire accumulation; or (2) interim measures to minimize risk to public health and safety or to the environment.
- (e) (b) Whenever the secretary has reason to believe that an owner or operator has accumulated waste tires that create accumulation of waste tires creates a nuisance or risk to public health or and safety or to the environment or is in violation of rules and regulations adopted by the secretary or conditions of a permit issued by the secretary, the secretary may require that owner or operator to abate the accumulation the person or persons responsible for the accumulation to carry out abatement activities. Such abatement activities shall be performed in accordance with a plan approved by the secretary. The secretary shall give notice, by letter, to the property owner and operator responsible parties that the waste

*page 8 line 18 insert "Before July 1, 2003 The secretary may undertake appropriate abatement action and may enter into contracts, for abatement of waste tire accumulations, utilizing funds from the waste tire management fund."

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tiresstitute a nuisance or risk to public health or the environment, and that the waste tire accumulation must be abated within a specified period. Before July 1, 2001, The secretary may undertake abatement action utilizing funds from the waste tire management fund if the owner or operator fails responsible parties fail to take the required action within the specified time period. After July 1, 2001, the secretary's actions shall be limited to contractual services to perform interim measures designed to minimize nuisances or risks to public health or the environment created by a waste tire accumulation. The department and its representatives are authorized to enter private property to perform abatement activities if the responsible party fails to perform required clean-up work, but no entry shall be made without the property owner's consent except upon notice and hearing in accordance with the Kansas administrative procedures act.

- (c) All costs incurred by the secretary in abatement of waste tires accumulated after July 1, 1990, or in performing interim measures, including administrative and legal expenses, are recoverable from an owner or operator a responsible party or parties and may be recovered in a civil action in district court brought by the secretary. Abatement costs recovered under this section, the city or county that shared in the cost of the abatement action shall be reimbursed its costs not to exceed 25% of the amount recovered. The remaining amount recovered shall be remitted to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the waste tire management fund. An action to recover abatement or interim measures costs may be commenced at any stage of an abatement.
- (d) In performing or entering contracts for abatement actions under this section, the secretary shall give preference to actions that recycle the waste tires or burn the waste tires for energy recovery. Direct abatement expenditures may include landfilling when waste tires are contaminated or when practical in state markets cannot be identified.
- (d) Permits granted by the secretary pursuant to K.S.A. 65-3424b, and amendments thereto, shall not be transferable and may be revoked or suspended whenever the secretary determines that the permit holder is operating in violation of this act or rules and regulations adopted pursuant to the act; is creating or threatens to create a hazard to persons, property or the environment; or is creating or threatens to create a public nuisance. The secretary may also revoke, suspend or refuse to issue a permit when the secretary determines that past or continuing violations of the provisions of K.S.A. 65-3409, and amendments thereto, have been committed by the applicant or permit holder.
- (e) Neither the state of Kansas nor the waste tire management fund shall be liable to any owner or, operator or responsible party for the loss

- * page 9 line 3 insert "Before July 1, 2003,"
- * page 9 line 6 insert "After July 1, 2003,"
- * page 9 line 16 insert "accumulated after July 1, 2000,"
- *page 9 line 27 insert "In performing or entering contracts for abatement actions, the secretary shall give preference to actions that recycle the waste tires or burn the waste tires for energy recovery. Direct abatement expenditures may include landfilling when waste tires are contaminated or when practical in-state markets cannot be identified."

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of business, damages or taking of property associated with any abatement or enforcement action taken pursuant to this section.

(f) If the secretary determines that the recipient of a grant, awarded pursuant to K.S.A. 65-3424f, and amendments thereto, has utilized grant moneys for purposes not authorized in the grant contract, the secretary may order the repayment of such moneys and cancel any remaining department commitments under the grant. If the grant recipient fails to comply with the secretary's order, the secretary may initiate a civil action in district court to recover any unapproved expenditures, including administrative and legal expenses incurred to pursue such action. Recovered grant moneys shall be remitted to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the waste tire management fund.

Sec. 7. K.S.A. 2000 Supp. 65-3426 is hereby amended to read as follows: 65-3426. (a) There is hereby established within the department of health and environment the solid waste grants advisory committee,

which shall be composed of seven members as follows:

(1) Six members appointed by the governor, two of whom shall represent the interests of regional solid waste management entities, two of whom shall represent the interests of counties, one of whom shall represent the interests of cities and one of whom shall represent the interests of the private sector;

(2) the secretary of health and environment or the secretary's

designee.

(b) Appointive members of the solid waste grants advisory committee shall serve terms of two years. The secretary of health and environment or the person designated by the secretary shall serve as chairperson of the advisory committee.

(c) Members of the solid waste grants advisory committee shall receive amounts provided by subsection (e) of K.S.A. 75-3223 and amendments thereto for each day of actual attendance at any meeting of the advisory committee or any subcommittee meeting authorized by the ad-

visory committee.

(d) The secretary of health and environment shall provide technical support related to the activities of the solid waste grants advisory committee, including but not limited to establishing project selection criteria, performing technology evaluations, assessing technical feasibility and determining consistency with the statewide solid waste management plan, the applicable county or regional solid waste management plan and regional activities.

(e) In accordance with schedules established by the secretary of health and environment, the solid waste grants advisory committee shall meet to review competitive grant applications submitted pursuant to sub-

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section (c) of K.S.A. 65-3415 and K.S.A. 65-3424f, and amendments thereto. The advisory committee shall establish a project priority list for each fiscal year in each grant program based upon the availability of funds as estimated by the secretary and shall make recommendations regarding the selection of grantees and the disbursement of moneys.

Sec. 8. K.S.A. 2000 Supp. 65-3424, 65-3424a, 65-3424d, 65-3424f, 65-3424g, 65-3424k and 65-3426 are hereby repealed.

Sec. 9. This act shall take effect and be in force from and after its publication in the statute book.



Testimony concerning HB 2131 House Environment Committee February 8, 2001 Presented by Randy Allen, Executive Director Kansas Association of Counties

Madam Chair and members of the committee, my name is Randy Allen, Executive Director of the Kansas Association of Counties. Thank you for the opportunity to testify *in support of HB 2131*, a waste tire bill drafted and introduced by the Kansas Department of Health and Environment.

Currently, KDHE finances four major activities using the tire disposal excise tax (currently \$.50). These include 1) the cleanup of illegal tire piles; 2) compliance and enforcement work with regard to waste tire piles; and 3) a business and public education program to promote waste tire management; and 4) waste tire recycling grants. Without legislative action, the responsibility for policing waste tire piles would shift from the state to counties.

At our annual meeting last fall, the KAC membership unanimously approved a statement urging extension of the state's waste tire fund, continuation of the current excise tax rate of \$.50 after July 1, 2001, and continued placement of responsibility for the waste tire program at the state level.

If you have questions, I would be happy to respond. Thank you.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randy Allen or Judy Moler by calling (785) 272-2585.

6206 SW 9th Terrace Topeka, KS 66615 785•272•2585 Fax 785•272•3585 email kac@ink.org

House Environment 2-8-01 Attachment T

1200 W. 10th Street Topeka, KS 66604 Phone: (785) 234-5859 Fax: (785) 234-2433

February 8, 2001

To: Chairperson Freeborn and Members of the House Environment Committee

From: Steve Kearney, Lobbyist, Waste Management

Re: HB 2134

Madam Chair and Members of the Committee:

Thank you for taking the time to allow me to present testimony regarding HB 2134 on behalf of Waste Management. I would like to express our concerns with this bill based on the following:

- As written, this bill gives the impression that a permit has been required in the past for storage of waste generated from natural disaster, when in fact, no authorization of any kind has been required due to the need to act expeditiously. Possible public health concerns may be raised if permit authorization does not occur in a timely manner.
- 2. The method of authorization needs to be determined and outlined within the bill, including process for authorization, detail needed to receive authorization, length of the decision-making process, and allowance of public input. We would also recommend that a specific timeframe be established for the Secretary of Health & Environment providing written authorization in a specific number of days or automatic authorization is given.
- 3. Required authorization for division, sale, transfer, or otherwise encumbrance of the land is the most troubling aspect of this bill. Our concern regards the intent of requiring authorization. Is the intent to ensure that the disposal area is closed properly? If so, why include the setback property as property requiring authorization from the Secretary prior to sale. Setback property is not used for landfill. The entire site includes land that is purchased and owned by private industry. Areas used for land disposal are monitored by the Department already through the permit. Why should the Department be concerned with property not used for landfill purposes, since there are no environmental concerns in these areas?

Sincerely,

Steve Kearney Lobbyist Waste Management

> HOUSE ENVIRONMENT 2-8-01 ATTACHMENT 10