Approved: April 29, 2005 Carl Dean Holmu

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:07 a.m. on March 8, 2005 in Room 231-N of the Capitol.

All members were present except: Representative Eric Carter - Excused

Committee staff present: Mary Galligan, Legislative Research

Dennis Hodgins, Legislative Research Mary Torrence, Revisor of Statutes Jo Cook, Administrative Assistant

Conferees appearing before the committee:

Ed Jaskinia, The Associated Landlords of Kansas, Kansas City, KS

Martha Neu Smith, Kansas Manufactured Housing Association, Topeka, KS

Others attending: See Attached List

SB 63 - Public utilities, excluding certain landlords from definition

Chairman Holmes opened the hearing on **SB** 63.

Mr. Ed Jaskinia, appearing on behalf of The Associated Landlords of Kansas, testified in support of <u>SB 63</u>. Mr. Jaskinia told the committee that the legislation, in many forms, had been around for quite some time. Simply it is allows landlords to sub-meter their multi-family units without being considered a public utility. He urged the committee's support of the bill.

Martha Neu Smith, Executive Director for the Kansas Manufactured Housing Association, appeared as a proponent of <u>SB 63</u> (Attachment 1). Ms. Smith said they felt the legislation was a reasonable approach to sub-metering, which in turn encourages water conservation.

Mr. Jaskinia and Ms. Smith responded to questions from the committee.

Chairman Holmes closed the hearing on SB 63.

Attention was led to minutes from the January 18, 19, 20, 21, 25, and 26 meetings. <u>Representative Sloan moved to approved the minutes</u>. <u>Representative Mast seconded the motion</u>. <u>The motion carried</u>.

SB 63 - Public utilities, excluding certain landlords from definition

Chairman Holmes opened the debate on **SB 63**.

Representative Knox moved to recommend **SB** 63 favorable for passage. Representative Mast seconded the motion. The motion carried. Representative Huy will carry the bill.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 231-N, Statehouse, at 9:07 a.m. on March 8, 2005

HB 2026 - KAN-ED funding

Chairman Holmes opened the debate on HB 2026.

Two balloon amendments were distributed to the committee by Representative Sloan (Attachment 2) and by Representative Oharah (Attachment 3). Chairman Holmes told the committee there were four discussion scenarios. Representative Mast moved to adopt the Oharah Balloon. Representative Olson seconded the motion. The motion failed. Representative Sloan moved to adopt the funding portion on page three of the Sloan Balloon. Representative Jim Morrison seconded the motion. The motion carried. Representative Sloan moved to adopt new subsection g of the Sloan balloon. Representative Meyers seconded the motion. The motion failed. Representative Sloan moved to adopt new Section 2 of the Sloan balloon. Representative Kuether seconded the motion. The motion carried. Representative Sloan moved to adopt new Section 3 of the Sloan balloon. Representative Krehbiel seconded the motion. Motion carried. Representative Mast moved to adopt new Section 2 of the Oharah balloon. Representative Olson seconded the motion. The motion carried. Representative Jim Morrison moved to recommend HB 2026, as amended and with technical corrections, favorable for passage. Representative Mast seconded the motion. The motion carried. Representative Jim Morrison will carry the bill.

The meeting adjourned at 10;56 a.m.

The next meeting will be Wednesday, March 9, 2005 at 9:00 a.m.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: _____ March 8, 2005

NAME	REPRESENTING
JOM DAY	KCC
Christer Lyon	Senator Ender
Brent Larson	RTA
Hal Gardner	KBOR, Kan-ed
DICK CARTER	RIG
Mike Raeght	Jackes Braden
Marka Son Smith	KINHA
Lustina Hillroldt	Rep. Watkins
Paca (ob)	Rep Showaity
Jenifer Findley	KS HOSPitral Association
Eldon Rightmore	KAN-ED
Sin Garfner	SBC
*	p.



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785-357-5257 fax
kmha1@sbcglobal.net

WRITTEN TESTIMONY BEFORE THE HOUSE COMMITTEE ON UTILITIES

TO:

Representative Carl Holmes, Chairman

And Members of the Committee

FROM:

Martha Neu Smith, Executive Director

Kansas Manufactured Housing Association

DATE:

March 8, 2005

RE:

SB 63 – Public Utilities Excluding Landlords From Definition

Chairman Holmes and Members of the Committee, my name is Martha Neu Smith and I am the Executive Director of the Kansas Manufactured Housing Association (KMHA). KMHA represents all facets of the manufactured housing industry in Kansas (i.e., manufacturers, retailers, community owners and operators, finance and insurance companies, service and supplier companies and transporters). I appreciate the opportunity to appear before you in support of SB 63.

KMHA has several members that are currently regulated by the Kansas Corporation Commission for sub-metering water to their residents. The association feels that SB 63 clarifies that if a landlord meets the definition of subsection (a)(6) of K.S.A. 58-25, 111 and follows the requirements of SB 63 they (landlord) would no longer be considered a "public utility". We feel this is a reasonable approach to sub-metering, which in turn encourages water conservation.

Thank you for the opportunity to comment on SB 63 as amended.

HOUSE UTILITIES

3-8-05

ATTACHMENT |



Session of 2005

HOUSE BILL No. 2026

By Legislative Educational Planning Committee

12-30

telecommunications; relating to Kan-Ed funding; VoIP service; AN ACT concerning the Kansas universal service fund; relating to KAN-ED, amending K.S.A. 66-2010 and repealing the existing section.

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

Section 1. K.S.A. 66-2010 is hereby amended to read as follows: 66-2010. (a) The commission shall utilize a competitive bidding process to select a neutral, competent and bonded third party to administer the KUSF.

- (b) The administrator shall be responsible for: (1) Collecting and auditing all relevant information from all qualifying telecommunications public utilities, telecommunications carriers or wireless telecommunications service providers receiving funds from or providing funds to the KUSF; (2) verifying, based on the calculations of each qualifying telecommunications carrier, telecommunications public utility or wireless telecommunications service provider, the obligation of each such qualifying carrier, utility or provider to generate the funds required by the KUSF; (3) collecting all moneys due to the KUSF from all telecommunications public utilities, telecommunications carriers and wireless telecommunications service providers in the state; and (4) distributing amounts on a monthly basis due to qualifying telecommunications public utilities, wireless telecommunications service providers and telecommunications carriers receiving KUSF funding.
- (c) Any information made available or received by the administrator from carriers, utilities or providers receiving funds from or providing funds to the KUSF shall not be subject to any provisions of the Kansas open records act and shall be considered confidential and proprietary.
- (d) The administrator shall be authorized to maintain an action to collect any funds owed by any telecommunications carrier, public utility or wireless telecommunications provider in the district court in the county of the registered office of such carrier, utility or provider or, if such carrier, utility or provider does not have a registered office in the state, such an action may be maintained in the county where such carrier's, utility's or provider's principal office is located. If such carrier, utility or provider has no principal office in the state, such an action may be maintained in the district court of any county in which such carrier, utility or provider

HOUSE UTILITIES

DATE: 3-8-05

ATTACHMENT 2

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provides service.

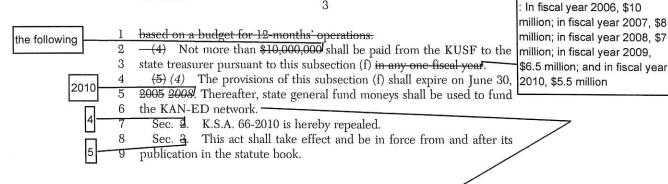
(e) The KUSF administrator shall be responsible to ensure that funds do not fall below the level necessary to pay all amounts collectively owed to all qualifying telecommunications public utilities, wireless telecommunications service providers and telecommunications carriers. The administrator shall have the authority to retain and invest in a prudent and reasonable manner any excess funds collected in any period to help ensure that adequate funds are available to cover amounts payable in other periods.

(f) (1) Before October 1, 2002, the chief executive officer of the state board of regents shall certify to the administrator of the KUSF the amount provided by appropriation acts to be expended from the KAN-ED fund created by K.S.A. 2003 Supp. 75-7225, and amendments thereto, for the fiscal year ending June 30, 2003. Before October 1, 2003, the chief executive officer of the state board of regents shall certify to the administrator of the KUSF the amount equal to twice the amount provided by appropriation acts to be expended from the KAN-ED fund for the fiscal year ending June 30, 2003. Before July 1, 2004, and before July ± of each year thereafter, the chief executive officer of the state board of regents shall certify to the administrator of the KUSF the amount provided by appropriation acts to be expended from the KAN-ED fund for the fiscal year commencing the preceding July 1. Upon receipt of the certification of the chief executive officer of the state board of regents, the KUSF administrator shall add the amount certified to the amount annually required to fund the KUSF as determined pursuant to subsection (b).

- (2) Commencing January 1, 2003, and until June 30, 2004, on or before the 10th day of each month the administrator of the KUSF shall pay from the KUSF to the state treasurer an amount equal to 1/2 of the amount certified by the chief executive officer of the state board of regents pursuant to subsection (f)(1) for the fiscal year ending June 30, 2003. Commencing July 1, 2004, On or before the 10th day of each month, the administrator of the KUSF shall pay from the KUSF to the state treasurer 1/12 of the amount certified by the chief executive officer of the state board of regents pursuant to subsection (a) for the fiscal year preceding the fiscal year in which the payment is made. Upon the receipt of the payment, the state treasurer shall deposit the entire amount in the state treasury and credit it to the KAN-ED fund. Any such payments shall be made after all payments required by K.S.A. 66-2008, and amendments thereto, for the month are made from the KUSF.
- (3) Amounts appropriated to be expended from the KAN-ED fund for the fiscal year ending June 30, 2003, shall be based on a budget for only six-months' operations. Amounts appropriated thereafter shall be

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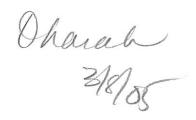
HB 2026



- (g) For fiscal year 2007 and all fiscal years thereafter, all moneys which would otherwise be appropriated for operation of the Kan-Ren and Kan-Win networks shall be credited to the KAN-ED fund and, on and after July 1, 2006, all powers, duties and functions of such networks shall be and are hereby transferred to the KAN-ED network.
- (h) For fiscal year 2008 and all fiscal years thereafter, all moneys which would otherwise be appropriated for operation of information technology centers at institutions under the state board of regents shall be credited to the KAN-ED fund and, on and after July 1, 2007, all powers, duties and functions of such centers shall be and are hereby transferred to the KAN-ED network.

New Sec. 2. (a) As used in this section:

- (1) "VoIP provider" means any provider of voice over internet protocol service (hereafter referred to as VoIP) other than a business which: (1) does not provide such service to customers outside its business organization; or (2) provides VoIP service as a customer product secondary to the primary product sold by the business.
 - (2) "Local collection point administrator" and "PSAP" have the meanings provided in the wireless enhanced 911 act,
- (b) Any VoIP provider providing services to persons who are primarily residents of Kansas shall notify the local collection point administrator to receive a list of telephone numbers for PSAP's in this state. Upon receipt of an emergency 911 call, a VoIP provider shall call the appropriate PSAP and relay the customer's name, residence address and any other relevant information recorded in the VoIP provider's records.
- (c) The local collection point administrator may require VoIP providers to reimburse the administrator for costs associated with developing, compiling, maintaining and providing the list of telephone numbers of PSAP's in this state.
- Sec. 3. No public safety answering point other than a political subdivision of the state shall be eligible to receive moneys distributed pursuant the wireless enhanced 911 act.



Session of 2005

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HOUSE BILL No. 2026

By Legislative Educational Planning Committee

12-30

KAN-ED; relating to funding; amending K.S.A. 66-2010 and K.S.A. 2004 Supp. 75-7226 and repealing the existing sections

AN ACT concerning the Kansas universal service fund; relating to KAN ED; amending K.S.A. 66 2010 and repealing the existing section.

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

Section 1. K.S.A. 66-2010 is hereby amended to read as follows: 66-2010. (a) The commission shall utilize a competitive bidding process to select a neutral, competent and bonded third party to administer the KUSF.

- (b) The administrator shall be responsible for: (1) Collecting and auditing all relevant information from all qualifying telecommunications public utilities, telecommunications carriers or wireless telecommunications service providers receiving funds from or providing funds to the KUSF; (2) verifying, based on the calculations of each qualifying telecommunications carrier, telecommunications public utility or wireless telecommunications service provider, the obligation of each such qualifying carrier, utility or provider to generate the funds required by the KUSF; (3) collecting all moneys due to the KUSF from all telecommunications public utilities, telecommunications carriers and wireless telecommunications service providers in the state; and (4) distributing amounts on a monthly basis due to qualifying telecommunications public utilities, wireless telecommunications service providers and telecommunications carriers receiving KUSF funding.
- (c) Any information made available or received by the administrator from carriers, utilities or providers receiving funds from or providing funds to the KUSF shall not be subject to any provisions of the Kansas open records act and shall be considered confidential and proprietary.
- (d) The administrator shall be authorized to maintain an action to collect any funds owed by any telecommunications carrier, public utility or wireless telecommunications provider in the district court in the county of the registered office of such carrier, utility or provider or, if such carrier, utility or provider does not have a registered office in the state, such an action may be maintained in the county where such carrier's, utility's or provider's principal office is located. If such carrier, utility or provider has no principal office in the state, such an action may be maintained in the district court of any county in which such carrier, utility or provider

HOUSE UTILITIES

DATE: 3-8-05

ATTACHMENT 3

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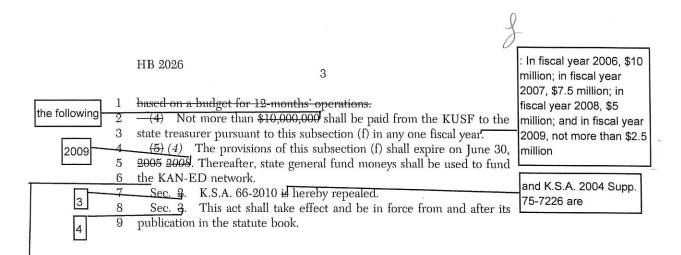
provides service.

(e) The KUSF administrator shall be responsible to ensure that funds do not fall below the level necessary to pay all amounts collectively owed to all qualifying telecommunications public utilities, wireless telecommunications service providers and telecommunications carriers. The administrator shall have the authority to retain and invest in a prudent and reasonable manner any excess funds collected in any period to help ensure that adequate funds are available to cover amounts payable in other periods.

Before October 1, 2002, the chief executive officer of the state (f) (1) board of regents shall certify to the administrator of the KUSF the amount provided by appropriation acts to be expended from the KAN-ED fund created by K.S.A. 2003 Supp. 75-7225, and amendments thereto, for the fiscal year ending June 30, 2003. Before October 1, 2003, the chief executive officer of the state board of regents shall certify to the administrator of the KUSF the amount equal to twice the amount provided by appropriation acts to be expended from the KAN-ED fund for the fiscal year ending June 30, 2003. Before July 1, 2004, and before July + of each year thereafter, the chief executive officer of the state board of regents shall certify to the administrator of the KUSF the amount provided by appropriation acts to be expended from the KAN-ED fund for the fiscal year commencing the preceding July 1. Upon receipt of the certification of the chief executive officer of the state board of regents, the KUSF administrator shall add the amount certified to the amount annually required to fund the KUSF as determined pursuant to subsection (b).

- (2) Gommencing January 1, 2003, and until June 30, 2004, on or before the 10th day of each month the administrator of the KUSF shall pay from the KUSF to the state treasurer an amount equal to ½ of the amount certified by the chief executive officer of the state board of regents pursuant to subsection (f)(1) for the fiscal year ending June 30, 2003. Commencing July 1, 2004, On or before the 10th day of each month, the administrator of the KUSF shall pay from the KUSF to the state treasurer ½ of the amount certified by the chief executive officer of the state board of regents pursuant to subsection (a) for the fiscal year preceding the fiscal year in which the payment is made. Upon the receipt of the payment, the state treasurer shall deposit the entire amount in the state treasury and credit it to the KAN-ED fund. Any such payments shall be made after all payments required by K.S.A. 66-2008, and amendments thereto, for the month are made from the KUSF.
- (3) Amounts appropriated to be expended from the KAN-ED fund for the fiscal year ending June 30, 2003, shall be based on a budget for only six-months' operations. Amounts appropriated thereafter shall be

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Sec. 2. K.S.A. 2004 Supp. 75-7226 is hereby amended to read as follows: 75-7226. (a) On or before January 15 of each year, the board shall publish an annual report and shall present the report to the legislature, governor and department of education. The report shall set forth in detail the operations and transactions conducted by the board pursuant to this act. The annual report shall specifically account for the ways in which the purpose of this act have been carried out, and the recommendations shall specifically note what changes are necessary to better address the purposes described in this act.

(b) The report required pursuant to this section in years 2006, 2007 and 2008 shall include a statement of the costs of and savings realized by implementation of the network and a plan for funding the network.

2)