

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Senator David Corbin at 8:00 a.m. on February 21, 2000 in 245-N of the Capitol.

All members were present except: Senator Goodwin who was excused.

Committee staff present:

Raney Gilliland, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes Office
Lila McClafin, Committee Secretary

Conferees appearing before the committee:

Doug Wareham, Kansas Fertilizer and Chemical Association and Kansas Grain and Feed Association
Tom Tunnell, Kansas Fertilizer and Chemical Association and Kansas Grain and Feed Association

Others attending:

List not available.

With a motion from Senator Huelskamp and a second from Senator Biggs the minutes of February 16 and 17 were adopted as written.

Chairperson Senator Corbin announced **SB 501 Enacting the agricultural and specialty chemical remediation act** was open for discussion. A new fiscal note was distributed on the bill.

Doug Wareham responded to questions regarding the maximum dollars available for any one agricultural site. Responding to a question he said his association would support a cap of \$300. thousand.

Senator Stephens said he was concerned about the 4.0 percent interest rate. He moved to amend the bill to comply with the language in the agricultural production loan legislation which would make the interest rate not more than 2% above the market rate as determined under KSA 75-4237. The bill also be amended on page 3, in line 39, by striking "a zero interest rate" and inserting "an interest rate which is 2% below the market rate as determined under KSA 75-4237, and on page 10, in line 30, by striking "zero percent interest rate", and inserting the appropriate language. Senator Biggs seconded the motion. Discussion followed. The motion carried.

Senator Biggs recommend the bill be an amended by inserting the total amount of linked deposit loans for any one site shall not exceed \$300,000.. The motion was seconded by Senator Morris. Discussion followed concerning the cap on the underground storage tank fund and the dry cleaners remediation fund. The motion carried.

Senator Huelskamp moved to amend the bill to exempt from the annual assessment and owner/dealer with a new site built after January 1, 1999. Senator Tyson seconded the motion. Senator Huelskamp than offered a substitute motion to amend his first motion and add language that a new site would not be eligible to access the fund. The second Senator Tyson agreed. Discussion followed regarding how this would be monitored and what if an existing site was built on and the site was contaminated. Another concerns was that not all of the current sites have contamination yet they would have to pay, and the businesses not paying would have a significant advantage of those that were paying the assessment. Mr. Tom Tunnell pointed out that the bill did include a sunset provision. The vote was taken and the motion failed.

Senator Biggs moved that **SB 501** be passed as amended. Senator Stephens seconded the motion. Motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

Chairperson called on Senator Huelskamp for a sub-committee report on **SB 388**. Senator Huelskamp said the members of the subcommittee, Senators: Stephens, Vratil and himself had met with the interested parties and prepared a subcommittee report. It was distributed as a balloon of the bill (Attachment 1).

Staff was called on to review the subcommittee report.

Senator Huelskamp said the subcommittee thought the water banking program should be available to all areas of the state and they expanded the number to ten that could be chartered. He said the subcommittee thought the main purpose of the banks would be to be flexibility and to conserve water. The chief engineer would make the determination where the water banks would be located. Section (6) of the bill that contains the makeup of the team to evaluate the operation of the bank they thought some members of the legislature should be on the team and they added two legislators appointed by the Legislative Coordinating Council to the team.

The meeting adjourned at 9:00 a.m. The next scheduled meeting is on Tuesday, February 22, 2000.