

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairperson Marvin KleeB at 3:32pm on Wednesday, March 18, 2015, 582-N of the Capitol.

All members were present except:

Representative Gene Suellentrop – Excused

Representative Kasha Kelley – Excused

Committee staff present:

Reed Holwegner, Legislative Research Department

Phyllis Fast, Kansas Legislative Committee Assistant

Chris Courtwright, Legislative Research Department

Chuck Reimer, Office of Revisor of Statutes

Scott Wells, Office of Revisor of Statutes

Conferees appearing before the Committee:

Representative Larry Campbell, District 26

Mike Whim, Northwest Consolidated Fire District Chief

John Federico, Federico Consulting

Representative Rick Billinger, District 120

Jeff Wehner, Duke Energy

Chris Standlee, Abengoa

Mike Chisam, for Kansas Association of Ethanol Processors

Derek Peine, Western Plains Energy

Greg Krisseck, Kansas Corn Growers Association

Randy Stookey, Kansas Agricultural Alliance

Bill Greving, Kansas Farm Bureau

Kimberly Svaty, The Wind Coalition

Karin Brownlee, NextEra Energy Resources

Laura Lutz, Westar Energy

Others in attendance:

[See Attached List](#)

Bill introductions

Representative Hineman made a motion to introduce a bill concerning personal income tax rates.

Representative Wolfe Moore seconded the motion. Motion passed.

Representative Hineman made a motion to introduce a bill concerning income tax not on Schedule E.

Representative Thompson seconded the motion. Motion passed.

Hearing on: HB2415 — Property taxation; consolidated fire districts, powers and duties of the governing body.

Chairman KleeB opened a hearing on **HB2415**.

CONTINUATION SHEET

MINUTES of the Committee on Taxation at 3:32pm on Wednesday, March 18, 2015, 582-N of the Capitol.

Scott Wells briefed the Committee on **HB2415** concerning monetary limitations for fire districts. He stood for questions.

Representative Campbell presented testimony in support of **HB2415** by requesting the monetary cap for Johnson County NW consolidated fire district be removed. He stood for questions. ([Attachment 1](#))

Mike Whim presented testimony in support of **HB2415** with information to support removal of a monetary cap for the fire district. He and Operations Chief Mark Billquist stood for questions. ([Attachment 2](#))

John Federico presented testimony in support of **HB2415** to remove any cap for all fire districts. He stood for questions. ([Attachment 3](#))

Written only testimony in support of **HB2415** was presented by A. J. Lang, Johnson County Northwest Consolidated Fire District. ([Attachment 4](#))

No testimony neutral for or in opposition to **HB2415** was presented.

When all questions from the Committee were answered, Chairman Kleeb closed the hearing on **HB2415**.

Hearing on: HB2401 — Imposing an excise tax on ethanol production and electricity generated by renewable resources.

Chairman Kleeb opened a hearing on **HB2401**.

Scott Wells briefed the committee on **HB2401** by explaining the excise tax. He stood for questions.

Written only testimony in support of **HB2401** was presented by Steven Anderson, Kansas Policy Institute ([Attachment 5](#)).

No neutral testimony for **HB2401** was presented.

Representative Billinger presented testimony in opposition to **HB2401** offering the "economic impact on our community business ... jobs for rural communities". He stood for questions. ([Attachment 6](#))

Jeff Wehner presented testimony in opposition to **HB2401** by describing what his company's two Kansas wind farms provide. He stood for questions. ([Attachment 7](#))

Chris Standlee presented testimony in opposition to **HB2401** by thoroughly detailing the ethanol business in Kansas. He stood for questions. ([Attachment 8](#))

CONTINUATION SHEET

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Mike Chisam presented testimony in opposition to **HB2401**, indicating "this bill is a death sentence for the ethanol industry of Kansas". He stood for questions. ([Attachment 9](#))

Derek Peine presented testimony in opposition to **HB2401** by saying the bill "will devastate an industry that is contributing greatly to the agricultural and energy sectors of our State". He stood for questions. ([Attachment 10](#))

Greg Krisseck presented testimony in opposition to **HB2401** explaining how ethanol plants "represent a major economic driver ... for the state ... and also represents increased tax revenues". He stood for questions. ([Attachment 11](#))

Randy Stookey presented testimony in opposition to **HB2401** saying ethanol "plants would move to lower cost areas of the country". He stood for questions. ([Attachment 12](#))

Bill Greving presented testimony in opposition to **HB2401** because the "bill will also create a disadvantage for livestock producers". He stood for questions. ([Attachment 13](#))

Kimberly Svaty presented testimony in opposition to **HB2401** explaining that "advancing the bill would ... stall future wind development in Kansas". She stood for questions. ([Attachment 14](#))

Karin Brownlee presented testimony in opposition to **HB2401** by describing how "adding a new tax to a business that has been investing in Kansas for nearly fifteen (15) years is not good business". She stood for questions. ([Attachment 15](#))

Laura Lutz presented testimony in opposition to **HB2401** by intimating the bill is "a short bridge to applying an excise tax on any source of generation --- coal, natural gas, nuclear". She stood for questions. ([Attachment 16](#))

Written only testimony in opposition to **HB2401** was presented by Jeff Oestmann, East Kansas Agri-Energy ([Attachment 17](#)); Donna Funk, KCoe Isom ([Attachment 18](#)); Jeff Scharping, ICM, Inc. ([Attachment 19](#)); Sam Sacco, Nesika Energy ([Attachment 20](#)); Kendall Hodgson, National Sorghum Producers ([Attachment 21](#)); Dave VanderGriend, ICM, Inc. ([Attachment 22](#)); Lyle Schlyer, Pratt Energy ([Attachment 23](#)); Don Gales, U.S. Energy Partners (dba White Energy) ([Attachment 24](#)); Gregory Shelor, Kansas Grain Sorghum Producers Association ([Attachment 25](#)); Mark Lawlor, Clean Line Energy Partners ([Attachment 26](#)); Cassi Reimer, Kansans for Clean Energy ([Attachment 27](#)); Aron Cromwell, Cromwell Solar ([Attachment 28](#)); Jeff Riles, for Enel Green Power North America ([Attachment 29](#)); Katie McClain, Invenergy ([Attachment 30](#)); and Rorik Peterson, EDP Renewables ([Attachment 31](#)) .

When all questions from the Committee were answered, Chairman Kleeb closed the hearing on

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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HB2401.

The meeting was adjourned at 5:07 pm.