

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Julia Lynn at 8:30 am on Wednesday, February 10, 2016, 548-S of the Capitol.

All members were present except:

Senator Tom Holland – Excused

Senator Susan Wagle – Excused

Committee staff present:

Debbie Bartuccio, Kansas Legislative Committee Assistant

Reed Holwegner, Legislative Research Department

Edward Penner, Legislative Research Department

Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:

Senator Wilborn

Leo Henning, Director, Bureau of Environmental Remediation, Kansas Department of Health and Environment

Eric Smith, Legal Counsel, The League of Kansas Municipalities

Charles Brewer, President and Principal Geologist, GSI Engineering, LLC

Travis Kogl, PG

Kathy Taylor, Kansas Bankers Association

Others in attendance:

[See Attached List](#)

Hearing on: SB365 — Enacting the contaminated property redevelopment act.

Chairperson Lynn opened the hearing on **SB 365** and requested Revisor Chuck Reimer to provide an overview of the bill.

Chairperson Lynn recognized the following conferees:

Senator Rick Wilborn provided testimony in support of the bill. ([Attachment 1](#))

Chairperson Lynn asked Senator Wilborn what brought this legislation to his attention. He replied it stemmed from his experience working on potential economic development projects in his district.

Leo Henning, Director, Bureau of Environmental Remediation, Kansas Department of Health and Environment, provided testimony in support of the bill. ([Attachment 2](#))

Senator Olson said the legislation would help promote development of sites that have been vacant for years due to environmental issues. He asked if a Certificate of Environmental Liability Release (CELR)

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would be attached to the title and whether it would be recorded. Mr. Henning responded the CELR would be in the purchaser's file as they are required to disclose the Certificate to subsequent buyers of the property. The CELR is not transferable. When the property is sold, the new purchaser must make another application for the CELR. Since the bill is not retroactive, there was discussion concerning current property owners who have property with contamination issues. Mr. Henning stated the seller is required to notify the buyer of any contamination. He said there are mechanisms to handle contamination issues on orphan sites.

Senator Denning questioned if a current property owner of contaminated property could sell it to a new owner under this program. Mr. Henning responded affirmatively. There was discussion concerning secured and unsecured loans in relation to these properties.

Eric Smith, Legal Counsel, The League of Kansas Municipalities, provided testimony in support of the bill. ([Attachment 3](#))

Charles Brewer, President and Principal Geologist, GSI Engineering, LLC, provided testimony in support of the bill. ([Attachment 4](#))

Travis Kogl, PG, provided testimony in support of the bill. ([Attachment 5](#))

Senator Denning questioned Kathy Taylor, Kansas Bankers Association, concerning the status of loans for properties that have been foreclosed. He asked if the loan for a property came from the Kansas Department of Health and Environment if it would be an unsecured loan. Ms. Taylor responded this could happen.

Written only testimony in support of the bill was provided by:

- Luke Bell, General Counsel and Vice President of Governmental Affairs, Kansas Association of Realtors ([Attachment 6](#))

- Randy Stookey, on behalf of Kansas Grain and Feed Association, Kansas Cooperative Council, Kansas Agribusiness Retailers Association and Renew Kansas ([Attachment 7](#))

- Kathleen Taylor, Kansas Bankers Association ([Attachment 8](#))

There was no testimony in opposition or neutral to the bill.

At the conclusion of the question and answer session, Chairperson Lynn closed the hearing on **SB 365**.

Chairperson Lynn acknowledged receipt by the Committee of the following two documents:

- Annual Report on Investigations on Misclassification of Employees from Brett Flachsbarth, Director

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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of Unemployment Insurance, Kansas Department of Labor ([Attachment 9](#))

- 2015 Annual Report of the Kansas Workers Compensation Fund from Ken Selzer, Commissioner of Insurance, Kansas Insurance Department ([Attachment 10](#))

Chairperson Lynn adjourned the meeting at 9:16 a.m. The next meeting is scheduled for February 11, 2016.