

Approved 3/28/84
Date

MINUTES OF THE House COMMITTEE ON Energy and Natural Resources

The meeting was called to order by Representative David J. Heinemann at
Chairperson

3:30 XX a.m./p.m. on February 13, 1984 in room 519-S of the Capitol.

All members were present except: Representatives Foster and Roe (excused)

Committee staff present:

Ramon Powers, Legislative Research
Theresa Kiernan, Revisor of Statutes' Office
Pam Somerville, Committee Secretary
Raney Gilliland, Legislative Research

Conferees appearing before the committee:

Barbara Sabol, Kansas Department of Health and Environment
Ron Gaches, Kansas Chamber on Commerce and Industry
Mr. Bill Edds, Kansas Department of Revenue

Barbara Sabol testified before the committee in support of HB 2822 and HB 2823. HB 2822 is part of the total package on hazardous wastes, recommended by the Governor, and provides for a sales tax refund on equipment that reduces hazardous waste. She emphasized that it was the goal of the Department and the waste management program to ensure that all hazardous wastes are treated to the degree that they can be treated to reduce their hazardous qualities. Ms. Sabol stated that for a person to be eligible for the refund, the Secretary of the Department of Health and Environment would review their claim and submit it to the Director of Taxation for any additional documentation. Refunds will be paid from the Sales Tax Refund Fund following approval by the Director of Taxation. The proposed legislation would be effective for equipment purchased after December 31, 1984 and prior to January 1, 1988. A brief question and answer period followed.

Ms. Sabol addressed the committee on HB 2823, which has provisions for a tax credit of \$200.00 for the treatment and disposal of hazardous wastes. The credit would be allowed against the taxpayer's tax liability for that taxable year imposed under the provisions of the Kansas Income Tax Act in an amount whichever is the lesser of \$200.00 or the actual amount incurred in the treatment or disposal of hazardous waste. To be eligible, the taxpayer must attach a statement certified by the Secretary of the Department of Health and Environment to the tax return. As in HB 2822, the provisions will be applicable after December 31, 1984 and prior to January 1, 1988. A brief question and answer period followed the testimony.

Particular concerns raised by the committee were whether the tax refund would only affect the state tax, exemption rather than refund, and the reasoning for additional documentation required by the Director of Taxation. Mr. Bill Edds, General Counsel, Kansas Department of Revenue, responded to all three concerns. In regard to the refund at the state level, Mr. Edds said the refund would be from the state and local level. In regard to exemption versus refund, Mr. Edds expressed the Department's concern to have concrete documentation to avoid attempted fraud. Mr. Edds addressed the last concern, that of additional documentation and stated the additional documentation was to ensure compliance of the provisions.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Energy and Natural Resources,
room 519-S, Statehouse, at 3:30 ~~xxx~~ p.m. on February 13, 1984

The next conferee, Mr. Ron Gaches, Kansas Chamber on Commerce and Industry, testified before the committee in support of HB 2822 and HB 2823. Mr. Gaches, in regard to HB 2822, expressed three concerns on the proposed legislation. 1) New firms entering Kansas after January 1, 1988 would not be able to receive the benefit of the legislation. 2) Hazardous waste equipment is constantly changing and a three year time frame does not allow for state-of-the-art equipment. 3) The legislation is only in effect for three years.

In regard to HB 2823, Mr. Gaches, while supportive of the measure, expressed concerns about the three year limit as well as the nominal amount of the tax credit. He felt \$200.00 was an extremely modest amount and stressed the fact that many companies do not realize income. A brief question and answer period followed his presentation.

Committee discussion on HB 2740:


Representative Fox distributed proposed amendments to HB 2740 containing technical cleanup. (See Attachment 1). Representative Kent Ott seconded the motion. Motion adopted.

Representative Niles motioned to conceptually amend line 359 before the semicolon to address transporting. Representative Kent Ott seconded the motion. Motion adopted.

Representative Walker moved to have language drafted on line 639 to address "deed". Representative Fox seconded the motion. Motion adopted.

Discussion on HB 2740 concluded for the day. There being no further business before the committee, the meeting was adjourned at 4:45 p.m.

The next meeting of the House Energy and Natural Resources Committee will be February 14, 1984 at 3:30 p.m., Room 519-S.



David J. Heinemann, Chairman

Date 5-13-84

GUESTS

HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE

| NAME | ADDRESS | ORGANIZATION |
|-----------------|----------|------------------------------|
| B. J. Sals | Topeka | KDHE |
| Dennis Murphy | Topeka | KDHE |
| Ed Reyer | " | Ks League Women Employers |
| Jeppu Connors | " | KGE |
| Chip Wheelen | " | Waste Mgmt, Inc. |
| PURKI MORRIS | LAWRENCE | LEGISLATIVE STAFF |
| M L Jenkins | Topeka | Speakers Office |
| Bob [unclear] | Topeka | Speaker's Office |
| Bob [unclear] | Topeka | A.G.'s Office |
| Frank [unclear] | TOPEKA | KCCI |
| DICK COMPTON | HAYS | MIDWEST ENERGY |
| Charles Reost | Hays | " " |
| Flora [unclear] | Wichita | " " |
| Joe [unclear] | Tulsa | Citrus Service Cold Storage |
| ROSS MARTIN | TOPEKA | KPC |
| [unclear] | Wichita | KAR [unclear] |

PROPOSED AMENDMENT TO HOUSE BILL No. 2740

On page 2, in line 67, after the period, by inserting the following: "Hazardous waste shall not include: (1) Household waste; or (2) agricultural waste returned to the soil as fertilizer; or (3) mining waste and overburden from the extraction, beneficiation and processing of ores and minerals, if returned to the mine site; or (4) drilling fluids, produced waters and other wastes associated with the exploration, development and production of crude oil, natural gas or geothermal energy; or (5) fly ash, bottom ash, slag and flue gas emission control wastes generated primarily from the combustion of coal or other fossil fuels; or (6) cement kiln dust; or (7) materials listed in 40 CFR 261.4."