

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRSThe meeting was called to order by Rep. Robert H. Miller at
Chairperson1:30 a.m./p.m. on March 22, 1984 in room 526S of the Capitol.

All members were present except:

Rep. Peterson - E

Committee staff present:

Russ Mills, Research Department
Mary Torrence, Revisor of Statute's Office

Conferees appearing before the committee:

Representative Theo Cribbs
Representative George Dean
Don Gregg, City Commissioner, Wichita
Ernie Mosher, League of Municipalities
Mary Ellen Connelly, City of Wichita
Senator McCray
Representative Jesse Branson
January Scott
Jim Kaup, Kansas League of Municipalities
Representative Art Douville
Chris McKenzie, League of Municipalities
Scott Lombard, City of Overland Park
Representative Elaine Hassler
Representative Rex Crowell
Terry Ruse, Kansas Ethanol Association
Richard Stowell, High Plains
Glenn Cogswell, Smoot Grain

The meeting was called to order by Chairman Miller.

Representative Barr made a motion, seconded by Representative Sughrue, to approve the minutes of the March 21 meeting. The motion carried.

SB403 - Pit Dog fighting

Representative Barr made a motion, seconded by Representative Matlack, to report SB403 favorable for passage. The motion carried.

SB2957 - Civic centers in Shawnee County

Representative Smith made a motion, seconded by Representative Matlack, to report HB2957 favorable for passage. The motion carried.

SB2660 - Drink & Drown

Representative Brady made a motion, seconded by Representative Roe, to report HB2660 favorable for passage. The motion carried.

SB233 - memorial markers for legislators

Representative Ott made a motion, seconded by Representative Sughrue, to report SB233 favorable for action. The motion carried. Representative Aylward recorded as voting "No".HB2953 - Election of members of the governing body of
the City of WichitaRepresentative Theo Cribbs explained the bill and why it was introduced. See Attachment A. and B

CONTINUATION SHEET

Minutes of the F&SA Committee on March 22, 19 84

Representative George Dean explained why he felt the bill was needed and made a suggestion for an amendment to change "10%" to "5%". See attachment C.

Don Gregg, City Commissioner of Wichita, gave testimony in support of the bill and told the committee he felt the people of the area should be allowed to vote on district representation.

Ernie Mosher, League of Municipalities, expressed strong opposition. The issue is not whether we have district selection, but whether the Kansas Legislature should intervene and to tell a certain city to govern their city in a certain way. The proposed amendment would permit the Council City Manager plan. This amendment is different than the original bill. The only city in Kansas now utilizing this form of government is Overland Park.

Mary Ellen Connelly, City of Wichita, told the committee that the City Commission voted 5-0 against this bill. Should be a vote by the people of Wichita.

Senator McCray gave testimony in support of HB2953. See attachment D.

Hearings were concluded on HB2953.

HB5088 - Child day care centers

Jesse Branson, sponsor of the bill, gave testimony in support of the bill. See attachment E.

January Scott gave testimony for Elizabeth Taylor, Kansas Association for the Education of Young Children, in support of the bill.

Hearings were concluded on HB5088.

HB3039 - Mayor Council

Jim Kaup, Kansas League of Municipalities, gave testimony in support of the bill which codifies common law rule for first and second class cities.

Hearings were concluded on HB3039.

HB2883 - zoning; burden of proof

Representative Douville explained the bill and expressed his support of it. See attachment F. He also explained the "golden decision".

Chris McKenzie, League of Municipalities, gave testimony in strong support of the bill. She told the committee that this would codify 3 of the 8 standards of review of counties.

Scott Lombard, City of Overland Park, gave the committee examples of the problems in Overland Park and told the committee he was supporting the bill.

Hearings were concluded.

HB2900 - zoning outside city limits

Representative Matlack explained the bill and that it would clarify the law. An AG opinion stated that cities do not have to zone any part that they don't want to.

Christ McKenzie, League of Municipalities, stated that the league supports the bill and it would clarify their legal questions.

Mary Ellen Connelly, City of Wichita, stated they would remain neutral on the bill.

Hearings were concluded on HB2900.

CONTINUATION SHEET

Minutes of the F&SA Committee on March 22, 1984

HB2997 - Children's trust fund

Representative Hassler gave the committee a background on the bill and suggested a substitute. See attachment G.

Hearings were concluded.

HB3070 - Gasohol

Representative Crowell explained the bill and an amendment which would limit it to only that fuel that contains more than 1% of ethyl alcohol in terms of labeling. See attachment H.

Terry Ruse, President of the Kansas Ethynol Association, gave testimony in support of the bill. See attachment I.

Written testimony was submitted by Richard Stowell, High Plains, in support of the bill. See attachment J.

Glenn Cogswell, Smoot Grain, gave testimony on the bill and explained they had a problem with subsection (c) on page 5. This exception is not available to anyone -nless it is a Kansas company with less than 17,000,000 gallons per year produced. We feel this kind of legislation will have an adverse effect in Kansas.

Hearings were concluded.

SCR1640 - Inmate Furloughs

Representative Smith explained the bill which requires the Secretary of Corrections to prepare an annual report containing specified information about furloughs granted to inmates and these reports to be sent to the county or district attorney of each county from which the inmate was sentenced and to the Director of Legislative Services.

Hearings were concluded on SCR1640.

SB595 - Merchant & Security policemen - fingerprinting

Mary Ellen Connally explained the bill which was introduced at the request of the Police Department in Wichita. In the past fingerprint checks have been sent both to KBI & FBI. The FBI has told them they will no longer accept these checks unless mandated by the State. The language of this bill mandates this.

Chris McKenzie, League of Municipalities, supported the bill.

Hearings were concluded on SB595.

SB595 - fingerprinting

Representative Fuller made a motion, seconded by Representative Runnels, to report SB595 favorable for passage. The motion carried.

HB2997 - Children's Trust Fund

Representative Runnels made a motion, seconded by Representative Fuller, to introduce the substitute bill and to report it favorable for passage. The motion carried.

HB3070 - ethyl alcohol

Representative Matlack made a motion, seconded by Representative Ott, to amend HB3070 on page 5 on line 163, after the word content, add the words "and percentage" and in line 163 and 164 by striking "and the amount of each" and inserting the following: "combined or alone in excess of 1% by volume". The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON F&SA,
room _____, Statehouse, at _____ a.m./p.m. on March 22, 1984

HB3070 - Cont'd.

Representative Vancrum made a motion, seconded by Representative Aylward, to further amend HB3070 by deleting lines 157-161 after the period (.). The motion carried.

Representative Roe made a motion, seconded by Representative Matlack, to report HB3070 favorably as amended. The motion carried.

HB2900 - zoning outside city limits

Representative Matlack made a motion, seconded by Representative Brady, to amend the title appropriately and to report favorably. The motion carried.

HB2883 - zoning, burden of proof

This bill was passed over at the request of the sponsor.

HB3039 - Mayor council

Representative Roe made a motion, seconded by Representative Ott, to report HB3039 favorable for passage. The motion carried.

HCR5088 - Child Day Care Centers

Representative Aylward made a motion, seconded by Representative Matlack, to report HCR be adopted. The motion carried.

SCR1640 - Inmate furloughs

Representative Fuller made a motion, seconded by Representative Smith, to amend SCR1640, on line 31 to include the word "Report" and to report the bill favorable for passage. The motion carried.

HB2953 - Election of members of the governing body of the City of
Wichita

Representative Groteweil made a motion, seconded by Representative Hensley, to amend the bill as suggested by Representative Dean (attachment B). The motion carried.

Representative Groteweil made a motion, seconded by Representative Sughrue, to report HB2953 favorable as amended. A division was called. The motion lost.

The meeting was adjourned.

STATE OF KANSAS

THEO CRIBBS
REPRESENTATIVE, EIGHTY-NINTH DISTRICT
SEDGWICK COUNTY
1551 NORTH MINNESOTA
WICHITA, KANSAS 67214



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
MEMBER: PUBLIC HEALTH AND WELFARE
LABOR AND INDUSTRY
INSURANCE

To: Members of the Federal and State Affairs Committee
From: Representative Theo Cribbs
Re: HB 2953
Mr. Chairman and members of the Federal and State Affairs
committee:

I want to thank you for allowing me to appear before the committee on House Bill 2953, an act relating to electing members of the governing body of the City of Wichita, Kansas, providing for the dividing of the city into districts.

I have furnished you with some brochures of the surrounding cities with comparable populations, in which the City Commissioners are elected by district, for your consideration. Mr. Chariman, all I am asking is that we in the City of Wichita be allowed to elect our Commissioners by district so that all of the city will be represented. As of now we have 5 commissioners. Two are elected from northwest, one from northeast, two from southeast and none from east. Mr. Chairman, I have with me George Dean, who has an amendment in which he will offer to make the bill more acceptable, we think, for the commissioners.

Thank you for allowing me to come before the committee. I would ask you to please pass HB 2953 as amended favorably.

Atch. A

B

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

Room 545-N - Statehouse

Phone 296-3181

Date February 20, 1984

TO: REPRESENTATIVE THEO CRIBBS

Office No. 273-W

RE: FORMS OF GOVERNMENT IN MAJOR CITIES IN THE SURROUNDING STATES

You inquired about the forms of city government utilized by cities over 100,000 population in the four surrounding states and the number of council or commission members in each city elected by district and at large. The following is the information you requested.

<u>State</u>	<u>City</u>	<u>Population*</u>	<u>Form of Government</u>	<u>No. of Council Members Elected by District and At-Large</u>
<u>Colorado</u>	Aurora	159,000	Mayor-(8-member) council-manager	4 by district 4 at-large
	Colorado Springs	215,000	Mayor-(8-member) council-manager	4 by district 4 at-large
	Denver	492,000	Mayor-(13-member) council	11 by district 2 at-large
	Lakewood	113,000	Mayor-(10-member) council-manager	All by district
	Pueblo	102,000	(7-member) council-manager	4 by district 3 at-large

Attch. B

Representative Cribbs

- 2 -

<u>State</u>	<u>City</u>	<u>Population*</u>	<u>Form of Government</u>	<u>No. of Council Members Elected by District and At-Large</u>
<u>Missouri</u>	Independence	112,000	Mayor-(6-member) council	4 by district 2 at-large
	Kansas City	448,000	Mayor-(12-member) council -manager	6 by district 6 at-large
	St. Louis	453,000	Mayor-(30-member) Board of Aldermen	30 by district
	Springfield	133,000	Mayor-(8-member) council-manager	4 by district 4 at-large
<u>Nebraska</u>	Lincoln	172,000	Strong Mayor-(7-member) council	4 by district 3 at-large
	Omaha	314,000	Mayor-(7-member) council	7 by district
<u>Oklahoma</u>	Oklahoma City	403,000	Mayor-(8-member) council-manager	8 by district
	Tulsa	361,000	Mayor-(4-member) commission	All at-large

* Population figures are rounded. They were obtained from the 1983 Municipal Yearbook published by the International City Management Association.

I hope this information is useful.


Mike Heim
Principal Analyst

MH/sdp

"Section 1. K.S.A. 12-1029 is hereby amended to read as follows: 12-1029. (a) Any city of the first class may hereafter adopt the council-city manager form of government at any primary or general city election or state primary or general election. The procedure for adoption shall be the same as now provided for the adoption of the commission-city manager form of government.

(b) Whenever a petition requesting the submission of the proposition that the city of Wichita adopt the council-city manager form of government pursuant to this act, signed by qualified electors of the city equal in number to not less than 5% of the qualified electors of the city, is filed in the office of the county election officer of Sedgwick County the question of the adoption of such form of government shall be submitted to the qualified electors of the city at the next state general election following by not less than 60 days the certification of such petition. Such petition shall conform to the requirements of article 36 of chapter 25 of the Kansas Statutes Annotated and amendments thereto, and its sufficiency shall be determined in the manner therein provided and shall be certified to the city clerk by the county election officer. Notice of the election on a question submitted hereunder shall be in the manner provided by K.S.A. 25-105, and amendments thereto.

Sec. 2. K.S.A. 12-1029 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.";

In the title, in line 18, by striking "election of members of the governing"; by striking all of lines 19 and 20 and inserting in lieu thereof "adoption of the council-city manager form of government in cities of the first class; concerning the submission of the question of adopting such form of government in the city of Wichita; amending K.S.A. 12-1029 and repealing the existing section."

Atch. c

STATE OF KANSAS

D

BILLY Q. MCCRAY
SENATOR, TWENTY-NINTH DISTRICT
SEDGWICK COUNTY
1532 NORTH ASH
WICHITA, KANSAS 67214



COMMITTEE ASSIGNMENTS
CHAIRMAN SUB-COMMITTEE ON CREDIT UNION
MEMBER WAYS AND MEANS
EDUCATION
SPECIAL CLAIMS AGAINST THE STATE
COMMERCIAL AND FINANCIAL
INSTITUTIONS
(1202) COMMISSION

TOPEKA

SENATE CHAMBER

March 22, 1984

MR. CHAIRMAN:

H.B. 2953 that speaks to the age old question of whether citizens should and will have equal, adequate and direct representation at various levels of government.

The closer an elected official is to the electorate he or she represents, the more responsive that person is to governmental situations which affect that group.

H.B. 2953 embraces the idea of district elections for City Commissioners. This idea is not new for local governmental bodies, since early on, state and county officials chose to recognize the diversity of different geographic and social areas within their units of government. Many cities throughout the country (including Topeka) are either studying or considering district elections.

I, therefore, support H.B. 2953 and believe that its authors are both perceptive and timely in their introduction of it.

Senator Billy Q. McCray
Twenty-ninth District

Atch. D

STATE OF KANSAS

JESSIE M. BRANSON
REPRESENTATIVE, FORTY-FOURTH DISTRICT
800 BROADVIEW DRIVE
LAWRENCE, KANSAS 66044
(913) 843-7171



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
MEMBER: EDUCATION
PENSIONS, INVESTMENTS AND BENEFITS
PUBLIC HEALTH AND WELFARE

March 22, 1984

TO: Rep. Robert H. Miller, Chairman, and members of the
House Federal and State Affairs Committee

FROM: Rep. Jessie Branson

Staff/child ratios for preschools, child care centers, day care homes, and registered family day care homes are included in both the licensing regulations adopted by the Kansas Department of Health and Environment and in the Life Safety Code adopted by the State Fire Marshal. The ratios used in the Life Safety Code are based on slightly different age groupings which causes some confusion over how many children of a particular age can be cared for.

This House Concurrent Resolution would simply revoke the staff/child ratios in the Life Safety Code, leaving those adopted by the Secretary of Health and Environment in force. Both the Secretary and the State Fire Marshal agree that this will resolve the problem and will maintain the safeguards necessary for fire safety.

ALC b. E



State of Kansas . . . John Carlin, Governor

DEPARTMENT OF HEALTH AND ENVIRONMENT

Barbara J. Sabol, Secretary

Forbes Field
Topeka, Kansas 66620
913-862-9360

M E M O R A N D U M

TO: Representative Jessie Branson

FROM: Joseph G. Hollowell, Jr., M.D., Director *Joe Hollowell*
Division of Health

IN RE: Concurrent Resolution to Modify the Fire Marshal's Regulations

DATE: March 16, 1984

Attached is information which may be of some benefit to you in presenting the Concurrent Resolution dealing with the Fire Marshal's regulation. The basic issue is one dealing with the staff/child ratios allowed by the Fire Marshal's interpretative guide, and those allowed or required by Kansas statutes or regulations dealing with child care facilities. In discussing this with the Fire Marshal it became evident that the best method for eliminating this discrepancy in the staff/child ratios would be to revoke in the Fire Marshal's regulations any reference to child/staff ratios in child care facilities.

The remaining regulations and statutes relating to staff/child ratios in child day care facilities are as follows:

- 1) Preschool and child care center regulations - K.A.R. 28-4-428(a)
- 2) Day care homes - K.A.R. 28-4-114(c)(1)
- 3) Registered family day care homes - K.S.A. 65-517

I've also included the specific language relating to staff/child ratios exempted from those regulations and statutes and have included the specific language of the Fire Marshal's regulations which are excepted so that you can see the extent of the exception. The entire child day care regulations are included.

If I can be of further assistance, please let me know.

Enclosures

JGH:pjm

PRESCHOOL AND CHILD CARE CENTER REGULATIONS

28-4-428. Staff requirements.

- (a) **Minimum staff/child ratio.** The ratio between staff and children shall be determined by the age of children and type of service provided. The required staff/child ratios shall not fall below this minimum level at any time and no child shall be left unsupervised. Only staff who are in attendance with the children shall be counted in the minimum staff/child ratio as follows:

<u>Age of Children</u>	<u>Minimum Staff/Child ratio</u>	<u>Maximum children per unit</u>
Infants (2 weeks to 12 months)	1 to 3	9
Infants to 6 years	1 to 4 (max. 2 infants)	8 (max. 4 infants)

<u>Age of Children</u>	<u>Minimum Staff/Child ratio</u>	<u>Maximum children per unit</u>
Toddlers (12 months to 2½ years if walking alone)	1 to 5	10
2½ years to kindergarten age	1 to 10	20
3 years to kindergarten age	1 to 12	24
Kindergarten enrollees	1 to 14	28
School age	1 to 16	32

**THE LAW FOR REGISTRATION OF
FAMILY DAY CARE HOMES**

65-517. Family day care home defined. (a) "Family day care home" means a place maintained for the purpose of providing children with food or lodging, or both, away from such children's home or homes, for less than twenty-four hours a day, if

(1) Not more than six of the children cared for at such place are less than sixteen years of age; and

(2) not more than three of the children cared for at such place are less than eighteen months of age.

REGULATIONS FOR LICENSING DAY CARE HOMES

(c) (1) The maximum number of children under kindergarten age for which a day care home may be licensed shall be reduced by one for each child under 18 months in care, in excess of one, as follows:

TABLE

Maximum Number of Children under 18 months	Maximum number of children under kindergarten age
1	6
2	5
3	4

(2) The maximum number of children permitted under kindergarten age shall include the family's own children under kindergarten age.

(3) Children kindergarten age or over may be enrolled to bring the total in care to a maximum of 10 including the family's own children under 14.

(d) The maximum number of children for which a group day care home may be licensed shall be as follows:

			Maximum Children
One Adult	2½ Years To 14 Years Of Age		9
	3 Years To 14 Years Of Age		10
	Kindergarten Age To 14 Years Of Age		12
Two Adults	3 Children Under 18 Months	5 Children 18 Months To Kindergarten Age	12
		4 Children Kindergarten Age To 14 Years Of Age	
			Maximum Children
Two Adults	5 Children 18 Months To 2½ Years	7 Children 2½ Years To 14 Years	12

cluded it from finding the city had acted unreasonably in denying the requested zoning change. In other words, the court found the action of the municipality in refusing to rezone the property was reasonable.

Under our prior case law this should complete the review contemplated by K.S.A. 12-712 and the refusal to rezone should have been approved by the district court. In the present case the district court retained jurisdiction of the case and gave the plaintiff-landowner an opportunity to take care of the four changes in planning which the court required. These "proposed changes" were to be agreed to by the landowner and then the new plan was to be resubmitted to the city for a final decision by that body. These four planning changes were:

- "1. Access on 87th . . . that could influence backup traffic into the intersection [of 87th and Metcalf];
- "2. A greater setback from the north side to make the entrance more attractive;
- "3. Upgrading of the landscaping; and
- "4. High aesthetics in architecture to blend in with the surrounding neighborhood with emphasis on small signs."

It should be noted that these were all matters bearing upon plans for a proposed shopping center. This action by the court presupposes the property should no longer be zoned C-O (office building) and should be rezoned CP-1 (planned retail). At this stage of the proceedings the district court entered into the business of zoning.

Apparently, two of the four suggested changes in planning the shopping center were rejected by the plaintiff-landowner. The plan with two changes was then presented to the city council. The application for rezoning was again denied by the city. Thereupon the district court resumed jurisdiction over the rezoning application in court and held another hearing. Additional evidence was introduced, and the court then ordered the zoning change.

The majority approves this procedure, the effect of which is to give the district courts of this state complete and final control of the rezoning process. Hereafter, when a rezoning action by a municipality is considered "more quasi-judicial than legislative" the district court in reviewing the action taken by the municipality not only will hear evidence and make findings but also will order planning changes and control the nature of the facility to be constructed.

Such authority is beyond that contemplated and granted by the

Leg. It violates the Separation of Powers doctrine encompassed by the Constitution. I would assign the Court of Appeals and reverse the trial court. Attach F

PROPOSED Substitute for HOUSE BILL NO. 2997

By

AN ACT concerning the family and children trust fund; establishing a state filing fee for certificates of birth and providing for its deposit in the fund; relating to disposition of moneys in the fund; amending K.S.A. 65-2409 and K.S.A. 1983 Supp. 65-2418 and 75-5328 and repealing the existing sections.

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

Section 1. K.S.A. 65-2409 is hereby amended to read as follows: 65-2409. (a) A certificate of birth for each live birth which occurs in this state shall be filed with the local registrar of the district in which the birth occurs within five ~~(5)~~ days after such birth and shall be registered by such registrar if such certificate has been completed and filed in accordance with this section; ~~but when~~ If a birth occurs on a moving conveyance, a birth certificate shall be filed in the district in which the child was first removed from the conveyance.

(b) When a birth occurs in an institution, the person in charge of the institution or ~~his~~ the person's designated representative shall obtain the personal data, prepare the certificate, secure the signatures required by the certificate and file it with the local registrar. The physician in attendance shall certify to the facts of birth and provide the medical information required by the certificate within five ~~(5)~~ days after the birth. When a birth occurs outside an institution, the certificate shall be prepared and filed by one of the following in the indicated order of priority: (1) The physician in attendance at or immediately after the birth, or in the absence of such a person; (2) any other person in attendance at or

Rich. G.

immediately after the birth, or in the absence of such a person; or (3) the father, the mother, or, in the absence of the father and the inability of the mother, the person in charge of the premises where the birth occurred.

(c) If the mother was married at the time of either conception or birth, the name of the husband shall be entered on the certificate as the father of the child unless paternity has been determined otherwise by a court of competent jurisdiction, in which case the name of the father as determined by the court shall be entered. If the mother was not married either at the time of conception or of birth, the name of the father shall not be entered on the certificate of birth without the written consent of the mother and of the person to be named as the father unless a determination of paternity has been made by a court of competent jurisdiction, in which case the name of the father as determined by the court shall be entered.

(d) One of the parents of any child shall sign the certificate of live birth to attest to the accuracy of the personal data entered thereon, in time to permit its filing within the five (5) days prescribed above.

(e) Except as otherwise provided by this subsection, a fee of \$4 shall be paid for each certificate of live birth filed with the state registrar. Such fee shall be paid by the parent or parents of the child. If a birth occurs in an institution, the person in charge of the institution or the person's designated representative shall be responsible for collecting the fee and shall remit it to the secretary of health and environment not later than the 15th day following the end of the calendar quarter during which the birth occurred. If a birth occurs other than in an institution, the local registrar shall be responsible for collecting the fee and shall remit it to the secretary of health and environment not later than the 15th day of the month following the birth.

The fee provided for by this subsection shall not be required to be paid if the parent or parents of the child are at

the time of the birth receiving assistance, as defined by K.S.A. 39-702 and amendments thereto, from the secretary of social and rehabilitation services.

Sec. 2. K.S.A. 1983 Supp. 65-2418 is hereby amended to read as follows: 65-2418. (a) The secretary shall fix and charge the fees, if any, to be paid for certified copies of certificates or for search of the files or records when no certified copy is made. Fees for certified copies of certificates shall be fixed by rules and regulations of the secretary of health and environment. The secretary of health and environment may provide by rules and regulations for exemptions from such fees.

(b) Subject to K.S.A. 65-2420 and amendments thereto, the national office of vital statistics may be furnished copies or data it requires for national statistics. The state shall be reimbursed for the cost of furnishing the data. The data shall not be used for other than statistical purposes by the national office of vital statistics unless so authorized by the state registrar of vital statistics.

(c) The secretary of health and environment shall remit all moneys received by or for the secretary from fees, charges or penalties to the state treasurer at least monthly. Upon receipt of any such remittance the state treasurer shall deposit the entire amount thereof in the state treasury and the same shall be credited credit it to the state general fund. ~~On July 17, 1983, the director of accounts and reports shall transfer all moneys in the vital statistics fee fund to the state general fund. All liabilities of the vital statistics fee fund are hereby transferred to and imposed upon the state general fund. The vital statistics fee fund is hereby abolished,~~ except that all moneys received by the secretary of health and environment from the fee prescribed by K.S.A. 65-2409 and amendments thereto shall be credited to the family and children trust fund.

Sec. 3. K.S.A. 1983 Supp. 75-5328 is hereby amended to read as follows: 75-5328. (a) There is hereby created in the state treasury the family and children trust fund. The secretary of

social and rehabilitation services may apply for, receive and accept grants, gifts and bequests from any source, governmental or private, for the purposes for which money may be expended from the family and children trust fund under subsection (b), and the secretary shall remit all moneys so received to the state treasurer at least monthly. Upon receipt of any such remittance the state treasurer shall deposit the entire amount thereof in the state treasury and the same shall be credited to the family and children trust fund.

(b) Moneys in the family and children trust fund shall be used for the following purposes: (1) Matching federal moneys to purchase services relating to community-based programs for the prevention of problems of families and children; (2) providing start-up or expansion grants for community-based prevention projects or educational programs for the problems of families and children, primarily but not limited to, child abuse and neglect and family abuse; and (3) study and evaluate community-based prevention projects and educational programs for the problems of families and children. For the purpose of this subsection (b), "educational programs" shall include instructional and demonstration programs whose main purpose is to disseminate information and techniques or to provide services for the prevention of problems of families and children. No moneys in the family and children trust fund shall be used for the purpose of providing services for the voluntary termination of pregnancy.

(c) The children and youth advisory committee shall advise the secretary and the commissioner of youth services in detail on the expenditures of moneys in the family and children trust fund.

(d) The children and youth advisory committee shall propose to the secretary of social and rehabilitation services rules and regulations establishing eligibility and accountability requirements for grants from moneys in the family and children trust fund. The advisory committee shall hold the hearing required by law on any such proposed rule and regulation. After the hearing, the advisory committee shall forward the proposed

rule and regulation and its recommendation to the secretary and, if the secretary approves the rule and regulation, the secretary shall adopt it.

(e) All expenditures from the family and children trust fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of social and rehabilitation services or by a person or persons designated by the secretary.

~~(e)~~ (f) The secretary shall designate the commissioner of youth services to exercise the powers and perform the duties granted to and imposed upon the secretary under this section.

Sec. 4. K.S.A. 65-2409 and K.S.A. 1983 Supp. 65-2418 and 75-5328 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.

PROPOSED AMENDMENT TO HB 3070

On page 5, line 163, after the word content, add the words "and percentage".

On page 5, line 163 and 164, by striking "and the amount of each" and inserting the following: "combined or alone in excess of 1% by volume".

Atch. H

KEA

**KANSAS
ETHANOL
ASSOCIATION**

TESTIMONY ON HB #3070 - 3/22/84

Federal & State Affairs Committee
State Capitol Building
Room 526 - S
Topeka, Kansas

Mr. Chairman, members of the Transportation Committee. My name is Terry Ruse and I'm here today representing the Kansas Ethanol Association in support of H.B. 3070.

The ethanol industry in Kansas is a fledgling industry with tremendous growth potential, if given the opportunity to mature. But like many of our country's great industries, incentives have been necessary until the newly produced product achieves natural parity in the marketplace, with the products it competes against.

The Federal Government fostered the creation of the alternative fuels industry, and specifically the ethanol industry, as a result of the oil embargo of 1973. It reasoned, that if the United States ever hoped to achieve energy independence, a renewable, alternate energy source must be developed.

Towards this end, the Federal motor fuels excise tax incentive and approximately 35 state motor fuel tax incentives were legislated to generate private investment in production facilities that would provide a product to displace foreign crude oil imports and create a stable, domestic market for surplus agricultural products.

Because of this Federal and State commitment to the ethanol industry, private investors accepted the challenge to build production facilities in Kansas, entirely with private funds, to bring to market a premium quality, renewable energy source.

The Kansas Ethanol Association believes that large quantities of imported ethanol from Brazil and giant producers outside of Kansas, endanger these Kansas investors through a non-return, exist of Kansas tax dollars, providing benefits to economies and agriculture outside the State.

Brazil exported approximately 60,000,000 gallons of ethanol to the U.S. in 1983 at a price 50¢ per gallon below their own domestically subsidized selling price. This allowed their product to land in the U.S. at about \$1.40 per gallon, clearly allowing them a competitive advantage that no Kansas or U.S. producer could duplicate profitably.

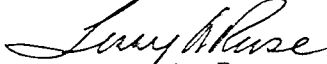
The net result is pressure on the state treasury, due to tax incentives paid on ethanol, without the resulting return benefits to Kansas farmers, communities and the State of Kansas.

Investment in Kansas ethanol production has created approximately 477 directly related jobs and 576 indirectly related positions. Additional planned production will generate another 447 direct and 672 indirect jobs. Grain consumed by existing production amounts to approximately 7,200,000 bushels annually with another 8,400,000 bushels projected annual consumption to be utilized by additional plants that are presently on the drawing board.

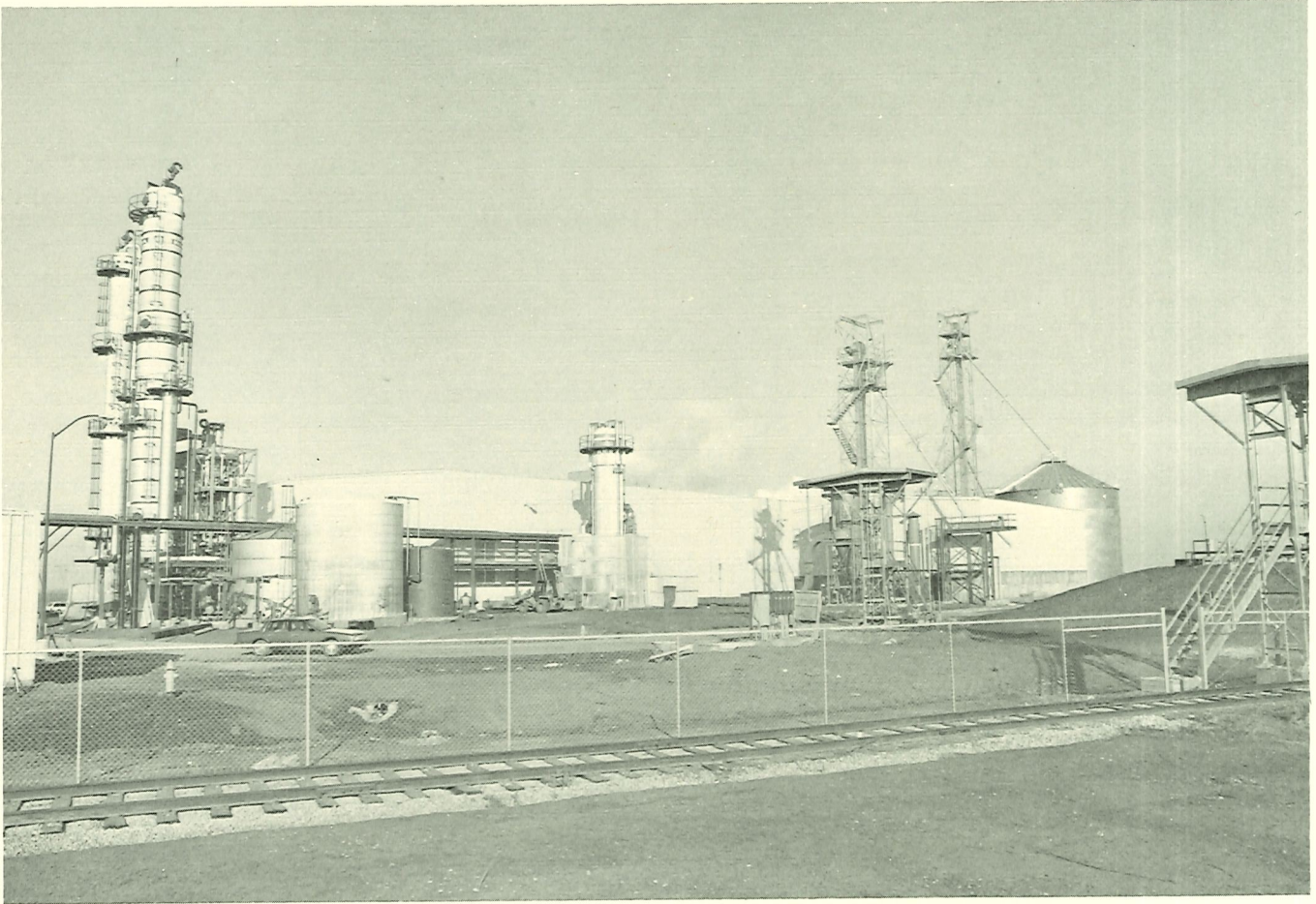
The USDA estimates that the price of grain increases 7¢ to 12¢ per bushel for every 100,000,000 bushels of grain diverted from normal market channels to ethanol production. This could mean additional income to a very vital segment of the Kansas economic system thus creating a stronger state, financially.

In closing, the Kansas Ethanol Association supports passage of HB #3070 because it encourages privately financed ethanol production in the State of Kansas, which benefits the Agricultural community and the local communities where plants are located,

in addition to the added plus of reducing dependency on imported oil. Additionally, it severely reduces the net outflow of Kansas tax dollars to other non-Kansas economies, creating a long term, growth atmosphere for the Kansas Ethanol Industry.


Terry A. Ruse
President

ETHANOL PRODUCTION



HIGH PLAINS CORPORATION PLANT — COLWICH, KS

- Approximately 4 million bushels annual grain consumption.
- Home owned by over 700 Kansas residents.
- \$480,000.00 annual payroll generation.
- \$20,000,000.00 investment — privately financed.
- 10,000,000 gallons per year production.
- \$40,000,000.00 contribution to State economic activity.

FOR FURTHER INFORMATION CALL THE KANSAS ETHANOL ASSOCIATION AT (316) 262-4035

When The Ethanol Industry
Works, So Do A Lot Of
OTHER PEOPLE.

For Additional Information, contact the



P.O. Box 47508
Wichita, Ks. 67201-7508

(316) 262-4035

ETHANOL
Performing
For
AMERICA

WHAT ARE ETHANOL PRODUCTS?

Gasolines containing ethanol are a blend of nine parts Regular or Lead-Free gasoline and one part ethanol.

ARE THEY PROVEN PRODUCTS?

Yes. Ethanol enhanced gasolines were introduced in Midwest marketing region in 1978 and continue in popularity throughout Kansas, Nebraska, and Iowa.

ARE ALL ETHANOL FUELS THE SAME?

No, they are not, because the base gasoline to which ethanol is added are not the same. However, gasolines are manufactured to strict specifications and any differences would be difficult to detect.

CAN MY CAR USE ETHANOL FUELS?

The major car manufacturers have indicated that ethanol fuels will not void the vehicle warranty and say that motorists can burn ethanol fuels in their vehicles without any engine modifications. If you have any doubts, check your owner's manual.

WHY PUT ETHANOL IN FUEL?

Ethanol is an excellent octane enhancer. Blending of ethanol increases the octane rating of the gasoline blend approximately **Three Octane** points, thus reducing engine "knock" and run-on problems. Ethanol blended gasolines also burn cleaner, significantly reducing noxious emissions.

WILL THESE GASOLINES MIX WITH OTHER MOTOR FUELS?

Yes, they will mix with other gasolines. However, they should never be mixed with diesel fuels.

DOES ADDING ETHANOL TO GASOLINE REDUCE THE COST?

Because the current cost of ethanol is higher than the cost of the gasoline with which it is blended, the mixture costs more. However, because the Federal government and some state governments subsidize ethanol fuels to help the agricultural industry, ethanol fuels can save you money.

ARE ETHANOL FUELS HARMFUL TO MY CAR?

Time tested research has not revealed any evidence that ethanol fuels are harmful. Ethanol is a solvent and could loosen rust in a vehicle's fuel system. While this happens infrequently, it is recommended that motorists driving older cars check their vehicle's fuel filter after the first or second tankful to determine if it may need to be replaced.

**ETHANOL
PRODUCED IN KANSAS**

ETHANOL FACTS

I. WHAT IS ETHANOL?

- a. Ethanol is 200 proof (100% anhydrous alcohol) used as a motor fuel additive by blending 90% gasoline with 10% ethanol. This blended mixture use to be referred to as "Gasohol": It is now called Super Unleaded or Unleaded, with ethanol added.
- b. Ethanol blended fuels burn cleaner with lower noxious emissions and have up to a 3 point higher octane rating than unleaded fuels.
- c. Ethanol is approved for use by almost all domestic and foreign automobile manufacturers.
- d. Ethanol should not be confused with methanol. Methanol, also known as "wood alcohol" is made from natural gas and can be highly corrosive to plastic and rubber parts in automobile engines.

II. HOW IS ETHANOL PRODUCED?

- a. Ethanol is produced from the fermentation of bio-mass material, most notably corn, milo and other grains.
- b. One bushel of milo will produce 2.5 gallons of ethanol plus 17 pounds of distillers dry grain (DDG). DDG has as much as 30% protein content and is used as a livestock feed.
- c. A ten-million gallon ethanol plant will consume 4-million bushels of grain annually.

III. THE IMPORTANCE OF ETHANOL FUEL

- a. Production of ethanol is a vital new market for surplus grain. The USDA estimates for every 100,000,000 bushels of grain diverted from food use, approximately 7 to 12¢ per bushel will be added to market prices.
- b. Ethanol is a renewable fuel while petroleum resources, which are rapidly being depleted throughout the world and Kansas, are not.
- c. Ethanol can provide one alternative source of energy to help reduce the nation's and Kansas' reliance on petroleum resources. For every gallon of ethanol produced and sold, a gallon less which needs to be imported.

IV. THE U.S. ETHANOL INDUSTRY

- a. The ethanol industry was born in the late 1960s in response to America's gasoline shortage. In 1978, ethanol blends were marketed for the first time at the retail level. In that year, motorists used 40-million gallons of ethanol.

- b. By the end of 1983, the ethanol industry had increased nearly ten times to a projected annual sales level of 380-million gallons sold by over 70 ethanol manufacturers located throughout the United States. Most producers are in the Midwest. Twelve large companies account for nearly 80% of total ethanol sales, which include the involvement of Texaco, Ashland Oil, Chevron and Archer Daniels Midland.

V. ECONOMICS

- a. Since it costs more to produce a gallon of ethanol than a gallon of gasoline, the ethanol industry has needed tax subsidies from Federal and State governments. The Federal government provides a 5¢ per gallon reduction on Federal Motor Fuel Tax for each gallon of ethanol blended fuel sold. This law expires in 1992. Additionally, 35 states have separate tax incentives which range from 2¢ to 11¢ per gallon.

VI. THE KANSAS ETHANOL INDUSTRY

- a. The ethanol industry in Kansas is relatively new and is represented by the Kansas Ethanol Association. The industry consists of four companies and two additional companies are expected to be in production within the next 18 months.

<u>Current Producers</u>	<u>Plant Location</u>	<u>Annual Capacity</u>
Reeves Cattle Co. (Garden City)	Garden City	1,500,000 Gal.
ESE Alcohol (Leoti)	Leoti	500,000 "
Midwest Solvents (Atchison)	Pekin, IL	6,000,000 "
High Plains Corp.	Colwich	10,000,000 "
<u>Potential Producers</u>		
Circle Energy	Garden City	15,000,000 Gal.
Farmers Fuel & Grain	Liberal	6,000,000 "

- b. Within the next two years, the Kansas' ethanol industry may produce approximately 40-million gallons of ethanol and 148,000 tons of DDG.
- c. The industry will consume 16-million bushels of grain annually, directly employ 160 people in production, create 990 new jobs in supporting industries and generate \$160-million in economic activity for State.

High Plains Corporation
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Wichita, Kansas 67202
Phone (316) 269-4310

TESTIMONY ON HB #3070 - 3/22/84

BY: Richard B. Stowell, President
High Plains Corporation
Wichita, Kansas

Federal & State Affairs Committee
State Capitol Building
Room 526 - S
Topeka, Kansas

Mr. Chairman, members of the Transportation Committee. My name is Dick Stowell and I am President and Chief Executive Officer of High Plains Corporation, a major ethanol producer and marketer in the State of Kansas. I am here today to represent my company, as well as the interests of other Kansas ethanol producers in support of HB #3070.

High Plains Corporation was a dream which began over 3 years ago due to the interest of the Federal Government and the State of Kansas in promoting and providing incentives for the production of ethanol as an alternative motor fuel. In the late 1970's, ethanol was perceived as a motor fuel extender and a means of combating the expensive importation of foreign crude oil. Today, ethanol has proven itself in the market place as a high quality octane enhancer which burns cleaner and has lower noxious emissions than any other motor fuel additive currently in commercial use.

Today, after 3 years of hard work, our dream has become a reality. Two weeks ago we began the start-up and shake down phase of our 10-million gallon ethanol plant in Colwich, Kansas. Last week we began producing our first quantities of ethanol, which are being sold into the gasoline market today.

Our company undertook what many consider a very high risk investment. We sold stock in the public market to raise approximately \$5 million dollars in equity capital and after persevering through the period of

 **HIGH PLAINS**

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high interest rates, we were successful in obtaining \$20 million of construction and permanent debt financing. All of this was done because we were sure of the availability and maintenance of motor fuel tax incentives at the State and Federal level, which are vital to the economics of this fledgling industry.

We have invested almost \$22 million, all privately financed, in the completion of our plant in Colwich. This plant will consume 4-million bushels of grain annually and provide 65 jobs in direct employment and 320 jobs indirectly in service and agricultural employment. The plant, in addition to producing ethanol, also produces 37,000 tons of distillers dried grain which are returned to the agricultural sector in the form of high protein feed for use with livestock and dairy cattle. The sales of ethanol and DDG from our plant alone, will contribute to nearly \$40 million of economic activity within the State of Kansas.

Ethanol today is sold widely through most gasoline retailers, including Getty Oil, Amoco, Derby and large independents such Total, Town and Country and Quik Trip. There is no question that ethanol has wide scale consumer acceptance.

We support the passage of HB #3070 because, while we feel that the existing motor fuel tax incentive which currently exists in Kansas is an essential ingredient for this industry for the several years ahead. At the same time, we also recognize that if the State is going to provide an incentive for one of its industries, the resulting economic benefits from that incentive should remain largely in the State. Restricting the size of the plants, in parallel to the law currently existing in Colorado, which has successfully withstood court challenges, will ensure that "dumping" ethanol by large scale

 **HIGH PLAINS**

out of state producers, as well as by Brazil, will not continue. However, HB #3070 allows smaller plants, such as ours and those which exist on our borders who consume Kansas grain, to continue to produce enough ethanol which will provide benefits to the consumer in a competitive market environment.

 **HIGH PLAINS**