

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Senator Paul "Bud" Burke at _____
Chairperson

11:00 a.m./~~p.m.~~ on March 21, 1984 in room 526-S of the Capitol.

All members were present ~~except~~.

Committee staff present: Tom Severn, Research Department
Wayne Morris, Research Department
Don Hayward, Revisor's Office

Conferees appearing before the committee:

Ron Gaches, Kansas Chamber of Commerce and Industry
Dennis Murphy, Dept. of Health and Environment
Bill Henry, Kansas Engineering Society

The committee held a hearing on HB 2823 which provides a limited income tax credit for expenses incurred in the treatment or disposal of hazardous waste.

The chairman recognized Ron Gaches for an explanation of the bill. He said this legislation was the result of a recommendation of the Dept. of Health and Environment. It provides that any taxpayer generating less than 100 kilograms (220 lbs.) of hazardous waste in each calendar month would be entitled to claim a credit against the taxpayer's income tax liability for each taxable year between December 1984 and January 1988 for expenditures incurred in the treatment or disposal of hazardous waste in accordance with the method prescribed by rules and regulations adopted by the Secretary of Health and Environment. The income tax credit would be a maximum of \$200 or the actual expense, whichever is less, incurred in the treatment or disposal of such hazardous waste.

Ron Gaches commented that he believes the \$200 maximum credit is extremely low and for many generators will serve as a small insignificant inducement to comply with the rules and regulations of the Health Department. He would urge increasing the maximum credit and consider expanding the provisions to all generators instead of just the smaller ones. He also urged eliminating the sunset provision on this measure. If it is good policy to provide this incentive, it is enhanced each year and the incentive should remain. Removing the credit would reduce this. In response to a question from Senator Angell as to why should the state give a credit to a business that generates hazardous waste, Mr. Gaches responded that the intent of the bill was to provide an inducement for what are currently unregulated generators. Senator Angell asked why the taxpayers should pick up the cost when it was better to give an incentive to alternative technologies, particularly other than ground burial, to dispose of waste.

Dennis Murphy, Dept. of Health and Environment, said the intent of this bill is to provide incentives to deal with the disposal of hazardous wastes in an appropriate manner, to provide disposal other than land disposal.

Bill Henry, Kansas Engineering Society, presented a policy statement. (Attachment #1). He said he was here to encourage treatment and the language in the bill could apply to land burial. He suggested the tax credit could be for the transporting of wastes from the taxpayer's place of business to the place of treatment. He would propose this credit be expanded and raised. He feels the \$200 figure will not induce anyone to do anything--just the transportation costs could add up to that cost and if encouraging treatment, more will need to be done than this.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,
room 526-S, Statehouse, at 11:00 a.m. ~~p.m.~~ on March 21, 1984.

Senator Johnston inquired why should the taxpayers at large pay for the businesses doing what they should do in their normal course of business. He doesn't think this would keep someone from being irresponsible and would not have any meaningful impact on the public at large.

Bill Henry said many small businessmen didn't know they were producing hazardous waste. This gives them a little bit of incentive to dispose of their waste properly. The entire population of Kansas would benefit from this.

In response to the question as to what if the credit isn't passed, Bill Henry responded that if HB 2725 passes without the credit, then it will be necessary to regulate; and with this credit a cooperative spirit would be provided instead.

The chairman stated he had difficulty with giving away tax dollars to help people to comply with the law in properly disposing of hazardous wastes.

The committee considered HB 3031 which allows cigarette manufacturers to distribute sample packages of up to 19 cigarettes.

Senator Johnston moved to amend HB 3031 by removing the language inserted on Page 3, Line 117 (n) "or possess". Senator Ehrlich seconded the motion and the motion failed to pass.

Senator Johnston moved and Senator Ehrlich seconded a motion to report HB 3031 as amended favorable for passage. The motion passed.

The chairman adjourned the meeting at 11:45 a.m. The committee will meet March 22, 11:00 a.m.

Bill Henry
Kansas Engineering Society

Hazardous Waste

The National Society of Professional Engineers and the Kansas Engineering Society recommend that state and federal governments create economic incentives for private industry to provide treatment for hazardous wastes and to recover resources from waste materials. Comprehensive regional treatment and recycling facilities should be included under the options eligible for such incentives. Consideration should be given to mechanisms which expedite siting of these facilities.

The Society also recommends the following policies be legislated by Congress and implemented by the U.S. Environmental Protection Agency.

1. Increase emphasis on resource recovery, recycling, and detoxification of hazardous waste materials. Disallow land burial for materials that present a significant risk to the environment, and for which economically achievable, environmentally sound alternatives exist. Encourage the transfer of viable technology for recycling and detoxification of waste.
2. Simplify, streamline, and codify the complex regulations which have been issued to date, to make compliance requirements more understandable to those who generate, treat, or store hazardous wastes.
3. Codify procedures required for delisting petitions for treated wastes, and accelerate review and approval procedures by EPA. Specific guidelines for delisting petitions should be published, and properly prepared and submitted petitions should be acted upon within three months. Encourage delisting action by the states, where appropriate.
4. Restrict exemptions for small quantity generators of wastes which pose a significant hazard to human health and the environment.
5. The degree of risk inherent in any waste should be considered in all regulations concerning its disposal. Further controls on hazardous wastes should be limited to those wastes which pose a significant risk to the environment or to public health, and programs to encourage alternative methods of disposal should be emphasized to focus on those with the highest risk.

Handwritten:
3/21/84