

Approved _____

Date

3/26/86

MINUTES OF THE Senate COMMITTEE ON Federal and State Affairs

The meeting was called to order by Senator Edward F. Reilly, Jr. at
Chairperson

11:00 a.m./~~p.m.~~ on March 20, 1986 in room 254-E of the Capitol.

All members were present except:

Senator Strick was excused.

Committee staff present:

Mary Torrence, Assistant Revisor of Statutes
Emalene Correll, Legislative Research
June Windscheffel, Secretary to the Committee

Conferees appearing before the committee:

Senator Fred Kerr
Mr. George Welch, Director of the Division of General Service,
Department of Administration (Present to answer any questions)
Sgt. Terry Stevens, Fraternal Order of Police (Present to answer any questions)

The Chairman introduced Senator Fred Kerr, who was present to ask that the Committee introduce a bill, copy of which was distributed to the Committee. (5RS2693, Attachment #1) He said this will speak to the exemption for small wells from the severance tax on oil.

Senator Ehrlich moved that the bill be introduced. 2d by Senator Hoferer. Motion carried.

The Chairman called on Senator Morris, Chairman of the Subcommittee to study the Ornate Box Turtle (*Terrapene ornata*, Agassiz) as the official reptile of the State of Kansas. Senator Hoferer and Senator Walker were the other Subcommittee Members. Hand-outs were distributed to the Committee, suggesting that legislation be introduced to designate the Ornate Box Turtle as the official reptile. (Attachment #2)

Senator Vidricksen moved that the Committee Report be accepted and that the bill be introduced. 2d by Senator Martin. Motion carried.

Senator Martin moved that the bill be put on the Consent Calendar. Senator Martin withdrew his motion. A member commented that students need to see that there are two legislative bodies and they function similarly, but also differently. Students from the Caldwell Elementary School having lobbied diligently for the Ornate Box Turtle, will be asked to testify. The Chairman said the Committee will have an Agenda so the children may come in Monday or Tuesday to appear concerning the bill.

SB612 - concerning procurement procedures for state and local governments, preference for Kansas bidders.

Mary Torrence was asked to explain SB612 to the Committee. Balloon copies of the bill which she had prepared were distributed to the Committee. (Attachment #3) Ms. Torrence went through the bill and explained the amendments which she had prepared at the request of the Committee in its meeting of March 19, 1986.

Senator Morris moved the adoption of the amendments. 2d by Senator Anderson. Motion carried.

Senator Morris moved that the bill be reported favorably as amended. 2d by Senator Ehrlich. Motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,
room 254-E, Statehouse, at 11:00 a.m. ~~on~~ on March 20, 19 86

SB562 - free tuition for dependents of slain or disabled law enforcement officers

Mary Torrence explained the balloon version of SB562 which was distributed to the Committee. (Attachment #4) She said she did not have a Fiscal Note on the impact of expanding this measure if the Committee should decide to expand on these amendments. The earlier version dealt only with law enforcement officers, and did not include all the correctional officers, fire fighters, et cetera. A proposed amendment to 44-510b was handed out for the Committee. (Attachment #5)

There was much discussion among the Committee concerning the bill. There seemed to be a prevailing comment that the whole idea is excellent but in the attempt to provide the tuition that the matter has become extremely broad.

Mr. George Welch, Director of the Division of General Service, and Sgt. Terry Stevens, of the Fraternal Order of Police, were present to answer questions concerning the matter. The Workmen's Compensation Director had assisted them in the preparation of the amendment, Attachment #5.

During Committee discussion a member stated that the amendments presented by Staff were what the Committee had directed, but that the proposed amendment in Attachment #5 gets back to the original intent.

Senator Morris moved to remove the language concerning "books and fees" in Attachment #5. (It was stated that fees could be left in if it were required by drafting, but that it should say "enrollment fees.") 2d by Senator Arasmith. Motion carried.

Senator Martin moved that SB562 (or a substitute bill, whichever staff determines is best) be passed out favorably as amended. 2d by Senator Arasmith.

Senator Daniels moved to reconsider the final action on the motion to pass it out and be sure that there is language in the bill to make it retroactive for the purposes it covers. 2d by Senator Anderson. Motion carried.

There was more discussion.

Senator Daniels moved that the language in section (e) of the balloon version of SB562 be reinserted. 2d by Senator Anderson. (The Chairman stated the question is on the amendment to make it retroactive.) Motion failed.

Senator Morris moved that the substitute bill be recommended favorably as amended. 2d by Senator Martin. Motion carried.

SB401 - comprehensive criminal justice commission and
SB410 - commission on correctional facilities, service and policies

The Chairman directed the Committee to turn its attention to the matters of a criminal justice commission and commission on correctional facilities. Senator Daniels was asked to give an account of SB401. Senator Daniels moved to make a sunset review in 4 years. 2d by Senator Martin. Motion carried.

Senator Daniels said the Secretary of Social and Rehabilitation Services (SRS) and a law enforcement officer should be added as members of the commission. She moved that those also be included as an amendment. 2d by Senator Anderson. Motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,
room 254-E, Statehouse, at 11:00 a.m./~~p.m.~~ on March 20, 1986.

The Chairman pointed out that SB401 had a Fiscal Note that was higher. Senator Daniels pointed out that there is a difference between SB401 and SB410. SB410 focuses on building and construction. SB401 takes into account all those factors that impact on prison population. There was more Committee discussion.

Senator Martin made the motion that the Committee work either SB401 or SB410 in the alternative to see if there is enough support for either bill. 2d by Senator Walker. Motion carried.

Senator Martin moved that the Committee work SB401. 2d by Senator Anderson. Discussion. Motion carried.

Senator Daniels moved the adoption of the subcommittee amendments. 2d by Senator Walker. Motion carried.

Senator Walker moved that the bill be recommended favorably as amended. 2d by Senator Martin. Motion carried. Senator Arasmith and Senator Morris voted "no."

Senator Morris moved that SB410 be reported unfavorably. 2d by Senator Martin. Motion carried.

SB292 - concerning the rights of blind, visually handicapped and physically disabled persons

The Committee then proceeded on to SB292. Senator Morris moved the bill be reported unfavorably. 2d by Senator Martin. Motion carried. Senator Anderson and Senator Daniels voted "no."

The meeting was adjourned.

SENATE BILL NO. _____

By Committee on Federal and State Affairs

AN ACT relating to severance tax on minerals; concerning exemptions therefrom for the severance and production of oil; amending K.S.A. 79-4217 and repealing the existing section.

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

Section 1. K.S.A. 79-4217 is hereby amended to read as follows: 79-4217. (a) From and after May 1, 1983, there is hereby imposed an excise tax upon the severance and production of coal, salt, oil or gas from the earth or water in this state for sale, transport, storage, profit or commercial use, subject to the following provisions of this section. Such tax shall be borne ratably by all persons within the term "producer" as such term is defined in K.S.A. 79-4216, and amendments thereto, in proportion to their respective beneficial interest in the coal, salt, oil or gas severed. Such tax shall be applied equally to all portions of the gross value of each barrel of oil severed and subject to such tax and to the gross value of the gas severed and subject to such tax. The rate of such tax shall be 8% of the gross value of all oil or gas severed from the earth or water in this state and subject to the tax imposed under this act. The rate of such tax with respect to coal shall be \$1 per ton and with respect to salt shall be \$.04 per ton in solid state. For the purposes of the tax imposed hereunder the amount of oil or gas produced shall be measured or determined: (1) In the case of oil, by tank tables compiled to show 100% of the full capacity of tanks without deduction for overage or losses in handling; allowance for any reasonable and bona fide deduction for basic sediment and water, and for correction of temperature to 60 degrees Fahrenheit will be allowed; and if the amount of oil severed has been measured or

determined by tank tables compiled to show less than 100% of the full capacity of tanks, such amount shall be raised to a basis of 100% for the purpose of the tax imposed by this act; and (2) in the case of gas, by meter readings showing 100% of the full volume expressed in cubic feet at a standard base and flowing temperature of 60 degrees Fahrenheit, and at the absolute pressure at which the gas is sold and purchased; correction to be made for pressure according to Boyle's law, and used for specific gravity according to the gravity at which the gas is sold and purchased, or if not so specified, according to the test made by the balance method.

(b) The following shall be exempt from the tax imposed under this section:

(1) The severance and production of gas which is: (A) Injected into the earth for the purpose of lifting oil, recycling or repressuring; (B) used for fuel in connection with the operation and development for, or production of, oil or gas in the lease or production unit where severed; (C) lawfully vented or flared; (D) severed from a well having an average daily production during a calendar month having a gross value of not more than \$81 per day, which well has not been significantly curtailed by reason of mechanical failure or other disruption of production; in the event that the production of gas from more than one well is gauged by a common meter, eligibility for exemption hereunder shall be determined by computing the gross value of the average daily combined production from all such wells and dividing the same by the number of wells gauged by such meter; (E) inadvertently lost by reason of leaks, blowouts or other accidental losses; (F) used or consumed for domestic or agricultural purposes on the lease or production unit from which it is severed; or (G) placed in underground storage for recovery at a later date and which was either originally severed outside of the state of Kansas, or as to which the tax levied pursuant to this act has been paid;

(2) the severance and production of oil on and after May 1,

1986, which is: (A) From a lease or production unit whose gross value of average daily production is two-barrels-or-less not more than \$40 per day per producing well, which well or wells have not been significantly curtailed by reason of mechanical failure or other disruption of production; (B) from a lease or production unit, the producing well or wells upon which have a completion depth of ~~2,000~~ 1,000 feet or more, and whose gross value of average daily production is three-barrels-or-less not more than \$60 per day per producing well, which well or wells have not been significantly curtailed by reason of mechanical failure or other disruption of production; (C) from a lease or production unit, the producing well or wells upon which have a completion depth of 2,500 feet or more, and whose gross value of average daily production is not more than \$80 per day per producing well, which well or wells have not been significantly curtailed by reason of mechanical failure or other disruption of production; (D) from a lease or production unit, the producing well or wells upon which have a completion depth of 4,500 feet or more, and whose gross value of average daily production is not more than \$100 per day per producing well, which well or wells have not been significantly curtailed by reason of mechanical failure or other disruption of production; (E) from a lease or production unit, whose production results from a tertiary recovery process. "Tertiary recovery process" means the process or processes described in subparagraphs (1) through (9) of 10 C.F.R. 212.78(c) as in effect on June 1, 1979; ~~(B)~~ (F) from a lease or production unit, the producing well or wells upon which have a completion depth of less than ~~2,000~~ 1,000 feet and whose gross value of average daily production resulting from a water flood process, is three-barrels-or-less not more than \$70 per day per producing well, which well or wells have not been significantly curtailed by reason of mechanical failure or other disruption of production; ~~(E)~~ (G) from a lease or production unit, the producing well or wells upon which have a completion depth of ~~2,000~~ 1,000 feet or more, and whose gross value of average daily

production resulting from a water flood process, is four-barrels or less not more than \$95 per day per producing well, which well or wells have not been significantly curtailed by reason of mechanical failure or other disruption of production; (F) (H) from a lease or production unit, the producing well or wells upon which have a completion depth of 2,500 feet or more, and whose gross value of average daily production resulting from a water flood process is not more than \$120 per day per producing well, which well or wells have not been significantly curtailed by reason of mechanical failure or other disruption of production; (I) from a lease or production unit, the producing well or wells upon which have a completion depth of 4,500 feet or more, and whose gross value of average daily production resulting from a water flood process is not more than \$145 per day per producing well, which well or wells have not been significantly curtailed by reason of mechanical failure or other disruption of production; (J) test, frac or swab oil which is sold or exchanged for value; or (G) (K) inadvertently lost by reason of leaks or other accidental means;

(3)-(A)--any--taxpayer--applying--for--an--exemption--pursuant--to--subsection--(b)(2)(A)--and--(B)--shall--make--application--annually--to--the--director--of--taxation--therefor.--Exemptions--granted--pursuant--to--subsection--(b)(2)(A)--and--(B)--shall--be--valid--for--a--period--of--one--year--following--the--date--of--certification--thereof--by--the--director--of--taxation;--(B)--any--taxpayer--applying--for--an--exemption--pursuant--to--subsection--(b)(2)(D)--or--(E)--shall--make--application--annually--to--the--director--of--taxation--therefor.--Such--application--shall--be--accompanied--by--proof--of--the--approval--of--an--application--for--the--utilization--of--a--water--flood--process--therefor--by--the--corporation--commission--pursuant--to--rules--and--regulations--adopted--under--the--authority--of--K.S.A.--55-152,--and--proof--that--the--oil--produced--therefrom--is--kept--in--a--separate--tank--battery--and--that--separate--books--and--records--are--maintained--therefor.--Such--exemption--shall--be--valid--for--a--period--of--one--year--following--the--date--of--certification--thereof--by--the--director--of--taxation;

~~(4)~~ (3) the severance and production of gas or oil from any pool from which oil or gas was first produced on or after April 1, 1983, as determined by the state corporation commission and certified to the director of taxation, and continuing for a period of 24 months from the month in which oil or gas was first produced from such pool as evidenced by an affidavit of completion of a well, filed with the state corporation commission and certified to the director of taxation. Exemptions granted for production from any well pursuant to this paragraph shall be valid for a period of 24 months following the month in which oil or gas was first produced from such pool. The term "pool" means an underground accumulation of oil or gas in a single and separate natural reservoir characterized by a single pressure system so that production from one part of the pool affects the reservoir pressure throughout its extent; and

~~(5)~~ (4) the severance or production of coal from any mine the total annual production from which is 350,000 tons or less in the preceding calendar year as certified by the state geological survey.

Sec. 2. K.S.A. 79-4217 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after May 1, 1986, and its publication in the Kansas register.

3/20/86
Attachment #2

March 20, 1986

Mr. Chairman:

Your sub-committee on the Terrapene Ornata Agassiz met on 3/19/86 and after much deliberation recommends that legislation be introduced to designate the Terrapene Ornata Agassiz (ornate box turtle) as the official reptile of the State of Kansas.

Sen. Morris, Chairman

Sen. Hoferer

Sen. Walker

JW
#3

SENATE BILL No. 612

By Senator Morris

2-12

0017 AN ACT concerning procurement procedures for state and local
0018 government contracts; relating to preferences for Kansas
0019 domiciled bidders in certain cases; amending K.S.A. 75-3740a
0020 and repealing the existing section.

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. K.S.A. 75-3740a is hereby amended to read as (a)
0023 follows: 75-3740a. ~~To the extent permitted by federal law and~~

0024 regulations whenever the state of Kansas or any agency, depart-
0025 ment, bureau or division thereof or any municipality of the state
0026 including, but not limited to, county, school district, improve-
0027 ment district or other public body, lets bids for contracts for the
0028 erection, construction, alteration or repair of any public building
0029 or structure or any addition thereto or for any public work or
0030 improvement or for any purchases of any goods, merchandise,
0031 materials, supplies or equipment of any kind;

0032 ~~(a) The contractor~~ domiciled outside the state of Kansas, to , a bidder
0033 be successful, shall submit a bid the same percent less than the
0034 lowest bid submitted by a responsible Kansas contractor as
0035 would be required of such Kansas domiciled contractor to suc- bidder
0036 ceed over the bidding contractor domiciled outside Kansas on a
0037 like contract let in such contractor's domiciliary state; and bidder's domiciliary state.

0038 ~~(b) in cases where (1) the quality, suitability and use under
0039 the contract for which the bids are being let are equal and (2)
0040 the low bid is submitted by a contractor domiciled outside the
0041 state of Kansas after applying the provisions of subsection (a) if
0042 applicable, then the Kansas domiciled contractor which sub-
0043 mitted the next lowest bid shall be deemed the preferred bidder
0044 and shall be awarded the bid if such Kansas domiciled contrac-
0045 tor agrees to meet such low bid by filing a written agreement to~~

~~0016 that effect within 72 hours after receiving notification of being~~
~~0017 deemed the preferred bidder for the contract.~~

.8 Sec. 2. K.S.A. 75-3740a is hereby repealed.

0019 Sec. 3. This act shall take effect and be in force from and
 0050 after its publication in the ~~statute book.~~

↙ Kansas register

(b) (1) To the extent permitted by federal law and regulations and subject to the provisions of subsection (b)(2), whenever the state of Kansas or any agency, department, bureau or division thereof or any municipality of the state including, but not limited to, county, school district, improvement district or other public body, lets bids for contracts for any purchases of any goods, merchandise, materials, supplies or equipment of any kind and the low bid is submitted by a bidder domiciled outside the state of Kansas, after applying the provisions of subsection (a) if applicable, the Kansas domiciled bidder which submitted the lowest bid shall be deemed the preferred bidder and shall be awarded the bid if: (A) The quality, suitability and use under the contract are equal; and (B) such Kansas domiciled bidder agrees to meet the low bid by filing a written agreement to that effect within 72 hours after receiving notification of being deemed the preferred bidder for the contract.

(2) The provisions of subsection (b)(1) shall not apply to the letting of bids for contracts for the erection, construction, alteration or repair of any public building or structure or any addition thereto or for any public work or improvement.

3/20/86
Attachment #4

SENATE BILL No. 562

By Committee on Federal and State Affairs

2-4

017 AN ACT concerning certain educational benefits for certain
018 dependents of deceased or disabled law enforcement officers.

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

020 Section 1. (a) As used in this section:

021 (1) "Dependent" means ~~any child, by birth or adoption.~~

022 (2) "Disability" means inability to engage in any substantial
023 gainful activity by reason of any medically determinable physi-
024 cal or mental impairment which can be expected to result in
025 death or to be of long-continued and indefinite duration. An
026 individual shall not be considered to be under a disability unless
027 the individual furnishes such proof of its existence as required
028 by rules and regulations of the state board of regents.

029 (3) "Law enforcement officer" has the meaning provided by
030 K.S.A. 74-5602 and amendments thereto.

031 (b) The state board of regents ~~shall provide for enrollment at~~
032 ~~any institution under the control of the board without charge of~~
033 ~~tuition or fees for any dependent of a law enforcement officer~~
034 ~~who, as the result of an injury sustained while performing duties~~
035 ~~as a law enforcement officer, has died or is under a disability, but~~
036 ~~not to exceed eight semesters of instruction.~~

037 (c) A person is not entitled to enrollment without charge of
038 tuition or fees if-

039 ~~(1) The person is more than 21 years of age at the time of~~
040 ~~commencement of the first semester for which enrollment with-~~
041 ~~out charge of tuition or fees is sought; or~~

042 ~~(2) eight or more semesters, not including summer semes-~~
043 ~~ters, have passed since the person first enrolled without charge~~
044 ~~of tuition or fees.~~

045 (d) The state board of regents shall adopt such rules and

: (A) A spouse; or (B) a child, less than 21 years of age at the time of commencement of the first semester for which enrollment without charge of tuition or fees is sought pursuant to this section, who is the officer's or firefighter's child by birth or adoption or who was receiving monetary support from and living in the household of the officer or firefighter at the time of death or disability

(4) "Correctional officer" and "parole officer" have the meanings provided by K.S.A. 75-5202 and amendments thereto.

(5) "Firefighter" means any fireman, as defined by K.S.A. 74-4952 and amendments thereto, or any member of a volunteer fire department.

(6) "Court services officer" means any court services officer who supervises persons placed on probation or parole by a district court.

, the board of trustees of every community college, the board of every area vocational school and the board of control of every area vocational-technical school

, correctional officer, parole officer, court services officer or firefighter

, the board of trustees of every community college, the board of every area vocational school and the board of control of every area vocational-technical school

0046 regulations as necessary to administer the provisions of this
0047 section.

0048 Sec. 2. This act shall take effect and be in force from and
0049 after its publication in the statute book.

(e) The provisions of this section shall apply
regardless of whether the injury, death or disability
occurred before, on or after the effective date of this
act.

3/20/86
Attachment #5

Proposed Amendment to 44-510b

- (k) If a law enforcement officer, as that term is used in K.S.A. 74-5602 and amendments thereto, is killed or rendered permanently totally disabled by an accident arising out of and in the course of employment as a law enforcement officer, any wholly dependent child and the spouse of the law enforcement officer shall be entitled to have the employer pay for him or her the cost of tuition, books and fees at any institution under the control of the state board of regents or community colleges, or vocational technical colleges for not to exceed eight semesters of instruction.