

Approved 5-5-89
Date

MINUTES OF THE Senate COMMITTEE ON Energy and Natural Resources

The meeting was called to order by Senator Ross Doyen at
Chairperson

8:06 a.m./~~p.m.~~ on April 27, 1989, 19 8th room 423-S of the Capitol.

All members were present except: quorum was present.

Committee staff present:

Raney Gilliland, Research
Don Hayward, Revisor's Office
Lila McClafin, Secretary

Conferees appearing before the committee:

Joe Harkins, Director, Kansas Water Authority
Tom Tunnell, Kansas Fertilizer & Chemical Assn., & Kansas Grain and Feed Assn.
Richard McKee, Kansas Livestock Association
Representative Eugene Shore
Joe Lieber, Kansas Cooperative Council
Bill Fuller, Kansas Farm Bureau
Howard Tice, Kansas Association of Wheat Growers

Chairman Doyen stated the purpose of the meeting was to consider H.B. 2008 the funding of the State Water Plan. He called on Joe Harkins.

Mr. Harkins presented a balloon copy of H.B. 2008 showing the proposed amendments (Attachment I). Also, distributed was information comparing the balloon copy of H.B. 2008 to the original H.B. 2008 (Attachment II). Attachment III) is a list of recommendations that have not been considered by the Legislature for funding for FY 1990. With passage of the funding proposal, these expenditures could be authorized in the Omnibus Appropriation Bill. (Attachment IV) explains the balloon copy of the bill.

Tom Tunnell stated if the water plan is worthy of funding it should be funded from the general fund.

Richard McKee stated he opposed the alternative plan presented this morning, and still support the funding coming from the general fund. He responded to questions. The Water Plan has been sold as a plan to benefit all of Kansans therefore all Kansans should share in the cost.

Representative Eugene Shore stated water is important to everyone. Everyone uses it and pollutes it. It should be able to stand up against other major items such as education which is funded from the general fund. When it becomes important to the public it will be funded. He distributed copies of a water plan funding source (Attachment V). He responded to questions.

Joe Lieber stated there has already been \$11 million budgeted for the Water Plan this year. If more funding is needed than everyone who uses water should be taxed not just agri-businesses.

Bill Fuller recommended a dedicated and ongoing source of funding should be developed and their first choice would be the general fund. The program should not exceed \$14 to \$16 million, and if fertilizer and pesticides are to be a part of this plan all users should pay not just the farmers and ranchers as proposed in H.B. 2008. They were pleased that the amendments proposed at the meeting included all users. He recommended that the Board

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Energy and Natural Resources,
room 423-S Statehouse, at 8:00 a.m./~~p.m.~~ on April 27, _____, 1989

of Agriculture visit with this committee concerning the fertilizer inspection fees and the pesticide registration fee to gain the facts on how those are administered and where the money goes. He encouraged the committee to develop and approve an acceptable plan. The water problems in the state need to be addressed as they won't go away.

Howard Tice stated their policy remains the same the waters of the state belong to the state, therefore all of the people should pay for the funding of the Water Plan.

Chairman Doyen stated the committee would meet again to consider action on H.B. 2008.

The meeting adjourned at 9:00 a.m.

[As Further Amended by House Committee of the Whole]

[As Amended by House Committee of the Whole]

As amended by House Committee

Session of 1989

HOUSE BILL No. 2008

By Special Committee on Energy and Natural Resources

Re Proposal No. 16

12-22

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AN ACT concerning financing of the state water plan; imposing fees on certain retail sales and certain solid waste disposal; amending K.S.A. 65-170f, K.S.A. 1988 Supp. 79-4227 and K.S.A. 1988 Supp. 65-3410, certain fees on certain retail sales, uses of water, solid waste disposal and registrations of chemicals; amending K.S.A. 65-170f and 65-3415, K.S.A. 1988 Supp. 79-4227 and K.S.A. 1987 Supp. 2-2204 and 65-3419, both as amended by chapter 356 of the 1988 Session Laws of Kansas, and repealing the existing sections.

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

New Section 1. (a) There is hereby imposed a water protection fee at the rate of:

(1) ~~Three~~ ~~Two~~ percent upon the gross receipts from sales at retail by public water supply systems of water delivered through mains, lines or pipes;

(2) ~~two one~~ percent upon the gross receipts from sales at retail of fertilizer used in the production of plants and plant products produced for resale, and

(3) four percent upon the gross receipts from sales at retail of restricted use pesticides, as defined by K.S.A. 2-2438a and amendments thereto.

(4) ~~two~~ cents per 1,000 gallons of water used for industrial use;

(4) ~~two~~ cents per 1,000 gallons of water used for stockwatering;

and

(5) ~~fifty~~ dollars per point of diversion for irrigation use.

relating to the environment;

authorizing grants to local entities for the development and implementation of environmental protection plans and programs

amending K.S.A. 2-1205 and 65-170f and K.S.A. 1988 Supp. 79-4804

Three cents per 1,000 gallons sold at retail by public water supply systems of water delivered through mains, lines or pipes

Delete

(2) Three under the authority of a permit granted in accordance with provisions of K.S.A. 82a-701 et seq.

(3) Three

Delete

SE+NR
4/27/89
ATTACHMENT I

50 (b) As used in this section, "industrial use," "stockwatering,"
 51 "point of diversion" and "irrigation use" have the meanings provided
 52 by rules and regulations of the chief engineer of the division of
 53 water resources of the state board of agriculture and the deter-
 54 mination of gallons used and points of diversion shall be based upon
 55 figures supplied to the secretary of revenue by the division of water
 56 resources.

57 ~~(b) (c)~~ The secretary of revenue shall administer, enforce and
 58 collect the fee imposed by this section. All laws and rules and
 59 regulations of the secretary relating to the administration, enforce-
 60 ment and collection of the retailers' sales tax shall apply to such fee
 61 insofar as they can be made applicable, and the secretary shall adopt
 62 such additional rules and regulations as necessary for the efficient
 63 and effective administration, enforcement and collection thereof.

64 ~~(c) (d)~~ The secretary of revenue shall remit daily to the state
 65 treasurer all moneys collected from fees imposed pursuant to this
 66 section. Upon receipt thereof, the state treasurer shall deposit the
 67 entire amount in the state treasury and credit it to the state water
 68 play fund created by section 7 ~~10~~

69 New Sec. 2. (a) There is hereby imposed a tonnage fee for each
 70 ton or equivalent volume of solid waste disposed of at any solid
 71 waste disposal area, as defined by K.S.A. 65-3402 and amendments
 72 thereto, at the rate of \$1 per ton for the fiscal year beginning July
 73 1, 1989, and increasing annually thereafter on July 1 in the amount
 74 of \$.25 through July 1, 1993. Thereafter such rate shall be \$2 per
 75 ton.

76 (b) The operator of a solid waste disposal area shall pay the fee
 77 imposed by this section.

78 (c) The secretary of revenue shall administer, enforce and collect
 79 the fee imposed by this section. Except as otherwise provided by
 80 subsection (b), all laws and rules and regulations of the secretary
 81 relating to the administration, enforcement and collection of the
 82 retailers' sales tax shall apply to such fee insofar as they can be made
 83 applicable, and the secretary shall adopt such additional rules and
 84 regulations as necessary for the efficient and effective administration,
 85 enforcement and collection thereof.

86 (d) The secretary of revenue shall remit daily to the state treas-

"municipal use,"
 and
 Delete

(e) the director of taxation

(c) The fee in subsection (a) shall be based on the actual amount used for municipal,
 industrial or stockwater use during the preceding calendar year as reported to the
 chief engineer in accordance with the provisions of K.S.A. 1988 Supp. 82a-732; except
 that the amount of surface water used for flow-through cooling purposes for electric
 power generating plants shall be based on an average consumptive factor as determined
 by the division of water resources. If no water use report is filed prior to March 1
 of the succeeding year, the fee shall be based on the amount authorized for municipal
 or industrial use per calendar year.

(d) The fee imposed by subsection (a) shall be paid by the owner of a permit granted in
 accordance with the provisions of K.S.A. 82a-701 et seq. If the owner of the permit fails
 to pay the fee required to be collected and paid under this act, there shall be added to the
 unpaid balance of the fee, penalty and interest as prescribed under K.S.A. 79-3615 for the
 late payment of sales tax.

The fee imposed by subsection (a) (1) shall be paid quarterly by the public
 water supplier and shall be transmitted to the department of revenue not
 later than 45 days following the end of each quarter. The public water
 supplier may collect the fee directly from each consumer to which water
 is sold at retail, or may pay the amount owed to the department from
 moneys in its operating or other fund available for this purpose.

9.

Delete

(f) An owner of a municipal or industrial permit who also has a contract
 with the state for water supply under the provision of K.S.A. 82a-1301
 et seq. shall be exempt from payment of the fee imposed in subsection (a)
 on that portion of water used under the permit.

1-2

Transfer all moneys collected from fees imposed pursuant to this section.

88 Upon receipt thereof, the state treasurer shall deposit the entire
89 amount in the state treasury and credit it ½ to the local solid waste
90 management fund created by section 8 and ½ to the state water
91 plan fund created by section 7 10.

92 (e) The secretary of revenue shall grant exemptions from the
93 fee requirements of this section for disposal of solid waste if all of
94 the following criteria are met:

95 (1) Disposal of the solid waste is pursuant to a written contract
96 between the owner or operator of the solid waste disposal area and
97 another person or entity;

98 (2) the contract for receipt of solid waste was lawfully executed
99 prior to February 1, 1989;

100 (3) the contract for receipt of solid waste prevents any increase
101 in the compensation or fee payable to the operator or owner of
102 the solid waste disposal area;

103 (4) the contract has not been amended at any time after January
104 31, 1989; and

105 (5) the owner or operator of the solid waste disposal area ap-
106 plying for the exemption demonstrates to the satisfaction of the
107 secretary that the owner or operator has made good faith efforts
108 to renegotiate such contract notwithstanding its terms and has been
109 unable to obtain an amendment allowing the fee provided by this
110 section to be added to the compensation or fee provisions of the
111 contract.

112 Exemptions granted under this subsection shall cause the solid
113 waste exempted to be disregarded in calculating the volume or
114 weight of solid waste disposed of during the calendar year under
115 this subsection.

116 Exemptions under this subsection shall expire upon the renewal
117 or amendment of the contract or June 30, 1992, whichever occurs
118 first.

119 ~~Sec. 3. K.S.A. 1988 Supp. 79-4227 is hereby amended to read~~
120 ~~as follows: 79-4227 (a) All revenue collected or received by the~~
121 ~~director from the tax imposed by this act shall be remitted daily to~~
122 ~~the state treasurer. Upon receipt of each such remittance, the state~~
123 ~~treasurer shall deposit the entire amount thereof in the state treasury.~~

Delete

Sec. 2. K.S.A. 1988 Supp. 79-4804 is hereby amended to read as follows:

79-4804. (a) an Amount equal to 60% of all moneys credited to the state gaming revenues fund shall be transferred and credited to the state economic development initiatives fund which is hereby created in the state treasury. Expenditures from the state economic development initiatives funds shall be made in accordance with appropriation acts for the financing of such programs supporting and enhancing the existing economic foundation of the state and fostering growth through the expansion of current, and the establishment of an attraction of new, commercial and industrial enterprises as provided by this section and as may be authorized by law and not less than ½ of such money shall be distributed equally among the five congressional districts. From and after July 1, 1990, an amount equal to 90% of all moneys credited to the state gaming revenues fund shall be transferred and credited to the state economic development initiatives fund created by this section. All moneys credited to the state economic development initiatives fund shall be credited within the fund, as provided by law, to an account or accounts of the fund which are created by this section except that \$2 million shall annually be credited to the state water plan fund created by section 9.

(b) There is hereby created the Kansas capital formation account in the state economic development initiatives fund. All moneys credited to the Kansas capital formation account shall be used to provide, encourage and implement capital development and formation in Kansas.

(c) There is hereby created the Kansas economic development research and development account in the state economic development initiatives fund. All moneys credited to the Kansas economic development research and development account shall be used to promote, encourage and implement research and development programs and activities in Kansas and technical assistance funded through state educational institutions under the supervision and control of the state board of regents or other Kansas colleges and universities.

(d) There is hereby created the Kansas economic development endowment account in the state economic development initiatives fund. All moneys credited to the Kansas economic development endowment account shall be accumulated and invested as provided in this section to provide an ongoing source of funds which shall be used for economic development activities in Kansas, including but not limited to continuing appropriations or demand transfers for programs and projects which shall include, but are not limited to, specific community infrastructure projects in Kansas that stimulate economic growth.

(e) Except as provided in subsection (f), the pooled money investment board may invest and reinvest moneys credited to the state economic development initiatives fund in obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America or in interest-bearing time deposits in any commercial bank or trust company located in Kansas, or, if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a

124 The state treasurer shall first credit such amount thereof as the
 125 director shall order to the mineral production tax refund fund created
 126 under subsection (b) of this section. The state treasurer shall credit
 127 the remainder of such amounts as follows: (1) Seven percent to the
 128 special county mineral production tax fund created under subsection
 129 (c) of this section; ~~and (2) such amount as the director certifies~~
 130 ~~pursuant to subsection (f) to be credited to the state water plan fund~~
 131 ~~created by section 7 10; and (3) the remainder shall be credited~~
 132 to the state general fund.

133 (b) A refund fund designated as "mineral production tax refund
 134 fund" not to exceed \$50,000 is hereby created for the prompt pay-
 135 ment of all tax refunds. The mineral production tax refund fund shall
 136 be in such amount, within the limit set by this section, as the director
 137 shall determine is necessary to meet current refunding requirements
 138 under this act.

139 (c) There is hereby created a special county mineral production
 140 tax fund. On December 1, 1983, and quarterly thereafter, the di-
 141 rector of taxation shall distribute all moneys credited to such fund
 142 to the county treasurers of all counties in which taxes were levied
 143 under K.S.A. 79-4217 and amendments thereto for the severing and
 144 producing of coal, oil or gas from property within the county, in the
 145 proportion that the taxes levied upon production in each county
 146 bears to the total of all of such taxes levied in all of such counties.
 147 Such distribution shall be based on returns filed, with any adjust-
 148 ments or corrections thereto made by the director of taxation.

149 (d) The secretary of revenue shall make provision for the deter-
 150 mination of the counties within which taxes are levied under K.S.A.
 151 79-4217 and amendments thereto for the severance of coal, oil or
 152 gas and shall certify the same to the director of accounts and reports.

153 (e) The director of accounts and reports shall draw warrants on
 154 the state treasurer payable to the county treasurer of each county
 155 entitled to payment from the special county mineral production tax
 156 fund upon vouchers approved by the director of taxation. Upon
 157 receipt of such warrant, each county treasurer shall credit 50% of
 158 the amount thereof to the county general fund and shall distribute
 159 the remaining 50% thereof to the treasurer of each school district
 160 all or any portion of which is located within the county in the

primary government securities dealer which reports to the market reports division of
 the federal reserve bank of New York for direct obligations of, or obligations that
 are insured as to principal and interest by, the United States government or any agency
 thereof. All moneys received as interest earned by the investment of the moneys credited
 to the state economic development initiatives fund shall be deposited in the state
 treasury and credited to the Kansas economic development endowment account of such fund.

(f) Moneys credited to the Kansas economic development endowment account of the
 state economic development initiatives fund may be invested in government guaranteed
 loans and debentures as provided by law in addition to the investments authorized
 by subsection (e) or in lieu of such investments. All moneys received as interest
 earned by the investment under this subsection of the moneys credited to the
 Kansas economic development endowment account shall be deposited in the state
 treasury and credited to the Kansas economic development endowment account of the state
 economic development initiatives fund.

Delete

161 proportion that the assessed value of coal, oil and gas properties
 162 within each district bears to the total of the assessed value of all
 163 coal, oil and gas properties within the county. Such assessed valuation
 164 shall be determined upon the basis of the most recent November
 165 1 tax roll. The treasurer of each school district shall credit the entire
 166 amount of the moneys so received to the general fund of the school
 167 district.

168 *(f) The director of taxation shall certify to the state treasurer an*
 169 *amount to be credited to the state water plan fund from each amount*
 170 *remitted to the state treasurer pursuant to this section. The total of*
 171 *all amounts so certified during each fiscal year shall be \$2,000,000.*
 172 *To the extent practicable, the amount certified with each such re-*
 173 *mittance shall be proportionate to the total amount of such remitt-*
 174 *ance and shall be based upon the ratio of \$2,000,000 to the total*
 175 *amount which will be remitted to the state treasurer pursuant to*
 176 *this section during the fiscal year as estimated by the director and*
 177 *as adjusted by the director from time to time during the fiscal year*
 178 *in accordance with actual receipts.*

179 New Sec. 4. All moneys collected from penalties imposed pur-
 180 suant to K.S.A. 65-170d, 65-171s, 65-3419 or 65-3446, and amend-
 181 ments thereto, shall be remitted to the state treasurer. Upon receipt
 182 thereof, the state treasurer shall deposit the entire amount in the
 183 state treasury and credit it to the state water plan fund created by
 184 section 7 10.

185 Sec. 5. K.S.A. 65-170f is hereby amended to read as follows: 65-
 186 170f. *Except as otherwise provided by section 4, all penalties re-*
 187 *covered pursuant to the provisions of this act shall be deposited in*
 188 *the state treasury and credited to the state general fund of the state*
 189 *of Kansas.*

190 Sec. 6. K.S.A. 1988 Supp. 65-3419, as amended by section 204
 191 of chapter 356 of the 1988 Session Laws of Kansas, is hereby
 192 amended to read as follows: 65-3419. (a) Any person who violates
 193 any provision of subsection (a) of K.S.A. 65-3409 and amendments
 194 thereto, shall incur, in addition to any other penalty provided by
 195 law, a civil penalty in an amount of up to \$500 for every such violation
 197 and, in the case of a continuing violation, every day such violation
 continues shall be deemed a separate violation.

Delete

Sec. 3. K.S.A. 2-1205 is hereby amended to read as follows:

2-1205. An inspection fee shall be collected upon all commercial fertilizers sold,
 offered or exposed for sale, or distributed in Kansas, which shall be at a rate per ton
 of 2,000 pounds fixed by rules and regulations adopted by the state board of agriculture,
 except that such rate shall not exceed ~~\$1.30~~ \$1.70 per ton of 2,000 pounds. The
 inspection fee rate per ton of 2,000 pounds in effect on the day preceding the effective
 date of this act shall continue in effect until the state board of agriculture adopts rules
 and regulations fixing a different inspection fee rate under this section. Each
 person registering any commercial fertilizer shall pay the inspection fee on such
 commercial fertilizer sold, offered or exposed for sale, or distributed in Kansas, and
 shall keep adequate records showing the tonnage of each commercial fertilizer shipped
 to or sold, offered or exposed for sale, or distributed in Kansas, and the secretary,
 and duly authorized representatives of the secretary, shall have authority to examine
 such records or other pertinent records necessary to verify the statement of tonnage.

Each person registering any co-commercial fertilizer shall file an affidavit semi-
 annually, with the secretary, within 30 days after each January 1 and each July 1,
 showing the tonnage of commercial fertilizer sold or distributed in Kansas for the
 preceding six-month period, and shall pay to the secretary the inspection fee due thereon
 for such six-month period, except that the registrant shall not be required to pay
 the inspection fee or report the tonnage of commercial fertilizers or fertilizer
 materials sold and shipped directly to fertilizer manufacturers or mixers, but
 the fertilizer manufacturers or mixers shall keep adequate records of the commercial
 fertilizers sold or distributed in this state, and report to the secretary the tonnage
 thereof and pay the inspection fee due thereon. If the affidavit is not filed and the
 inspection fee is not paid within the thirty-day period, or if the report of tonnage is
 false, the secretary may revoke the registrations filed by such person; and if the
 affidavit is not filed and the inspection fee is not paid within the thirty-day period,
 or any extension thereof granted by the secretary, a penalty of \$5 per day shall be
 assessed against the registrant and the inspection fee and penalty shall constitute a
 debt and become the basis for a judgment against such person. The secretary may grant
 a reasonable extension of time.

The Kansas state board of agriculture is hereby authorized and empowered to reduce
 the inspection fee by adopting rules and regulations under this section whenever it
 shall determine that the inspection fee is yielding more than is necessary for the purpose
 of administering the provisions of this act, and the board is hereby authorized and

1-5

3 (b) The director of the division of environment, upon a finding
199 that a person has violated any provision of subsection (a) of K.S.A.
200 65-3409 and amendments thereto, may impose a penalty within the
201 limits provided in this section, which penalty shall constitute an
202 actual and substantial economic deterrent to the violation for which
203 it is assessed.

204 (c) No penalty shall be imposed pursuant to this section except
205 upon the written order of the director of the division of environment
206 to the person who committed the violation. Such order shall state
207 the violation, the penalty to be imposed and the right of such person
208 to appeal to a hearing before the secretary of health and environment.
209 Any such person may, within 15 days after service of the order make
210 written request to the secretary for a hearing thereon. The secretary
211 shall hear such person within 30 days after receipt of such request.
212 Hearings under this subsection shall be conducted in accordance
213 with the provisions of the Kansas administrative procedure act.

214 (d) Any action of the secretary pursuant to subsection (c) is sub-
215 ject to review in accordance with the act for judicial review and civil
216 enforcement of agency actions.

217 (e) Any penalty recovered pursuant to the provisions of this
218 section shall be deposited in the state treasury and credited to
219 the general fund.

220 (f) (e) Notwithstanding any other provision of this act, the sec-
221 retary, upon receipt of information that the storage, transportation,
222 treatment, or disposal of any waste may present an imminent and
223 substantial hazard to the health of persons or to the environment,
224 may take such action as the secretary determines to be necessary
225 to protect the health of such persons or the environment. The action
226 the secretary may take shall include, but not be limited to:

227 (1) Issuing an order directing the operator of the treatment or
228 disposal facility or site, or the custodian of the waste, which con-
229 stitutes such hazard, to take such steps as are necessary to prevent
230 the act or eliminate the practice which constitutes such hazard. Such
231 action may include, with respect to a facility or site, permanent or
232 temporary cessation of operation.

233 (2) Requesting that the attorney general or appropriate district
234 attorney commence an action enjoining such acts or practices. Upon

empowered to increase the inspection fee by adopting rules and regulations under this
section when it finds that such is necessary to produce sufficient revenues for the
purposes of administering the provisions of this act, but not in excess of the maximum
fee prescribed by this section. The secretary shall remit all moneys received by or
for the secretary under article 12 of chapter 2 of Kansas Statutes Annotated and
amendments thereof 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~~ credit the remittance as follows: (1) an amount equal to \$1.40
per ton shall be credited to the state water plan fund created by section
9 and (2) the remainder shall be credited to the fertilizer fee fund. All expenditures
from such the fertilizer fee 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 the state board of agriculture or by a person or persons
designated by the secretary.

5 showing by the department that a person has engaged in such acts
36 or practices, a permanent or temporary injunction, restraining order,
237 or other order may be granted by any court of competent jurisdiction.

238 ~~(g)~~ (f) In any civil action brought pursuant to this section in
239 which a temporary restraining order, preliminary injunction or per-
240 manent injunction is sought, it shall not be necessary to allege or
241 prove at any stage of the proceeding that irreparable damage will
242 occur should the temporary restraining order, preliminary injunction
243 or permanent injunction not be issued or that the remedy at law is
244 inadequate, and the temporary restraining order, preliminary in-
245 junction or permanent injunction shall issue without such allegations
246 and without such proof.

247 Sec. 7. K.S.A. 1987 Supp. 2-2204, as amended by section 31 of
248 chapter 356 of the 1988 Session Laws of Kansas, is hereby amended
249 to read as follows: 2-2204. (a) Every agricultural chemical which is
250 distributed, sold or offered for sale within this state or delivered
251 for transportation or transported in intrastate commerce or between
252 points within this state through any point outside this state shall
253 be registered in the office of the secretary. All registration of prod-
254 ucts shall expire on December 31 following the date of issuance,
255 unless such registration shall be renewed annually, in which event
256 expiration date shall be extended for each year of renewal regis-
257 tration, or until otherwise terminated. Products which have the
258 same formula, and are manufactured by the same person, the
259 labeling of which contains the same claims, and the labels of which
260 bear a designation identifying the product as the same agricultural
261 chemical may be registered as a single product and additional names
262 and labels shall be added by supplement statements during the
263 current period of registration. Within the discretion of the secre-
264 tary, or an authorized representative of the secretary, a change in
265 the labeling or formulas of an agricultural chemical may be made
266 within the current period of registration without requiring a re-
267 registration of the product. Any agricultural chemical imported into
268 this state which is subject to the provisions of any federal act
269 providing for the registration and which has been duly registered
70 under the provisions of such federal act, in the discretion of the
secretary, may be exempted from registration under this act when

272 such agricultural chemical is sold or distributed in the unbroken
273 immediate container in which such agricultural chemical was orig-
274 inally shipped.

275 (b) The registrant shall file with the secretary, a statement in-
276 cluding: (1) The name and address of the registrant and the name
277 and address of the person whose name will appear on the label if
278 other than the registrant; (2) the name of the agricultural chemical;
279 (3) a complete copy of the labeling accompanying the agricultural
280 chemical and a statement of all claims made and to be made for
281 it and a statement of directions for use; and (4) if requested by the
282 secretary, or an authorized representative of the secretary, a full
283 description of the tests made and the results thereof upon which
284 the claims are based. In the case of renewal of registration, a
285 statement shall be required only with respect to information which
286 is different from that furnished when the product was registered
287 or last reregistered.

288 (c) The registrant shall pay an annual fee fixed by rules and
289 regulations adopted by the state board of agriculture, except that
290 such fee shall not exceed ~~\$30~~ \$130 for each agricultural chemical
291 registered. Such fee shall be deposited in the state treasury ~~to the~~
292 ~~credit of~~ and credited as follows: (1) An amount equal to \$100 for
293 each fee so deposited shall be credited to the state water plan fund
294 created by section ~~10~~, and (2) the remainder shall be credited to
295 the agricultural chemical fee fund to be used for carrying out the
296 provisions of this act. The annual fee for each agricultural chemical
297 registered which is in effect on the day preceding the effective date
298 of this act shall continue in effect until the state board of agriculture
299 adopts rules and regulations fixing a different fee therefor under
300 this subsection. The state board of agriculture is hereby authorized
301 and empowered, whenever it determines that the fee imposed by
302 this subsection and paid into the state treasury as provided by law
303 is yielding more revenue than is required for the purposes to which
304 such fee is devoted by law, to reduce the fee imposed by this
305 subsection for such period as the board shall deem justified by
306 adopting rules and regulations under this subsection but not for
307 less than one year. In the event that the board, after reducing such
308 fee, finds that sufficient revenues are not being produced by such

309 reduced fee, the board is authorized and empowered by adopting
310 rules and regulations under this subsection, to restore in full or in
311 part such fee to an amount which, in the judgment of the board,
312 will produce sufficient revenues for the purposes as provided in
313 this section, but not exceeding the maximum amount of the fee
314 imposed by this subsection.

315 (d) The secretary, or an authorized representative of the sec-
316 retary, whenever it is deemed essential in the administration of
317 this act, may require the submission of the complete formula of
318 any agricultural chemical. If it appears to the secretary, or an
319 authorized representative of the secretary, that the composition of
320 the product is such as to warrant the proposed claims for the
321 product and if the product and its labeling and other material
322 required to be submitted comply with the requirements of this act,
323 the secretary shall register the product.

324 (e) If it does not appear to the secretary, or an authorized
325 representative of the secretary, that the product is such as to war-
326 rant the proposed claims for it or if the product and its labeling
327 and other material required to be submitted do not comply with
328 the provisions of this act, the secretary shall notify the registrant
329 of the manner in which the product, labeling, or other material
330 required to be submitted fail to comply with the act so as to afford
331 the registrant an opportunity to make the necessary corrections.

332 (f) In order to protect the public, the secretary, or a duly au-
333 thorized representative of the secretary, on the secretary's own
334 motion, may at any time, after written notice to the registrant,
335 cancel the registration of an agricultural chemical. Any person so
336 notified shall be given an opportunity for a hearing in accordance
337 with the provisions of the Kansas administrative procedure act with
338 regard to the secretary's contemplated action, before any registra-
339 tion is canceled or revoked.

340 (g) Notwithstanding any other provisions of this act, registration
341 is not required in the case of an agricultural chemical shipped from
342 one plant within this state to another plant within this state operated
343 by the same person.

344 ~~New Sec. 8. (a) There is hereby created, in the state treasury,~~ Delete
345 ~~the local solid waste management fund.~~

46 (b) Moneys credited to the local solid waste management fund
347 shall be used only for grants pursuant to K.S.A. 65-3415 and amend-
348 ments thereto.

349 (c) Expenditures from the local solid waste management fund
350 shall be made in accordance with appropriations acts upon warrants
351 of the director of accounts and reports issued pursuant to vouchers
352 approved by the secretary of health and environment.

353 Sec. 9. K.S.A. 65-3415 is hereby amended to read as follows:
354 65-3415. (a) The secretary is authorized to assist counties, munic-
355 ipalities and authorities by administering grants to pay up to fifty
356 percent (50%) 50% of the costs of preparing:

357 (1) Amending official plans for solid waste management systems
358 in accordance with the requirements of this act and the rules, and
359 regulations and standards adopted pursuant to this act; and for;

360 (2) implementing such official plans; and

361 (3) carrying out related studies, surveys, investigations, inquiries,
362 research and analyses.

363 (b) All grants shall be made from funds appropriated for this
364 purpose by the legislature Any grant to a city or county pursuant
365 to this section shall be in an amount proportionate to the amount
366 of fees paid pursuant to section 2 for disposal of solid waste generated
367 within such city or county, to the extent it is practicable to determine
368 or estimate such amount.

369 New Sec. 7 to. [(a)] There is hereby created, in the state treas-
370 ury, the state water plan fund. All moneys in the state water plan
371 fund shall be expended in accordance with appropriations acts for
372 implementation of the state water plan formulated pursuant to K.S.A.
373 82a-903 et seq. and amendments thereto. Such moneys shall be used
374 only for the establishment and implementation of water-related
375 projects, ~~including remediation, new construction, renovation, re-~~
376 ~~pair and maintenance projects,~~ and shall not be used for: (a) [(1)]
377 ~~General operating expenditures of any state agency except on a~~
378 ~~supplemental basis to provide for the necessary repair, maintenance~~
379 ~~and replacement of equipment as required for such projects; or (b)~~
380 [(2)] projects that are primarily recreational.

382 [(b) On or before December 1 of each year, ~~each state agency~~
which has expended moneys in the state water plan fund during

Sec. 8. (a) Beginning on January 1, 1990, the state of Kansas shall provide grants to
local health departments or other local entities for the purpose of developing and
implementing environmental protection plans and programs. A local entity or the
Kansas department of health and environment may enter into contracts to develop,
implement or carry out any elements of the local environmental protection plan or
program. The secretary of health and environment may adopt such rules and regulations
as necessary for the administration of this section.

(b) The governing board of any local health department or other local entity
desiring to receive a state environmental protection grant pursuant to this act shall
indicate its intent to develop an environmental protection plan to implement the
environmental protection strategy of the state water plan. An environmental protection
plan should include, but not be limited to, the sanitary code, subdivision water
and wastewater plan, solid waste management plan, hazardous waste management plan, public
water supply protection plan and nonpoint source pollution control plan.

(c) A local health department or other local entity may request certification
by the secretary that it has an approved environmental protection plan and is prepared
to assume a program of permitting, inspection, compliance and enforcement of specified
elements of the department's environmental protection plan. The secretary shall provide
guidance on achieving environmental results for certification of local programs and
audit annually each ^{local} program based on achievement of environmental results.

9

or programs and related technical assistance

replacing full-time equivalent positions

recreational projects which do not meet one or more of the State Water
Resource Planning Act long-range goals, objectives and considerations
set forth in K.S.A. 82a-901 et seq.

the Kansas Water Authority, under provisions of K.S.A. 74-2622,

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383	the preceding fiscal year shall submit to the governor and the	(1) an
384	legislature a report setting out a detailed account of all such moneys	from the state water plan fund,
385	expended during such fiscal year.]	and (2) a five-year capital development plan for state water plan projects.
386	[New Sec. 11. The director of accounts and reports shall trans-	
387	fer annually \$6 million from the state general fund to the state	10. After July 1, 1990
388	water plan fund created by section 10, ½ of such amount to be	
389	transferred on January 15 and ½ to be transferred on July 15.]	
390	Sec. 8 11 [12] . K.S.A. 65-170f and 65-3415 , K.S.A. 1988 Supp.	11
391	[79-4227] and K.S.A. 1988 Supp. 65-3419, 1987 Supp. 2-2204 and	2-1205 and
392	65-3419, both as amended by chapter 356 of the 1988 Session Laws	79-4804
393	of Kansas, are hereby repealed.	
394	Sec. 9 12 [13] . This act shall take effect and be in force from	12
395	and after its publication in the statute book.	

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Funding Proposal State Water Plan

Comparison with H.B. 2008

No. 2

April 20, 1989

<u>Intent of H.B. 2008</u>		<u>The Proposal</u>	
1. Municipal Use Fee (2% of Sales)	\$3,800,000	1. Municipal Use Fee (3¢ per 1,000 gal.)	\$3,495,000
2. Industrial Use Fee (2¢ per 1,000 gal.)	930,000	2. Industrial Use Fee (3¢ per 1,000 gal.)	1,350,000
3. Stockwater Use Fee (2¢ per 1,000 gal.)	150,000	3. Stockwater Use Fee (3¢ per 1,000 gal.)	225,000
4. Pesticide Fee	700,000	4. Pesticide Fee	700,000
5. Fertilizer Fee (1% of Sales)	2,900,000	5. Fertilizer Fee (\$1.40/ton fee)	1,975,000
6. Severance Tax	2,000,000	6. EDIF	2,000,000
7. Fines and Penalties	100,000	7. Fines and Penalties	100,000
8. State General Fund	6,000,000	8. State General Fund	6,000,000
9. Solid Waste Fee	1,950,000		
10. Irrigation Fee	1,500,000		
TOTAL	<u>\$20,030,000</u>	TOTAL	<u>\$15,845,000</u>

1. Must be spent on State Water Plan Projects.
2. Not on state personnel.
3. Not on recreation projects.
4. Requires annual reporting.

1. Must be spent on State Water Plan projects.
2. Not on state personnel.
3. Not on recreation projects.
4. Requires annual reporting.
5. Requires five-year capitol projects plan.
6. Authorizes grant program to local health departments.
7. Delays demand transfers until FY 1991.

SE+NR
4/27/89
Attachment II



Funding Proposal State Water Plan

FY 1990 Items Not Considered

No. 3

April 20, 1989

The following recommendations have not been considered by the Legislature for funding for FY 1990. With passage of the funding proposal, these expenditures could be authorized in the Omnibus Appropriation Bill.

NON-POINT SOURCE POLLUTION.....\$1,500,000

When fully operational, grants will be made to implement the program in priority drainages. Emphasis will be placed on protecting public water supplies.

AID TO LOCAL UNITS.....\$1,700,000

Grants will be made to local units of government to develop and implement local environmental programs such as household hazardous waste management, public water supply protection plans, abandoned well plugging programs and sanitary code adoption and enforcement.

LAND TREATMENT AND WATERSHED CONSTRUCTION.....\$2,000,000

The State Conservation Commission cost-share and watershed construction programs will be accelerated in response to the large existing backlog of projects.

CONTAMINATION REMEDIATION.....\$1,000,000

The Department of Health and Environment will accelerate its investigation and clean-up efforts of known sites of which there are approximately 500 at this time.

TOTAL.....\$6,200,000

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Attachment III



Funding Proposal State Water Plan

Bill Explanation

No. 4

April 20, 1989

Section 1. Authorizes new fee of three cents (3¢) per 1,000 gallons on municipal, industrial and stockwater water use. Imposes the fee on the owner of the water right but allows the fee to be passed on to the customer in the case of municipal water use. Exempts flow through cooling water use and water use for which a fee is already assessed under a state contract.

Section 2. Authorizes, beginning on July 1, 1990, the annual deposit of \$2,000,000 from the Economic Development Initiative Fund to the State Water Plan Fund.

Section 3. Amends existing law to increase fertilizer inspection fee by \$1.40 per ton for deposit in the State Water Plan Fund.

Sections 4, 5 and 6. Amends existing law to authorize the deposit of receipts from fines and penalties collected for violations of "environmental laws" to the State Water Plan Fund.

Section 7. Amends existing law to increase the chemical registration fee by \$100 per chemical for deposit in the State Water Plan Fund.

Section 8. Authorizes a grant program for local health departments.

Section 9. Creates the State Water Plan Fund. Establishes the following provisions:

Limits expenditures for State Water Plan projects.

Prohibits expenditures for state personnel and for projects that are primarily recreational.

Requires the Kansas Water Authority to report on expenditures and to develop a five-year capital projects plan.

Section 10. Authorizes, beginning on July 1, 1990, the annual deposit of \$6,000,000 from the State General Fund to the State Water Plan Fund.

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Attachment IV

WATER PLAN FUNDING

<u>Funding Source</u>	<u>Annual Revenue</u>
1% fee on sale of water at retail by public water supply systems	1.90 M
\$.30 per ton increase on Fertilizer Inspection fee -	.40 M
1/2 cent per 1000 gallons Industrial Use	1.00 M
\$100 registration fee increase on pesticides	.70 M
Penalty fees	.10 M
1.2 mills per mcf of natural gas & 4.3 mills per barrel of oil	1.00 M
General Fund	6.12 M
EDIF	3.51 M
Other (specified in Governor's Budget)	1.29 M
	<hr/>
Total - FY 1990	\$16.02 M
Raises:	
Public	- 1.9 M
Agriculture	- 1.1 M
Industry	- 1.0 M
Oil & Gas	- 1.0 M
	<hr/>
Dedicated	5.0 M

SENR
4/27/89
Attachment IV