

Approved: 3/7/95
Date

MINUTES OF THE HOUSE COMMITTEE ON TRANSPORTATION.

The meeting was called to order by Chairperson Kenneth King at 1:30 p.m. on February 23, 1995 in Room 519-S of the Capitol.

All members were present except:

Representative Dillon, excused
Representative Powell, excused

Committee staff present: Hank Avila, Legislative Research Department
Tom Severn, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Ellie Luthye, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Vice-Chairman Myers called the meeting to order at 1:30 p.m.

He opened **HB 2161, alternative fueled vehicles; conversion of government fleets; loan program; tax credit**, for discussion and final action.

The Chair called on Bruce Kinzie to give an overview of the bill. Representative Shore, Chairman of the Sub-Committee appointed to study **HB 2161**, introduced the rest of the committee, Rep. Pauls and Rep. Wilson. The Revisor distributed a balloon which had been prepared by the Sub-Committee and outlined the changes which were recommended. (Attachment 1)

Bruce Kinzie explained the bill was divided into 3 parts: 1) pertaining to the State fleet 2) loan program and 3) tax credits. In Section 1 a subsection (c) was added; lines 19-20 on page 4 was stricken, and changes were made in Section 6, page 4 regarding tax credits.

Following discussion from the committee Representative Shore made a motion to adopt the balloon, seconded by Representative Pauls and the motion carried.

Representative Pauls made a motion to pass **HB 2161** as amended, seconded by Representative Wilson.

Representative McKinney made a substitute motion to amend the bill and put a cap amount to the credits, not to exceed \$25,000, seconded by Representative Flora and the motion failed.

Representative Edmonds made a motion to amend **HB 2161** to raise the population to 250,000, which would exclude Topeka. This was seconded by Representative McKinney and the motion failed.

Representative Edmonds made a motion to amend by striking Sections two (2), three (3), four (4) and five (5) from the bill, seconded by Representative Myers and the motion failed.

Representative Edmonds made a motion to amend by striking Section 6, seconded by Representative McKinney and the motion failed.

The Chair called for a vote on the original motion by Representative Pauls to pass **HB 2161** favorably, as amended and the motion carried. Representative Edmonds wished his "no" vote to be recorded.

Chairman King adjourned the meeting at 2:40 p.m.

The next meeting will be scheduled at a later date.

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: February 23, 1995

NAME	REPRESENTING
Shirley Jordan	Rep of Nelson
Christina M. Harlick	Amanda Arnold Elementary School
Janice Boyda	Amanda Arnold Elem.
Justin Gredmarz	Amanda Arnold Elementary
Paul Kuprin	Amanda Arnold
Tony Pavelka	Amanda Arnold
Ron Holbrook	Amanda Arnold school
Melissa Kay Conrad	Amanda Arnold Elem.
Dana Stephan	Amanda Arnold Elem.
Suzanne M. Pavelka	Amanda Arnold Ele.
Sharon Azadivar	Amanda Arnold Elem.
TOM WHITAKER	Ks Motor Carriers Assn
Mary E. Turkington	Ks Motor Carriers Assn
LEE EISENHOWER	PROPANE MARKETERS ASSOC OF KS
OTTO SITZ	KCC (ALT. FUELS)
Greg Krussch	Ks Dept of Ag
Charles Nicolay	Ks Oil Marketers Assn
Neil Rutkowski	Governor's Office

HOUSE BILL No. 2161

By Committee on Energy and Natural Resources

1-24

9 AN ACT relating to motor vehicle fuels; concerning alternative fuels;
10 establishing certain programs; providing certain tax credits.

11
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) As used in this section, "alternative-fueled vehicle,"
14 "fleet" and "light-duty motor vehicle" have the meanings provided by 42
15 U.S.C. 13211.

16 (b) The following percentages of new light-duty motor vehicles ac-
17 quired annually for the state fleet, including agencies thereof, shall be
18 alternative-fueled motor vehicles:

- 19 (1) Of the motor vehicles acquired in model year 1996, 10%
- 20 (2) of the motor vehicles acquired in model year 1997, 15%;
- 21 (3) of the motor vehicles acquired in model year 1998, 25%;
- 22 (4) of the motor vehicles acquired in model year 1999, 50%; and
- 23 (5) of the motor vehicles acquired in model year 2000 and thereafter,
24 75%.

25 Sec. 2. As used in sections 2 through 5:

26 (a) "Alternative fuel" has the meaning provided by 42 U.S.C. 13211.

27 (b) "Alternative-fueled vehicle" means a vehicle that operates on an
28 alternative fuel and that meets or exceeds the clean fuel vehicle standards
29 in the federal clean air act amendments of 1990, Title II.

30 (c) "Fueling station" means the property which is directly related to
31 the delivery of alternative fuel into the fuel tank of a motor vehicle pro-
32 pelled by such fuel, including the compression equipment and storage
33 vessels for such fuel at the point where such fuel is delivered.

34 (d) "Government agency" means an agency of the state, a county, a
35 city, a school district or another governmental unit, including a public
36 transit agency.

37 (e) "Government fleet" means a fleet of 10 or more motor vehicles
38 owned and operated by a government agency.

39 (f) "Incremental cost" means the cost that results from subtracting
40 the manufacturer's list price of the vehicle operating on conventional
41 gasoline or diesel fuel from the manufacturer's list price of the same
42 model vehicle designed to operate on an alternate fuel.

43 (g) "Secretary" means the secretary of administration.

(c) The provisions of this section shall apply only to light-duty motor vehicles in the state fleet which are used primarily within a metropolitan statistical area or a consolidated metropolitan statistical area, as established by the bureau of the census, with a 1980 population of 100,000 or more.

House Transportation Committee
February 23, 1995
Attachment 1

1 years. When developing repayment schedules for loans, the secretary shall
2 consider the projected savings to the government agency resulting from
3 the use of an alternative fuel.

4 (f) The secretary shall develop uniform application forms to be used
5 for all loans.

6 (g) The secretary shall evaluate the plans developed by the applicant
7 government agency for converting its fleet to operate on alternative fuels
8 and shall give preference in making loans to those government agencies
9 which are prepared to make substantial investments of their own funds
10 in converting their fleets to operate on alternative fuels and which are
11 prepared to work cooperatively with the state, other government agencies
12 and private sector persons in developing an alternative-fuels fueling in-
13 frastructure in the state.

14 (h) The secretary may utilize the collection procedures provided in
15 K.S.A. 75-6201 et seq., and amendments thereto, to collect delinquent
16 loan payments by deducting the delinquent amount from payments from
17 state agencies to the government agency that is delinquent in its loan
18 repayment.

19 (i) The total amount of state moneys available for the alternative-fuels
20 loan program shall not exceed at any time the sum of \$1,000,000.

21 Sec. 6. (a) Any taxpayer who makes expenditures for qualified alter-
22 native-fueled motor vehicle property shall be allowed a credit against the
23 income tax imposed by article 32 of chapter 79 of the Kansas Statutes
24 Annotated, as follows:

25 (1) For qualified alternative-fueled motor vehicle property placed in
26 service on or after January 1, 1995, and before January 1, 1999, an amount
27 equal to 25% of the total amount expended for such qualified alternative-
28 fueled motor vehicle property but not to exceed \$750.

29 (2) for qualified alternative-fueled motor vehicle property placed in
30 service on or after January 1, 1999, an amount equal to 20% of the total
31 amount expended for such qualified alternative-fueled motor vehicle
32 property, but not to exceed \$600.

33 (b) If no credit has been claimed pursuant to subsection (a), a credit
34 in an amount not exceeding the lesser of 5% of the cost of the vehicle or
35 \$750 shall be allowed to a taxpayer who purchases a motor vehicle
36 equipped by the vehicle manufacturer with qualified alternative-fueled
37 motor vehicle property and who is unable or elects not to determine the
38 exact basis attributable to such property. The credit under this subsection
39 shall be allowed only to the first individual to take title to such motor
40 vehicle, other than for resale.

41 (c) The tax credit under subsection (a) or (b) shall be deducted from
42 the taxpayer's income tax liability for the taxable year in which the ex-
43 penditures are made by the taxpayer. If the amount of the tax credit

any

50%

each

\$2,500 for each such motor vehicle

any

40%

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\$2,000 for each such motor vehicle

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PUBLIC HEALTH AND WELFARE

42 § 13211

(A) commercially available at the time the comparability of the vehicle is being assessed;

(B) powered by an internal combustion engine that utilizes gasoline or diesel fuel as its fuel source; and

(C) provides passenger capacity or payload capacity the same or similar to the alternative fueled vehicle to which it is being compared;

(5) "covered person" means a person that owns, operates, leases, or otherwise controls—

(A) a fleet that contains at least 20 motor vehicles that are centrally fueled or capable of being centrally fueled, and are used primarily within a metropolitan statistical area or a consolidated metropolitan statistical area, as established by the Bureau of the Census, with a 1980 population of 250,000 or more; and

(B) at least 50 motor vehicles within the United States;

(6) the term "dedicated vehicle" means—

(A) a dedicated automobile, as such term is defined in section 2013(h)(1)(C) of Title 15; or

(B) a motor vehicle, other than an automobile, that operates solely on alternative fuel;

(7) the term "domestic" means derived from resources within the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or any other Commonwealth, territory, or possession of the United States, including the outer Continental Shelf, as such term is defined in the Outer Continental Shelf Lands Act [43 U.S.C.A. § 1331 et seq.], or from resources within a Nation with which there is in effect a free trade agreement requiring national treatment for trade;

(8) the term "dual fueled vehicle" means—

(A) dual fueled automobile, as such term is defined in section 2013(h)(1)(D) of Title 15; or

(B) a motor vehicle, other than an automobile, that is capable of operating on alternative fuel and is capable of operating on gasoline or diesel fuel;

(9) the term "fleet" means a group of 20 or more light duty motor vehicles, used primarily in a metropolitan statistical area or consolidated metropolitan statistical area, as established by the Bureau of the Census, with a 1980 population of more than 250,000, that are centrally fueled or capable of being centrally fueled and are owned, operated, leased, or otherwise controlled by a governmental entity or other person who owns, operates, leases, or otherwise controls 50 or more such vehicles, by any person who controls such person, by any person controlled by such person, and by any person under common control with such person, except that such term does not include—

(A) motor vehicles held for lease or rental to the general public;

(B) motor vehicles held for sale by motor vehicle dealers, including demonstration motor vehicles;

(C) motor vehicles used for motor vehicle manufacturer product evaluations or tests;

(D) law enforcement motor vehicles;

(E) emergency motor vehicles;

(F) motor vehicles acquired and used for military purposes that the Secretary of Defense has certified to the Secretary must be exempt for national security reasons;

(G) nonroad vehicles, including farm and construction motor vehicles; or

(H) motor vehicles which under normal operations are garaged at personal residences at night;

(10) the term "fuel supplier" means—

(A) any person engaged in the importing, refining, or processing of crude oil to produce motor fuel;

(B) any person engaged in the importation, production, storage, transportation, distribution, or sale of motor fuel; and