

Approved: Carl Dean Holmes
Date 4-24-96

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Carl Holmes at 3:40 p.m. on March 14, 1996, in Room 526-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Mary Torrence, Revisor of Statutes
Marcia Ayres, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Chairperson Holmes distributed the Minutes for February 13th, 14th, 15th, 19th, and 20th for the members to review.

Action on SB 685: Oil and gas; protection of surface and groundwater

Representative Terry Presta moved to amend SB 685 on page 3, lines 5 and 6, by striking "and any person who tampers with or removes surface equipment or downhole equipment from the well." Representative Steve Lloyd seconded the motion. Discussion followed. Representative Presta withdrew the motion. Representative Lloyd withdrew the second.

Representative Tom Sloan moved that SB 685 be passed out favorably. Representative Freeborn seconded the motion. The motion carried.

Action on HR 6013: Requesting department of health and environment to meet with municipalities regarding new water quality based effluent limits, defer setting new effluent limits and report to the Legislature regarding designated uses of waters of the state

Representative Tom Sloan distributed a balloon for HR 6013 and explained the changes suggested by the sub-committee. (Attachment #1)

Representative Tom Sloan moved to adopt the balloon to HR 6013. Representative Rich Becker seconded the motion. Discussion followed. The motion carried.

Representative Tom Sloan moved that HR 6013 be passed out favorably as amended. Representative Sloan withdrew his motion for a question on the resolution.

Representative Dennis McKinney moved to amend HR 6013 on page 2, line 1, by striking "directed" and inserting "requested . . ." Representative Aurand seconded the motion. The motion carried.

Representative Tom Sloan moved that HR 6013 be passed out favorably as amended. Representative Richard Alldritt seconded the motion. The motion carried.

Action on SB 597: Counties, use of sand royalties

Chairperson Holmes distributed a balloon to SB 597 and explained the changes. This is a cleanup bill and the last page incorporates HB 2616. (Attachment #2)

Representative Tom Sloan moved to adopt the balloon to SB 597. Representative Becky Hutchins seconded the motion. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 526-S Statehouse, at 3:30 p.m.. on March 14, 1996.

Representative Tom Sloan moved to amend the balloon to **SB 597** on page 1, by striking "\$.0325" and inserting "\$.0375 . . ." Representative Joann Flower seconded the motion. Discussion followed. The motion carried.

Representative Steve Lloyd moved to amend **SB 597** on page 2, line 3, by renumbering (b) to (c) and inserting "In Johnson County the 3 and 3/4 cent tax shall not be levied on any sand product taken from the bed of any river which is the property of the state of Kansas." Representative Clay Aurand seconded the motion. Discussion followed. Representative Lloyd withdrew his motion. Representative Aurand withdrew the second.

Representative Steve Lloyd moved to amend **SB 597** on page 2, line 3, by renumbering (b) to (c) and inserting "On the Kansas River in the six miles prior to reaching the Missouri River, the 3 and 3/4 cent sand per ton tax shall not be levied on any sand product taken from the bed of any river which is a property of the state of Kansas. There being no second, the motion failed.

Representative Laura McClure moved that **SB 597** be passed out favorably as amended. Representative Richard Alldritt seconded the motion. Discussion followed. The motion carried.

Action on SB 399: Waste tires; regulation of processing and disposal; grants; tax

Representative Joann Freeborn distributed a balloon which the sub-committee developed to **SB 399** and an Option 1 and Option 2 to Section 8 on Insert B where the sub-committee has not reached agreement. (Attachment #3) That portion of the bill may have to be carried over to another day.

Representative Freeborn explained the background of the bill which was a result of the concerns of the Legislative Post Audit Report issued in June of 1995. She reviewed the changes to the bill which the sub-committee recommended.

Representative Freeborn moved to adopt the balloon to **SB 399** except for Section 8 on Insert B. Representative Terry Presta seconded the motion. Discussion followed. The motion carried.

Representative Dennis McKinney moved to amend **SB 399** on page 3, lines 20 & 21, by striking "mobile waste tire processors and . . ." Representative Clay Aurand seconded the motion. Discussion followed. The motion failed.

Representative Joann Freeborn moved to amend Insert B, Section 8, of the balloon to **SB 399** by adopting Option 1 to replace (c) by striking "may" and inserting "shall . . ." Representative Terry Presta seconded the motion. Discussion followed. The motion failed.

Representative Terry Presta moved to amend the balloon to **SB 399** by adopting Option 2 to Insert B, Section 8, by inserting a period after the first "customers" in (a) and striking all the rest except for subsection (b). Representative Dennis McKinney seconded the motion. Discussion followed. The motion carried.

Representative Terry Presta moved that **SB 399** be passed out favorably as amended. Representative Dennis McKinney seconded the motion. Discussion followed. Representative Presta withdrew his motion. Representative McKinney withdrew the second.

Due to the lateness of the hour, Chairperson Holmes suggested the sub-committee meet again to work on the one issue regarding Insert B and report back to the full committee on Monday. Representative Tom Sloan requested the subcommittee also define "used tires" and what to do with them. Chairperson Holmes suggested the sub-committee use broad language and require the Department to write the rules and regulations to accomplish what the committee is trying to accomplish. The sub-committee on **SB 399** announced it will meet at 7:30 a.m. on Friday.

Representative Steve Lloyd moved to approve the Minutes of February 13, 14, 15, 19, and 20. Representative Joann Flower seconded the motion. The motion carried.

The Chair announced there will be no meeting tomorrow and on Monday there will be a gut-and-go merging two bills into one.

The meeting adjourned at 6:02 p.m.

The next meeting is scheduled for March 18, 1996.

ENERGY AND NATURAL RESOURCES COMMITTEE
COMMITTEE GUEST LIST

DATE: March 14, 1996

NAME	REPRESENTING
Howard Parr	TRE. COUNTY DASH. DIST.
Mary Shivers	KDOT
Whitney Damron	City of KC, KS
ED SCHAUB	WESTERN RESOURCES INC
DAVE HOLTHAUS	" "
Fogel Frazey	KGC
Alan Steppat	PETE MCGILL & Assoc.
Kim Gullett	League of KS Municipalities
Bill Caven	KMCC / Sevia
Valerie Hill	Lake Region Authority
Bill Bider	KDHE
Ron Hammerschmidt	KDHE
Karl Muedener	"
Anne Spiess	KS. Assoc. of Counties
Bill Henry	KS Engineering Society
Mike Beam	KS LVSTK. ASSN.

HOUSE RESOLUTION No. 6013

By Committee on Energy and Natural Resources

2-28

9 A RESOLUTION requesting the Department of Health and Environ-
10 ment to meet with municipalities regarding water quality based efflu-
11 ent limits, defer setting new effluent limits and report to the Legisla-
12 ture regarding designated uses of waters of the state.

14 WHEREAS, The Secretary of Health and Environment in 1994
15 adopted designated uses for surface waters in the Kansas surface water
16 registry; and

17 WHEREAS, Designated uses from the old water registry were carried
18 forward into the new registry, but all newly listed classified streams were
19 designated for protection of expected aquatic life use support and non-
20 contact recreation; and

21 WHEREAS, Some stream classifications were changed to reflect the
22 presence of threatened and endangered species or outstanding natural
23 resources; and

24 WHEREAS, These changes will lead to new effluent limits for existing
25 discharges, which limits will be set by the Department of Health and
26 Environment when a municipal discharger's national pollution discharge
27 elimination system (NPDES) permit is up for renewal; and

28 WHEREAS, The setting of new designated uses for stream segments
29 into which municipalities discharge effluent puts a substantial burden on
30 a municipal applicant to complete a special use attainability analysis, a
31 study designed to determine whether a surface water segment supports
32 or is capable of supporting one or more designated uses in the absence
33 of artificial sources of pollution, the burden of which falls squarely on the
34 municipality; and

35 WHEREAS, The Department of Health and Environment estimated
36 in 1994 that these changes in water quality standards would lead to an
37 estimated \$63 million in increased capital costs by approximately 60 cities
38 in the state, not including operating and consultant study costs, and will
39 be paid by wastewater system rate payers: Now, therefore,

40 *Be it resolved by the House of Representatives of the State of Kan-*
41 *sas: That the Secretary of Health and Environment and the Director of*
42 *the Division of Environment and the Director of the Bureau of Water of*
43 *the Division of Environment of the Department of Health and Environ-*

completely

, upon request,

,

or

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1 ment/are hereby directed to meet in public meetings with the governing
 2 bodies of cities, rural waste water systems, rural sewer districts and other
 3 municipalities prior to ~~expiration~~ of their NPDES permit to explain in
 4 detail (1) The technical and scientific basis for the designated uses of
 5 water bodies affected by municipal point source discharges; (2) the tech-
 6 nical and scientific basis for the effluent limits that the department has
 7 established/or proposed to be established for municipal point source dis-
 8 charges; (3) the justification for the expenditure by municipalities of funds
 9 necessary to meet the effluent limits and attain the designated uses for
 10 the water bodies affected by municipal point source discharges; and (4)
 11 the extent to which the proposed effluent limits will result in attainment
 12 of the designated uses of water bodies affected by municipal point source
 13 discharges; and

14 *Be it further resolved:* That the Secretary of Health and Environment
 15 is requested to exercise all regulatory flexibility granted by the federal
 16 Environmental Protection Agency to defer setting new effluent limits/or
 17 municipal point source discharges until the Department completes ~~ap-~~
 18 ~~propriate watershed studies and reviews~~ the appropriateness of desig-
 19 nated uses for each affected body of water; and

20 *Be it further resolved:* That the Secretary of Health and Environment
 21 is requested to review and report to the Legislature, on or before the first
 22 day of the ~~1997 regular~~ session, regarding the designated uses for bodies
 23 of water in the state and justifications for the designations; and

24 *Be it further resolved:* That the Chief Clerk of the House of Repre-
 25 sentatives be directed to transmit an enrolled copy of this resolution to
 26 the Governor and to the Secretary of Health and Environment.

, and formally assigned technical and manage-
ment staff,

renewal

and provide in writing

for existing NPDES permits

or requiring compliance with established limits

use attainability studies that review

1998 regular legislative

8-1

SENATE BILL No. 597

By Committee on Local Government

2-5

10 AN ACT concerning sand products; relating to the distribution of the
11 proceeds from the sale thereof; amending K.S.A. 1995 Supp. 82a-309
12 and repealing the existing section

certain sales

70a-105 and

sections; also repealing K.S.A. 1995 Supp.
82a-309, as amended by 1996 House Bill No. 2663

13
14 Be it enacted by the Legislature of the State of Kansas:

15 Section 1. K.S.A. 1995 Supp. 82a-309 is hereby amended to read as
16 follows: 82a-309. (a) ~~One half of the net proceeds from the sale of sand~~
17 ~~products, and no other, taken from the bed of any river which is the~~
18 ~~property of the state of Kansas, shall be returned as follows:~~

See attached Insert A

19 (1) If the sand products are taken from the bed of the river at a
20 location which is within the boundaries of a drainage district, the board
21 of directors of the district from which the sand products were taken shall
22 be entitled to receive 3/4 of the amount returned and the remaining 1/4
23 shall be divided among the remaining drainage districts in the county, in
24 proportion to the frontage on such river.

Renumber the remaining sections accordingly

25 (2) If the sand products are taken from the bed of the river at a
26 location which is not within the boundaries of a drainage district, the
27 proceeds attributable to such sand products shall be returned to the coun-
28 ties which have adopted this act and have notified, prior to July 1 following
29 the adoption of this act, the director of taxation of such adoption, and
30 through which such river flows, in proportion to the mileage of the river
31 bank in such county. Moneys paid to a county pursuant to this paragraph
32 shall be disbursed or used as follows:

Of compensation received for sand sold pursuant
to K.S.A. 70a-102 and amendments thereto,
\$.0325 per ton sold

33 (A) If there are one or more drainage districts organized under the
34 laws of this state which are located in such county along a river that is
35 the property of the state of Kansas and which operate and maintain river
36 flood control improvements in or along such river, the county shall dis-
37 burse such moneys to each such drainage district, ~~to be used for any lawful~~
38 ~~purpose,~~ in proportion to each district's frontage on such a river.

to be used for bank stabilization, soil conser-
vation or maintenance and operation of flood
control systems

39 (B) If there is no drainage district organized under the laws of this
40 state which is located in such county along a river that is the property of
41 the state of Kansas, the county may use the moneys for (1) construction,
42 operation and maintenance of public improvements located along, in or
43 over such a river or (2) ~~In Johnson county, such moneys also may be~~

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1 ~~used~~ for the preservation of land and development and maintenance of
2 public areas along such river or tributaries adjacent to such river. OR

3 (b) The unencumbered balance of any moneys which were distrib-
4 uted to a county pursuant to this section as it existed before its amend-
5 ment on July 1, 1995, and which remain in the county treasury on July 1,
6 1995, shall be distributed in the manner provided by this section as
7 amended on July 1, 1995.

8 Sec. 2. K.S.A. 1995 Supp. ~~82a-309 is~~ hereby repealed.

9 Sec. 3. This act shall take effect and be in force from and after its
10 publication in the statute book.

70a-105 and 82a-309 and K.S.A. 1995 Supp.
82a-309, as amended by 1996 House Bill No.
2663, are

2-2

INSERT A

Section 1. K.S.A. 1995 Supp. 70a-105 is hereby amended to read as follows: 70a-105. (a) The proceeds derived from the sale of any state property under the provisions of article 1 of chapter 70a of Kansas Statutes Annotated shall be paid to the state treasurer by the director of taxation. The state treasurer shall deposit the entire amount in the state treasury and credit it to the sand royalty fund which is hereby created. At the end of each fiscal year, the amounts payable to the drainage districts and counties from the proceeds derived from sand taken from the bed of any navigable stream shall be paid from the sand royalty fund to drainage districts and counties as provided by K.S.A. 82a-309 and amendments thereto.

(b) All necessary and reasonable expenses incurred by the director of taxation in carrying out the provisions of this act shall be paid from the sand royalty fund. On or before the 15th day of each month, the director of accounts and reports shall transfer moneys in the sand royalty fund to the state water plan fund created by K.S.A. 82a-951 and amendments thereto in an amount certified monthly by the director of taxation as equal to the moneys in the sand royalty fund at the end of the preceding month in excess of those needed for: (1) Payment of such expenses incurred by the director of taxation; and (2) annual payments to drainage districts and counties as provided by K.S.A. 82a-309 and amendments thereto.

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SENATE BILL No. 399

By Special Committee on Energy and Natural Resources
Re Proposal No. 28

12-20

11 AN ACT concerning waste tires; relating to regulation of processing and
12 disposal; amending K.S.A. 65-3424 ~~and 65-3424b~~ and K.S.A. 1995
13 Supp. 65-3424a, 65-3424d, 65-3424f and ~~65-3424g, 65-3424g and 65-~~
14 ~~3424k~~ and repealing the existing sections.

'

and 65-3424i

15
16 *Be it enacted by the Legislature of the State of Kansas:*
17 Section 1. K.S.A. 65-3424 is hereby amended to read as follows: 65-
18 3424. As used in K.S.A. 65-3424 through 65-3424i, and amendments
19 thereto, unless the context otherwise requires:
20 (a) "Abatement" means the processing or removing to an approved
21 storage site of waste tires which are creating a danger or nuisance.
22 (b) "Beneficial use" means the use or storage of waste tires in a way
23 that creates an on-site economic benefit, other than from processing or
24 recycling, to the owner of the tires.
25 (c) "Contaminated waste tire" means a tire which, as determined in
26 accordance with rules and regulations adopted by the secretary, is recov-
27 ered in a project to abate a waste tire accumulation and is so coated by
28 or filled with dirt, mud, sludge or other natural substances as to render
29 the tire substantially unsuitable for processing.
30 (d) "Landfill" means a disposal site in which the method of disposing
31 of solid waste is by landfill, dump or pit and which has a solid waste
32 disposal area permit issued under K.S.A. 65-3401 et seq., and amend-
33 ments thereto.
34 ~~(d)~~ (e) "Mobile waste tire processor" means a person who processes
35 waste tires at other than a fixed site.
36 (f) "Municipal landfill" means a landfill where residential waste, or
37 residential and other nonhazardous waste, is placed for disposal.
38 (g) "Person" means any individual, association, partnership, limited
39 partnership, corporation or other entity.
40 (h) "Process" means bale or cut or otherwise alter whole waste tires
41 so that they are no longer whole.
42 ~~(e)~~ (i) "Secretary" means the secretary of health and environment.
43 ~~(f)~~ (j) "Store" or "storage" means the placing of waste tires in a man-

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1 ner that does not constitute disposal of the waste tires. Storage includes
2 the beneficial use of waste tires as fences, silo covers and erosion control,
3 and such other beneficial uses as the secretary determines do not create
4 health or environmental risks.

5 (g) (k) "Tire" means a continuous solid or pneumatic rubber covering
6 encircling the wheel of a vehicle or aircraft, or an innertube of such a
7 covering.

8 (h) (l) "Tire retailer" means a person in the business of selling new
9 or used replacement tires at retail.

10 (i) (m) "Vehicle" has the meaning provided by K.S.A. 8-1485 and
11 amendments thereto.

12 (j) (n) "Waste tire" means a whole tire that is no longer suitable for
13 its original intended purpose because of wear, damage or defect.

14 (k) (o) "Waste tire collection center" means a site where used or
15 waste tires are collected from the public prior to being offered for recycling and where fewer than 1,000 tires are kept on the site on any given
16 day.

and includes implements of husbandry, as defined by K.S.A. 8-1427 and amendments thereto

17 day.
18 (l) (p) "Waste tire processing facility" means a fixed site where equipment is used to cut, burn or otherwise alter whole waste tires so that they
19 are no longer whole process waste tires.

20 are no longer whole process waste tires.
21 (m) (q) "Waste tire site" means a site at which 1,000 or more whole
22 tires are accumulated.

are accumulated in the course of the person's business as

23 Sec. 2. K.S.A. 1995 Supp. 65-3424a is hereby amended to read as
24 follows: 65-3424a. (a) The owner or operator of any waste tire site, within
25 six months after the effective date of this act, shall provide the department
26 with information concerning the site's location and size and the approximate
27 number of waste tires that are accumulated at the site and shall
28 initiate steps to comply with subsection (b).

29 (b) No person shall:

30 (1) Maintain a waste tire site unless: (A) ~~such~~ The site is an integral
31 part of the person's waste tire processing facility; or (B) the tires accumulated at such site are for use in the person's tire retreading business
32 or/a tire retailer;

33 or/a tire retailer;
34 (2) dispose of waste tires in the state unless the waste tires are disposed of for processing, or collected for processing, at a solid waste processing facility, a waste tire site which is an integral part of a waste tire processing facility, a waste tire processing facility or a waste tire collection center or are made available to: (A) The department of wildlife and parks for use by the department; or (B) a person engaged in a farming or ranching activity, including the operation of a feedlot as defined by K.S.A. 47-40 1501, and amendments thereto, as long as the accumulation has a beneficial use to the person accumulating the tires and (i) the secretary determines that the use has no adverse environmental effects and (ii) the
41 1501, and amendments thereto, as long as the accumulation has a beneficial use to the person accumulating the tires and (i) the secretary
42 determines that the use has no adverse environmental effects and (ii) the
43

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1 accumulation is in accordance with all applicable zoning regulations;
 2 (3) deposit waste tires in a landfill as a method of ultimate disposal,
 3 except that the secretary, by rules and regulations, may (A) authorize: (A)
 4 The final disposal of waste tires at a permitted solid waste disposal facility
 5 provided, before July 1, 1999, of uncontaminated waste tires at a munic-
 6 ipal landfill if the tires have been cut into sufficiently small parts to assure
 7 their proper disposal or are utilized; (B) the final disposal of processed
 8 waste tires at a permitted waste tire monofill; (C) the final disposal of
 9 contaminated whole, unprocessed waste tires at a municipal landfill or
 10 permitted waste tire monofill; (D) the use of waste tires in their original
 11 state as part of a proven and approved leachate collection system in their
 12 original state and (B) allow at a landfill; or (E) the use of waste tire ma-
 13 terial which has been cut into sufficiently small parts to be used as daily
 14 cover material for a landfill; or

15 (4) receive money in exchange for waste tires unless: (A) The person
 16 holds a permit issued by the secretary pursuant to K.S.A. 65-3424b, and
 17 amendments thereto; or (B) the person is a tire retailer who collects waste
 18 tires from the public in the ordinary course of business.

19 Sec. 3. K.S.A. 65-3424b is hereby amended to read as follows: 65-
 20 3424b. (a) The secretary shall establish a system of permits for mobile
 21 waste tire processors and waste tire processing facilities and permits for
 22 waste tire collectors and collection centers. Such permits shall be issued
 23 for a period of one year and shall require an application fee established
 24 by the secretary in an amount not exceeding \$250 per year.

transporters

25 (b) The secretary shall establish adopt rules and regulations estab-
 26 lishing standards for mobile waste tire processors, waste tire processing
 27 facilities and associated waste tire sites, waste tire collection centers and
 28 waste tire collector. Such standards shall include a requirement that the
 29 permittee file with the secretary a bond or other financial assurance in
 30 an amount determined by the secretary to be sufficient to pay any costs
 31 which may be incurred by the state to process any waste tires or dispose
 32 of any waste tires or processed waste tires if the permittee ceases business
 33 or fails to comply with this act.

transporters

34 (c) Any person who contracts or arranges with another person
 35 to collect or transport waste tires for storage, processing or disposal
 36 shall only employ a person holding a permit from the secretary. Any
 37 person contracting or arranging with a person, permitted by the
 38 secretary, to collect or transport waste tires for storage, processing
 39 or disposal, transfers ownership of those waste tires to the permitted
 40 person and the person contracting with the person holding such
 41 permit to collect or transport such tires shall be released from long-
 42 term liability therefor. Any person contracting or arranging with
 43 any person, permitted by the secretary, for the collection or storage

so contract or arrange only with

or arranging

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1 of such tires shall maintain a record of such transaction for a period
2 of not less than five years following the date of the transfer of such
3 tires.

4 (e) (d) On and after December 31, 1991, No person shall:

5 (1) Own or operate a waste tire processing facility or waste tire col-
6 lection center or act as a mobile waste tire processor or waste tire collector
7 unless such person holds a valid permit issued therefor pursuant to sub-
8 section (a); or

9 (2) own or operate a waste tire processing facility or waste tire col-
10 lection center or act as a mobile waste tire processor or waste tire collector
11 except in compliance with the standards established by the secretary pur-
12 suant to subsection (b).

transporter

13 (d) (e) The provisions of subsection (e)(1) shall not apply to:

(d) (1)

14 (1) A tire retreading business where fewer than 1,000 waste tires are
15 kept on the business premises;

16 (2) a business that, in the ordinary course of business, removes tires
17 from motor vehicles if fewer than 1,000 1,500 of these tires are kept on
18 the business premises;

19 (3) a retail tire-selling business which is serving as a waste tire col-
20 lection center if fewer than 1,000 1,500 waste tires are kept on the busi-
21 ness premises;

22 (4) the department of wildlife and parks; [er]

23 (5) a person engaged in a farming or ranching activity, including the
24 operation of a feedlot as defined by K.S.A. 47-1501, and amendments
25 thereto, as long as the accumulation has a beneficial use;

; (6) local units of government operating solid waste processing facilities and solid waste disposal areas permitted by the secretary under the authority of K.S.A. 65-3407 and amendments thereto;

26 (e) (f) All fees collected by the secretary pursuant to this section shall
27 be remitted to the state treasurer. The state treasurer shall deposit the
28 entire amount of the remittance in the state treasury and credit it to the
29 waste tire management fund.

(7) a person transporting: (A) Waste tires mixed with other municipal solid waste; (B) fewer than five waste tires for lawful disposal; (C) waste tires generated by the business, farming activities of the person or the person's employer; or (D) waste tires for a beneficial use approved by statute or rules and regulations adopted by the secretary; or

30 Sec. 4. K.S.A. 1995 Supp. 65-3424d is hereby amended to read as
31 follows: 65-3424d. (a) In addition to any other tax imposed upon the retail
32 sale of new vehicle tires, there is hereby imposed an excise tax on retail
33 sales of new tires at the rate of \$.50 per tire sold vehicle tires (excluding
34 inertubes), including new tires mounted on a vehicle sold at retail for
35 the first time, an excise tax at the following rate: (1) Before July 1, 1999
36 2001, \$.50 per vehicle tire; and (2) on or after July 1, 1999 2001, \$.25.
37 Such tax shall be paid by the purchaser of such tires and collected by the
38 retailer thereof.

(8) a business engaged in processing, for resource recovery purposes, only waste tires generated by the business

39 (b) The tax imposed by this section collected by the retailer shall
40 become due and payable as follows: When the total tax for which any
41 retailer is liable under this act does not exceed the sum of \$80 in any
42 calendar year, the retailer shall file an annual return on or before January
43 25 of the following year; when the total tax liability does not exceed \$1,600

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1 in any calendar year, the retailer shall file returns quarterly on or before
 2 the 25th day of the month following the end of each calendar quarter;
 3 when the total tax liability exceeds \$1,600 in any calendar year, the retailer
 4 shall file a return for each month on or before the 25th day of the follow-
 5 ing month. Each person collecting the tax imposed pursuant to this sec-
 6 tion shall make a true report to the department of revenue, on a form
 7 prescribed by the secretary of revenue, providing such information as may
 8 be necessary to determine the amounts of taxes due and payable hereun-
 9 der for the applicable month or months, which report shall be accom-
 10 panied by the tax disclosed thereby. Records of sales of new tires shall be
 11 kept separate and apart from the records of other retail sales made by
 12 the person charged to collect the tax imposed pursuant to this section in
 13 order to facilitate the examination of books and records as provided
 14 herein.

15 (c) The secretary of revenue or the secretary's authorized represen-
 16 tative shall have the right at all reasonable times during business hours
 17 to make such examination and inspection of the books and records of the
 18 person required to collect the tax imposed pursuant to this section as may
 19 be necessary to determine the accuracy of such reports required hereun-
 20 der.

21 (d) The secretary of revenue is hereby authorized to administer and
 22 collect the fees tax imposed ~~hereunder~~ by this section and to adopt such
 23 rules and regulations as may be necessary for the efficient and effective
 24 administration and enforcement of the collection thereof. Whenever any
 25 person liable to collect the taxes imposed hereunder refuses or neglects
 26 to pay them, the amount, including any penalty, shall be collected in the
 27 manner prescribed for the collection of the retailers' sales tax by K.S.A.
 28 79-3617 and amendments thereto.

29 (e) The secretary of revenue shall remit daily to the state treasurer
 30 all revenue collected under the provisions of this ~~act~~ section. The state
 31 treasurer shall deposit the entire amount of each remittance in the state
 32 treasury and credit it to the waste tire management fund.

33 (f) Whenever, in the judgment of the secretary of revenue, it is nec-
 34 essary, in order to secure the collection of any taxes, penalties or interest
 35 due, or to become due, under the provisions of this act, the secretary may
 36 require any person charged with the collection of such tax to file a bond
 37 with the director of taxation under conditions established by and in such
 38 form and amount as prescribed by rules and regulations adopted by the
 39 secretary.

(g) The secretary of revenue and the secretary of health and environment shall cooperate to ensure that retailers required to collect the tax imposed by this section collect such tax on sales of tires for all vehicles, as defined by K.S.A. 65-3424 and amendments thereto.

40 Sec. 5. K.S.A. 1995 Supp. 65-3424f is hereby amended to read as
 41 follows: 65-3424f. (a) The secretary shall establish a program to make
 42 base and abatement grants to private companies, cities and counties
 43 which, individually or collectively, submit to the secretary plans; approved

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1 by the secretary. Abatement grants shall be used to abate waste tire ac-
 2 cumulations in existence before July 1, 1990, ~~and shall not~~ be used for
 3 any tires accumulated, or added to an existing accumulation, on or after
 4 July 1, 1990. Not more than one abatement grant shall be awarded to
 5 abate the same waste tire accumulation unless it can be demonstrated by
 6 the applicant that the waste tire accumulation exceeded initial quantity
 7 estimates or that unknown circumstances, identified by the applicant, in-
 8 creased project difficulty and cost. No abatement grant payment shall be
 9 made on or after July 1, 2000. 2002. In awarding abatement grants,
 10 the secretary shall give preference to projects which include waste
 11 tire recycling or energy recovery. The secretary may authorize
 12 waste tire landfilling under abatement grant projects if the waste
 13 tires are contaminated or if no practical in-state markets are iden-
 14 tified. The secretary shall delay waste tire abatement grant projects
 15 until July 1, 1998, when possible to maximize the distribution of
 16 grant funds through the in-state market stimulation program iden-
 17 tified in paragraph (d) ~~of this section~~.

for: (1) Projects

but no grants for such projects shall

; and (2) programs to allow free lawful disposal of waste tires not generated in the ordinary course of a business, but not more than one such program shall be conducted per county

18 (b) The secretary shall establish a program to make base grants to
 19 counties which, individually or collectively, submit to the secretary plans
 20 approved by the secretary. Base grants shall be used to: (1) Enforce laws
 21 relating to collection and disposal of tires; (2) Encourage recycling of tires;
 22 or (3) develop and implement management plans for collection, abate-
 23 ment, recycling and disposal of tires survey the county or counties to
 24 identify and develop an inventory of waste tire accumulations in the
 25 county or counties. Applications for base grants shall be submitted to the
 26 secretary before January 1, 1997, and no base grant payment shall be
 27 made on or after January 1, 1998.

28 (c) The secretary shall establish a program to make enforcement
 29 grants to counties which, individually or collectively, submit to the sec-
 30 retary plans approved by the secretary. Enforcement grants shall be used
 31 to pay the county's or counties' costs of assessing and enforcing compli-
 32 ance with this act and rules and regulations adopted under this act and
 33 to educate the public on the provisions and purposes of this act. Enforce-
 34 ment grants shall be for an amount not exceeding 75% of the costs in-
 35 curred by the county or counties for eligible costs.

36 (b) Each private company, city, county or group of private companies,
 37 cities or counties submitting a plan approved by the secretary shall be
 38 eligible for grants pursuant to this section on the basis of priority as de-
 39 termined by the secretary. No recipient shall be eligible to receive base
 40 grants for more than two consecutive fiscal years, but such limitation shall
 41 not apply to abatement grants. The secretary shall require any private
 42 company receiving a grant pursuant to this section to file with the sec-
 43 retary a surety bond, cash bond or other security in an amount and form

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1 approved by the secretary and conditioned on the use of the grant in
2 accordance with the plan approved by the secretary.

3 (d) ~~the~~ secretary shall establish a competitive private sector
4 grant program to stimulate the development of in-state waste tire
5 recycling or energy recovery markets. The secretary shall solicit
6 proposals in ~~fiscal year 1997~~ from private entities which demon-
7 strate the long-term technical and economic feasibility of waste tire
8 recycling or energy recovery projects based upon the receipt of star-
9 tup funds only through this grant program. One or more grant
10 awards may be made to applicants in ~~fiscal years 1997 and 1998~~ to
11 pay up to 75% of the cost of constructing a new facility or modifying
12 an existing facility to process, and burn or recycle, waste tires.

13 ~~(e) (d)~~ (e) Private companies, cities and counties may join together,
14 pooling their financial resources, when utilizing their grants for the pur-
15 poses described in subsection (a).

16 ~~(d) (e)~~ (f) The secretary, in cooperation with the statewide coordi-
17 nator of waste reduction, recycling and market development, may provide
18 technical assistance, upon request, to a private company, city, county or
19 group of private companies, cities or counties desiring assistance in ap-
20 plying for waste tire grants or choosing a method of waste tire manage-
21 ment which would be an eligible use of the grant funds.

22 (f) (g) The secretary shall submit to the legislature, on or before the
23 first day of the regular legislative session each year, a report of all grants
24 made pursuant to this section. The report shall include: (1) The total
25 contract amounts awarded for each type of grant in each fiscal year and,
26 of those amounts, the total amount awarded to individual counties, groups
27 of counties and private entities; and (2) with respect to each grant
28 awarded, the contract amount and type of grant, the recipient, a descrip-
29 tion of the project for which the grant was awarded, the number of tires
30 involved and the amount actually spent. The secretary shall submit the
31 report by filing it with the secretary of the senate, the chief clerk of the
32 house of representatives and the chairperson and ranking minority mem-
33 ber of each of the senate and house committees on energy and natural
34 resources.

35 New Sec. 6. (a) The county official, or the official of a designated
36 city, responsible for solid waste management in each county shall report
37 to the secretary any known waste tire accumulation within the county not
38 later than: (1) October 1, 1996, if the accumulation is known before July
39 1, 1996; or (2) three months after the accumulation becomes known, if
40 unknown before July 1, 1996.

41 (b) After July 1, ~~1999~~ 2001, each county shall be responsible for
42 abatement of any waste tire accumulation within the county.

43 Sec. 7. K.S.A. 1995 Supp 65-3424g is hereby amended to read as

The

the fiscal year ending June 30, 1997,

the fiscal years ending June 30, 1997, and June 30, 1998,

for energy recovery

3-8

1 follows: 65-3424g. (a) There is hereby established in the state treasury
2, the waste tire management fund.

See Insert A attached

3 ~~(b)~~ Moneys in the waste tire management fund shall be used only for
4 the purpose of:

(c)

5 (1) Making grants as provided by K.S.A. 65-3424f, and amendments
6 thereto;

7 (2) paying compensation and other expenses of employing personnel
8 to carry out the duties of the secretary pursuant to K.S.A. 65-3424 through
9 65-3424h, and amendments thereto, but not more than *the following shall*
10 *be used for such purpose: (A) For fiscal years beginning before July 1,*
11 *2000 2002, 16% or \$200,000, whichever amount is less, of the moneys*
12 *credited to the fund during the fiscal year shall be used for such purpose*
13 *preceding fiscal year; and (B) for fiscal years beginning on or after July*
14 *1, 2000 2002, 32% or \$200,000, whichever amount is less, of the moneys*
15 *credited to the fund during the preceding fiscal year;* ~~and~~

; and

16 (3) action by the department *before July 1, 2001*, to abate waste
17 tires accumulated prior to July 1, 1990, or to abate a nuisance or risk to
18 the public health or the environment created or which could be created
19 by waste tires accumulated after July 1, 1990, if the owner or operator of
20 the site has not been identified or has not abated the nuisance;

that are or

21 (4) *action by the department after July 1, 2001, to implement*
22 *interim measures to minimize nuisances or risks to public health or*
23 *the environment* ~~created or~~ *which could be created by waste tire*
24 *accumulations, until the responsible party or county can fully abate*
25 *the site.*

(d)

26 ~~(c)~~ All expenditures from the waste tire management fund shall be
27 made in accordance with appropriations acts upon warrants of the direc-
28 tor of accounts and reports issued pursuant to vouchers approved by the
29 secretary.

See Insert B attached

30 **Sec. 8. K.S.A. 1995 Supp. 65-3424k is hereby amended to read**
31 **as follows: 65-3424k. (a) Before July 1, 2001, the secretary may un-**
32 **dertake appropriate abatement action and may enter into contracts,**
33 **including grant contracts, for abatement of waste tire accumula-**
34 **tions, utilizing funds from the waste tire management fund. After**
35 **July 1, 2001, the secretary's actions shall be limited to contractual services**
36 **to perform interim measures designed to minimize nuisances or risks to**
37 **public health or the environment created by a waste tire accumulation.**

38 **(b) Any authorized representative of the secretary may enter,**
39 **at reasonable times and upon written notice, onto any property or**
40 **premises where an accumulation of waste tires is located to conduct**
41 **an abatement of the accumulation or to perform interim measures to**
42 **minimize nuisances or risks to public health or the environment created**
43 **by a waste tire accumulation.**

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1 (c) Whenever the secretary has reason to believe that an owner
 2 or operator has accumulated waste tires that create a nuisance or
 3 risk to public health or the environment, the secretary may require
 4 that owner or operator to abate the accumulation. Such abatement
 5 shall be performed in accordance with a plan approved by the sec-
 6 retary. The secretary shall give notice, by letter, to the owner and
 7 operator that the waste tires constitute a nuisance or risk to public
 8 health or the environment, and that the waste tire accumulation
 9 must be abated within a specified period. If the owner or operator
 10 fails to take the required action within the specified period Before July
 11 1, 2001, the secretary may undertake abatement action utilizing
 12 funds from the waste tire management fund: if the owner or operator
 13 fails to take the required action within the specified time period. After
 14 July 1, 2001, the secretary's actions shall be limited to contractual services
 15 to perform interim measures designed to minimize nuisances or risks to
 16 public health or the environment created by a waste tire accumulation.
 17 All costs incurred by the secretary in abatement of waste tires ac-
 18 cumulated after July 1, 1990, or in performing interim measures, in-
 19 cluding administrative and legal expenses, are recoverable from an
 20 owner or operator and may be recovered in a civil action in district
 21 court brought by the secretary. Abatement costs recovered under
 22 this section shall be remitted to the state treasurer, who shall de-
 23 posit the entire amount in the state treasury and credit it to the
 24 waste tire management fund. An action to recover abatement or
 25 interim measures costs may be commenced at any stage of an abate-
 26 ment. In performing abatement actions under this section, the secretary
 27 shall give preference to waste tire recycling or burning for energy recov-
 28 ery. Direct abatement expenditures may include landfilling when waste
 29 tires are contaminated or when practical in-state markets cannot be iden-
 30 tified

31 (d) Neither the state of Kansas nor the waste tire management
 32 fund shall be liable to any owner or operator for the loss of business,
 33 damages or taking of property associated with any abatement or
 34 enforcement action taken pursuant to this section.

35 Sec. 8 9. K.S.A. 65-3424 ~~and 65-3424b~~ and K.S.A. 1995 Supp. 65-
 36 3424a, 65-3424d, 65-3424f and ~~65-3424g~~, 65-3424g and 65-3424k are
 37 hereby repealed.

38 Sec. 9 10. This act shall take effect and be in force from and after
 39 its publication in the statute book.

,

and 65-3424i

INSERT A

(b) Money from the following sources shall be credited to the waste tire management fund:

(1) Revenue collected from the excise tax by K.S.A. 65-3424d and amendments thereto;

(2) permit application and renewal fees provided for by K.S.A. 65-3424b and amendments thereto;

(3) interest provided for by subsection (e);

(4) additional sources of funding such as gifts, grants, federal grants and cooperative agreements, reimbursements and appropriations intended to be used for the purposes of the fund;

(5) any recoveries from abatement and enforcement actions provided for by K.S.A. 65-3424k and amendments thereto;

(6) any inter-agency fund transfers relevant to providing business development grants for businesses engaged in recycling or utilizing waste tires in resource recovery programs provided for by K.S.A. 65-3424f and amendments thereto; and

(7) any other moneys provided by law.

INSERT B

(e) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the waste tire management fund the amount of money certified by the pooled money investment board in accordance with this subsection. Prior to the 10th day of each month, the pooled money investment board shall certify to the director of accounts and reports the amount of money equal to the proportionate amount of all the interest credited to the state general fund for the preceding month, pursuant to K.S.A. 75-4210a and amendments thereto, that is attributable to moneys in the waste tire management fund. Such amount of money shall be determined by the pooled money investment board based on: (1) The average daily balance of moneys in the waste tire management fund during the preceding month as certified to the board by the director of accounts and reports; and (2) the average interest rate on repurchase agreements of less than 30 days' duration entered into by the pooled money investment board for that period of time. On or before the fifth day of the month following the month in which moneys are first credited to the waste tire management fund, and monthly thereafter on or before the fifth day of the month, the director of accounts and reports shall certify to the pooled money investment board the average daily balance of moneys in the waste tire management fund during the preceding month.

Sec. 8. K.S.A. 65-3424i is hereby amended to read as follows: 65-3424i. (a) Except as provided by subsection (b), no tire retailer shall refuse to accept waste tires from customers ~~or offer any discount or other monetary inducement to encourage customers to remove their old tires from the tire retailer's premises at the time or point of transfer.~~

(b) A tire retailer may: (1) Ask customers if they wish to retain their old tires at the time of sale; (2) refuse to accept more tires from a customer than purchased by that customer at the time of sale; or (3) refuse to accept waste tires from a customer purchasing replacement tires for commercial use if the tire retailer does not mount such replacement tires.

(c) A tire retailer may recover from customers the retailer's cost of handling and disposal of customers' waste tires but such cost shall be included in the price at which new tires are sold or offered for sale by the retailer.

Renumber the remaining sections accordingly

Option 1:

A tire retailer shall recover from customers the retailer's cost of handling and disposal of customers' waste tires but such cost shall be included in the price at which new tires are sold or offered for sale by the retailer. This shall only apply to passenger and light truck tires.

Option 2:

insert a period after customers in Sec 8 (a) and strike remaining.