

Approved: 2-20-98
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson David Corbin at 8:16 a.m. on February 19, 1998 in Room 254-E of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
Lila McClafflin, Committee Secretary

Conferees appearing before the committee:
Rich McKee, Executive Secretary, Kansas Livestock Association
Mike Jensen, Executive Vice-President, Kansas Pork Producers Council
Clint Riley, Kansas Wildlife and Parks
Cheryl Swayne, Kansas Wildlife and Parks

Others attending: See attached list

Chairperson David Corbin continued the hearing on **SB 524 - concerning water pollution control; relating to swine confined feeding facilities.** He called on Rich McKee

Rich McKee, Kansas Livestock Association, their association has conducted some research on the bonding requirements contained in the bill, and have been able to locate a company that is currently writing this kind of bond. He suggested the House Environment Committee has appointed a sub-committee to fully examine the entire issue of livestock operations. They are attempting to address the bond issue (Attachment 1). Mr. McKee responding to a question said they were not aware of the closure of any livestock operations where the taxpayers had to pay for cleanup.

Mike Jensen, Kansas Pork Producers, set forth five points that they would like to see considered as the committee examines the issue of responsibility for closure guarantees (Attachment 2). Mr. Jensen responding to a question regarding closure of hog operations said Kansas had never had one that the tax payers had been responsible for cleanup and nationwide he knew of only one and that was in Iowa.

The hearing was closed.

SB 236 - Boating safety education certification.

Chairperson Corbin said this bill was carried over from 1997 session a hearing was held then and a vote to pass it out of committee had failed last year. He had requests from individuals to bring it back up again. The fiscal note from 1997 session states The Department of Wildlife and Parks was unable to determine the fiscal impact at that time, as they had not defined the specific way a boater's safety education course would be administered.

Clint Riley, Kansas Department of Wildlife and Parks, they suggested the legislation as a step to address the trend of escalating boating related accidents, fatalities, and property damage. The Department expects no negative fiscal impact from the bill, as the Department would charge a fee to cover costs of materials and supplies for the course. Mr. Riley and Cheryl Swayne responded to questions. Eighteen states now have such legislation and 27 states have some kind of licensing for operators and some education is necessary to receive a operators license. The Committee discussed the 30 day exemption for non-residents of the state. A member of the committee stated if it would reduce accidents and fatalities it was absolute necessary to pass the legislation (Attachment 3).

The hearing was closed.

A motion was made by Senator Goodwin that SB 236 be passed. The motion was seconded by Senator Biggs. The motion carried.

The next meeting is scheduled for February 20, 1998.

The meeting adjourned at 8:56 a.m.



Since 1894

Testimony

presented by

Rich McKee

Executive Secretary, Feedlot Division

regarding

Senate Bill 524

before the

Senate Committee on Energy and Natural Resources

February 18, 1998

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 7,400 members on legislative and regulatory issues. KLA members are involved in all segments of the livestock industry including cow-calf, feedlot, seedstock, swine, dairy and sheep. In 1996 cash receipts from agriculture products totaled over \$7.8 billion, with nearly sixty percent of that coming from the sale of livestock. Cattle represent the largest share of cash receipts, representing approximately ninety percent of the livestock and poultry marketings.

Senate Energy & Natural Resources

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Chairperson Corbin and members of the Senate Committee on Energy and Natural Resources, thank you for the opportunity to testify. My name is Rich McKee and I am representing the Kansas Livestock Association.

We have some concerns with Senate Bill 524. We have conducted some research on the bonding requirements found on page six of this bill (lines 21 through 26). Our research indicates limited availability of the bonds required in this proposal. To this point, we have not been able to locate a company that is currently writing this kind of bond. Attached is a memorandum that covers some of the minimum requirements a surety company would impose. Please note the memorandum indicates that based on the current language in SB 524, surety companies view the proposal as a "hazardous-type" bond.

Also, please remember the livestock industry has been operating in Kansas for several decades. We have had difficulty finding large facilities that have been abandoned. With this kind of experience we question the need for this legislation.

Finally, the House Environment Committee has appointed a sub-committee to fully examine the entire issue of livestock operations. One of the specific issues being considered by the sub-committee deals with the financial requirements found SB 524. The sub-committee is attempting to address these concerns, knowing bond availability is at best limited.

Affiliations:



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TO: Rich McKee - Kansas Livestock Assn.
273-3399

FROM: Claudia Nadeau, Bond Manager

DATE: February 6, 1998

RE: S.B. No. 524, Water Pollution Control relating to Swine Confinement

I have talked with two surety companies concerning the bonding requirement contained in the referenced bill. Based on the vagueness of the bond requirement, both sureties view it as a **hazardous-type** bond.

Sureties would require:

- CPA prepared statements, probably full audit reports.
- Very strong financial statements.
- Proven successful experience in the business.

Additional information could be required once the bond form has been developed, which would be done by the State.

I am trying to obtain information from other states that have a similar bond requirement. As soon as I receive additional information, I will forward it to you.

TOTAL P.01

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Testimony to:
Senate Energy and Natural Resources Committee
on Senate Bill 524

Prepared by: Mike Jensen, Executive Vice-President

Topic: Lagoon Closure Requirements

As the committee examines the issue of responsibility for "closure" guarantees, we would urge the consideration of the following points:

- Based on our research, we are not aware of a single instance in Kansas where a swine lagoon has been abandoned and left for a governmental body to "clean up".
- Additionally, on a nationwide basis, only one county (in Iowa) ever undertook a closure. Based on our information, they could have forced the operator (former) to have it done.
- On a general basis, "bonds" and even insurance are unavailable or difficult to obtain.
- The posting of a financial security instrument, i.e. "Letter of credit, financial bonds, etc." will only take money from the swine industry and transfer it to the financial industry.
- Public policy in this area will cost our industry significantly. Any decision should be based on the proven track record of our industry, not on emotional scare tactics of "what if?".

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STATE OF KANSAS
DEPARTMENT OF WILDLIFE & PARKS

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Senate Bill 236 Testimony

Presented to: Senate Committee on Energy and Natural Resource

Provided by: Kansas Department of Wildlife and Parks

Date: February 19, 1998

SB 236 would require all persons born after Jan. 1, 1986 to possess a certificate of completion of a boating safety course authorized by department in order to operate a motorboat or sailboat on Kansas public waters. The bill authorizes the department to establish such courses, and provides that they be a minimum of 8 hours and recognized by the U.S. Coast Guard. The bill would allow persons to complete the course by approved correspondence course materials and examination. The bill also would allow the department to recognize courses completed in other states. In addition, it would provide an exemption to non-residents in the state for less than 30 days, and a 60-day grace period to new residents.

Currently, a boating safety course is required of persons age 12 to 15 for solo operation of personal watercraft (sometimes collectively referred to by the brand name "Jetski"). The department conducts approximately 40 courses each year, taught by volunteer instructors, and provides a correspondence-course alternative by mail. Approximately 1,000 students were certified last year. Prior to the regulation for 12- to 15-year-old boaters enacted two years ago less than 100 people a year took the course. Although voluntary education has been available for over 25 years, less than three thousand of the estimated half million Kansas boaters have completed the state's boating safety course since 1971.

The bill would "grandfather" any persons who may legally operate a motorboat or sailboat prior to Jan. 1, 1998, since only persons 12 years old or older may legally operate a motorboat or sailboat on Kansas public waters. (It may now be appropriate to amend that date by one year.) Therefore, at least during the initial years of implementation, the department would expect to continue to see mostly 12- to 15-year-olds enrolling in boater safety courses. However, as more persons are required to possess a course certificate, the department would expect to make greater use of the correspondence courses in order to address the greater numbers. The department would also explore contracting with an approved private

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correspondence course, if necessary.

Because the certificate could be revoked, the bill would also provide some assistance to boating law enforcement. Under this bill, a boater who fails to produce a required boating safety certificate when inspected by an officer may be issued a citation, and therefore a boater whose privileges have been suspended by a court is more likely to be discovered when the boater responds to the citation in court. Currently, it is very difficult for an officer to know whether a boater may have been ordered to stay off of public waters due to an earlier boating violation.

At this point, the department expects to be able to conduct the necessary boating safety courses without additional FTEs. Because the bill would allow the department to charge a fee to cover costs of material and supplies, the department expects no negative fiscal impact from the bill. However, the department would expect the bill to provide an overall financial benefit to the state due to the decrease in accidents and property damage.

KDWP has suggested this legislation as a step to address the trend of escalating boating-related accidents, fatalities, and property damage. Kansas has more than sixty boating-related accidents each year, an average of 8 fatalities, and several hundred thousand dollars of property damage and insurance claims. While SB 236 would not eliminate boating accidents in Kansas, the department believes it could play an important role in making public waters safer for all Kansas boaters.