

Approved: Feb. 11, 1998
Date

MINUTES OF THE SENATE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairperson Pat Ranson at 1:30 p.m. on February 3, 1998 in Room 531-N of the Capitol.

All members were present

Committee staff present: Lynne Holt, Legislative Research Department
Mary Torrence, Revisor of Statutes
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
None

Others attending: See attached list

Sen. Ranson announced the committee will consider taking action on **SB 436-Establish the joint committee on taxation of public utilities to study and make recommendations regarding taxation of deregulated electric generation public utilities.** She directed the committee's attention to a copy of the bill with suggested language changes (Attachment 1).

Mary Torrence explained the changes and after discussion, consensus of the committee is that they do not want to limit the scope of the joint committee and want all electricity providers included as well as all unbundled components which may be included. The committee also discussed the expiration date of the joint committee, which is the same date as the expiration date for the Retail Wheeling Task Force. After discussion, Sen. Barone made a motion the committee adopt amendments to the bill (Attachment 2), and it was seconded by Sen. Brownlee; the motion passed.

Sen. Clark made a motion that SB 436 be passed as amended, and it was seconded by Sen. Barone. Roll call vote was taken, with all members present, and the motion passed.

Sen. Ranson then asked Mary Torrence to review the following bill for the committee:

SB 491-concerning municipal energy agencies

She explained this bill removes the restriction placed upon municipal agencies in 1977, when it was enacted, that they could not enter into an agreement or contract for the direct sale of electricity to anyone other than to a member city of the agency or utility operating during the calendar year 1976. According to Mr. Widener's testimony before the committee, there are 40 members in the municipal agency, with 58 cities who can't join because of the requirement. It also has a provision to allow members of the agency to issue revenue bonds.

Sen. Ranson announced the committee will hear testimony tomorrow.

Meeting adjourned at 2:05.

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: Feb. 3, 1998

NAME	REPRESENTING
Jim Widener	KTEA
Louis Stroup	KOTU
Gil Hanson	KTEA
Larry Holloway	KCC
Phil B. Ihm	KFB
Carol Cowen	KFB
Virgil Cowen	KFB
Bill Kaur	K.F.B.
Alan Stackley	KFB.
Gay Berhman	KFB
Ed Eberth	KFB
Ruth Ryan	KFB
Ray Gerber	McGill's Asso
Jiff Rosenbald	KFB
Chuck Metzger	KFB.
Larrie Ann Brown	KS Govt Counsel
Dorris Brant	KFB
James Brant	KFB
Juella Lighty	KFB

SENATE BILL No. 436

By Committee on Utilities

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9 AN ACT establishing the joint committee on taxation of ~~public utilities~~
10 to study and make recommendations regarding taxation of ~~deregulated~~
11 ~~electric generation public utilities.~~

retail electricity providers

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

14 Section 1. (a) There is hereby established the joint committee on
15 taxation of ~~electric public utilities~~. The joint committee shall consist of
16 13 members, as follows: The chairpersons, vice-chairpersons and ranking
17 minority members of the house and senate standing committees on tax-
18 ation and assessment and taxation, the house and senate standing com-
19 mittees on utilities and the chairperson of the retail wheeling task force.

20 (b) Within 30 days after the effective date of this act, the joint com-
21 mittee shall organize and elect a chairperson and vice-chairperson. The
22 joint committee may meet at any time and at any place within the state
23 on call of the chairperson. Members of the joint committee shall receive
24 compensation, travel expenses and subsistence expenses or allowances as
25 provided in K.S.A. 75-3212, and amendments thereto, when attending
26 meetings of such committee. Amounts paid under authority of this section
27 shall be paid from appropriations for legislative expense and vouchers
28 therefor shall be prepared by the director of legislative administrative
29 services and approved by the chairperson or vice-chairperson of the leg-
30 islative coordinating council.

31 (c) The staff of the office of the revisor of statutes, the legislative
32 research department and the division of legislative administrative services
33 shall provide such assistance as may be requested by the joint committee
34 and authorized by the legislative coordinating council. The legislative di-
35 vision of post audit shall provide such assistance as may be requested by
36 the committee and authorized by the legislative post audit committee.
37 The department of revenue, the commission and all other state agencies
38 shall provide assistance to the joint committee as may be requested by
39 the committee.

40 (d) The joint committee shall study, investigate and analyze the ram-
41 ifications to the taxing systems of the state and its political subdivisions
42 arising from ~~the deregulation of electric generation public utilities and~~
43 ~~the relative tax impacts upon and among electric generation public util-~~

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1 ~~ies~~ The joint committee shall submit to the legislature on or before
2 January 11, 1999, a final report of the committee's findings and recom-
3 mendations. The committee may introduce such legislation as it deems
4 necessary in the performance of its function.
5 (e) The joint committee is hereby abolished on and after July 1, 1999.
6 Sec. 2. This act shall take effect and be in force from and after its
7 publication in the Kansas register.

restructuring of the electric generation industry
and the relative tax impacts of restructuring on
and among retail electricity providers, with the
goal of recommending a uniform tax policy that
allows all competitive retail electricity
providers to be taxed on a fair and equal basis

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REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

The Committee on Utilities recommends SB 436 be amended on page 1, in line 15, by striking "electric public utilities" and inserting "the electricity industry"; in line 42, by striking all after "from"; by striking all of line 43;

On page 2, in line 1, by striking "ities" and inserting "restructuring of the electricity industry and the relative tax impacts of restructuring on and among electricity providers, with the goal of recommending a uniform tax policy that allows all electricity providers to be taxed on a fair and equal basis";

In the title, in line 9, by striking "the" and inserting "a"; also in line 9, by striking all after "committee"; in line 10, by striking "deregulated"; in line 11, by striking all before the period and inserting "the electricity industry"; and the bill be passed as amended.

Chairperson

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