

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:13 a.m. on February 8, 2001 in Room 526-S of the Capitol.

All members were present.

Committee staff present: Lynne Holt, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Committee Secretary

Conferees appearing before the committee: Randy Allen, Kansas Association of Counties
Don Moler, League of Kansas Municipalities

Others attending: See Attached List

HCR 5012 - Urging cities and counties to use certain revenues for natural gas utility franchise fees to pay for insulation of certain buildings

Randy Allen, Executive Director of the Kansas Association of Counties, addressed the committee as an opponent of **HCR 5012 (Attachment 1)**. Mr. Allen explained that, as far as he knew, there were no counties in Kansas that received franchise fees from natural gas and requested that the resolution be amended to remove all references to counties. Mr. Allen responded to questions from the committee.

Don Moler, Executive Director for the League of Kansas Municipalities, appeared in opposition to **HCR 5012 (Attachment 2)**. Mr. Moler suggested that the presumption of a windfall should be removed from the resolution and the issue should be to look at revenues adjusted by consumption. Mr. Moler responded to questions from the committee.

Chairman Holmes closed the hearing on **HCR 5012** and opened the floor for debate on the resolution. Rep. Morrison moved to amend line 29 on page 1 by striking the word 'resident.' Rep. McLeland seconded the motion, motion carried. Rep. Alldritt moved to strike, beginning on line 15 and throughout the resolution, all references to counties. Rep. Krehbiel seconded the motion. Motion carried. Rep. Myers moved to table **HCR 5012**. Rep. Krehbiel seconded the motion. Motion carried.

Continued debate on HB 2244 - State energy planning act; establishment of energy office and authority; formulation of state energy plan.

Rep. Sloan distributed a substitute balloon and explained that this was developed from the previous day's discussions. Rep. Sloan outlined the differences between the original bill, the balloon adopted previously and the current proposed balloon. Rep. Sloan moved to adopt the substitute balloon, Rep. McLeland seconded the motion. The motion carried. Rep. Krehbiel moved to strike Sections 3 and 4 and, in the title, 'providing for certain assessments to fund the council.' Rep. Myers seconded the motion. Motion carried. Rep. Sloan moved to change page 2, line 5 to read "...designated in subsections (a)(2) through...", Rep. McClure seconded the motion. Motion carried. Rep. Sloan moved to add language in Section 2(7)(b) to clarify that ex-officio members have voting rights. Rep. McLeland seconded the motion, motion carried.

Rep. Kuether moved to recommend **Substitute for HB 2244**, as amended, favorable for passage. Rep. Dillmore seconded the motion, motion carried. Rep. Kuether will carry the bill.

Meeting adjourned at 10:28 a.m.

Next meeting is Friday, February 9, 2001.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: February 8, 2001

NAME	REPRESENTING
Jack Graves	P-75 - KM - Duke + Oga
JOHN C. BOTTENBERG	WESTERN Res!
Tom BRUNO	G BBA
Randy Allen	Kansas Association of Counties
Joy & Miles	KEC
JOE DICK	KCK BPU
Denny Koch	SW B
Bruce GRAHAM	KEPCo
Cynthia Smith	KCPL
Tom DAY	KCC
Dale Hart Hedges	WR.



KANSAS
ASSOCIATION OF
COUNTIES

TESTIMONY
concerning House Concurrent Resolution No. 5012
Utility Franchise Fees

Presented by Randy Allen, Executive Director
Kansas Association of Counties
February 8, 2001

Madam Chair and members of the committee, my name is Randy Allen, Executive Director of the Kansas Association of Counties. I am here today to urge the committee to remove references to counties in HCR 5012.

I do not know of any county that receives natural gas utility franchise fees. As such, the "windfall" referred to in HCR 5012 simply has not occurred with respect to counties.

The only franchise fees which counties sometimes receive are from cable television companies doing business in unincorporated areas. Counties receive some revenue from this source, but this is the only type of franchise fees received by counties

As such, we urge amendment of HCR 5012 to remove all references to counties.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randy Allen or Judy Moler by calling (785) 272-2585.

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HOUSE UTILITIES

DATE: 2-8-01

ATTACHMENT |



League of Kansas Municipalities

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Phone: (785) 354-9565
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TO: House Utilities Committee
FROM: Don Moler, Executive Director
DATE: February 8, 2001
RE: HCR 5012

First, I would like to thank the Committee for allowing me appear today to comment on HCR 5012. As you all know, the League of Kansas Municipalities believes that cities and the League itself are partners in the governmental scheme in Kansas and as such are always willing to work with the State of Kansas where we have mutual concerns and interests. We are somewhat concerned, however, by the approach taken in HCR 5012 in that it appears to reach a conclusion before any actual numbers have been reviewed or any data gathered. It presupposes that as a result of increased prices for natural gas that a "windfall" has been received by cities and counties in Kansas and on this point I think reasonable people can reach differing conclusions. The League would suggest that the presumption that a windfall has occurred should be removed from this piece of legislation and that the issue should simply be taking a look at revenues, as adjusted by consumption, to identify whether there was a windfall. It seems unreasonable to us to assume there has been a windfall in this area and then to direct the use of the windfall in a certain way. We look forward to working with the Committee and the legislature in this area, but would urge the Committee to carefully review this piece of legislation before acting on it as we believe it has several inherent flaws.

HOUSE UTILITIES

DATE: 2-8-01

ATTACHMENT 2