

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE.

The meeting was called to order by Chairperson Robert Tyson at 8:00 a.m. on March 16, 2001 in Room 423-S of the Capitol.

All members were present except: all present

Committee staff present: Raney Gilliland, Legislative Research Department
Jill Wolters, Office of Revisor of Statutes
Judy Krase, Committee Secretary

Conferees appearing before the committee:

Elmer Ronnebaum, Kansas Rural Water Association
Bill Bider, Director, Bureau of Waste Management, KDHE
Phil Wittek, Johnson County Environmental Department
Nick Phillippi, Mid-America Tire Dealers Association
Bill Riphon, Park and Recreation Department, City of Topeka
Mike Sorcher, Tire Energy Corporation
Randy Allen, Kansas Association of Counties
Earl Lewis, Kansas Water Office
Chris Wilson, Groundwater Management District No. 3

Others attending: See attached list

Senator Tyson opened the meeting with the hearing on **HB 2234**, concerning rural water districts, and staff from the Office of the Revisor of Statutes explained the bill. Jill Wolters said the bill would establish a new procedure for landowners in a rural water district to obtain a release of their lands from a rural water district. Also, the bill would repeal KSA 82a-630 which is the current statutory provision regarding release of lands from a rural water district.

The first conferee and proponent of the bill was Elmer Ronnebaum, Kansas Rural Water Association (Attachment 1). Mr. Ronnebaum said the Kansas Rural Water Association asked six attorneys who represent more than 50 rural water districts to help design a remedy for any owner of land who requests to be released from a rural water district and who is not satisfied with the determination of the rural water board of directors. He said this bill reflects the recommendations formulated by that committee and **HB 2234** provides an appeal process to district court for landowners who are denied release. Questions and discussion followed.

Senator Tyson closed the hearing on **HB 2234**.

Next on the agenda was **HB 2131** concerning waste tires. Staff of Revisor of Statutes reviewed the bill.

The second conferee and a proponent of **HB 2131** was Bill Bider, Director, Bureau of Waste Management, KDHE. Mr. Bider said the current version of the bill would result in seven major changes to the state waste tire program, including the tire excise of \$.50 per tire would be retained until June 30, 2003 at which time the tax drops to \$.25 per tire. He submitted a balloon to the bill concerning contracts and concerning a technical change (Attachment 2). Questions and discussion followed.

The third conferee and a proponent of the bill with serious reservations was Phil Wittek, Director of the Johnson County Environmental Department (Attachment 3). Mr. Wittek noted that in Section 5(a) of **HB 2131** grants would be eligible to be given for septic systems. He requested that be removed from the bill as he believed it was a local environmental sanitary code issue. Questions and discussion followed.

The fourth conferee and proponent of the bill was Nick Phillippi, Mid-America Tire Dealers Association (Attachment 4).

The fifth conferee was Bill Riphon, Director of Planning and Development, Parks and Recreation Department, City of Topeka. Mr. Riphon said the City of Topeka was in favor of the grant portion of the bill.

The sixth conferee and proponent of **HB 2131** was Mike Sorcher with the Tire Energy Corporation (Attachment 5). Mr. Sorcher said it was important for KDHE to have the necessary funding and personnel to watch over the ongoing tire problem and he said the biggest key toward recycling is enforcement.

The seventh conferee and proponent was Randy Allen, Executive Director, Kansas Association of Counties (Attachment 6).

Senator Tyson closed the hearing on **HB 2131**.

Senator Tyson turned the Committee's attention to **House Concurrent Resolution 5008**, a resolution urging the Congress of the United States to provide funding to the United States Army Corps of Engineers to study reallocation of storage space from the flood control pool to the conservation pool in John Redmond Lake in Coffey County, Kansas.

Conferee Earl Lewis spoke in support of **HCR 5008** (Attachment 7). Mr. Lewis said this resolution would help to provide the State's position on the importance of water supply storage in Kansas and bring the issue of siltation in federal lakes in Kansas to the attention of the United States Congress. Discussion followed his testimony.

Senator Tyson closed the hearing on **HCR 5008**.

Senator Tyson opened the hearing on **House Concurrent Resolution 5009**. Staff of Legislative Research explained the resolution. Raney Gilliland said that **HCR 5009** would urge the Congress of the United States to appropriate funds through the federal farm program to assist states to conserve and preserve the High Plains Aquifer consistent with the recommendations contained in the Kansas Water Office Committee Report on Federal Action Necessary for the Conservation and Environmental Preservation of the High Plains Aquifer dated October 27, 2000.

Conferee Chris Wilson, representing the Kansas Groundwater Management District No. 3, said they supported the resolution (Attachment 8).

Written testimony was submitted by proponent Al LeDoux, Kansas Water Office (Attachment 9).

Senator Tyson closed the hearing on **HCR 5009**.

Senator Tyson asked the Committee to work **HB 2048**, concerning riparian buffers. Senator Downey moved to pass out favorably **HB 2048**, seconded by Senator Lee. The motion passed.

Monday, the meeting will consist of hearing the subcommittee report on **HB 2047**, concerning water banking, and working other bills.

The meeting adjourned at 9:30.

The next meeting is scheduled for March 19 at 8:30 a.m. in Room 423-S.

SENATE NATURAL RESOURCES COMMITTEE

GUEST LIST

DATE: 3-16-01

NAME	REPRESENTING
PHIL WITTEK	JOHNSON COUNTY (ENV. DEPT.)
ELMER RONNEBAUM	KS RURAL WATER ASSOCIATION
Randy Allen	Kansas Assoc. of Counties
Earl Lewis	Kansas Water Office
Cathy Tucker-Vogel	Kansas Water Office
MIKE SORCHER	TIRE ENERGY CORP.
BILL RIPHANN	CITY OF TOPEKA
Chris Wilson	SW Kansas GMD # 3
Wendy Moses	Ks. Aggregate Prod. Assn.
STEVE KEARNEY	WASTE MANAGEMENT/KAR
GREG A. FOLEY	Ks DEPT. OF AGRIC.
Joe Lieber	KS. CO-OP COUNCIL
Lodd Johnson	KLA
Shawn Henrich	MATDA
David Miller	NOB
Doug Smith	Pinegar-Smith Company
CHAD LUCE	KDWT
Bill Bider	KDHE
Red Hunter	KDHE



P.O. Box 226 • Seneca, KS 66538 • 785/336-3760
FAX 785/336-2751 • <http://www.krwa.net>

**COMMENTS ON HOUSE BILL 2234
BEFORE THE SENATE NATURAL RESOURCES COMMITTEE
MARCH 16, 2001**

Mr. Chairman and Members of the Committee:

The Kansas Rural Water Association appreciates this opportunity to present comments on House Bill 2234.

I am Elmer Ronnebaum, General Manager of the Kansas Rural Water Association. The Association provides training and technical assistance to rural water districts and cities on both water and wastewater issues. Kansas has nearly 300 rural water districts, dating back to the 1950s and new systems being formed each year. I have attached a map of boundaries of the systems as they were last documented in 1994.

Boundaries for rural water districts are established based on a petition signed by landowners and presented to the county commission. As the attached map demonstrates, there are areas between districts that are sometimes unserved. Many districts also have lands within their boundaries that are not served because the people did not join in the original project and funding. There are generally limited facilities on the outlying areas of any district. Also, when a landowner applies for service to an existing system, that applicant is generally expected to pay costs of any extension to install the pipeline to the property. Sometimes, a neighboring system can provide service at a more reasonable cost than can the district in which the land is located. In rare cases, a board of directors has denied release of land from a district so that landowner can obtain service from the neighboring system. There have also been isolated instances when local rural water district boards have not acted on the request for release in a timely fashion.

This past year, the Association asked six attorney who actively represent more than 50 rural water districts to help design a remedy for any owner of land who requests to be released from a rural water district and who is not satisfied with the determination of the rural water board of directors. This bill reflects the recommendations formulated by that committee.

HB 2234 provides an appeal process to district court for landowners who are denied release. The Kansas Rural Water Association encourages your support of HB 2234.

Respectfully submitted,

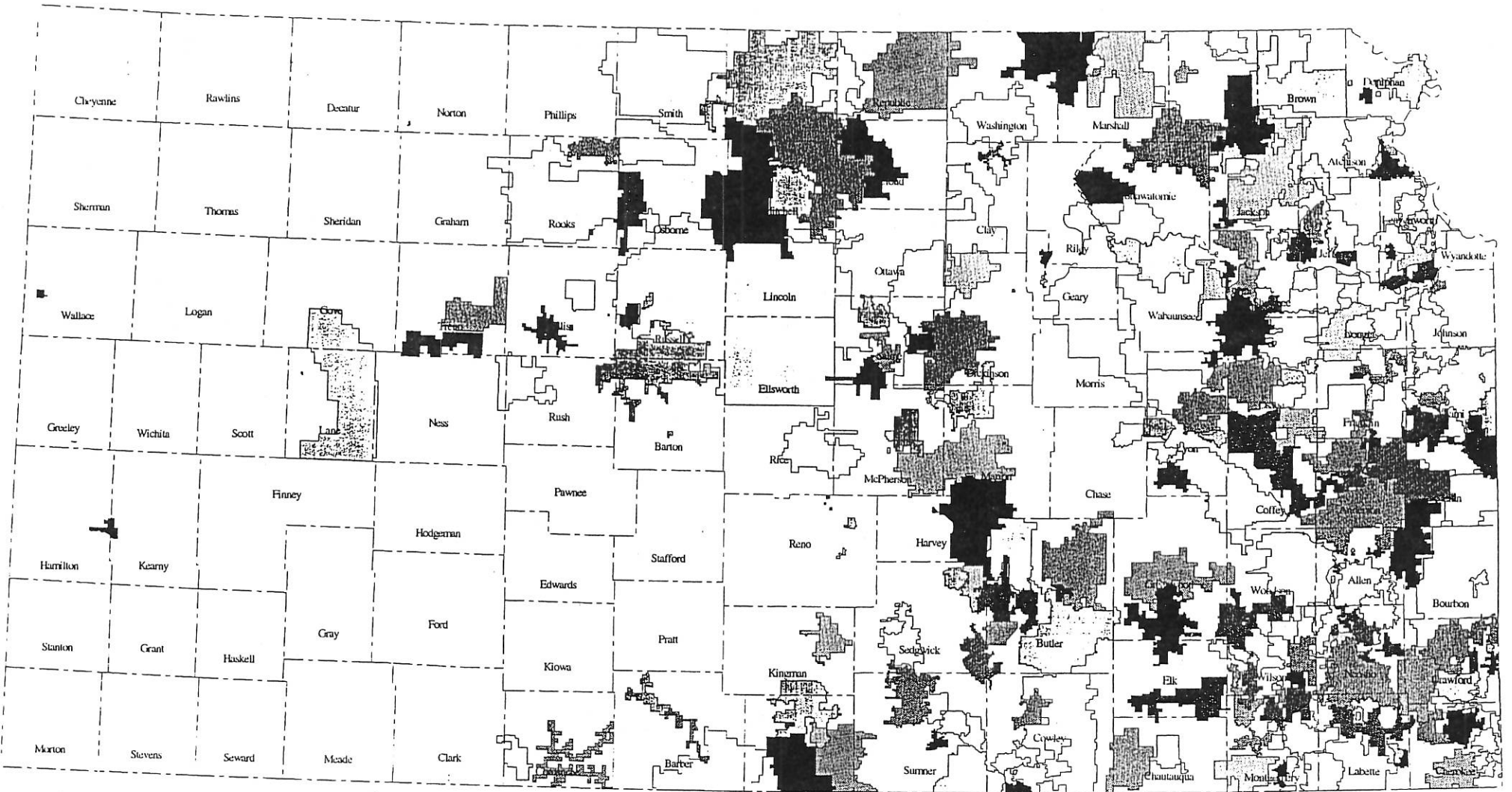

Elmer Ronnebaum
General Manager

Senate Natural Resources Committee

Date *3-16-01*

Attachment # *1*

Rural Water Districts in Kansas



Published cooperatively by:
Kansas Rural Water Association
Kansas Water Office
Kansas Department of Health and Environment



KANSAS
DEPARTMENT OF HEALTH AND ENVIRONMENT
BILL GRAVES, GOVERNOR
Clyde D. Graeber, Secretary

Testimony on House Bill 2131
“Waste Tire Bill”
to
The Senate Energy and Natural Resources Committee

presented by
Bill Bider, Director, Bureau of Waste Management

March 16, 2001

The Department of Health and Environment appreciates this opportunity to provide testimony in support of House Bill 2131, a waste tire bill drafted and introduced at the request of the department. Several changes to the department’s initial proposal were made by the House Environment Committee; however, KDHE is still supportive of the bill. The department recommends that two additional changes be made to the bill by the Senate. These amendments are included in the attached “balloon” and discussed later in this testimony when related provisions are addressed.

Some background information may be valuable to understanding the need for waste tire legislation at this time. Through grants and direct contracts, KDHE has utilized moneys collected from the waste tire excise tax to clean up over 11 million waste tires that were accumulated before July 1, 1990. These were considered “pre-law” waste tires. When the current waste tire laws were passed, it was assumed that the clean-up work would be over by July 1, 2001, so the state could get out of the clean-up business at that time. Pile clean-up responsibility shifts to counties on July 1 and the excise tax of \$.50 per tire drops to \$.25. At that time, state law directs KDHE to focus state resources on permitting, technical assistance, and the funding of the local enforcement grant program where counties and regions work with KDHE to minimize the development of future waste tire problems.

A major public meeting took place in May 2000 in Salina to review the waste tire situation in Kansas and the anticipated implementation of the existing statutes. It appeared unanimous among the 100 or more persons in attendance that the statutes should be changed to allow continued state clean-up work in certain situations, such as remaining pre-law piles and illegal accumulations when the responsible party was unknown or unable to perform the work. To provide adequate funding for this clean-up work, the excise tax needs to be maintained at \$.50 per tire, for some period of time. Fairly good agreement was also reached regarding the utilization of a portion of the excise tax to stimulate the recycling of waste tires into usable consumer or industrial products.

The current version of the bill would result in the following major changes to the state waste tire program:

1. The tire excise tax of \$.50 per tire would be retained until June 30, 2003 at which time the tax drops to \$.25 per tire.
2. The state would maintain authority to clean up "pre-law" waste tire piles until June 30, 2003. The state would also receive new authority to clean up illegal waste tire accumulations when the responsible party is unknown, or unwilling or unable to perform the clean-up using tire funds. Local governments would need to contribute 25% of the clean-up cost for such cases.
3. The existing local waste tire enforcement grant program would be deleted from current law.
4. KDHE would be authorized to spend an additional \$50,000 per year over the current statutory cap to hire one additional person to carry out duties related to compliance assistance, inspections, and enforcement.
5. A new competitive waste tire recycling grant program would be implemented to stimulate the formation of in-state businesses which process waste tires or utilize tire-derived material to manufacture consumer or industrial products. The program would provide grants to the purchasers of products made from tire-derived rubber paying up to 50% of the costs of such purchases.
6. Waste tire disposal in municipal solid waste landfills would be allowed as long as the tires are processed.
7. KDHE would be required to enter into a contract with one or more associations representing tire retailers to obtain services related to: (1) educating tire retailers regarding waste tire laws and regulations; (2) operating a toll free number to receive compliance questions related to waste tire management and complaints from the public regarding suspected violations of waste tire laws and regulations; and (3) to analyze complaints and refer cases to KDHE for enforcement when necessary.

KDHE is opposed to the provision of law which requires KDHE to enter a contract and assign certain compliance and enforcement responsibilities to a trade association which represents a portion of the tire retailers in Kansas. However, the department does support contracting with such an association to provide services related to educating the regulated community, answering questions related to compliance, and even conducting surveys of the regulated businesses to help assess compliance and to determine areas where technical outreach should be emphasized. The department is proposing an amendment to the bill on page 13 which modifies the goals of such contracts. KDHE has

worked with the Mid-America Tire Dealers Association prior to this hearing and we believe they are in agreement with this proposal.

The department also recommends a technical change on page 9 of the bill. When the excise tax is reduced to \$.25 per tire on July 1, 2003, the maximum percent of total tax revenue which may be used for program administration must be increased to 36% to maintain the same level of funding. We believe this change was not purposely overlooked by the House, but rather was not identified as a necessary change.

Finally, KDHE would like to point out that the amount of resources dedicated to compliance inspections, complaint investigations, and enforcement in the waste tire program is currently about 1 FTE. The work cannot be adequately accomplished with one person. No tire program resources are available for technical assistance and general outreach. This bill provides funds to add a second FTE which will be a significant improvement, but two field staff for a statewide regulatory program consisting of 60 permitted waste tire processors, transporters, and landfills and thousands of regulated retailers will be a great challenge for the department. It is noteworthy that the State of Kansas has spent over \$12 million dollars to clean up waste tire problems and we need to ensure that major problems do not reoccur.

Thank you for this opportunity to appear before the committee in support of HB 2131.

HOUSE BILL No. 2131

By Committee on Environment

1-23

10 AN ACT concerning waste tires; amending K.S.A. 2000 Supp. 65-3424,
11 65-3424a, **65-3424b**, 65-3424d, 65-3424f, 65-3424g, 65-3424k and 65-
12 3426 and repealing the existing sections.

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

15 Section 1. K.S.A. 2000 Supp. 65-3424 is hereby amended to read as
16 follows: 65-3424. As used in K.S.A. 65-3424 through 65-3424i, and
17 amendments thereto, unless the context otherwise requires:

18 (a) *Terms have the meaning provided by K.S.A. 65-3402, and amend-*
19 *ments thereto.*

20 (b) "Abatement" means the processing or removing to an approved
21 storage site of waste tires which are creating a danger or nuisance.

22 ~~(b)~~ (c) "Beneficial use" means the use or storage of waste tires in a
23 way that creates an on-site economic benefit, ~~other than from processing~~
24 ~~or recycling~~, to the owner of the tires.

25 ~~(c)~~ (d) "Contaminated waste tire" means a tire which, as determined
26 in accordance with rules and regulations adopted by the secretary, is re-
27 covered in a project to abate a waste tire accumulation and is so coated
28 by or filled with dirt, mud, sludge or other natural substances as to render
29 the tire substantially unsuitable for processing.

30 ~~(d)~~ (e) "Landfill" means a disposal site in which the method of dis-
31 posing of solid waste is by landfill, dump or pit and which has a solid
32 waste disposal area permit issued under K.S.A. 65-3401 et seq., and
33 amendments thereto.

34 ~~(e)~~ (f) "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)~~ (g) "Process" means ~~bale or~~ (1) Cut or otherwise alter whole
41 waste tires so that they are no longer whole; or (2) *bale for disposal or*
42 *beneficial use.*

43 (i) ~~"Secretary" means the secretary of health and environment.~~

2-4

1 —~~(j)~~ (h) “Store” or “storage” means the placing of waste tires in a man-
 2 ner that does not constitute disposal of the waste tires. Storage includes
 3 the beneficial use of waste tires as silo covers and such other beneficial
 4 uses as the secretary determines do not create health or environmental
 5 risks.

6 ~~(k)~~ (i) “Tire” means a continuous solid or pneumatic rubber covering
 7 used to encircle the wheel of a vehicle or aircraft, or an innertube of such
 8 a covering.

9 ~~(l)~~ (j) “Tire retailer” means a person in the business of selling new or
 10 used replacement tires at retail.

11 ~~(m)~~ (k) “Used tire” means a tire that: (1) Has been removed from a
 12 wheel following a period of use or remains on a wheel removed from a
 13 vehicle or aircraft following a period of use; and (2) has been determined
 14 to have value in accordance with rules and regulations established pur-
 15 suant to subsection (e)(7) of K.S.A. 65-3424b, and amendments thereto.

16 ~~(n)~~ (l) “Vehicle” has the meaning provided by K.S.A. 8-1485 and
 17 amendments thereto and includes implements of husbandry, as defined
 18 by K.S.A. 8-1427 and amendments thereto.

19 ~~(o)~~ (m) “Waste tire” means a whole tire that: (1) Has been removed
 20 from a wheel following a period of use or remains on a wheel removed
 21 from a vehicle or aircraft following a period of use; and (2) is no longer
 22 suitable for its original intended purpose because of wear, damage or
 23 defect.

24 ~~(p)~~ (n) “Waste tire collection center” means a site where used or
 25 waste tires are collected from the public or from customers of a business
 26 prior to being offered for recycling or disposal.

27 ~~(q)~~ (o) “Waste tire processing facility” means a fixed site where equip-
 28 ment is used to process waste tires.

29 ~~(r)~~ (p) “Waste tire site” means a site at which 1,000 or more whole
 30 waste tires are accumulated. “Waste tire site” does not include: (1) A site
 31 that is an integral part of a permitted waste tire processing facility; (2) an
 32 accumulation of tires on the premises of a tire retreading business, for
 33 use in the business; (3) an accumulation of tires on the premises of a
 34 business that, in the ordinary course of business, removes tires from mo-
 35 tor vehicles; ~~or~~ (4) an accumulation of tires on the premises of a tire
 36 retailer, accumulated in the normal course of the tire retailer’s business;
 37 *or (5) an accumulation of tires which has a beneficial use approved by*
 38 *statute or rules and regulations adopted by the secretary, or by the sec-*
 39 *retary pursuant to statute or rules and regulations.*

40 Sec. 2. K.S.A. 2000 Supp. 65-3424a is hereby amended to read as
 41 follows: 65-3424a. (a) The owner or operator of any waste tire site shall
 42 provide the department with information concerning the site’s location
 43 and size and the approximate number of waste tires that are accumulated

at the site.

2 (b) No person shall:

3 (1) Maintain a waste tire site unless such person holds a valid permit
4 issued for such site pursuant to K.S.A. 65-3424b and amendments
5 thereto;

6 (2) dispose of waste tires in the state unless the waste tires are dis-
7 posed of for processing, or collected for processing, at a solid waste proc-
8 essing facility, a waste tire site which is an integral part of a waste tire
9 processing facility, a waste tire processing facility or a waste tire collection
10 center or are made available to: (A) The department of wildlife and parks
11 for use by the department; or (B) a person engaged in a farming or ranch-
12 ing activity, including the operation of a feedlot as defined by K.S.A. 47-
13 1501, and amendments thereto, as long as the accumulation has a bene-
14 ficial use to the person accumulating the tires and (i) the secretary
15 determines that the use has no adverse environmental effects and (ii) the
16 accumulation is in accordance with all applicable zoning regulations;

17 (3) deposit waste tires in a landfill as a method of ultimate disposal,
18 except that the secretary *may authorize*, by rules and regulations, ~~may~~
19 ~~authorize or by permits issued pursuant to K.S.A. 65-3407, and amend-~~
20 ~~ments thereto:~~ (A) The final disposal, ~~before July 1, 1999, of uncontami-~~
21 ~~nated of processed waste tires at a municipal landfill if the tires have been~~
22 ~~cut into sufficiently small parts to assure their proper disposal;~~ (B) the
23 final disposal of processed waste tires at a permitted waste tire monofill;
24 ~~(C) permitted municipal solid waste landfills and permitted waste tire~~
25 ~~monofills;~~ (B) the final disposal of contaminated whole, unprocessed
26 waste tires at a municipal landfill or permitted waste tire monofill; ~~(D)~~
27 ~~permitted municipal solid waste landfills and permitted waste tire mon-~~
28 ~~ofills;~~ (C) the use of waste tires in their original state as part of a proven
29 and approved leachate collection system at a landfill; or ~~(E) (D)~~ the use
30 of waste tires which have been cut into two or more parts as daily cover
31 material for a landfill; or

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

36 **Sec. 3. K.S.A. 2000 Supp. 65-3424b is hereby amended to read**
37 **as follows: 65-3424b. (a) The secretary shall establish a system of**
38 **permits for mobile waste tire processors and waste tire processing**
39 **facilities and permits for waste tire transporters and collection cen-**
40 **ters. Such permits shall be issued for a period of one year and shall**
require an application fee established by the secretary in an
amount not exceeding \$250 per year.

43 (b) The secretary shall adopt rules and regulations establishing

standards for mobile waste tire processors, waste tire processing facilities and associated waste tire sites, waste tire collection centers and waste tire transporters. Such standards shall include a requirement that the permittee file with the secretary a bond or other financial assurance in an amount determined by the secretary to be sufficient to pay any costs which may be incurred by the state to process any waste tires or dispose of any waste tires or processed waste tires if the permittee ceases business or fails to comply with this act.

(c) Any person who contracts or arranges with another person to collect or transport waste tires for storage, processing or disposal shall so contract or arrange only with a person holding a permit from the secretary. Any person contracting or arranging with a person, permitted by the secretary, to collect or transport waste tires for storage, processing or disposal, transfers ownership of those waste tires to the permitted person and the person contracting or arranging with the person holding such permit to collect or transport such tires shall be released from liability therefor. Any person contracting or arranging with any person, permitted by the secretary, for the collection ~~or, transportation, storage, processing or disposal~~ of such tires shall maintain a record of such transaction for a period of not less than five years following the date of the transfer of such tires.

(d) No person shall:

(1) Own or operate a waste tire processing facility or waste tire collection center or act as a mobile waste tire processor or waste tire transporter unless such person holds a valid permit issued therefor pursuant to subsection (a); or

(2) own or operate a waste tire processing facility or waste tire collection center or act as a mobile waste tire processor or waste tire transporter except in compliance with the standards established by the secretary pursuant to subsection (b).

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

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

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

(3) a retail tire-selling business which is serving as a waste tire collection center if fewer than 1,500 waste tires are kept on the business premises;

(4) the department of wildlife and parks;

(5) a person engaged in a farming or ranching activity, includ-

1 ing the operation of a feedlot as defined by K.S.A. 47-1501, and
2 amendments thereto, as long as the accumulation has a beneficial
3 use;

4 (6) a waste tire collection center where fewer than 1,500 used
5 tires are kept on the premises;

6 (7) a waste tire collection center where 1,500 or more used
7 tires are kept on the premises, if the owner demonstrates through
8 sales and inventory records that such tires have value, as estab-
9 lished in accordance with standards adopted by rules and regula-
10 tions of the secretary;

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

14 (9) a person transporting: (A) Waste tires mixed with other mu-
15 nicipal solid waste; (B) fewer than five waste tires for lawful dis-
16 posal; (C) waste tires generated by the business, farming activities
17 of the person or the person's employer; or (D) waste tires for a
18 beneficial use approved by statute or rules and regulations
19 adopted by the secretary; or

20 (10) a business engaged in processing, for resource recovery
21 purposes, only waste tires generated by the business.

22 (f) All fees collected by the secretary pursuant to this section
23 shall be remitted to the state treasurer. The state treasurer shall
24 deposit the entire amount of the remittance in the state treasury
25 and credit it to the waste tire management fund.

26 Sec. 4. K.S.A. 2000 Supp. 65-3424d is hereby amended to read
27 as follows: 65-3424d. (a) In addition to any other tax imposed upon the
28 retail sale of new vehicle tires, there is hereby imposed on retail sales of
29 new vehicle tires (excluding innertubes), including new tires mounted on
30 a vehicle sold at retail for the first time, an excise tax at the following rate:

31 ~~(1) Before July 1, 2001, of \$.50 per vehicle tire, and (2) on or after July~~
32 ~~1, 2001, \$.25 at the rate of \$.50 per vehicle tire before July 1, 2003,~~
33 **and \$.25 per vehicle tire on and after July 1, 2003.** Such tax shall be
34 paid by the purchaser of such tires and collected by the retailer thereof.

35 (b) The tax imposed by this section collected by the retailer shall
36 become due and payable as follows: When the total tax for which any
37 retailer is liable under this act does not exceed the sum of \$80 in any
38 calendar year, the retailer shall file an annual return on or before January
39 25 of the following year; when the total tax liability does not exceed \$1,600
40 in any calendar year, the retailer shall file returns quarterly on or before
41 the 25th day of the month following the end of each calendar quarter;
42 when the total tax liability exceeds \$1,600 in any calendar year, the retailer
43 shall file a return for each month on or before the 25th day of the follow-

1 ing month. Each person collecting the tax imposed pursuant to this sec-
2 tion shall make a true report to the department of revenue, on a form
3 prescribed by the secretary of revenue, providing such information as may
4 be necessary to determine the amounts of taxes due and payable here-
5 under for the applicable month or months, which report shall be accom-
6 panied by the tax disclosed thereby. Records of sales of new tires shall be
7 kept separate and apart from the records of other retail sales made by
8 the person charged to collect the tax imposed pursuant to this section in
9 order to facilitate the examination of books and records as provided
10 herein.

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

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

25 (e) The secretary of revenue shall remit daily to the state treasurer
26 all revenue collected under the provisions of this section. The state trea-
27 surer shall deposit the entire amount of each remittance in the state
28 treasury and credit it to the waste tire management fund.

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

36 (g) The secretary of revenue and the secretary of health and environ-
37 ment shall cooperate to: (1) Ensure that retailers required to collect the
38 tax imposed by this section collect such tax on sales of tires for all vehicles,
39 as defined by K.S.A. 65-3424 and amendments thereto; and (2) develop
40 and distribute to tire retailers educational materials that emphasize ap-
41 propriate waste tire management practices.

42 Sec. 4-5. K.S.A. 2000 Supp. 65-3424f is hereby amended to read as
43 follows: 65-3424f. (a) ~~The secretary shall establish a program to make~~

1 abatement grants to private companies, cities and counties which, indi-
2 vidually or collectively, submit to the secretary plans approved by the
3 secretary. Abatement grants shall be used for: (1) Projects to abate waste
4 tire accumulations in existence before July 1, 1990, but no grants for such
5 projects shall be used for any tires accumulated, or added to an existing
6 accumulation, on or after July 1, 1990, and (2) programs to allow free
7 lawful disposal of waste tires not generated in the ordinary course of a
8 business, but not more than one such program shall be conducted per
9 county. Not more than one abatement grant shall be awarded to abate
10 the same waste tire accumulation unless it can be demonstrated by the
11 applicant that the waste tire accumulation exceeded initial quantity esti-
12 mates or that unknown circumstances, identified by the applicant, in-
13 creased project difficulty and cost. No abatement grant payment shall be
14 made on or after July 1, 2002. In awarding abatement grants, the secretary
15 shall give preference to projects which include waste tire recycling or
16 energy recovery. The secretary may authorize waste tire landfilling under
17 abatement grant projects if the waste tires are contaminated or if no
18 practical in-state markets are identified.

19 —(b) The secretary shall establish a program to make enforcement
20 grants to counties *having populations of more than 100,000* which, indi-
21 vidually or collectively, submit to the secretary plans approved by the
22 secretary. Enforcement grants shall be used to pay the county's or coun-
23 ties' costs of assessing and enforcing compliance with this act and rules
24 and regulations adopted under this act and to educate the public on the
25 provisions and purposes of this act. Enforcement grants shall be for an
26 amount not exceeding 75% of the costs incurred by the county or counties
27 for eligible costs.

28 —(b) (a) *The secretary shall establish a competitive waste tire recycling*
29 *grant program to stimulate the processing of waste tires and the use and*
30 *purchase of tire-derived products. Recycling grants under such program*
31 *may be made to cities, counties, schools, colleges, universities, regional*
32 *entities that are part of an interlocal agreement entered into pursuant to*
33 *K.S.A. 12-2901 et seq., and amendments thereto, private companies and*
34 *nonprofit organizations to purchase tire chips and other tire-derived*
35 *products for playgrounds, running tracks, hiking trails, septic systems*
36 *or other uses approved by the secretary to stimulate in-state businesses*
37 *and institutions to process waste tires and utilize tire-derived material to*
38 *manufacture and market consumer, commercial or industrial products.*
39 *Waste tire recycling grants shall be in an amount not exceeding 75% 50%*
40 *of the cost of the approved purchase. Approved purchases may be from*
41 *in-state and out-of-state companies in fiscal years 2002 and 2003. After*
42 *July 1, 2003, approved purchases shall be only from companies which are*
43 *located in Kansas and which recycle waste tires generated in Kansas at a*

~~minimum rate of 50% of total waste tire throughput.~~ **Grants may be awarded only for purchases from companies utilizing a minimum of 50% Kansas-generated waste tires in their recycling process.** Applications for waste tire recycling grants shall be reviewed by the solid waste grants advisory committee established pursuant to K.S.A. 65-3426, and amendments thereto, which shall make recommendations to the secretary regarding project eligibility and funding.

~~(e) Private companies, cities and counties may join together, pooling their financial resources, when utilizing their grants for the purposes described in subsection (a).~~

~~(d) (b) The secretary may provide technical assistance, upon request, to a private company, city, county or group of private companies, cities or counties desiring assistance any eligible entity in applying for waste tire grants or choosing a method of waste tire management which would be an eligible use of the grant funds described in subsections (a) and (b).~~ **subsection (a)**

~~(e) (c) The secretary shall submit to the legislature, on or before the first day of the regular legislative session each year, a report of all grants made pursuant to this section. The report shall include: (1) The total contract amounts awarded for each type of grant in each fiscal year and, of those amounts, the total amount awarded to individual counties, groups of counties and private entities; and (2) with respect to each grant awarded, the contract amount and type of grant, the recipient, a description of the project for which the grant was awarded, the number of tires involved and the amount actually spent. The secretary shall submit the report by filing it with the secretary of the senate, the chief clerk of the house of representatives and the chairperson and ranking minority member of each of the senate and house committees on energy and natural resources.~~

Sec. ~~5~~ **6.** K.S.A. 2000 Supp. 65-3424g is hereby amended to read as follows: 65-3424g. (a) There is hereby established in the state treasury the waste tire management fund.

(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 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. 2000 Supp. 65-3424k and amendments thereto;

(6) any interagency 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.

(c) Moneys in the waste tire management fund shall be used only for the purpose of:

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

(2) paying compensation and other expenses of employing personnel to carry out the duties of the secretary pursuant to K.S.A. 65-3424 through 65-3424h, and amendments thereto, but not more than ~~the following shall be used for such purpose: (A) For fiscal years beginning before July 1, 2002, 16% or \$200,000 35% or \$500,000, whichever amount is less, of the moneys credited to the fund during the preceding fiscal year; and (B) for fiscal years beginning on or after July 1, 2002, 32% or \$200,000 18% or \$250,000, whichever amount is less, of the moneys credited to the fund during the preceding fiscal year;~~

the following shall be used for such purpose: (A) for fiscal years beginning before July 1, 2003, 18% or \$250,000, whichever is less, of the moneys credited to the fund during the preceding fiscal year and (B) for fiscal years beginning on or after July 1, 2003, 36%

delete

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

~~(4) action by the department before July 1, 2001, to abate waste tires accumulated by a city or county as a result of a temporary waste tire amnesty collection program, authorized by the department, to allow residents of the city or county free disposal of waste tires generated by farming and ranching activities and waste tires not generated in the ordinary course of any other business, provided that not more than one such amnesty program is conducted by the city or county after January 1, 1990; and~~

~~(5) action by the department after July 1, 2001, to implement interim measures to minimize nuisances or risks to public health or the environment that are or could be created by waste tire accumulations, until the responsible party or county can fully abate the site~~

~~with the consent of the city or county, payment~~ (3) action by the department before July 1, 2003, to abate waste tires accumulated prior to July 1, 1990;

(4) action by the department to implement interim measures to minimize nuisances or risks to public health or the environment that are or could be created by waste tire accumulations, until the responsible party can fully abate the site or until a state clean-up occurs pursuant to K.S.A. 65-3424k, and amendments thereto;

(5) **action by the department, with the consent of the city or county, to pay for the removal and disposal or on-site stabilization of waste tires which have been illegally accumulated after July 1, 1990 or, with respect to the conditions of a permit issued by the department pursuant to K.S.A. 65-3407 or 65-3424b, and amendments thereto, illegally managed, when the responsible party is unknown or unwilling or unable to perform the necessary corrective action, provided moneys in the fund shall only be used to pay up to 75% of the costs of the required abatement action and the city or county shall pay the remaining 25% of such costs; and**

~~(4) the costs of using contractors to provide public education and technical training to persons involved with the management of waste tires~~

(6) the costs of using contractors to provide: (A) Public education regarding proper management of waste tires; (B) technical training of persons on the requirements of solid waste laws and rules and regulations relating to waste tires; and (C) services described in subsection (i) of K.S.A. 65-3424k, and amendments thereto.

(d) All expenditures from the waste tire management fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary.

(e) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the waste tire management fund interest earnings based on: (1) The average daily balance of moneys in the waste tire management fund for the preceding month; and (2) the net earnings rate for the pooled money investment portfolio for the preceding month.

Sec. 6. 7. K.S.A. 2000 Supp. 65-3424k is hereby amended to read as follows: 65-3424k. (a) ~~Before July 1, 2001, the secretary may undertake appropriate abatement action and may enter into contracts, including grant contracts, for abatement of waste tire accumulations, utilizing funds from the waste tire management fund. After July 1, 2001, the secretary's actions shall be limited to contractual services to perform interim measures designed to minimize nuisances or risks to public health or the environment created by a waste tire accumulation. Before July 1, 2003, the secretary may undertake appropriate abatement action and may enter into contracts for the abatement of waste tires accumulated before July 1, 1990, utilizing funds from the waste tire management fund.~~

(b) ~~(b) Any authorized representative of the secretary may enter, at reasonable times and upon written notice, onto any property or premises where an accumulation of waste tires is located to conduct an abatement of the accumulation or to perform interim measures to minimize nui-~~

~~sancess or risks:~~ (1) An inspection and site assessment to determine whether the accumulation creates a nuisance or risk to public health ~~or and safety~~ or to the environment created by a waste tire accumulation; or (2) interim measures to minimize risk to public health and safety or to the environment.

~~(e) (b) (c)~~ Whenever the secretary has reason to believe that an ~~owner or operator has accumulated waste tires that create accumulation of waste tires creates~~ a nuisance or risk to public health ~~or and safety~~ or to the environment or is in violation of rules and regulations adopted by the secretary or conditions of a permit issued by the secretary, the secretary may require ~~that owner or operator to abate the accumulation the person or persons responsible for the accumulation to carry out abatement activities.~~ Such abatement activities shall be performed in accordance with a plan approved by the secretary. The secretary shall give notice, by letter, to the ~~property owner and operator responsible parties~~ that the waste tires constitute a nuisance or risk to public health or the environment, and that the waste tire accumulation must be abated within a specified period. ~~Before July 1, 2001,~~ The secretary may undertake abatement action utilizing funds from the waste tire management fund if ~~the owner or operator fails responsible parties fail to take the required action within the specified time period.~~ After July 1, 2001, the secretary's actions shall be limited to contractual services to perform interim measures designed to minimize nuisances or risks to public health or the environment created by a waste tire accumulation.: (1) **The waste tires were accumulated before July 1, 1990, and abated before July 1, 2003; or**

(2) **the waste tires were accumulated after July 1, 1990, and the responsible parties fail to take the required action within the time period specified in the notice.** *The department and its representatives are authorized to enter private property to perform abatement activities if the responsible party fails to perform required clean-up work, but no entry shall be made without the property owner's consent except upon notice and hearing in accordance with the Kansas administrative procedures act.*

~~(e) (d)~~ All costs incurred by the secretary in abatement of waste tires ~~accumulated after July 1, 1990~~ **accumulated after July 1, 1990**, or in performing interim measures, including administrative and legal expenses, are recoverable from ~~an owner or operator a responsible party or parties~~ and may be recovered in a civil action in district court brought by the secretary. ~~Abatement costs recovered under this section~~ *If any abatement costs are recovered under this section, the city or county that shared in the cost of the abatement action shall be reimbursed its costs not to exceed 25% of the amount recovered. The remaining amount recovered shall be remitted to the state treasurer, who shall deposit the entire*

amount in the state treasury and credit it to the waste tire management fund. An action to recover abatement or interim measures costs may be commenced at any stage of an abatement.

~~(d)~~ In performing or entering contracts for abatement actions under this section, the secretary shall give preference to actions that recycle the waste tires or burn the waste tires for energy recovery. Direct abatement expenditures may include landfilling when waste tires are contaminated or when practical in-state markets cannot be identified.

(e) In performing or entering contracts for abatement actions under this section, the secretary shall give preference to actions that recycle waste tires or burn waste tires for energy recovery. Direct abatement expenditures may include landfilling when waste tires are contaminated or when feasible in-state markets cannot be identified.

~~(d)~~ **(f)** *Permits granted by the secretary pursuant to K.S.A. 65-3424b, and amendments thereto, shall not be transferable and may be revoked or suspended whenever the secretary determines that the permit holder is operating in violation of this act or rules and regulations adopted pursuant to the act; is creating or threatens to create a hazard to persons, property or the environment; or is creating or threatens to create a public nuisance. The secretary may also revoke, suspend or refuse to issue a permit when the secretary determines that past or continuing violations of the provisions of K.S.A. 65-3409, and amendments thereto, have been committed by the applicant or permit holder.*

~~(e)~~ **(g)** Neither the state of Kansas nor the waste tire management fund shall be liable to any owner or operator or responsible party for the loss of business, damages or taking of property associated with any abatement or enforcement action taken pursuant to this section.

~~(f)~~ **(h)** *If the secretary determines that the recipient of a grant, awarded pursuant to K.S.A. 65-3424f, and amendments thereto, has utilized grant moneys for purposes not authorized in the grant contract, the secretary may order the repayment of such moneys and cancel any remaining department commitments under the grant. If the grant recipient fails to comply with the secretary's order, the secretary may initiate a civil action in district court to recover any unapproved expenditures, including administrative and legal expenses incurred to pursue such action. Recovered grant moneys shall be remitted to the state treasurer, who shall deposit the entire amount in the state treasury and credit it to the waste tire management fund.*

(i) The secretary shall enter into contracts with one or more associations of tire retailers to: (1) Assist in disseminating information to all tire retailers on the requirements of solid waste laws and rules and regulations relating to waste tires; (2) establish a

point of contact for persons ~~to report suspected violations of solid waste laws and rules and regulations relating to waste tires; (3) evaluate suspected violations reported to the association, including making contact with potential violators as appropriate to gather factual information and to provide notice of possible violations; and (4) refer cases to the secretary as appropriate to initiate administrative enforcement procedures pursuant to the provisions of the solid waste management act. Any such contract shall ensure that the secretary's authority to implement enforcement actions is not compromised by the actions of the contractor.~~

requesting information on

(3) assist in planning and implementing conferences, workshops, and other requested training events for persons involved in the generation, transportation, processing, or disposal of waste tires; and (4) assemble and analyze data on waste tire management by tire retailers in Kansas.

11 Sec. 7. 8. K.S.A. 2000 Supp. 65-3426 is hereby amended to read as follows: 65-3426. (a) There is hereby established within the department of health and environment the solid waste grants advisory committee, which shall be composed of seven members as follows:

15 (1) Six members appointed by the governor, two of whom shall represent the interests of regional solid waste management entities, two of whom shall represent the interests of counties, one of whom shall represent the interests of cities and one of whom shall represent the interests of the private sector;

20 (2) the secretary of health and environment or the secretary's designee.

22 (b) Appointive members of the solid waste grants advisory committee shall serve terms of two years. The secretary of health and environment or the person designated by the secretary shall serve as chairperson of the advisory committee.

26 (c) Members of the solid waste grants advisory committee shall receive amounts provided by subsection (e) of K.S.A. 75-3223 and amendments thereto for each day of actual attendance at any meeting of the advisory committee or any subcommittee meeting authorized by the advisory committee.

31 (d) The secretary of health and environment shall provide technical support related to the activities of the solid waste grants advisory committee, including but not limited to establishing project selection criteria, performing technology evaluations, assessing technical feasibility and determining consistency with the statewide solid waste management plan, the applicable county or regional solid waste management plan and regional activities.

38 (e) In accordance with schedules established by the secretary of health and environment, the solid waste grants advisory committee shall meet to review competitive grant applications submitted pursuant to subsection ~~(e)~~ (b) of K.S.A. 65-3415 and K.S.A. 65-3424f, and amendments thereto. The advisory committee shall establish a project priority list for each fiscal year in each grant program based upon the availability of funds

as estimated by the secretary and shall make recommendations regarding
2 the selection of grantees and the disbursement of moneys.

3 Sec. ~~8~~ 9. K.S.A. 2000 Supp. 65-3424, 65-3424a, **65-3424b**, 65-
4 3424d, 65-3424f, 65-3424g, 65-3424k and 65-3426 are hereby repealed.

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

2-17

TESTIMONY ON HOUSE BILL 2131
WASTE TIRE BILL
TO
THE SENATE NATURAL RESOURCES COMMITTEE
PRESENTED BY
PHIL WITTEK, DIRECTOR, JOHNSON COUNTY ENVIRONMENTAL DEPARTMENT

Honorable Senators:

Please let me introduce myself. My name is Phil Wittek, Director of the Johnson County Environmental Department. I'm a charter member of the Governor's Solid Waste Grants Advisory Committee and also assisted on this year's Kansas Association of Counties' platform committee.

Johnson County appreciates this opportunity to provide testimony in support of House Bill 2131 - with serious reservations. We would like to initiate discussion on two major points: Enforcement and the Excise Tax.

- Enforcement: The original bill contained provisions for a solid KDHE enforcement program. The amended version in front of you has that portion removed and, instead, is relying heavily on trade associations. This is ill-advised, inappropriate, and open to arbitrary, selective, and non-uniform decisions. A trade associate is not a regulatory agency and should not be placed in the awkward position of being a snitch - for lack of a better word. Certainly these associations are important in educating and providing information, but enforcement is not part of their mission. There's nothing prohibiting the membership and the associations from pursuing voluntary enforcement assistance to KDHE under current law. The trade associations have always had an opportunity to assist KDHE in this effort. Do restaurant associations enforce the state's food service statutes?
- Excise Tax: The original bill contained provisions for the excise tax to be maintained. Obviously, this must be done for KDHE's enforcement program. However, some consideration can be given to a longer time period before the tax would be subject to a reduction possibility. A legislative review after five years of enhanced enforcement may be appropriate.

We respectfully submit the following suggestions:

1. Reinstate the strong enforcement provisions as originally proposed by KDHE including enforcement grants and additional state personnel. This assures a broad-based, state-wide program. Why create a body of legislation and not provide for the arms and legs of enforcement?
2. Extend the \$0.50 excise tax for a longer period of time. Give everyone enough time to establish, implement, and measure performance. Five years with annual reviews may be appropriate. Remember, it took ten years to get this far.
3. Maintain the possibility of contracts with trade associations for providing education and information.

In closing, we applaud your previous legislative efforts that have been instrumental in removing and mitigating waste tire problems state-wide and trust you will continue these efforts.

Thank you for your consideration.
G:\Admin\MMDMISC\wastetirebill.testimony.wpd

Senate Natural Resources Committee
Date 3-16-01
Attachment # 3



Mid-America Tire Dealers Association

**STATEMENT
OF THE
MID-AMERICA TIRE DEALERS ASSOCIATION**

**Before the
Senate Natural Resources Committee
March 16, 2001**

**Presented by Nick Phillippi
Kansasland/Nebraskaland Tire Co.
Park City, Kansas
316.744.0401**

Good morning, my name is Nick Phillippi. I am the General Manager of a tire dealership with locations across Kansas, I am also the current President of the Mid-America Tire Dealers Association, and sit on the National Dealer Advisory Board of Goodyear Tire and Rubber. I appreciate the opportunity to present to this committee the position of the above parties.

After much back-and-forth work with the House committee and the KDHE, we feel HB 2131, as presented, sets forth a very solid working program for waste tire management. We feel the past program, the work done by KDHE and the tire dealers of Kansas was a well run and successful program that cleaned up waste tires throughout the state and set the foundation for total compliance by waste tire generators. We feel strongly that now is not the time to stop short of completion of this program by reducing the tire fee to 25¢ from the current 50¢. The public has accepted this fee and has become accustomed to it; we would also have some minor point of sale changes to make if the fee is changed. We support keeping this fee in place for a period of 2 extra years, because it is our belief that there is further clean up needs for waste tire piles that have not been identified. Most importantly we have an opportunity to eliminate the chance of illegal disposal by creating a market for waste tires. An ultimate goal will be to see people going out and getting waste tires out of ditches and pastures to turn them in for money, much like aluminum cans. This can be achieved if growth is promoted in the tire-derived products industry by allowing grants that will bridge the gap between current products available and those made of waste tires.

The vast majority of tire dealers are complying with the current laws of waste tire disposal; some lack the details on the specifics of the law but are in compliance with the spirit of the law. Those in compliance want all dealers to follow the rules for two reasons: those that do not operate legally, have an unfair competitive advantage on the expense side, and the industry overall gets a "black eye" when tires are dumped illegally.

The waste tire recycling grant program should be available to any and all entities that can meet the guidelines as set forth. This would include public and private companies or organizations that will purchase tire-derived products for beneficial use. The only stipulation is that the product being purchased is from at least 50% Kansas waste tires. There has been some concern about subsidizing a private industry; remember KDHE will have the final word on who receives the grants and the grants will go only to the end users of the products, not into development or overhead expenses of companies. The natural course of free enterprise will take over once the groundwork is laid. Once the equipment is paid for or the customers see the benefits of using the products, the cost will be lowered or the extra expense will be justified. Competition and new methods of processing will make more and more products available and affordable. We need only to stimulate the process with this grant program. Kansas is and can continue to be looked on with envy by other states that are just beginning to get a handle on their waste tire problem.

In the future we would like to see the elimination of dumping of tires in Municipal Solid Waste Landfills. We would prefer exclusive dumping in Monofills, so that those tires could be readily excavated for beneficial uses if the demand warrants that effort. Again with the addition of more and more tire-derived products, this will be a natural direction.

As far as entering into contracts with tire associations for the reasons of education, dissemination of information, setting up a point of contact for dealers and the public, organizing workshops or training for dealers and the public, and gathering and organizing data for waste tire management, this is only natural. There is not a better group to be part of the process than the group directly engaged in the day-to-day process and networking in the industry on a regular basis. The fact is that we would be able to do the program implementation much less expensively than a state agency or outside group. We have more reason to make this work than there is any conflict of interest problem that may be perceived. Some have stated that this is part of our association's job and that state money should not be used. However, we represent nearly 200 tire dealers, but there are 2000 or more tire retailers selling tires in Kansas. We need to have the funds to reach out and make sure that all persons or groups are educated on the laws and are trained in the proper disposal or recycling of waste tires.

The bottom line is that the pluses outnumber the minuses, and the passage of this bill will give the best use of funds to bring to finality a messy problem that we don't want to deal with again. Common sense must prevail; stopping or lowering the expense of tire disposal is the only way to eliminate tire "dumping." Not to mention a whole new industry that may employ many and bring money into the state may result from our efforts if we can be on the ground floor to help it grow.

Corporate Office
8101 COLLEGE BLVD, SUITE 210
OVERLAND PARK, KANSAS 66210
(913) 663-1775
FAX (913) 663-1784

Plant Office
4950 STILWELL ST.
KANSAS CITY, MO 64120
1-800-467-7057
(816) 241-8885
FAX (816) 241-0197

Testimony on HB2131 – Concerning Waste Tires

My name is Mike Sorcher. I am with Tire Energy Corporation. We are a scrap tire collection and recycling company that has been recycling waste tires since 1991. We are one of the larger waste tire recycling companies in the States of Kansas, Missouri and Oklahoma. In the State of Kansas, we presently collect waste tires for use as a supplemental fuel source at The Monarch Cement Company, located in Humboldt, Kansas. In addition, we also supply waste tires to other recyclers located outside of the state. To date, Monarch and Tire Energy have been responsible for recycling well over three million waste tires at the Humboldt cement plant. This was accomplished with no state grants, tax credits or financial incentives from the state or federal government. We invested our own private capital to make this a sustainable business.

Tire Energy supports many of the changes made to the existing waste tire legislation, but are in disagreement with the portion of HB2131 that deals with waste tire recycling grants. We would propose to delete Section 5 entirely. The state should not get involved in a grant program because it changes the economics of the “free market”. In addition, it has been shown time and time again in other states, that these types of grants do not allow *sustainable* waste tire recycling businesses to survive. We usually find these grant programs to be self serving to a few companies. However, given the supposed interest in this grant program, at a minimum, we would propose to make these grants an amount that does not exceed “10% of the cost of the approved product” (Section 5(a), line 39).

Another change we propose is in Section 5(a), line 41-43. This legislation would ban tire recycling companies located just outside of Kansas (i.e. Kansas City, MO, Tulsa, OK, etc.) that do recycle Kansas tires, from this grant program within two years. This is wrong. Why would the legislature want to take away the free market system. We would propose deletion of these sentences that limit purchases to only companies located in Kansas.

We would propose to redirect any grant funds to KDHE to assist in additional funding for enforcement of the waste tire regulations. As a large tire collector and recycler in this State, we know that if KDHE doesn't have the necessary personnel for “cracking down” on illegal tire haulers or processors, then recycling will never happen, no matter how much grant money you may use.

Thank you for your time.

Senate Natural Resources Committee
Date 3-16-01

Attachment # 5



KANSAS
ASSOCIATION OF
COUNTIES

Testimony concerning HB 2131
Senate Natural Resources Committee
March 16, 2001
Presented by Randy Allen, Executive Director
Kansas Association of Counties

Mr. Chairman and members of the committee, my name is Randy Allen, Executive Director of the Kansas Association of Counties. Thank you for the opportunity to testify *in support of HB 2131*, a waste tire bill drafted and introduced by the Kansas Department of Health and Environment.

Currently, KDHE finances four major activities using the tire disposal excise tax (currently \$.50). These include 1) the cleanup of illegal tire piles; 2) compliance and enforcement work with regard to waste tire piles; and 3) a business and public education program to promote waste tire management; and 4) waste tire recycling grants. Without legislative action, the responsibility for policing waste tire piles would shift from the state to counties.

At our annual meeting last fall, the KAC membership unanimously approved a statement urging extension of the state's waste tire fund, continuation of the current excise tax rate of \$.50 after July 1, 2001, and continued placement of responsibility for the waste tire program at the state level.

If you have questions, I would be happy to respond. Thank you.

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.

6206 SW 9th Terrace
Topeka, KS 66615
785•272•2585
Fax 785•272•3585
email kac@ink.org

Senate Natural Resources Committee

Date 3-16-01

Attachment # 6

STATE OF KANSAS



Bill Graves, Governor

KANSAS WATER OFFICE
Al LeDoux
Director

901 S. Kansas Ave.
Topeka, Kansas 66612-1249

785-296-3185
FAX 785-296-0878
TTY 785-296-6604

TESTIMONY BEFORE THE SENATE NATURAL RESOURCES COMMITTEE
March 16, 2001 at 8:00 a.m. in Room 423-N
House Concurrent Resolution 5008
Presented by Earl Lewis, Kansas Water Office

Mister chairman, I am here today to speak in support of House Concurrent Resolution 5008.

John Redmond Lake was built by the Corps of Engineers for flood control, water supply, water quality, and recreation purposes. The State of Kansas has signed contracts for water supply storage space in John Redmond Lake with the United States Army Corps of Engineers in both 1975 and 1996. The water supply storage space accounts for 76 percent of the conservation pool in John Redmond Lake.

The Kansas Water Office completed an analysis in 1997 that indicated the long-term yield of the reservoir would not support all of the current uses. Water service from this storage space has been placed under contract with the Cottonwood and Neosho River Basins Water Assurance District and with Kansas Gas and Electric for the Wolf Creek Nuclear Generating Station. A total of 18 cities and industries rely on the water contained in this storage space to supplement the natural flow of the basin.

During design of the lake, a portion of the storage in both the conservation and flood pools was set aside for sediment deposition. Recent surveys of the lake indicate the current rate of siltation is 725 acre-feet of loss per year. This rate is not much different than the original projection for the entire lake. However, this sediment is being deposited almost entirely in the conservation pool, which means the sediment allocation for the conservation pool is filling more quickly than originally estimated.

The Kansas Water Office has requested the Corps of Engineers to study the possibility of permanently raising the normal pool level by two feet to offset the increased rate of sediment entering the conservation pool. Provisions in both contracts with the federal government require that a redistribution of storage space be completed when a project purpose will be affected by unanticipated sediment distribution. A

Senate Natural Resources Committee
Date 3-16-01

Attachment # 7

reallocation study is necessary to determine the appropriate level to raise the permanent pool and to comply with the National Environmental Policy Act.

The reallocation study is underway at this time. However, the Corps of Engineers has not been successful in getting all of the funding to finish the project. \$331,000 was made available for this study this federal fiscal year. The Corps of Engineers indicates that they will need another \$75,000 in the coming fiscal year. I believe that the completion of this study is necessary to insure the State of Kansas' ability to provide water to our customers as required by contract. If a raise of the permanent pool is not accomplished, the existing contracts will have to be cut back within 15 years.

House Concurrent Resolution 5008 will provide support to allow the Corps of Engineers to receive the necessary funding to complete the reallocation study and implement the permanent pool raise. This resolution will help to provide the State's position on the importance of water supply storage in Kansas and bring the issue of siltation in federal lakes in Kansas to the attention of the United States Congress.

I will be happy to answer any questions you have at this time.

STATEMENT OF SOUTHWEST KANSAS
GROUNDWATER MANAGEMENT DISTRICT 3
TO THE SENATE NATURAL RESOURCES COMMITTEE
SEN. ROBERT TYSON, CHAIR
REGARDING HCR 5009
MARCH 16, 2001

Mr. Chairman and Members of the Committee, I am Chris Wilson, legislative liaison for Southwest Kansas Groundwater Management District 3. GMD 3 supports HCR 5009 and the encouragement of conservation cost-sharing measures for water use efficiency. We are hopeful such measures will be included in the next farm bill. Thank you for consideration of this measure to send such a recommendation to Congress.

STATE OF KANSAS



Bill Graves, Governor

KANSAS WATER OFFICE
Al LeDoux
Director

901 S. Kansas Ave.
Topeka, Kansas 66612-1249

**TESTIMONY BEFORE
SENATE NATURAL RESOURCES COMMITTEE
March 16, 2001 at 8:30 a.m. in Room 423-S
House Concurrent Resolution 5009**

785-296-3185
FAX 785-296-0878
TTY 785-296-6604

By Al LeDoux Secretary of the Kansas Water Authority

My name is Al LeDoux, and I am the Director of the Kansas Water Office. I am appearing today as the Secretary of the Kansas Water Authority, which requested introduction of this Resolution under its authority in K.S.A. 74-2622 (c). K.S.A. 74-2622 (a) established the Kansas Water Authority within and a part of the Kansas Water Office.

The Kansas Water Authority approved the *Kansas Water Plan* formulated under K.S.A. 82a-901 in July of 2000. The *Kansas Water Plan* contained a recommendation for the Director of the Kansas Water Office to develop recommendations on actions the federal government should take to conserve the High Plains Aquifer. As a result of that recommendation I formed an ad hoc committee, which developed the committee report that is attached. In November 2000, the Kansas Water Authority endorsed this report and recommended that the Governor and the Legislature also support this report.

On December 28, 2000, Governor Graves sent the attached letters on this report to the Kansas congressional delegation.

On behalf of the Kansas Water Authority, I would encourage your favorable consideration of this Resolution.

Attachments:

1. Report Summary
2. Governor's Letters
3. Committee Report

Senate Natural Resources Committee

Date 3-16-01

Attachment # 9

HIGHLIGHT OF REPORT

Member	Community	Representing
Cliff Mayo, Chair	Garden City	Local Governments
Lon Frahm	Colby	GMD #1, #3, and #4
Rep. Carl Holmes	Liberal	KS House of Representatives
Dr. Marc Johnson	Manhattan	KSU Ag Experiment Station
Larry McCants	Goodland	Local Economics
Rep. Dennis McKinney	Greensburg	KGS Advisory Council
Sen. Steve Morris	Hugoton	Kansas Senate
Don Paxson	Penokee	KS Assn. Of Conservation Districts
David Pope	Topeka	KDA/Div. Of Water Resources
Gordon Schmidt	Inman	GMD's #2 and #5

Section I – Highlights of General Policies:

- Conserving the Aquifer will require action at all levels.
- Jurisdiction over the allocation, priority and use of water will remain with each state.
- Federal assistance should be for voluntary, incentive-based programs.
- Assistance for economic development needs to occur prior to the reduction of irrigation.

Section II – Highlights of Federal Assistance to States:

- Research for mapping and analysis, water conservation, and crop production.
- Expand ground water conservation programs for cost share assistance to water users.
- Preserve environmental needs through water right purchase in priority decline areas.
- Provide education to allow for more informed decisions on water use.

Section III – Highlights of Federal Farm Programs:

- Create a Preservation Reserve program for irrigators to switch to dryland agriculture.
- Expand eligibility of Conservation Reserve Enhancement Program to irrigated.
- Provide a USDA Commodity Incentive Payment Water Conservation Option for irrigators to receive the same payments for low water crops they have historically received for high water crops.

Section IV – Highlights of Federal Assistance for Economic Stability:

- Research the economic futures of communities that rely on irrigation.
- Support Regional Economic Assistance Centers and telecommunication infrastructure to stabilize the economy.
- Target existing economic development assistance programs to the Aquifer.
- Cost share grants to agricultural operators to develop value added products.
- Provide economic development incentives to High Plains communities to stimulate growth and expand beyond irrigated agriculture.

Section VI - Impact on Federal Budget:

- Federal appropriation should, at a minimum, be 250 million dollars a year for 20 years.
- The Congressional Budget Office should determine if this program could be revenue neutral, considering the savings from reduced commodity and economic payments.

STATE OF KANSAS



BILL GRAVES, Governor
State Capitol, 2nd Floor
Topeka, Kansas 66612-1590

(785) 296-3232
1-800-748-4408
FAX: (785) 296-7973

OFFICE OF THE GOVERNOR

December 28, 2000

The Honorable Sam Brownback
United States Senate
303 Hart Senate Office Building
Washington, DC 20510

Dear Sam:

As you are aware, the High Plains Aquifer is the most important water resource in western Kansas. The High Plains Aquifer, which includes the Ogallala, has been critical to the development of western Kansas' extensive agricultural production. However, the Kansas Geological Survey has estimated the remaining useable life of the aquifer is 25 years or less for many areas of western Kansas, based on current decline trends. Among other activities, action is needed to assist with transitions to less water intensive agriculture.

Enclosed is the report "Federal Actions Necessary for the Conservation and Environmental Preservation of the High Plains Aquifer" prepared by an ad hoc committee appointed by the Kansas Water Office. The members of this committee are all involved with the High Plains Aquifer in their professional lives. Many are irrigators that depend on High Plains water, and all are deeply concerned about the future of this vital resource.

I encourage you to give these recommendations serious consideration. Members of the Kansas Water Office and the ad hoc committee would be happy to meet with you and your staff to discuss these recommendations. The Kansas Water Office has already briefed J.D. Johannes on this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Graves".

BILL GRAVES
Governor

STATE OF KANSAS

BILL GRAVES, Governor
State Capitol, 2nd Floor
Topeka, Kansas 66612-1590



(785) 296-3232
1-800-748-4408
FAX: (785) 296-7973

OFFICE OF THE GOVERNOR

December 28, 2000

The Honorable Jerry Moran
United States House of Representatives
1519 Longworth House Office Building
Washington, DC 20515-1601

Dear Jerry:

As you are aware, the High Plains Aquifer is the most important water resource in western Kansas. The High Plains Aquifer, which includes the Ogallala, has been critical to the development of western Kansas' extensive agricultural production. However, the Kansas Geological Survey has estimated the remaining useable life of the aquifer is 25 years or less for many areas of western Kansas, based on current decline trends. Among other activities, action is needed to assist with transitions to less water intensive agriculture.

Enclosed is the report "Federal Actions Necessary for the Conservation and Environmental Preservation of the High Plains Aquifer" prepared by an ad hoc committee appointed by the Kansas Water Office. The members of this committee are all involved with the High Plains Aquifer in their professional lives. Many are irrigators that depend on High Plains water, and all are deeply concerned about the future of this vital resource.

I encourage you to give these recommendations serious consideration. Members of the Kansas Water Office and the ad hoc committee would be happy to meet with you and your staff to discuss these recommendations. The Kansas Water Office has already briefed Mike Zamrzla on this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Graves".

BILL GRAVES
Governor

STATE OF KANSAS

BILL GRAVES, Governor
State Capitol, 2nd Floor
Topeka, Kansas 66612-1590



(785) 296-3232
1-800-748-4408
FAX: (785) 296-7973

OFFICE OF THE GOVERNOR

December 28, 2000

The Honorable Pat Roberts
United States Senate
302 Hart Senate Office Building
Washington, DC 20510

Dear Pat:

As you are aware, the High Plains Aquifer is the most important water resource in western Kansas. The High Plains Aquifer, which includes the Ogallala, has been critical to the development of western Kansas' extensive agricultural production. However, the Kansas Geological Survey has estimated the remaining useable life of the aquifer is 25 years or less for many areas of western Kansas, based on current decline trends. Among other activities, action is needed to assist with transitions to less water intensive agriculture.

Enclosed is the report "Federal Actions Necessary for the Conservation and Environmental Preservation of the High Plains Aquifer" prepared by an ad hoc committee appointed by the Kansas Water Office. The members of this committee are all involved with the High Plains Aquifer in their professional lives. Many are irrigators that depend on High Plains water, and all are deeply concerned about the future of this vital resource.

I encourage you to give these recommendations serious consideration. Members of the Kansas Water Office and the ad hoc committee would be happy to meet with you and your staff to discuss these recommendations. The Kansas Water Office has already briefed Chuck Banks on this report.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Graves".

BILL GRAVES
Governor

2001 DEC 29 7:19:32
KANSAS WATER OFFICE

Committee Report

On

Federal Actions Necessary For the Conservation and Environmental Preservation of The High Plains Aquifer

Presented to
Director, Kansas Water Office



October 27, 2000

Member	Community	Representing
Cliff Mayo, Chair	Garden City	Local Governments
Lon Frahm	Colby	GMD #1, #3, and #4
Rep. Carl Holmes	Liberal	KS House of Representatives
Dr. Marc Johnson	Manhattan	KSU Ag Experiment Station
Larry McCants	Goodland	Local Economics
Rep. Dennis McKinney	Greensburg	KGS Advisory Council
Sen. Steve Morris	Hugoton	Kansas Senate
Don Paxson	Penokee	KS Assn. Of Conservation Districts
David Pope	Topeka	KDA/Div. of Water Resources
Gordon Schmidt	Inman	GMD's #2 and #5

STATE OF KANSAS



Bill Graves, Governor

KANSAS WATER OFFICE
Al LeDoux
Director

901 S. Kansas Ave.
Topeka, Kansas 66612-1249

785-296-3185
FAX 785-296-0878
TTY 785-296-6604

October 31, 2000

Al LeDoux, Director
Kansas Water Office
901 S. Kansas Avenue
Topeka, KS 66612

Dear Al:

Enclosed is the committee report recommending the federal High Plains Aquifer Conservation and Environmental Preservation Act. This report completes the work of your committee to identify actions that should be taken by the federal government to conserve the High Plains Aquifer.

The recommendations in this report were designed for the federal government to help individual water users, local units of government and the states in carrying out their responsibility for management of the High Plains Aquifer. The committee discussed ideas and incentives that could be considered by the state to ensure the proper management of the High Plains Aquifer. Individual members of the committee would welcome the opportunity to share these ideas with you, the Kansas Water Authority, and the Governor.

The recommendations in this report will only be successful if they are implemented. The Committee discussed implementation of these recommendations during its meetings and would like to assist in the development of a strategy to ensure these recommendations become a reality. These recommendations could be incorporated into the fiscal year 2002 U.S. Farm Bill or as independent legislation.

Sincerely,

A handwritten signature in cursive script that reads "Cliff Mayo".

Cliff Mayo, Chairman

CM:CD:kf

The High Plains Aquifer Conservation and Environmental Preservation Act

The High Plains Aquifer is the most important water resource in the eight state high plains region. The area overlying the High Plains Aquifer, in general, receives low amounts of precipitation and has limited surface water. For example, in southwestern Kansas, groundwater was the source for over 99% of the reported water uses, and irrigation accounted for 97% of reported uses (1997 Kansas water use reports). The High Plains Aquifer consists primarily of the Ogallala Formation, plus a few other distinct, but hydraulically connected formations. It underlies 33,500 square miles of 46 counties in Kansas, and extends through eight states from South Dakota to Texas.

The High Plains Aquifer has a limited economic life for large volume irrigation and is currently under intense management by most groundwater districts and state governments. It is the principle source of water for irrigation throughout this heavily agricultural region. An estimated 15 million-acre feet of water is withdrawn from the aquifer for irrigation each year.

There are extensive areas in Kansas in which the estimated useable life of the aquifer for large volume pumping is less than 25 years. The High Plains Aquifer is being mined; water is being withdrawn from the aquifer at a much faster rate than it is being recharged. Based on current use demands, the end is in sight for large volume irrigation for many areas in Kansas, Oklahoma, Texas, Colorado and New Mexico.

Section I. Administration of Act.

A. General Policies. The following general policies should be considered in administration of this Act.

1. Conserving the High Plains Aquifer will require commitments and action at the national, state, local and individual levels.
2. States are to maintain primary jurisdiction over the allocation, priority and use of water resources within each state.
3. Federal assistance should support state mechanisms for solutions.
4. Federal assistance should be for voluntary, incentive-based programs. This approach has been successful in Kansas.
5. Federal programs should provide a menu of program options for irrigators in the High Plains region. This will allow individuals to choose the best option for their situation thus increasing opportunities for success.
6. States should identify priority High Plains Aquifer decline areas, and wetlands and streams dependent on the aquifer baseflow. Resources should be targeted to those priority areas by the level of support offered.

7. Water conservation programs funded by this Act shall result in reduced depletion of the High Plains Aquifer.
8. Irrigation is energy intensive. Rising energy costs, particularly with low commodity prices, will be the deciding factor for many farmers in ceasing irrigation. Assistance is needed to educate, plan and transition from water intensive agriculture.
9. The consequence of reduced irrigation will have a direct economic impact on secondary and tertiary businesses. There needs to be assistance for economic development for communities prior to the reduction of irrigation in the region.
10. The environmental benefits of preserving the aquifer are as important and as significant as the economic benefits.
11. This Act has the potential to be revenue neutral to the federal government over the 20-year life of the program, as it would be offset by the redirection of federal dollars.

B. High Plains Aquifer Area

The term "High Plains Aquifer" is the groundwater reserve depicted as Figure 1 in the United States Geological Survey Professional Paper 1400-B, titled Geohydrology of the High Plains Aquifer in Parts of Colorado, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas and Wyoming. All individual and non-federal entities in this area should be eligible for federal assistance programs. However, highest priority areas for assistance should be targeted to priority groundwater declines with the advice of each state. Assistance is to be provided to states in proportion to the area of severe High Plains Aquifer declines in each state, and the potential amount of economic disruption and environmental impact that could occur with those declines.

C. High Plains Aquifer Coordination Council

A High Plains Aquifer Coordination Council shall be established comprised of two representatives of the federal government, one from the U.S. Department of Agriculture and one from the U.S. Department of Interior, and two representatives from each of the eight states selected by each state's governor, one representing irrigation production agriculture and the other representing state government. The purpose of this council will be for the federal government to coordinate all federal assistance programs of the federal agencies to carry out the provisions of this Act. The responsibilities of the eight state council representatives will be to ensure coordination within each state and to coordinate activities with federal government and other state representatives. The High Plains Aquifer Coordination Council shall

report to Congress every three years on the progress toward the High Plains Aquifer conservation and environmental preservation. In addition the Council shall recommend changes to this Act, if necessary to ensure this Act is successful.

Section II. Federal Assistance for State Water Conservation and Environmental Preservation Programs.

A. High Plains Aquifer Research

1. Federal financial assistance shall be provided to the eight state geologic surveys as each state's lead agency, in the mapping and analysis of the three-dimensional framework and hydrogeology of the High Plains Aquifer. The Secretary of the Interior, working through the United States Geological Survey (USGS), shall assist the states in the mapping and analysis of the High Plains Aquifer in the eight state regions. The purpose of this research effort will be to help the High Plains Aquifer Coordination Council ensure the efficient administration and assessment of programs referenced in this Act.
2. Federal financial assistance shall be provided to land grant universities in the high plains region to enhance research and extension education in water conservation, increasing economic value of agricultural output per unit of water, and crops suitable for low water farming. Additional water conservation research funds are to be made available on a competitive basis to any university or research organization within the high plans region.

B. Groundwater Conservation Assistance Program

1. The federal government shall provide financial and technical assistance to the eight high plains region states for the development of a new or expansion of a state's existing groundwater conservation assistance program. The states are encouraged to administer these programs in conjunction with local units of government. The state program would provide water conservation cost share assistance to water users in the High Plains Aquifer that have state approved certified water conservation plans. This action will extend the economic life of the High Plains Aquifer. The Secretary of Agriculture shall establish within the Natural Resources Conservation Service a groundwater conservation assistance program that provides technical assistance and coordination with each state program.
2. Federal funding shall be provided to be administered through state groundwater conservation programs for water conservation cost share grants for individual farming operations to implement farm water conservation measures approved in certified water conservation plans. States are to target priority High Plains Aquifer areas through weighting the water resource cost share program incentives; participants in higher priority areas would receive a greater level of cost share. The state program options may:

- a. Include an agreement with the landowner to decrease total water usage over a five-year period that is beneath their current five-year total water usage.
- b. Provide cost share grants for conversion to more highly efficient irrigation methods. States would determine which systems are most efficient in their areas and which types of conversions are cost effective for the amount of irrigation water saved.
- c. Provide incentives for removal of end guns, installation of water meters, and innovative programs such as water right banking in which a reduction in actual water usage is required.
- d. Provide cost share grants to farmers to try innovative, environmentally friendly, low water use cropping and livestock practices.

C. Environmental Preservation

Federal financial assistance should be provided to each high plains state for an incentive based, binding agreement with a landowner to permanently stop irrigating specific tracts of land for the purpose of reducing consumption in groundwater declines areas of the High Plains Aquifer. This payment may be for a water right purchase, or an agreement to last in perpetuity with the land. Each state would be required to identify areas of priority, determine eligibility and insure that the water saved will not be used elsewhere. States may choose to make partial water rights purchases an option for farmers that have enrolled land into an irrigated lands reserve or into the Conservation Reserve Program.

D. Education

The federal government shall provide financial assistance to each of the eight high plains states to provide educational programs related to this Act. The states may cooperate with educational institutions, the Ogallala Aquifer Institute or other private organizations in the administration of this program. Education activities shall include but not be limited to:

1. Provide farming water conservation workshops to producers, crop consultants, and agricultural groups through the eight states region. Encourage decreases in irrigation levels by educating that maximum yield does not equal maximum profit. Provide guidelines for maximum profit level of irrigation.
2. Provide training and periodic update workshops for field staff responsible for implementing water conservation cost share programs through state

universities in the eight states region and Natural Resources Conservation Service and Bureau of Reclamation on current conservation research and best available knowledge.

3. Provide public education and information on the High Plains Aquifer to pre K-16 and adult learners. The education and public information effort would be targeted to state and local decision makers to allow more informed decisions, and to increase public understanding and input into those decisions.

Section III. Federal Farm Programs for Conservation and Environmental Preservation of the High Plains Aquifer

A. Preservation Reserve for the High Plains Aquifer

Create within the U.S. Department of Agriculture, Natural Resources Conservation Service a federal program to provide assistance to farmers for switching irrigated lands to dryland agriculture. The Natural Resources Conservation Service would formulate and carry out the enrollment of lands in an irrigated lands reserve program through use of multiple year contracts for irrigated lands that would result in significant per acre savings of groundwater resources if converted to dryland agriculture. Target by weighting incentives to enroll lands into the irrigated lands reserve that are within High Plains Aquifer priority areas. The states are to provide delineation of the High Plains Aquifer priority areas for Natural Resources Conservation Service use.

B. Conservation Reserve Enhancement Program (CREP) for High Plains Aquifer

1. Expand eligibility for enrollment in a continuous Conservation Reserve Enhancement Program to allow currently irrigated lands to qualify based on being in a high priority High Plains Aquifer decline area.
2. Lands eligible for the Conservation Reserve Program established under 16 U.S.C. 3831 which would result in significant per acre savings of High Plains Aquifer resources if removed from agricultural production shall be awarded at least 90 Conservation Reserve Program bid points, to be designated as groundwater conservation points, in addition to any other ratings the lands may receive.
3. Designate regions where the High Plains Aquifer is hydraulically connected to wetlands or provides the primary baseflow to high priority streams, as regions of special environmental sensitivity and therefore eligible for enhanced assistance under Conservation Reserve Program (CRP), Wetland Reserve Program (WRP), and Environmental Quality Incentive Programs (EQIP).

4. States are to provide Natural Resources Conservation Service with an identification of priority areas for removal from irrigation; wetlands hydraulically connected to the High Plains Aquifer and high priority streams dependent on baseflow.
- C. U.S. Department of Agriculture Commodity Incentive Payments Water Conservation Option for High Plains Aquifer

Create a water conservation option in the U.S. Department of Agriculture federal farm program to provide commodity incentives for irrigators in the High Plains Aquifer groundwater decline areas that switch from a high water intensive crop to a low water intensive crop either through low volume irrigation or dryland production. The payment is to be equivalent to U. S. Department of Agriculture payments they would have been eligible for under the high water intensive crop. Guidelines shall require the average annual water usage for low volume irrigation to remain below a targeted level.

Section IV. Federal Assistance for Economic Stability of High Plains Aquifer Region

- A. Provide federal financial assistance to the eight states to conduct research and assessment of economic health for both near term and long-term future of communities within the high plain region. States should administer programs in partnership with universities, regional economic development centers and individual communities where practical.
- B. The federal government should provide financial support for regional economic assistance centers and telecommunications infrastructure, and offer community assistance planning programs through such centers to assist individual communities and regional areas within the high plains aquifer for maintaining and stabilizing the economy while preserving the aquifer.
- C. The federal government will identify the High Plains Aquifer area as priority for targeting existing federal economic development assistance programs.
- D. Provide cost share grants to agricultural operators to develop cooperatives to process, package and market environmentally friendly, value added agricultural products, especially high value products that can be marketed to a local urban economy or exported out of the region.
- E. The federal government will provide economic development incentives to communities in the High Plains Aquifer decline area to stimulate growth and expand beyond irrigated agriculture.

Section V. Impact on the Federal Budget

- A. The federal appropriation for carrying out the purposes of this act should, at a minimum, be 250 million dollars a year for 20 years. This amount would be reviewed by the High Plains Coordination Council and revised as appropriate.

- B. The Congressional Budget Office shall conduct an analysis to determine if it is feasible for this program to be revenue neutral over the 20-year life of the program. This analysis should weigh the reduced commodity and economic payment costs as a savings to the federal government, a cost-benefit analysis of economic and environmental benefit to the United States for preservation of the High Plains Aquifer and the opportunity costs of not implementing this program. The results of this analysis should be provided to the High Plains Aquifer Coordination Committee to carry out its recommendations in achieving the High Plains Aquifer conservation and environmental preservation in the most cost effective manner.