

Approved: April 29, 2005

Date

Carl Dean Holmes

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:07 a.m. on March 8, 2005 in Room 231-N of the Capitol.

All members were present except: Representative Eric Carter - Excused

Committee staff present: Mary Galligan, Legislative Research
Dennis Hodgins, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Administrative Assistant

Conferees appearing before the committee:

Ed Jaskinia, The Associated Landlords of Kansas, Kansas City, KS
Martha Neu Smith, Kansas Manufactured Housing Association, Topeka, KS

Others attending: See Attached List

SB 63 - Public utilities, excluding certain landlords from definition

Chairman Holmes opened the hearing on **SB 63**.

Mr. Ed Jaskinia, appearing on behalf of The Associated Landlords of Kansas, testified in support of **SB 63**. Mr. Jaskinia told the committee that the legislation, in many forms, had been around for quite some time. Simply it allows landlords to sub-meter their multi-family units without being considered a public utility. He urged the committee's support of the bill.

Martha Neu Smith, Executive Director for the Kansas Manufactured Housing Association, appeared as a proponent of **SB 63 (Attachment 1)**. Ms. Smith said they felt the legislation was a reasonable approach to sub-metering, which in turn encourages water conservation.

Mr. Jaskinia and Ms. Smith responded to questions from the committee.

Chairman Holmes closed the hearing on **SB 63**.

Attention was led to minutes from the January 18, 19, 20, 21, 25, and 26 meetings. Representative Sloan moved to approved the minutes. Representative Mast seconded the motion. The motion carried.

SB 63 - Public utilities, excluding certain landlords from definition

Chairman Holmes opened the debate on **SB 63**.

Representative Knox moved to recommend SB 63 favorable for passage. Representative Mast seconded the motion. The motion carried. Representative Huy will carry the bill.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES, Room 231-N, Statehouse, at 9:07 a.m. on March 8, 2005

HB 2026 - KAN-ED funding

Chairman Holmes opened the debate on **HB 2026**.

Two balloon amendments were distributed to the committee by Representative Sloan (Attachment 2) and by Representative Oharah (Attachment 3). Chairman Holmes told the committee there were four discussion scenarios. Representative Mast moved to adopt the Oharah Balloon. Representative Olson seconded the motion. The motion failed. Representative Sloan moved to adopt the funding portion on page three of the Sloan Balloon. Representative Jim Morrison seconded the motion. The motion carried. Representative Sloan moved to adopt new subsection g of the Sloan balloon. Representative Meyers seconded the motion. The motion failed. Representative Sloan moved to adopt new Section 2 of the Sloan balloon. Representative Kuether seconded the motion. The motion carried. Representative Sloan moved to adopt new Section 3 of the Sloan balloon. Representative Krehbiel seconded the motion. Motion carried. Representative Mast moved to adopt new Section 2 of the Oharah balloon. Representative Olson seconded the motion. The motion carried. Representative Jim Morrison moved to recommend **HB 2026**, as amended and with technical corrections, favorable for passage. Representative Mast seconded the motion. The motion carried. Representative Jim Morrison will carry the bill.

The meeting adjourned at 10;56 a.m.

The next meeting will be Wednesday, March 9, 2005 at 9:00 a.m.

HOUSE UTILITIES COMMITTEE GUEST LIST

DATE: March 8, 2005

NAME	REPRESENTING
Tom Day	KCC
Jennifer Lyon	Senator Emler
Brent Larson	RTG
Hal Gardner	KBOE, Kan-ed
DICK CARTER	RTG
Mike Raebelt	Aches Braden
Shirley Ann Smith	KMHHA
Kristina Hilliard	Rep. Watkins
Zach Coble	Rep. Showalter
Jennifer Findley	KS Hospital Association
Eldon Nightmare	KAN-ED
Jim Gartner	SBC



3521 SW 5th Street
Topeka, KS 66606
785-357-5256
785-357-5257 fax
kmha1@sbcglobal.net

WRITTEN
TESTIMONY BEFORE THE
HOUSE
COMMITTEE ON UTILITIES

TO: Representative Carl Holmes, Chairman
And Members of the Committee

FROM: Martha Neu Smith, Executive Director
Kansas Manufactured Housing Association

DATE: March 8, 2005

RE: SB 63 – Public Utilities Excluding Landlords From Definition

Chairman Holmes and Members of the Committee, my name is Martha Neu Smith and I am the Executive Director of the Kansas Manufactured Housing Association (KMHA). KMHA represents all facets of the manufactured housing industry in Kansas (i.e., manufacturers, retailers, community owners and operators, finance and insurance companies, service and supplier companies and transporters). I appreciate the opportunity to appear before you in support of SB 63.

KMHA has several members that are currently regulated by the Kansas Corporation Commission for sub-metering water to their residents. The association feels that SB 63 clarifies that if a landlord meets the definition of subsection (a)(6) of K.S.A. 58-25, 111 and follows the requirements of SB 63 they (landlord) would no longer be considered a "public utility". We feel this is a reasonable approach to sub-metering, which in turn encourages water conservation.

Thank you for the opportunity to comment on SB 63 as amended.

HOUSE UTILITIES
DATE: 3-8-05
ATTACHMENT 1

Stoan

3/8/05

Session of 2005

HOUSE BILL No. 2026

By Legislative Educational Planning Committee

12-30

telecommunications; relating to
Kan-Ed funding; VoIP service;

9 AN ACT concerning ~~the Kansas universal service fund, relating to KAN-~~
10 ~~ED,~~ amending K.S.A. 66-2010 and repealing the existing section.

11

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

13 Section 1. K.S.A. 66-2010 is hereby amended to read as follows: 66-
14 2010. (a) The commission shall utilize a competitive bidding process to
15 select a neutral, competent and bonded third party to administer the
16 KUSF.

17 (b) The administrator shall be responsible for: (1) Collecting and au-
18 diting all relevant information from all qualifying telecommunications
19 public utilities, telecommunications carriers or wireless telecommunica-
20 tions service providers receiving funds from or providing funds to the
21 KUSF; (2) verifying, based on the calculations of each qualifying telecom-
22 munications carrier, telecommunications public utility or wireless tele-
23 communications service provider, the obligation of each such qualifying
24 carrier, utility or provider to generate the funds required by the KUSF;
25 (3) collecting all moneys due to the KUSF from all telecommunications
26 public utilities, telecommunications carriers and wireless telecommuni-
27 cations service providers in the state; and (4) distributing amounts on a
28 monthly basis due to qualifying telecommunications public utilities, wire-
29 less telecommunications service providers and telecommunications car-
30 riers receiving KUSF funding.

31 (c) Any information made available or received by the administrator
32 from carriers, utilities or providers receiving funds from or providing
33 funds to the KUSF shall not be subject to any provisions of the Kansas
34 open records act and shall be considered confidential and proprietary.

35 (d) The administrator shall be authorized to maintain an action to
36 collect any funds owed by any telecommunications carrier, public utility
37 or wireless telecommunications provider in the district court in the county
38 of the registered office of such carrier, utility or provider or, if such car-
39 rier, utility or provider does not have a registered office in the state, such
40 an action may be maintained in the county where such carrier's, utility's
41 or provider's principal office is located. If such carrier, utility or provider
42 has no principal office in the state, such an action may be maintained in
43 the district court of any county in which such carrier, utility or provider

HOUSE UTILITIES

DATE: 3-8-05

ATTACHMENT 2

1 provides service.

2 (e) The KUSF administrator shall be responsible to ensure that funds
3 do not fall below the level necessary to pay all amounts collectively owed
4 to all qualifying telecommunications public utilities, wireless telecom-
5 munications service providers and telecommunications carriers. The ad-
6 ministrator shall have the authority to retain and invest in a prudent and
7 reasonable manner any excess funds collected in any period to help ensure
8 that adequate funds are available to cover amounts payable in other
9 periods.

10 (f) (1) ~~Before October 1, 2002, the chief executive officer of the state~~
11 ~~board of regents shall certify to the administrator of the KUSF the~~
12 ~~amount provided by appropriation acts to be expended from the KAN-~~
13 ~~ED fund created by K.S.A. 2003 Supp. 75-7225, and amendments~~
14 ~~thereto, for the fiscal year ending June 30, 2003. Before October 1, 2003,~~
15 ~~the chief executive officer of the state board of regents shall certify to the~~
16 ~~administrator of the KUSF the amount equal to twice the amount pro-~~
17 ~~vided by appropriation acts to be expended from the KAN-ED fund for~~
18 ~~the fiscal year ending June 30, 2003. Before July 1, 2004, and before July~~
19 ~~1 of each year thereafter, the chief executive officer of the state board of~~
20 ~~regents shall certify to the administrator of the KUSF the amount pro-~~
21 ~~vided by appropriation acts to be expended from the KAN-ED fund for~~
22 ~~the fiscal year commencing the preceding July 1. Upon receipt of the~~
23 ~~certification of the chief executive officer of the state board of regents,~~
24 ~~the KUSF administrator shall add the amount certified to the amount~~
25 ~~annually required to fund the KUSF as determined pursuant to subsec-~~
26 ~~tion (b).~~

27 (2) ~~Commencing January 1, 2003, and until June 30, 2004, on or~~
28 ~~before the 10th day of each month the administrator of the KUSF shall~~
29 ~~pay from the KUSF to the state treasurer an amount equal to 1/6 of the~~
30 ~~amount certified by the chief executive officer of the state board of re-~~
31 ~~gents pursuant to subsection (f)(1) for the fiscal year ending June 30,~~
32 ~~2003. Commencing July 1, 2004, On or before the 10th day of each~~
33 ~~month, the administrator of the KUSF shall pay from the KUSF to the~~
34 ~~state treasurer 1/2 of the amount certified by the chief executive officer~~
35 ~~of the state board of regents pursuant to subsection (a) for the fiscal year~~
36 ~~preceding the fiscal year in which the payment is made. Upon the receipt~~
37 ~~of the payment, the state treasurer shall deposit the entire amount in the~~
38 ~~state treasury and credit it to the KAN-ED fund. Any such payments shall~~
39 ~~be made after all payments required by K.S.A. 66-2008, and amendments~~
40 ~~thereto, for the month are made from the KUSF.~~

41 (3) ~~Amounts appropriated to be expended from the KAN-ED fund~~
42 ~~for the fiscal year ending June 30, 2003, shall be based on a budget for~~
43 ~~only six months' operations. Amounts appropriated thereafter shall be~~

2-2

adopted
↙

the following

1 based on a budget for 12-months' operations.
 2 ~~(4)~~ Not more than \$10,000,000 shall be paid from the KUSF to the
 3 state treasurer pursuant to this subsection (f) ~~in any one fiscal year.~~
 4 ~~(5)~~ (4) The provisions of this subsection (f) shall expire on June 30,
 5 ~~2005~~ 2008. Thereafter, state general fund moneys shall be used to fund
 6 the KAN-ED network.
 7 Sec. ~~2~~ K.S.A. 66-210 is hereby repealed.
 8 Sec. ~~3~~ This act shall take effect and be in force from and after its
 9 publication in the statute book.

2010

4

5

: In fiscal year 2006, \$10 million; in fiscal year 2007, \$8 million; in fiscal year 2008, \$7 million; in fiscal year 2009, \$6.5 million; and in fiscal year 2010, \$5.5 million

(g) For fiscal year 2007 and all fiscal years thereafter, all moneys which would otherwise be appropriated for operation of the Kan-Ren and Kan-Win networks shall be credited to the KAN-ED fund and, on and after July 1, 2006, all powers, duties and functions of such networks shall be and are hereby transferred to the KAN-ED network.

(h) For fiscal year 2008 and all fiscal years thereafter, all moneys which would otherwise be appropriated for operation of information technology centers at institutions under the state board of regents shall be credited to the KAN-ED fund and, on and after July 1, 2007, all powers, duties and functions of such centers shall be and are hereby transferred to the KAN-ED network.

New Sec. 2. (a) As used in this section:

(1) "VoIP provider" means any provider of voice over internet protocol service (hereafter referred to as VoIP) other than a business which: (1) does not provide such service to customers outside its business organization; or (2) provides VoIP service as a customer product secondary to the primary product sold by the business.

(2) "Local collection point administrator" and "PSAP" have the meanings provided in the wireless enhanced 911 act,

(b) Any VoIP provider providing services to persons who are primarily residents of Kansas shall notify the local collection point administrator to receive a list of telephone numbers for PSAP's in this state. Upon receipt of an emergency 911 call, a VoIP provider shall call the appropriate PSAP and relay the customer's name, residence address and any other relevant information recorded in the VoIP provider's records.

(c) The local collection point administrator may require VoIP providers to reimburse the administrator for costs associated with developing, compiling, maintaining and providing the list of telephone numbers of PSAP's in this state.

Sec. 3. No public safety answering point other than a political subdivision of the state shall be eligible to receive moneys distributed pursuant the wireless enhanced 911 act.

2-3

Sharah
3/8/05

Session of 2005

HOUSE BILL No. 2026

By Legislative Educational Planning Committee

12-30

KAN-ED; relating to
funding; amending K.S.A.
66-2010 and K.S.A. 2004
Supp. 75-7226 and
repealing the existing
sections

9 AN ACT concerning the Kansas universal service fund, relating to KAN-
10 ED; amending K.S.A. 66-2010 and repealing the existing section.

11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. K.S.A. 66-2010 is hereby amended to read as follows: 66-
13 2010. (a) The commission shall utilize a competitive bidding process to
14 select a neutral, competent and bonded third party to administer the
15 KUSF.
16

17 (b) The administrator shall be responsible for: (1) Collecting and au-
18 diting all relevant information from all qualifying telecommunications
19 public utilities, telecommunications carriers or wireless telecommuni-
20 cations service providers receiving funds from or providing funds to the
21 KUSF; (2) verifying, based on the calculations of each qualifying telecom-
22 munications carrier, telecommunications public utility or wireless tele-
23 communications service provider, the obligation of each such qualifying
24 carrier, utility or provider to generate the funds required by the KUSF;
25 (3) collecting all moneys due to the KUSF from all telecommunications
26 public utilities, telecommunications carriers and wireless telecommuni-
27 cations service providers in the state; and (4) distributing amounts on a
28 monthly basis due to qualifying telecommunications public utilities, wire-
29 less telecommunications service providers and telecommunications car-
30 riers receiving KUSF funding.

31 (c) Any information made available or received by the administrator
32 from carriers, utilities or providers receiving funds from or providing
33 funds to the KUSF shall not be subject to any provisions of the Kansas
34 open records act and shall be considered confidential and proprietary.

35 (d) The administrator shall be authorized to maintain an action to
36 collect any funds owed by any telecommunications carrier, public utility
37 or wireless telecommunications provider in the district court in the county
38 of the registered office of such carrier, utility or provider or, if such car-
39 rier, utility or provider does not have a registered office in the state, such
40 an action may be maintained in the county where such carrier's, utility's
41 or provider's principal office is located. If such carrier, utility or provider
42 has no principal office in the state, such an action may be maintained in
43 the district court of any county in which such carrier, utility or provider

HOUSE UTILITIES

DATE: 3-8-05

ATTACHMENT 3

1 provides service.

2 (e) The KUSF administrator shall be responsible to ensure that funds
3 do not fall below the level necessary to pay all amounts collectively owed
4 to all qualifying telecommunications public utilities, wireless telecom-
5 munications service providers and telecommunications carriers. The ad-
6 ministrator shall have the authority to retain and invest in a prudent and
7 reasonable manner any excess funds collected in any period to help ensure
8 that adequate funds are available to cover amounts payable in other
9 periods.

10 (f) (1) ~~Before October 1, 2002, the chief executive officer of the state~~
11 ~~board of regents shall certify to the administrator of the KUSF the~~
12 ~~amount provided by appropriation acts to be expended from the KAN-~~
13 ~~ED fund created by K.S.A. 2003 Supp. 75-7225, and amendments~~
14 ~~thereto, for the fiscal year ending June 30, 2003. Before October 1, 2003,~~
15 ~~the chief executive officer of the state board of regents shall certify to the~~
16 ~~administrator of the KUSF the amount equal to twice the amount pro-~~
17 ~~vided by appropriation acts to be expended from the KAN-ED fund for~~
18 ~~the fiscal year ending June 30, 2003. Before July 1, 2004, and before July~~
19 ~~1 of each year thereafter, the chief executive officer of the state board of~~
20 ~~regents shall certify to the administrator of the KUSF the amount pro-~~
21 ~~vided by appropriation acts to be expended from the KAN-ED fund for~~
22 ~~the fiscal year commencing the preceding July 1. Upon receipt of the~~
23 ~~certification of the chief executive officer of the state board of regents,~~
24 ~~the KUSF administrator shall add the amount certified to the amount~~
25 ~~annually required to fund the KUSF as determined pursuant to subsec-~~
26 ~~tion (b).~~

27 (2) ~~Commencing January 1, 2003, and until June 30, 2004, on or~~
28 ~~before the 10th day of each month the administrator of the KUSF shall~~
29 ~~pay from the KUSF to the state treasurer an amount equal to 1/4 of the~~
30 ~~amount certified by the chief executive officer of the state board of re-~~
31 ~~gents pursuant to subsection (f)(1) for the fiscal year ending June 30,~~
32 ~~2003. Commencing July 1, 2004, On or before the 10th day of each~~
33 ~~month, the administrator of the KUSF shall pay from the KUSF to the~~
34 ~~state treasurer 1/2 of the amount certified by the chief executive officer~~
35 ~~of the state board of regents pursuant to subsection (a) for the fiscal year~~
36 ~~preceding the fiscal year in which the payment is made. Upon the receipt~~
37 ~~of the payment, the state treasurer shall deposit the entire amount in the~~
38 ~~state treasury and credit it to the KAN-ED fund. Any such payments shall~~
39 ~~be made after all payments required by K.S.A. 66-2008, and amendments~~
40 ~~thereto, for the month are made from the KUSF.~~

41 (3) ~~Amounts appropriated to be expended from the KAN-ED fund~~
42 ~~for the fiscal year ending June 30, 2003, shall be based on a budget for~~
43 ~~only six months' operations. Amounts appropriated thereafter shall be~~

3-2

J

: In fiscal year 2006, \$10 million; in fiscal year 2007, \$7.5 million; in fiscal year 2008, \$5 million; and in fiscal year 2009, not more than \$2.5 million

the following

2009

1 based on a budget for 12-months' operations.
 2 ~~(4)~~ Not more than \$10,000,000 shall be paid from the KUSF to the
 3 state treasurer pursuant to this subsection (f) in any one fiscal year.
 4 ~~(5)~~ (4) The provisions of this subsection (f) shall expire on June 30,
 5 ~~2005~~ 2009. Thereafter, state general fund moneys shall be used to fund
 6 the KAN-ED network.
 7 Sec. 9. K.S.A. 66-2010 is hereby repealed.
 8 Sec. 3. This act shall take effect and be in force from and after its
 9 publication in the statute book.

and K.S.A. 2004 Supp. 75-7226 are

Sec. 2. K.S.A. 2004 Supp. 75-7226 is hereby amended to read as follows: 75-7226. (a) On or before January 15 of each year, the board shall publish an annual report and shall present the report to the legislature, governor and department of education. The report shall set forth in detail the operations and transactions conducted by the board pursuant to this act. The annual report shall specifically account for the ways in which the purpose of this act have been carried out, and the recommendations shall specifically note what changes are necessary to better address the purposes described in this act.

(b) The report required pursuant to this section in years 2006, 2007 and 2008 shall include a statement of the costs of and savings realized by implementation of the network and a plan for funding the network.



3-3