

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Larry Powell at 3:30 p.m. on February 17, 2009, in Room 783 of the Docking State Office Building.

All members were present.

Committee staff present:

Mike Corrigan, Office of the Revisor of Statutes
Corey Carnahan, Kansas Legislative Research Department
Raney Gilliland, Kansas Legislative Research Department
Pat Matzek, Committee Assistant

Conferees appearing before the Committee:

J. Michael Hayden, Secretary, Department of Wildlife and Parks

Others attending:

See attached list.

Chairman Powell introduced J. Michael Hayden, Secretary, Department of Wildlife and Parks, to begin testimony proceedings.

Hearing on:

HB 2296 - Imposition of conservation fee on certain department of wildlife and parks licenses and permits and depositing proceeds in the state water plan fund.

Opponent:

J. Michael Hayden, Secretary, Department of Wildlife and Parks, spoke in opposition of **HB 2296**, (Attachments 1 and 2) documenting that this bill would result in a conflict with both state and federal law (50 CFR 80.4) regarding the use of license fees required for hunting and fishing. Mr. Hayden further stated the conservation fee and its deposit to the State Water Plan Fund would be considered a diversion and the Department of Wildlife and Parks would not be eligible for federal aid from the United States Fish and Wildlife Service.

Questions were asked and comments were made.

Proponents:

Written testimony in favor of HB 2296 provided by:

Leslie Kaufman, Executive Director, Kansas Cooperative Council (Attachment 3)
Mary Jane Stankiewicz, COO and Senior Vice President of Government Affairs, Kansas Grain and Feed Association, and the Kansas Agribusiness Retailers Association (Attachment 4)

The hearing was closed on **HB 2296**.

Chairman Powell requested Raney Gilliland, Kansas Legislative Research Department explain **HB 2241**. Mr. Gilliland reported this bill states any person who operates or is responsible for the care and control of any oil, gas, injection, disposal, cathodic protection, natural gas storage injection or withdrawal or CO₂ injection shall place a well identification sign on or near that particular well. The bill would also give to the state corporation commission authority to adopt rules and regulations specifying the information be contained on the well sign.

No questions were asked or comments made.

CONTINUATION SHEET

Minutes of the House Agriculture And Natural Resources Committee at 3:30 p.m. on February 17, 2009, in Room 783 of the Docking State Office Building.

Action on:

HB 2241 - Requiring well identification signs be placed on or near certain oil or gas wells.

After members of the Committee's discussion, Representative Wolf made a motion to table the bill. Representative Kerschen seconded the motion. Chairman Powell called for a vote of the Committee and as no clear majority was evident, a Division was called for and by majority of the show of hands, the motion failed.

After further discussion, Representative Svaty made a motion to favorably pass the bill out. Representative Maloney seconded the motion. Chairman Powell called for a vote of the Committee and as no clear majority was evident, a Division was called for and by majority of the show of hands, the motion carried.

The next meeting is scheduled for February 25, 2009.

The meeting was adjourned at 4:00 p.m.

AG. & NATURAL RESOURCES COMMITTEE GUEST LIST

DATE: 2-17-09

NAME	REPRESENTING
Mary Ann Stankiewicz	KGFA
Tom Day	KCC
Chris Tymes	KDWP
Leslie Kaufman	Ks Coop Council
Boedy Zupkus	KMPA
Tracy Smith	KWD
Ben Cochran	GBA
Dave Peter	KAWPA



DEPARTMENT OF WILDLIFE AND PARKS

Kathleen Sebelius, Governor
J. Michael Hayden, Secretary

www.kdwp.state.ks.us

**Testimony on HB 2296 regarding Fees Charged by KDWP
to
The House Committee on Agricultural and Natural Resources**

**By J. Michael Hayden
Secretary
Kansas Department of Wildlife and Parks**

February 17, 2009

HB 2296 would require the Department of Wildlife and Parks (KDWP) to add a \$5.00 conservation fee to each license, permit, tag and other issue of the Department that is purchased by persons who are not Kansas residents. This fee would be in addition to any other fees currently authorized by the KDWP and the receipts would be deposited to the State Water Plan Fund. The bill would take effect on July 1, 2009. **The Department is opposed to the provisions contained in HB 2296.**

KDWP is authorized by law to issue licenses and permits for hunting, fishing, use of state parks, and boating registrations and collect fees for such issues. State statutes, KSA 32-828(hunting), KSA 32-829(fishing), KSA 32-991(parks), and KSA 32-1173(boating), restrict the fees collected to be deposited to a specific fund and used for dedicated purposes. Further, the hunting and fishing statutes provide that in order to obtain federal aid from the U.S. Fish and Wildlife Service (USFWS), the KDWP must use all fees collected for a hunting or fishing license to benefit hunting and fishing.

This bill will result in a conflict with both state and federal law (50 CFR 80.4) regarding the use of license fees required for hunting and fishing. Therefore, the conservation fee and its deposit to the State Water Plan Fund would be considered a diversion and the KDWP would not be eligible for federal aid from USFWS.

To put this into perspective, the KDWP issued a total of 185,033 non-resident hunting and fishing licenses, permits, and other issuances, 5,376 non-resident annual park permits, and 290 non-resident boating registrations during calendar year 2007. **For FY 2010, if the number of licenses and permits issues was constant, if the bill passes the proposed fee would generate revenue of \$953,495 to the State Water Plan fund. However, for FY 2010 KDWP estimates the corresponding loss of federal aid receipts at \$9,230,000.**

The passage of HB 2296 would severely impact hunting and fishing programs in the State of Kansas and the loss of USFWS federal aid would reduce funding available for hunting and fishing programs by approximately 40%. **The KDWP does not support the provisions of HB 2296 and appreciates your opposition to the bill.**



United States Department of the Interior



FISH AND WILDLIFE SERVICE Mountain-Prairie Region

IN REPLY REFER TO:
FWS/R6

MAILING ADDRESS:
Post Office Box 25486
Denver Federal Center
Denver, Colorado 80225-0486

STREET LOCATION:
134 Union Blvd.
Lakewood, Colorado 80228-1807

February 13, 2009

Mike Hayden, Secretary
Kansas Department of Wildlife and Parks
1020 S. W. Kansas, Suite 200
Topeka, Kansas 66612

Dear Secretary Hayden:

This letter is in response to your request for our views regarding Kansas House Bill 2296 (HB 2296) *AN ACT concerning wildlife and parks; relating to fees charged by the secretary of wildlife and parks and disposition therefore; concerning the state water plan fund*, that has been introduced during the 2009 Legislative session.

In our opinion, should provisions of HB 2296 be implemented, it would be considered by us as the expenditure of license fees and would constitute a diversion of license fees for a purpose other than the administration of the state fish and wildlife agency in violation of the provisions of 50 CFR 80.4, *Diversion of License Fees*.

50 CFR 80.4 states:

- (a) Revenues from license fees paid by hunters and fishermen shall not be diverted to purposes other than administration of the state fish and wildlife agency.
- (b) For purposes of this rule, administration of the state fish and wildlife agency include only those functions required to manage the fish and wildlife-oriented resources of the state for which the agency has authority under state law.
- (c) A diversion of license fee revenues occurs when any portion of license revenues is used for any purpose other than the administration of the state fish and wildlife agency.

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Date 2-17-09
Attachment 2



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House Agriculture & Natural Resources Committee

February 17, 2009
Topeka, Kansas

HB 2296 - Implementing conservation fee on KDWP permits and licenses.

Chairman Powell members of the House Agriculture & Natural Resources Committee, thank you for the opportunity to comment in support of HB 2296. I am Leslie Kaufman and I serve the Kansas Cooperative Council as Executive Director.

The Kansas Cooperative Council represents all forms of cooperative businesses across the state -- agricultural, utility, credit, financial and consumer cooperatives. Approximately half our members are farmer co-ops.

As you know, HB 2296 will broaden the revenue base for the state water plan fund (SWPF), by bringing recreational contributions into the fee mix. For years we have been concerned that the revenue structure which supports the state water plan fund relies too heavily on narrowly segmented industry groups. This bill, HB 2296, is a good first step to ensuring that more Kansans that benefit from state water plan programs contribute to them.

Some have argued that broadening the fee categories is not necessary because these "new" revenues will come from groups/individuals already contributing to the SWPF through their taxes (by way of a state general fund transfer). That argument ignores that fact that current fee groups already pay those same general taxes, as well as the specific fees. Additionally, it has been difficult to maintain the SGF transfers.

As you are well aware, the Governor's budget eliminated the \$6 million SGF transfer to the SWPF. As we understand it, the 2009 recession package just passed by the House and Senate would include only \$2 million of the \$6 million previously appropriated. We realize we are in difficult financial times as a state, but reducing the SGF funding diminishes the contributions the general populace provides. At the same time, the Kansas Water Authority endorsed, and the Kansas Water Office requested, a 50% increase on the existing fee payers. That intensifies the pressure on a few targeted groups. To us, this illustrates why it is so important to broaden and diversify the SWPF fee mix.

The Mission of the Kansas Cooperative Council is to promote, support and advance the interests and understanding of agricultural, utility, credit and consumer cooperatives and their members through legislation and regulatory efforts, education and public relations.

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Attachment 3

Many of the programs funded by the SWPF have benefited the general good for a significant region and/or the entire state. We believe there is great value in these programs, sometimes directly and indirectly as well, to hunters, fishers and boaters. As such, a recreational fee is more than appropriate. We would encourage this Committee to consider an even broader approach than what is proposed in HB 2296 by applying a conservation fee to all licenses, permits, and tags issued by the KDWP, not just out-of-state ones.

Even with a broader fee base, we still believe general state support should be a meaningful component of the SWPF resources, because of program benefits to the "greater good". We fully understand the state's budget situation, but encourage the legislature to restore the full SFG transfer to the water plan fund once we are through this financial difficulty.

Thank you, again, for the opportunity to comment today in support of HB 2296. We respectfully request the committee act favorably on this proposal.

If you have any questions regarding our testimony, please feel free to call me. Thank you.

Leslie Kaufman, Executive Director
Kansas Cooperative Council
785-220-4068



Kansas Grain & Feed Association
Kansas Agribusiness Retailers Association

House Agriculture and Natural Resources Committee

February 17, 2009

HB 2296 – KDWP Fees on Out of State Licenses, Permits and Tags



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Good afternoon Chairman Powell and members of the House Agriculture and Natural Resource Committee. I am Mary Jane Stankiewicz, the COO and Senior Vice President of the Kansas Grain and Feed Association and the Kansas Agribusiness Retailers Association and I appear in support of this bill. The KGFA is a voluntary state association with a membership encompassing the entire spectrum of the grain receiving, storage, processing and shipping industry in the state of Kansas. KGFA's membership includes approximately 900 Kansas business locations and represents 98% of the commercially licensed grain storage in the state. KARA is also a voluntary state association with approximately 705 members representing the fertilizer, pesticide, seed, propane and other products associated with the production of crops in Kansas.

This bill proposes to add a fee of \$5.00 on every out of state license, permit and tags that the Kansas Department of Wildlife and Parks issue and that this money be deposited in the state water plan fund. We think this is a good first step in the KDWP contributing to the state water plan. Our members contribute to the state water plan fund in the amount of \$965,000 for pesticide fees and \$2,940,000 via fertilizer funds. Our members were one of the original groups that have paid into the state water plan fund when the program first began. However, KDWP's licenses or registrants have never paid any money into the fund although KDWP has been the recipient of funds from the state water plan and we think it is time for this funding scheme to be a little more equitable and reflective of the actual users and beneficiaries.

Now the Kansas Water Office is proposing a 50% increase in the fees that are paid into the state water plan, including increases to be paid by

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livestock producers, feedlots, commercial and industrial users of water, sand and gravel plants and the fees that our members pay. This fee increase comes on the heels of the Governor proposal to delete the \$6m transfer of state general funds to the state water plan. It is my understanding that the budget that was passed included \$2m transfer of state general funds to the state water plan fund but not the full \$6m amount.

As state general funds get harder and harder to come by and as the need for state water plan funds are deemed necessary to fill the funding gap then it is our position that it is appropriate for KDWP to contribute to the state water plan, especially since a significant amount of money is being planned to be spent on reservoirs for the purpose of providing drinking water for various communities and for recreational purposes. Thus we believe it is fair and equitable for these licensees and permittees to pay fees that would be deposited into the state water plan fund.

We would also suggest that the committee review the fee structure in the bill and reduce the \$5 fee to a smaller amount and amend the bill to include all permittees and licensees to pay into the fund and not just out of state permittees and licensees. We think this fee could be reduced to a manageable amount to the registrants and licensees and still raise a significant amount of money that could go to the state water plan projects that will in the end benefit them.

Thank you for the opportunity to present this testimony to the committee today.