

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 7, 2008, in Room 514-S of the Capitol.

All members were present except:

Representative Doug Gatewood - excused
Representative Ty Masterson - excused
Representative Kay Wolf - excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Reed Holwegner, Legislative Research Department
Cody Gorges, Legislative Research Department
Heather O'Hara, Legislative Research Department
Nobuko Folmsbee, Revisor of Statutes
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Susan Duffy, Director, Kansas Corporation Commission
Michael Hoeme, Transportation Director, Kansas Corporation Commission

Others attending:

See attached list.

- Attachment 1 Testimony on Trucking Regulations by Kansas Corporation Commission
- Attachment 2 Budget Preparation Guidelines
- Attachment 3 State General Fund Receipts, July through January, FY 2008
- Attachment 4 Response regarding Master Settlement Agreement from Office of Attorney General

Introduction of Legislation

Representative Powell moved to introduce legislation regarding emergency power of local units of government. The motion was seconded by Representative Holmes. Motion carried.

Representative Holmes moved to introduce legislation regarding regulatory certainty in all agencies who have regulatory authority. The motion was seconded by Representative Tafanelli. Motion carried.

Federal Trucking Regulations

Susan Duffy, Director, Kansas Corporation Commission and Michael Hoeme, Transportation Director, Kansas Corporation Commission (KCC), presented testimony regarding the adoption of federal interstate trucking regulations that concern agriculture (Attachment 1). Ms. Duffy explained that the Commission was contacted in early summer of 2007 with regard to enforcement of the federal interstate regulations - regulations that have been in place since the 1930's. Ms. Duffy noted that the federal regulations have not been enforced with regard to the agricultural community.

Ms. Duffy stated that the Commission will continue to focus on working with the trucking industry. At the same time, the Commission will work with the agricultural community to educate farmers and ranchers on the federal interstate trucking regulations. Ms. Duffy noted that there is a lot of confusion across the state with regard to the federal interstate regulations and how they relate to farm trucks transporting grain, cattle, hay, anhydrous ammonia and diesel fuel. Ms. Duffy indicated that no tickets for non-compliance are being given at this time because the Commission places emphasis on education.

Mr. Hoeme noted that the Federal Motor Carrier Safety Administration (FMCSA) has jurisdiction over the transportation of hazardous materials, including anhydrous ammonia and diesel fuel, either

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intrastate or interstate.

Responding to questions from the Committee, Ms. Duffy stated that KCC is using the federal interpretation of the regulations. Ms. Duffy indicated that the Kansas Highway Patrol did a survey of the 50 states concerning the enforcement of the regulations. Of 33 states who responded to the survey, only 17 states are enforcing the regulations. Mr. Hoeme indicated that the Commission feels that there is very little expense or time involved for farmers and ranchers to comply with the regulations or find alternate methods to be in compliance with the regulations.

Responding to another question, Ms. Duffy stated that the educational programs for farmers have been postponed at the present time with the Commission being in a "wait and see" mode until additional information is received to avoid confusion with enforcement of the federal regulations.

Mr. Hoeme stated that 10 states are presently under investigation with regard to enforcement of the federal regulations. It is anticipated that some federal funding could be affected with non-compliance. With regard to the need for additional inspectors for the Commission, Ms. Duffy noted that KCC is a fee-funded agency and a request for additional funding is not anticipated at this time.

The Committee felt that enforcement of these regulations is a serious matter affecting the agricultural industry across the state.

Budget Preparation Guidelines

Budget preparation guidelines were presented to the Committee (Attachment 2). It is anticipated that these guidelines will be used by the Budget Committees as they prepare recommendations for full Committee action on state agency budgets.

Representative McLeland moved for adoption of the budget preparation guidelines. The motion was seconded by Representative Kelsey.

Representative Tapanelli moved to amend the budget preparation guidelines by striking the language "remove all" from the bullet point "Remove All Other State General Fund Enhancements" and insert language to give the Budget Committees the flexibility to shift funding from current programs to provide funding for the enhancements. The motion was seconded by Representative Powell. Motion carried.

Representative McLeland renewed the motion to adopt the budget preparation guidelines as amended. The motion was seconded by Representative Kelsey. Motion carried.

State General Fund (SGF) Receipts

Alan Conroy, Legislative Research Department, presented an update on State General Fund Receipts for the period July through January, FY 2008 (Attachment 3).

Response from Attorney General

A copy of correspondence received from the Office of the Attorney General clarifying testimony on the tobacco Master Settlement Agreement (MSA) was distributed to the Committee (Attachment 4).

Referral of Bills

HB 2671, HB 2685, HB 2716 and HB 2761 were referred to the Social Services Budget Committee.

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee will be held at 9:00 a.m. on Monday, February 11, 2008.

Sharon Schwartz, Chair