

IN THE MIX

Week 4, Volume 2008

February 11, 2008

A LEGISLATIVE REPORT FROM KAPA-KRMCA

While it is cold outside, there has been plenty of heat inside the State House as the green houses gases surrounding the CO2 debate in both the House and the Senate escalate. This week both the House and Senate Energy Committees held hearings with respect to legislation authorizing construction of the Sunflower Electric plants at the Holcomb Station. The Senate Energy Committee was scheduled to work their bill today, however, it was announced yesterday that they would set aside committee time for a question and answer period. The House was scheduled to begin work on the bill. In the meantime, there are plenty of negotiations and exchanges of ideas back and forth in attempt to find common ground on the measure. One of the problems in doing so, is the fact the bill has a lot of working parts including mitigation credits, CO2 tax and definition of terms which do not line up with Federal Law. The Governor met with the Democrats on the House Energy and Utilities Committees yesterday morning to discuss common ground; and, even among her caucus, was unable to come up with any concrete solutions. Meanwhile, there is talk in the Senate of stripping the bill down to the bare necessities to allow the construction of the plant and then running it and seeing what amendments would be necessary to attract 30 votes. In addition to this, there are also talks going on between both the House and Senate leadership. We will continue to keep you posted on the progress of this measure.

While not much has been going on besides the Holcomb deliberations there has been some wrangling once again about how to hold the state budget to 5% growth, House Majority Leader, Ray Merrick, hosted an early morning caucus this week to discuss it with some of his colleagues on what can be done with the difference between 4.6% and 5% for new goodies, be rest assured that .4 of 1% does not provide enough, that came to an abrupt halt when Chairman Carl Holmes was ordered not to work the Holcomb bill by Leadership.

The following is a recap of our issues as of today:

Unemployment Insurance (UI) (Workers Comp)

Last week, we wrote you that we had planned on introducing the Work Comp Drug Abuse Bill in Senate Commerce, however, we ran into a road block when the Senate Leadership announced there will be no work comp bills this year. This is due primarily to a fear of having too many work comp issues out during an election year and not wanting to provide a vehicle for either the Kansas Trial Lawyers or the Kansas AFL-CIO to make an attempt at overturning the Casco decision rendered by the Supreme Court last summer. It appears now, that we will have to wait for the 2009 session before being allowed to introduce this bill.

Intensive Ground Water Use Control Areas (IGUCA)

The report of the Special Committee on Energy and Natural Resources regarding the establishment of Intensive Ground Water Use Control Areas was introduced in the House. It has been sent to House Agricultural Natural Resources Budget Committee. KAPA will be active on this measure as it has severe implications for sand and gravel operators with operations on the Arkansas River. We expect the hearing to be scheduled in the near future.

Lien Bill

We were advised that the Associated General Contractors of Kansas (AGC) may be introducing a bill regarding revisions in the Lien law. As our industry is always very concerned about the ability to reduce risks through the use of liens, we will be actively involved. AGC will be convening a meeting soon to discuss various provisions of the bill. We of course, will keep you posted.

Comprehensive Transportation Program

As discussed earlier the House and Senate are beginning rudimentary efforts to determine the nature and extent of the next highway program. We will be actively involved in this issue. The House and Senate Transportation, as well as House and Senate Taxation Committees, have heard from experts with the U.S. Chamber of Commerce and the Georgia Institute of Technology regarding the needs and funding of transportation. It is obvious that KDOT has no plans for a future program, rather advocating that approximately \$1.4 to \$1.5 billion annually will be needed for maintenance and debt reduction. This, of course, will make passage of a future program with system enhancement projects or major modifications a murkier matter. We have also been advised that the Senate is considering forming a Task Force to research and develop recommendations regarding transportation for the next program.

Bills Tracked by the Association

[SB 89](#) – An Act relating to water; concerning the Republican River and the disposition of moneys recovered from certain litigation; establishing the Republican River water conservation projects fund.

[SB123](#) - An Act concerning water; providing for establishment of an upper Arkansas River conservation reserve enhancement program. (CREP)

[SB145](#) - AN ACT concerning solid waste; relating to siting restrictions; amending K.S.A. 2006 Supp. 65-3407 and repealing the existing section.SB145 by Natural Resources Solid waste; siting restrictions.

[SB 379](#) - AN ACT concerning construction contracts; relating to indemnification provisions and additional insured parties; amending K.S.A. 2006 Supp.16-121 and repealing the existing section.

[SB 485](#) - AN ACT concerning counties; enacting the county alternative project delivery building construction procurement act; amending K.S.A. 19-214 and repealing the existing section.

[SB 515](#) - AN ACT concerning the environment; relating to conservation and electric generation, transmission and efficiency and air emissions; amending K.S.A. 65-3008b, 65-3012 and 66-104d and K.S.A. 2007 Supp. 65-3005, 65-3008a and 66-1,184 and repealing the existing sections.

[SB 530](#) – An Act concerning sales taxation; relating to exemptions; machinery, equipment and materials used for research and development; amending K.S.A. 2007 Supp. 79-3606 and repealing the existing section.

[HB2184](#) - An Act concerning water; providing for establishment of the upper Arkansas River conservation reserve enhancement program. (CREP)

[HB2566](#) - An Act concerning governmental entities competing with private businesses.

[HB2625](#) - An Act concerning intensive groundwater use control areas; relating to mandatory review and advisory committees; amending K.S.A. 82a-1036 and 82a-1037 and K.S.A. 2007 Supp. 82a-1901 and repealing the existing sections.

[HB2711](#) - An Act concerning the environment; relating to conservation and electric generation, transmission and efficiency and air emissions; amending K.S.A. 65-3008b, 65-3012 and 66-104d and K.S.A. 2007 Supp. 65-3005, 65-3008a and 66-1,184 and repealing the existing sections.

[HB 2739](#) – An Act concerning sales taxation; relating to exemptions; machinery, equipment and materials used for research and development; amending K.S.A. 2007 Supp. 79-3606 and repealing the existing section.

*** Bills in bold are those added to the list this week.**