

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT, Room 423-S of the Capitol at 3:30 p.m. on February 8, 2000.

The Chairperson welcomed the first proponent, Bruce Pfeiffer, Kansas/Missouri Chapter Chairman of International Association of Plumbing and Mechanical Officials, to the committee. He testified in support of the bill and believes in today's world, danger to our potable water and clean air is ever present. Pesticides, chemicals, petroleum products and animal waste are just a few of the hazards that deteriorate the quality of our water supply. O-zone depletion and contamination of our air by refrigerants have been cited as causes for skin cancer and increases in respiratory illnesses. Office buildings have become virus incubators due to inadequate or improperly installed ventilation systems. He feels our first line of defense against these perils must be well-trained trades persons in the plumbing and mechanical fields. State licensing is the initial step in providing the constituents of the State of Kansas, with a knowledgeable and skilled work force. (See attachment 1)

David Finley, Executive Director, Kansas Plumbing, Heating, Cooling, Contractors Association, Inc., was welcomed to the committee. He appeared on behalf of the more than one hundred member contracting companies throughout the State of Kansas, and strongly supports the bill. They believe with the rapid change in our industry, it is critical for public safety that people engaged in the plumbing and mechanical trades upgrade their skill and knowledge. Realtors, teachers, beauticians, engineers, nurses, etc., are all uniformly licensed at the state level. The state long since has recognized the need for this. It is way past the time for our state to bring our profession into line with these other professions. (See attachment 2)

James A. Lanzrath, President, Executive Plumbing, Inc., Mulvane, Kansas, testified in support of the bill, for several reasons. It provides for a grandfather clause, allowing companies engaged in business for the required amount of time in an area that does not require licensing to receive a license, therefore, would not be excluded but given an opportunity to join in the effort to insure public health and safety. The continuing education clause will help insure that in this rapidly changing profession that new products will be correctly installed. This will relieve the cost to employees to obtain many different journeyman certificates in each town they work in. Also, this will bring more responsibility and accountability to the profession as the state board can monitor contractor ethics (i.e. fraud, poor work resulting in hazardous situations for consumers). (See attachment 3)

Gary Schmidt, Ray Omo, Inc., Dodge City, Kansas, was welcomed to the committee. He testified in support of the bill and having been in the mechanical contracting business for the past sixteen years has had the opportunity to work in many communities in Southwest Kansas. Over this time span he has seen a growing trend towards upgrading city standards to improve and protect it's citizens. Most of these improvements have been in adopting some form of code or standard of operation. As people retire, move or change jobs many times the next person in line has a different idea or vision on how things should be managed. He was referring to the small communities who may not have the resources to hire a building inspector to manage this very important area. He believes this bill would create continuity and uniformity throughout the state for every community small, medium or large. (See attachment 4)

Terry Irwin, Wichita, Kansas was welcomed. He testified on behalf of Lowell Thiesen, Thiesen Plumbing, Inc., Newton, Kansas, in support of the bill. Mr. Thiesen has been in the plumbing business for almost thirty years, first as an employee and now as a business owner. In all that time he has only been required to pass a master's plumbing exam once. There has been no requirement for retesting or continuing education. He feels continuing education should be required of anyone in the trade. As a small business owner he does not believe these requirements would be a hardship for anyone and would be a benefit for both people in the plumbing trade and consumers. (See attachment 5)

Kevin J. Connell, Connell plumbing and Heating, Inc., Junction City, Kansas, was welcomed to the committee and appeared in support of the bill. He has been in the plumbing, heating, and air conditioning business for the last thirty-two years and has seen many plumbers come and go. He has heard many stories of plumbers not having the training to complete the task that they were called to do. He feels this bill is needed for the plumbing industry in Kansas. It will not have a great impact on those who presently have a license. It will make those who have or acquire a license be a better contractor. Also, he believes, continuing education is very important. (See attachment 6) Questions and discussion followed.

Written testimony only, in support of the bill, was submitted by Wes Bennett, City Inspector and Rich Lanzrath,

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT, Room 423-S of the Capitol at 3:30 p.m. on February 8, 2000.

Certified Building Inspector, City Administration Center, Wellington, Kansas (See attachment 7); Joe Long, Newton's, Cherryvale, Kansas (See attachment 8); Robert J. Kreutzer, Master Plumber, Tatro, Ulysses, Kansas (See attachment 9); David Kime, President, Kime Plumbing Inc., Wichita, Kansas (See attachment 10); Ronald V. Means, Partner, Means Construction Services, Wichita, Kansas (See attachment 11); Charles M. Dirck, Owner, A-Plus Plumbing, Haysville, Kansas (See attachment 12); Greg Swab, Building Official, City of Colby, Kansas (See attachment 13); George Fahnstock, Air Conditioning Contractors of America, Wichita, Kansas. (See attachment 14)

Raney Gilliland, Legislative Research Department, explained the bill.

Chairperson Freeborn welcomed Evan Ice, Lawrence Apartment Association, Lawrence, Kansas, to the committee. He appeared in opposition to the bill and believes it would raise the cost of operating apartments in Kansas, and thus, will ultimately raise rentals in Kansas. All studies show that additional expenses in the apartment industry are ultimately reflected in increased rentals. It will decrease service to tenants in Kansas. One of the advantages to the onsite maintenance person is prompt service in the repair of minor mechanical or plumbing problems. He suggests if the committee does approve the bill that a specific exemption be included for maintenance personnel doing work at multi-family dwelling complexes. (See attachment 15)

Tim Ryan, Codes Administrator, City of Overland Park, Kansas, was welcomed to the committee. He presented testimony in opposition to the bill. One of the primary reasons for the City of Overland Park's opposition is that this is a mandate, which pre-empts the concept of home rule. Several municipalities throughout the state have dealt with this issue and have varying requirements. Most require licensure or registration for purposes of obtaining revenue to support provided services. This bill would prohibit jurisdictions from continuing this practice. He addressed other concerns with the proposed bill such as the educational requirements, grand-fathering, and allocation of fees. (See attachment 16)

Karl Mueldener, Director, Bureau of Water, Division of Environment, KDHE, was welcomed to the committee. He appeared in opposition to the bill and addressed several areas of concern. First, the broad scope of the proposed act will require the establishment of a substantial statewide program. Second, the new system described by the law will be far reaching as it supercedes existing local programs and establishes new requirements in areas previously not covered. The Department is also concerned with the state resources it takes to implement the bill. The quickest KDHE can adopt a regulation is 5 to 6 months, due to mandatory development and review procedure. Implementation by July, 2000 is not realistic. Considering the detailed provisions of the advisory board membership, and their charge, he anticipates it would be a year or more before the advisory board would develop recommendations on state regulations. Another issue to consider is the grandfather cutoff date of December 1999. Establishment of this date is a policy consideration. (See attachment 17)

Ron R. Worley, Building Codes Administrator, City of Lenexa, Kansas, was welcomed. He appeared in opposition to the bill with four main concerns. First, the membership of the board. Given the number of licensed persons that would be required to be involved in this statewide program, it would seem that this board would need to meet at least once a month and likely more often. What plumbers or mechanics, especially journeymen, could afford to serve without compensation on a board that would need to meet this often. Second, Contractor business license, Section 17 of the bill clearly says that a city may not charge for a journeyman or master license or card as many do at the present time. However, under this bill it is not clear whether a city could still charge for an annual Plumbing Contractor or Mechanical Contractor Business License. Third, enforcement of license requirement. Many smaller cities and most counties currently do not require any plumbing or mechanical permit to do work in their jurisdiction and have no inspection program. How would this license requirement be enforced in those jurisdictions? Fourth, cities forced to grandfather. Currently the City of Lenexa and many other cities require applicants for a new license to have passed the Block and Associates examination to obtain such a license. Lenexa, and most other cities that require a license, do not reciprocate on any other basis. Section 6 of this bill would force Lenexa and all other cities to reduce this requirement. (See attachment 18)

Joe McCoy, Board Member, Heart of America Chapter, ICBO, was welcomed to the committee. He appeared

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT, Room 423-S of the Capitol at 3:30 p.m. on February 8, 2000.

in opposition to the bill and addressed six concerns on behalf of the chapter. (1) Support and endorse licensing at the state level, however, licensing of contractors should be all-inclusive and include the plumbing, electrical, mechanical/HVAC trades, residential builders and general contractors. (2) The appropriate state agency for licensing should be the Kansas State Board of Technical Professions. (3) The state should adopt statewide uniform building codes. Would strongly recommend the new International Codes as published by all three national model code groups. (4) The licensing review/advisory board should be balanced with an equal number of contractor representatives and building code officials. (5) Administration and enforcement should be the responsibility of the state and not mandated back to local jurisdictions. (6) Local jurisdictions that currently license contractors would be impacted fiscally by state licensing requirements. (See attachment 19) Questions and discussion followed.

Written testimony only in opposition to the bill was submitted by Mike Taylor, Government Relations Director, City of Wichita, Kansas. (See attachment 20); and Kim Gulley, Director of Policy Development, League of Kansas Municipalities, Topeka, Kansas. (See attachment 21)

Chairperson Freeborn thanked the conferees for appearing today and closed the hearing on **HB2686**. She announced that on Thursday, February 10, the Secretary of Agriculture, Jamie Clover-Adams may report to the committee on TMDLs (Total Maximum Daily Loads), however, this has not been confirmed.

The Chairperson opened the hearing on **HB2781**.

HB2781: **An act concerning the state corporation commission; relating to application of certain penalties.**

Diana Edmiston, Senior Assistant General Counsel, State Corporation Commission of Kansas, was welcomed to the committee and testified in support of the bill. She believes this bill proposes a concise amendment to KSA 55-164. KSA 55-164 is the statute which authorizes the KCC to impose monetary penalties against oil and gas operators. This proposed amendment is a clarification which has become necessary over time to various amendments and additions to KSA Chapter 55. The proposed statutory language will not result in a change in the enforcement practices of the Commission, but will clarify the Commission's statutory authority to impose monetary penalties for any violation of a rule or regulation adopted, or order issued by the Commission under its Chapter 55 authority. (See attachment 22)

There were no opponents to the bill. Chairperson Freeborn closed the hearing on **HB2781** and opened the hearing on **HB2782**.

HB2782: **An act concerning oil and gas; relating to disposition of certain fees.**

The Chairperson welcomed Robert E. Krehbiel, Executive Vice President, Kansas Independent Oil and Gas Association. He appeared on behalf of the KIOGA in support of the bill. The abandoned well fund was created during the 1996 Legislative Session with the passage of House Substitute for SB755. The purpose of the fund was to provide the Conservation Division with additional funding with which to plug existing abandoned oil and gas wells. Funding of \$1.6 M came from four different sources. In addition to the creation of the fund to plug abandoned wells in existence at the time the bill became effective, the legislation directed that oil and gas operators establish financial assurance before a license is granted to assure that all wells drilled after July 1, 1996, the effective date of the act, would be properly plugged upon abandonment. He believes it would be contrary to the to the intention of House Substitute of SB755 to use financial assurance funds to pay for plugging old oil and gas wells. Therefore, he supports the creation of a well plugging assurance fund. (See attachment 23)

Ken Peterson Kansas Petroleum Council, Topeka, was welcomed to the committee. He appeared on behalf the KP Council in support of the bill. They support the bill because it recognizes that current operators are paying into a financial assurance fund that will be set aside for the future. They agree with KIOGA that the financial assurance requirements were not meant to pay for the plugging of old oil and gas wells. The intent of this bill is the creation of a distinct fund, paid by current operators, to address abandoned well plugging needs of the future. (See attachment

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT, Room 423-S of the Capitol at 3:30 p.m. on February 8, 2000.

24)

Maurice Korphage, Director, Conservation Division, State Corporation Commission, was welcomed to the committee. He appeared in support of the bill. The Division would suggest two amendments to the current form of the bill. The first proposed amendment deals with the Commission's obligation to cover liabilities of the well assurance fund and the abandoned oil and gas well fund with monies from the conservation fee fund. The second deals with the disposition of funds recovered under KSA 55-180. (See attachment 25) Questions and discussion followed.

There were no opponents to the bill. The Chairperson closed the hearing on **HB2782**. She thanked all the conferees for their participation, and guests and committee members for their attention.

The meeting adjourned at 5:45 p.m. The next meeting is scheduled for Thursday, February 10.