

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:15 a.m. on March 12, 2002 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Sherman Parks, Revisor of Statutes
Norman Furse, Revisor of Statutes
April Holman Legislative Research
Debra Hollon, Legislative Research
Lea Gerard, Committee Secretary

Conferees appearing before the committee: Charles Benjamin, Attorney
Kansas Chapter of the Sierra Club
Marilyn Nichols, Register of Deeds Assoc.
Suzanne Simon, Wabaunsee Register of Deeds
Michael McDermott, Taxpayer

Others attending: See attached list.

In accordance with KSA 75-3715a the fiscal note for **SB 635** was submitted to committee members.

Hearings on **SB 635**—Mortgage registration fees; use of monies for historical and cultural heritage purposes:

April Holman, Legislative Research, briefed the committee on **SB 635**. The bill would amend the current law governing mortgage registration fees as it relates to the Heritage Trust Fund. Under current law a mortgage registration fee is due which is equal to .26 cents per \$100. of the principle debt secured by a mortgage. This fee or tax is administered and collected by the County Register of Deeds and of the .26 cents, .01 cent goes to the Heritage Trust Fund up to a maximum of \$100,000. per year in any county. The balance goes to the County General Fund. The Heritage Trust fund was created in 1990 to provide assistance for the preservation of historic property in Kansas. Property listed in the National Register of Historic Places are eligible to receive the Heritage Trust grants. Under **SB 635**, any money in excess of the \$100,000. which were credited to the county General Fund per year can only be expended for historical and cultural heritage purposes.

Marilyn Nichols, Kansas Register of Deeds Association, testified in opposition to **SB 635** stating that the association did not want any of the funds going into the County General fund earmarked for any additional special needs. (Attachment 1).

Suzanne Simon, Register of Deeds Wabaunsee County, testified in opposition to **SB 635** (Attachment 2).

There being no further conferees wishing to testify, the hearing for **SB 635** is closed.

Continued Hearings on **SB 611**—Concerning the redevelopment of the sunflower army ammunition plant for Johnson County:

Charles Benjamin, Attorney at Law, representing the Kansas Chapter of the Sierra Club and a member of the Sunflower Advisory Board testified in opposition to **SB 611** (Attachment 3). During production at the Sunflower Army Ammunition Plant, spills and releases of propellant and materials contaminated several plant locations which could be potential liability for the taxpayers of Johnson County and the State of Kansas. By passing this bill and allowing development to occur before the facility is completely cleaned-up, the state is potentially putting Johnson County taxpayers at risk for any future claims.

Senator Brownlee asked Charles Benjamin what the Sunflower Advisory Board was. He stated whenever military facilities are cleaned-up there is a citizens advisory board that is created by the Department of Defense and EPA.

Senator Brownlee stated she had spoken with a representative from Senator Brownback's office regarding CERCLA and federal legislation that would exempt the redevelopment authority participants of the

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liability as it relates to clean-up. She stated there have been some efforts on the federal level in this direction and she requested that it be specific as it relates to the federal enclaves. As the legislation moves through, others try to make it more encompassing. This would be a very important piece to place in **SB 611** because the liability issue is so immense. The State must make sure in the transfer that the Federal government will remain liable. It means nothing for state legislators to work in Kansas law, that the state will not be liable whereas the federal CERCLA law states anyone that touches the chain of title will be liable.

Michael McDermott, Taxpayer, testified in opposition to **SB 611** stating that Johnson County does not need another 9,000 acres for development. The population in Johnson County grows by the population of Abilene every 8.7 months; the population of Johnson County grows by the population of Topeka every thirteen years with a tax base that increased 12% from 4.6 billion to 5.2 billion. Development in Johnson County is healthy and does not need to take on this state asset.

There being no further conferees wishing to testify, the hearings on **SB 611** was closed.

Chairperson Brownlee recognized Don Jarrett, Attorney for Johnson County and requested that he be available for questions so that committee members would fully understand what impact the bill would have on Johnson County.

Don Jarrett, Attorney for Johnson County, stated the intent of the bill is to provide some mechanisms to address the opportunity of the land for Johnson County from the disposition of the Sunflower Army Ammunition Plant. The federal government owns the land and is in the process of disposing of it and Johnson County needs to be proactive in this process. Johnson County has a comprehensive development plan approved for the property which has led to the proposal of **SB 611**. The bill is an enabling piece of legislation and does not commit the state to fund money, to purchase the property, or commit the state to use any incentives.

Senator Jordan asked Don Jarrett to comment on the liability issues from the county standpoint. Don Jarrett stated the liability issue is a concern but under federal law the United States Army is liable and is responsible for the contamination that is existing at and on the facility today. With Johnson County stepping in the process either through a redevelopment district or some other mechanism including taking chain of title, it does not alleviate the army of the contamination responsibility. There is also a comprehensive insurance package that is available for remediation and is eligible for federal funding. In addition, every discussion that has taken place with federal officials and the EPA is to ensure that the responsibility stays with the Army and that as the transfer or redevelopment goes forward it is properly financed and insured.

Senator Barone asked Don Jarrett would this apply to the citizens of Crawford County. Don Jarrett answered yes it would apply. Senator Barone then asked if he would be willing to put any language in the bill fully recognizing that it may be superfluous with the state premise that if there is ever any liability on this it would not fall to the citizens of Kansas but would remain with the citizens of Johnson County. Don Jarrett stated he personally would not have any problem with that provision but would have to see how it is written and what all is to be covered. With respect to the assumption of environmental issues, he stated he would have not problem with that.

Chairperson Brownlee announced the committee will work the bill on Thursday, March 14, 2002.

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for March 13, 2002 at 8:30 a.m.