

Senate Update



Senate President Stephen R. Morris

Room 371E • State Capitol
Topeka, KS 66612 • (785) 296-2419
Email Address: morris@senate.state.ks.us
Website: www.kslegislature.org/smorris/

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Dear Friends,

It is hard to believe we are in the sixth week of the 2008 Legislative Session. While every session has its key issues, this one has been particularly intense. We began the session with news of reduced revenues, the serious questions surrounding the denial of the Sunflower Electric application for an air quality permit, the future of Kansas casinos and gaming in the hands of the district court, and the resignation of a statewide officeholder.

Our legislative committees are meeting diligently, holding hearings on a wide variety of proposals and working through the process. We have begun debating on the Senate floor and a couple of measures have been signed into law by the Governor.

At this point, we have made progress, although we have a great deal yet to do. The Senate passed a bill that would have major implications for the Sunflower proposal, the district court upheld the Kansas gaming law as being constitutional and that matter has moved on to the state Supreme Court, and a new Attorney General has been appointed and sworn in.

The bitter weather has made for a gloomy setting, so all of us here in the Capitol are holding out for Spring. I hope you and your families are faring well, and that you will find this mini edition of my newsletter to be informative.

A handwritten signature in black ink that reads "Stephen R. Morris". The signature is written in a cursive style and is positioned at the bottom left of the page, overlapping the end of the main text block.

“The Sunflower Bill” Senate Substitute for House Bill 2066

Legislation Addressing the Proposed Expansion of the Coal-fired Facility at Holcomb and the Role of the Kansas Department of Health and Environment in the Air Quality Permitting Process

As most people living in our part of the state know, Sunflower applied for an air quality permit to build two new state-of-the-art coal-fired plants at its Holcomb facility. A \$3.6 billion project, the plans also include an ethanol plant, a dairy, a biodiesel plant and an anaerobic digester. These other industries could be supported by bi-products of and emissions from the coal-fired plants.

In October, however, KDHE Secretary Rod Bremby denied the application on the basis of the projected amount of carbon dioxide (CO₂) that would be emitted from the coal-fired process. There are currently no federal or state standards on CO₂, and the Secretary's denial came in direct opposition to the recommendation of his own professional staff.

Whether or not one supports the Sunflower proposal, the idea that one government appointee can issue a denial that is not upheld by any statute, rule or regulation, should make us very uneasy.

Members of the Senate and the House worked together to come up with a comprehensive bill to

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address the many issues surrounding this situation, including wind energy, conservation, regulatory authority, and mitigation of CO2 emissions. Among other things, the measure calls for the creation of a policy group to help guide the state's long range energy policy.

The resulting proposed legislation was introduced simultaneously in the Senate and the House in order to move it more efficiently through the legislative process. Hearings were held by both energy committees, allowing opponents and proponents similar opportunities to express their support or concerns.

When it became clear the comprehensive bill was going to face a number of challenges, it was decided the major elements should be placed in a different piece of legislation so it could proceed. At that point, the bill became known as Senate Substitute for House Bill 2066.

This bill came out of the Senate Energy Committee earlier this week, was debated on the Senate floor on Feb. 13, and was passed by the Senate on a vote of 33 - 7. It will now move back over to the House for further debate.

I would like to share with you the explanation of vote I offered when I voted for this bill. Below are the comments I used on the Senate floor, that have been entered in the Senate Journal:

This bill takes the first step toward securing Kansas' future energy security. 95% of US energy resources lies in coal. The Holcomb plant, with its super-critical technology, will be one of the cleanest burning plants in the world. Associated with the coal plant is a bio-energy center that will consume up to 40% of the carbon emissions, making it even more environmentally friendly.

Wind power is also vital to Kansas' energy security. The biggest barrier to additional wind power development in Kansas is the need for additional transmission lines. The Holcomb plant will allow for

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New Website Up and Running!

Earlier this month I was pleased to announce the availability of my new website,

www.senatorstevemorris.com

The new website should be a positive link with the people and communities in our district. My staff will work with me to keep updated newsreleases and newsletters on the site, along with photos from the session and other special events. It will also allow people to opt to receive an electronic version of my newsletter by email, which more people are beginning to prefer. If anyone needs to contact me, they will be able to get my email and street addresses, as well as telephone numbers.

It is important to note that the new site is not state-sponsored, although the Senate Secretary continues to host a state-sponsored webpage for each state senator. The new site was created by Mary Napier of Napier Communications in Topeka, Kan., and the domain name was secured through GoDaddy.com. *Neither the creative services nor the webhosting are paid for by state funds.*

I hope people in my district – and anyone else who has an interest – will find the site informative and helpful. Anything that enhances communication between an elected official and the people he or she represents is a good thing. More and more individuals turn to their cell phones and computers for information and contact. This new website should prove to be a good way to stay in touch on current issues.

Sen. Morris' state-sponsored site is still available by pasting:

www.kslegislature.org/legsrv-senate/index.do

into your browser. When the site comes up, go to Senate Roster in the middle of the page and select Sen. Morris or any other state senator, and you will be connected with the state sponsored page.

Kansas Commission on Rural Policy:

The Speaker of the House and I held a news conference earlier this month with Kansas Farm Bureau officials to announce the introduction of SB 453 which would establish the Kansas Commission on Rural Policy.

The Commission is not designed to be a competing service provider, but rather to enhance and optimize into a comprehensive effort what other entities already offer.

The charge to the Commission is to develop community based programming and funding for “four pillars”:

❑ Leadership

Communities must identify the next generation of leaders and empower them through programming that encourages community awareness, involvement and commitment to ensuring prosperity and ongoing development;

❑ Wealth

Predictions are that between 2001 and 2055, \$41 trillion dollars will leave rural communities with the death of our oldest generation. We must act now to retain a portion of this wealth.

❑ Entrepreneurship

Help communities identify opportunities to expand existing business or to foster new business development.

❑ Youth

Rural communities must create opportunities for young people seeking to develop leadership skills or entrepreneurial ability. Programming must focus on enhancing local educational opportunities and providing links within the community that provide post-secondary education and career opportunities to attract and retain young people and their families.

The small towns that provide structure and stability to the fabric of rural life are in danger of disappearing. The social, educational and economic benefits they provide to our farmers and ranchers are invaluable. We need to take immediate and definitive steps to preserve and enhance Kansas’ rural communities.

The Senate Commerce Committee is considering this measure and has brought the Dept. of Commerce into the discussion with the Legislature and KFB.

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the possibility of an additional 3,000 megawatts of wind to be developed in Kansas.

The future of the energy industry in our state will not rest with any one solution. Serious conservation efforts along with wind, ethanol, solar and other alternative energy sources will surely play a role. I am convinced it will take a combination of those alternatives plus coal-fired and natural gas driven plants to meet our future energy needs.

Senate Substitute for House Bill 2066 is vitally important because it will restore a badly needed level of certainty to the regulatory environment in Kansas. Investors will not commit to projects in an uncertain regulatory environment. It is our responsibility as members of the Kansas legislature to ensure consistency in the permitting process in Kansas.

If you are interested in viewing a summary of the Sunflower legislation, paste the following link into your browser:

www.kslegislature.org/supplemental/2008/SN2066.pdf

For the full text of the bill, you may paste this link into your browser:

www.kslegislature.org/bills/2008/2066.pdf

Distribution of Oil and Gas Lease Monies:

SB 424 amends current law regarding payments made for the sale of an oil or gas lease when an owner cannot be found.

The bill requires future production proceeds, or other benefits paid under the oil and gas lease, be retained by the oil and gas purchasing company. The company is required to hold the funds until ordered by the Court to distribute the money or remit it to the Unclaimed Property Fund. SB 424 passed 40-0.

Considering Factors Used to Determine Parole Suitability

The factors indicating parole suitability were studied by the 2007 Special Committee on Judiciary. As amended, SB 411 changes existing law by adding two factors to be considered by the Kansas Parole Board when making determinations regarding eligibility of parole:

- risk assessment of the inmate; and
- recommendations by the staff of the facility where the inmate is incarcerated.

SB 411 passed 40-0.

Property Tax Exemption for Tangible Property

SB 444 provides a property tax exemption, effective in tax year 2009, for certain property classified as “all other tangible personal property” which has a purchase price of \$1,500 or less.

It states that taxpayers will not be required to file for the exemption at the State Board of Tax Appeals (SBOTA). All other tangible personal property -- such as **watercraft, non-highway vehicles, mopeds, canoes, kayaks, certain trailers, all-terrain vehicles, and golf carts** -- is currently assessed at 30 percent of its fair market value.

SB 444 passed 38-2.

Tax Exemption for Hunting Services:

In the fall of 2007, the Kansas Department of Revenue issued a new interpretation of an existing statute, stating their intent to collect sales tax on services provided by outfitters who provide hunting services – including guided and non-guided hunts.

SB 487 exempts these hunting services, as well as hunting leases, from sales tax. Additionally, the bill applies a sales tax exemption to game birds, participation fees for hunts, as well as sporting clays. The measure passed the Senate 40-0.

Statewide Ban on Smoking:

Senate Judiciary Committee spent two days hearing both sides of the bill proposing a statewide vote on prohibiting smoking in public places. This bill would give voters in each Kansas county the option of participating in a smoking ban in their county.

The required vote would be mandated state-wide and would be placed on the ballot this November. The Judiciary Committee is expected to act on the bill next week.

Education Funding for 2010

The Senate Ways & Means Committee will consider next week a proposal that the three-year school funding legislation enacted in 2006 be extended by another year to keep up with the cost of inflation.

The proposal is to raise state aid for public education in 2010 by the rate of inflation (2.2 percent), which requires a \$65 million new commitment for 2010. This meets the expectation created in 2006 when the legislature, by its vote of funding the education plan, said it intended to follow the Consumer Price Index for future annual school funding increases.

By enacting this measure during the coming 2008 legislative session, it would create a rolling two-year commitment to school finance. This way, local school districts will know a year in advance how much state aid they will receive and can plan accordingly.

Tax Exemption for Certain Farm Equipment

SB 510, as amended, clarifies that the property tax exemption for farm machinery and equipment will include certain beds, bodies, and boxes attached to motor vehicles actually and regularly used for farming or ranching operations.

An amendment further clarifies that beds, bodies, and boxes attached to vehicles by vehicle manufacturers will not qualify for the exemption. SB 510 passed the Senate 40-0.