

SENATE BILL No. 543

By Committee on Agriculture

2-9

9 AN ACT creating the Kansas ethanol council.

10

11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. The purpose of the Kansas ethanol council is to provide a
13 forum for representatives of the various segments of the ethanol industry
14 to assist in the growth and progress of the ethanol industry in Kansas.

15 Sec. 2. (a) For the purposes of this act, "council" shall mean the
16 Kansas ethanol council.

17 (b) On the effective date of this act, there is hereby created a Kansas
18 ethanol council.

19 (c) The council shall be composed of seven members who shall be
20 appointed by the governor. One member shall represent the agricultural
21 producer industry, one member shall represent the corn/sorghum pro-
22 ducer industry, one member shall represent the petroleum marketing
23 industry, one member shall represent the ethanol processor industry, one
24 member shall represent the ethanol marketers industry, one member
25 shall represent the co-product marketing industry and one member shall
26 represent the affiliated ethanol manufacturers industry. There shall also
27 be a representative from the Kansas state university college of agriculture,
28 a representative from the Kansas department of agriculture and a rep-
29 resentative from the Kansas department of commerce that shall serve as
30 nonvoting ex-officio members of the council.

31 (c) The regular term of office of members of the council shall be four
32 years except the initial appointments to the board shall be as follows:
33 Three members shall be appointed for terms of two years, three members
34 shall be appointed for terms of three years and one member shall be
35 appointed for a term of four years. The governor shall designate the term
36 of office for each member appointed to the first council. Each member
37 shall serve until a successor is appointed. Whenever a vacancy occurs in
38 the membership of the council prior to the expiration of a term of office,
39 the governor shall appoint a qualified successor to fill the unexpired term.

40 (d) The council shall elect the chairperson and vice-chairperson of
41 the board at the first meeting of the board.

42 (e) The council shall meet at least once annually.

43 (f) Members of the council attending meetings of the council shall

1 be paid compensation, subsistence allowances, mileage and other ex-
2 penses as provided by K.S.A. 75-3223 and amendments thereto.

3 Sec. 3. The council shall have the following powers, duties and
4 functions:

5 (a) Establishment of procedures for entering blended fuel into the
6 marketplace by private enterprise;

7 (b) analysis of the marketing process and testing of marketing pro-
8 cedures to assure acceptance in the private marketplace of blended fuel
9 and byproducts resulting from the manufacturing process;

10 (c) cooperation with the private industry to establish privately owned
11 agricultural ethyl alcohol manufacturing plants in Kansas to supply de-
12 mand for blended fuel;

13 (d) sponsor research and development of industrial and commercial
14 uses for agricultural ethyl alcohol and for byproducts resulting from the
15 manufacturing process;

16 (e) promotion of the use of renewable agricultural ethyl alcohol as a
17 partial replacement for imported oil and for the energy and economic
18 security of the nation;

19 (f) promotion of state and national air quality improvement programs
20 and influencing federal legislation that requires or encourages the use of
21 fuels oxygenated by the inclusion of agricultural ethyl alcohol or its
22 derivatives;

23 (g) participation in the development and passage of national legisla-
24 tion dealing with research, development and promotion of the United
25 States production of fuels oxygenated by the inclusion of agricultural ethyl
26 alcohol or its derivatives, access to potential markets, tax incentives, im-
27 ports of foreign-produced fuel and related concerns that may develop in
28 the future;

29 (h) establishment of procedures and processes necessary to the man-
30 ufacture and marketing of fuel containing agricultural ethyl alcohol;

31 (i) membership in a national ethanol promotion group;

32 (j) solicitation and receipt of federal or private funds to assist in the
33 development of ethanol;

34 (k) acceptance of any gifts, donations, money or services that further
35 the ethanol development act;

36 (l) enter into contracts that may be necessary to perform the duties
37 pursuant to this act;

38 (m) contract for the services of an administrator and other personnel
39 as may be necessary for the performance of the duties;

40 (n) annually provide an independent audit of the fund; and

41 (o) on or before April 15 of each year, the council shall submit to the
42 governor, the senate and house standing committees on commerce an
43 annual report of the activities for which money from the fund has been

1 expended during the previous fiscal year, including a copy of the inde-
2 pendent audit.

3 Sec. 4. (a) There is hereby created in the state treasury the Kansas
4 ethanol council fund.

5 (b) All expenditures from the Kansas ethanol council fund shall be
6 made in accordance with appropriation acts upon warrants of the director
7 of accounts and reports issued pursuant to vouchers approved by the
8 chairperson of the board or by a person designated by the chairperson.

9 Sec. 5. On July 1, 2007 and quarterly thereafter, the state treasurer
10 shall credit \$.0025 per gallon of ethanol produced in Kansas from the
11 economic development incentive fund in the state treasury to the credit
12 of the Kansas ethanol council fund, which fund is hereby created.

13 All expenditures from such fund shall be made in accordance with
14 appropriation acts upon warrants of the director of accounts and reports
15 issued pursuant to vouchers approved by the secretary.

16 Sec. 6. If any provision of this act or its applicability to any person
17 or circumstance is held invalid, the remainder of the act or the application
18 of the provision to other persons or circumstances is not affected. To this
19 end the provisions of this act are severable.

20 Sec. 7. On July 1, 2009, the Kansas ethanol council and the fund are
21 hereby abolished.

22 Sec. 8. This act shall take effect and be in force from and after its
23 publication in the statute book.