MINUTES OF THE SENATE AGRICULTURE COMMITTEE.

The meeting was called to order by Chairperson Derek Schmidt at 8:35 a.m. on March 18, 2003 in Room 423-S of the Capitol.

All members were present except:

Senator Tyson, excused

Committee staff present:

Raney Gilliland, Legislative Research Mona Gambone, Committee Secretary

Conferees appearing before the committee:

Representative Joe Shriver

Justin Holstin, Propane Marketers Association Ron Davis, Ruralgas Company, Nortonville Diane Gruver, Kansas Cooperative Council

Karl McNorton, State Fire Marshall

Pat Lehman, Kansas Fire Service Alliance

Robert Krehbiel, Kansas Independent Oil & Gas Assn

Others attending:

See attached guest list.

The chairman announced that the Committee would take action on three previously heard bills:

HB 2036 - an act concerning the petroleum products inspection act

Chairman Schmidt passed around to Committee members copies of a balloon to the bill that solves a language problem in the current version (Attachment #1).. Chairman Schmidt made the motion that the balloon be adopted; Senator Umbarger seconded the motion; the motion carried. Chairman Schmidt asked if the Committee wished to include "cooking oil" in the bill; Senator Taddiken asked if that wasn't redundant, since it would be included under "vegetable or animal fat". Senator Umbarger made the motion to include "cooking oil"; Senator Lee seconded the motion; the motion carried. Regarding concerns about rules and regulations language on page 2, line 6, Senator Taddiken made the motion to insert "or later versions as established by rules and regulations and the Secretary" in line 7; Senator Umbarger seconded the motion; the motion carried. Senator Corbin asked if by defining "biodiesel" as 2% rather than 1.5%, wouldn't that put marketers out of business who are selling 1.5%? Chairman Schmidt said that they just wouldn't be able to sell the product as "biodiesel". Senator Umbarger made the motion that these provisions from SB 191 be amended into HB 2036; Senator Huelskamp seconded the motion; the motion carried. Senator Umbarger made the motion to report the bill, as amended, favorably for passage; Senator Taddiken seconded the motion; motion carried. Senator Corbin asked to be recorded as voting No on the motion.

HB 2245 - an act concerning weights and measures

Senator Huelskamp made the motion to report the bill favorably for passage and that it be placed on the Consent Calendar; Senator Umbarger seconded the motion; the motion carried.

HB 2055 - an act concerning agriculture; relating to agricultural loan deposit agreements

<u>Senator Umbarger made the motion that the bill be reported favorably for passage; Senator Downey seconded the motion; the motion carried</u>. Senator Corbin asked to be recorded as voting No on the motion.

CONTINUATION SHEET

MINUTES OF THE SENATE AGRICULTURE COMMITTEE at 8:35 a.m. on March 18, 2003 in Room 423-S of the Capitol.

Chairman Schmidt then opened the hearing on **HB 2038** - an act creating the Kansas propane education and research council.

Proponents of HB 2038:

Chairman Schmidt introduced Representative Joe Shriver (<u>Attachment #2</u>). There were no questions of Representative Shriver.

Chairman Schmidt introduced Justin Holstin, Executive Vice President, Propane Marketers Association of Kansas (<u>Attachment #3</u>). Mr. Holstin then responded to questions from Committee members.

Chairman Schmidt introduced Ron Davis, owner, Ruralgas Company, Nortonville, Inc., Nortonville, Kansas (Attachment #4). There were no questions of Mr. Davis.

Chairman Schmidt introduced Diane Gruver, Executive Assistant, Kansas Cooperative Council (Attachment #5). There were no questions of Ms. Gruver.

Chairman Schmidt introduced Karl McNorton, State Fire Marshall (<u>Attachment #</u>6). There were no questions of Mr. McNorton.

Chairman Schmidt introduced Pat Lehman, Kansas Fire Service Alliance (<u>Attachment #7</u>). There were no questions of Mr. Lehman.

Chairman Schmidt introduced Robert Krehbiel, Executive Vice President, Kansas Independent Oil and Gas Association, who appeared to make a point of clarity about natural gas contracts and that the assessment is made at the point of ownerization, against the purchasers. There were no questions of Mr. Krehbiel.

Chairman Schmidt then asked Mr. Holstin why the Council is not under the "open meetings act". Mr. Holstin said there is no reason, this is what other states have done. Chairman Schmidt asked why the 15% cap, why not a lower figure; Mr. Holstin said this is what other states have done, it would probably never be over 10% but this allowed for costs of setting up the program. Senator Huelskamp asked how much money this is annually; Mr. Holstin said it was \$92,000 to the state, but only about \$30,000 is actually used in the state. They are trying to use more of that money. Senator Huelskamp asked if the Executive Director is the same person for the state and private group; Mr. Holstin said yes, it is in other states.

Chairman Schmidt announced that the Committee will meet tomorrow (March 19) to work **HB 2038.**

The meeting was adjourned.

SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: March 18, 2003

NAME	REPRESENTING
Dean Greece	KS Coop Council
Greg Noll	PMAK - Ferrellgas
James Balwer	PMAK - Sin's Propone Inc
Islen n Davis	PMAK-Ruralgas Co Inc
Bon Vain	PMPK - Rualgos Co
Don Sutto	PMAK PRESTST KCKS,
Dan Hatchaus	KEC.
Chuck Stones	KBA
Woody Mars	KRMCA
Wendy Homes	KAPA
Godd Johnson	KLA
Jushy (bolstin	
Raf With the	1/SFMO
Pat Kehman	KFSA

Substitute for HOUSE BILL No. 2036

By Committee on Agriculture

2-20

AN ACT concerning the petroleum products inspection act; relating to diesel fuel; misrepresentations regarding biodiesel; penalties; amend-10 11 ing K.S.A. 2002 Supp. 55-443 and repealing the existing section. 12 Be it enacted by the Legislature of the State of Kansas: 13 Section 1. K.S.A. 2002 Supp. 55-443 is hereby amended to read as 14 follows: 55-443. (a) It is a violation for any person to: 16 (1) Act as or represent such person's self to be a technical representative without having a valid license issued by the department of 17 18 agriculture;

(2) hinder or obstruct in any way the secretary or any of the secretary's authorized agents in the performance of the secretary's official duties under the petroleum products inspection law;

(3) failure to follow the applicable version of NIST Handbook as referenced in chapter 83 of the Kansas Statutes Annotated, and amendments thereto, or any rules and regulations adopted thereunder when installing, repairing, calibrating or testing a device;

(4) failure to complete the testing or placing-in-service report in its entirety and to report the accurate description of the parts replaced, adjusted, reconditioned or work performed;

(5) filing a false or fraudulent application or report to the secretary;

(6) failure to pay all fees and penalties as prescribed by the petroleum products inspection law and the rules and regulations adopted and promulgated pursuant to the petroleum products inspection law;

(7) refuse to keep and make available for examination by the department of agriculture all books, papers, and other information necessary for the enforcement of the petroleum products inspection law or chapter 83 of the Kansas Statutes Annotated, and amendments thereto;

(8) failure to have any commercial dispensing device tested as required by the petroleum products inspection law or chapter 83 of the Kansas Statutes Annotated, and amendments thereto;

(9) sell, offer or expose for sale any petroleum product which does not comply with the provisions of the petroleum products inspection law;

(10) sell, use, remove, otherwise dispose of or fail to remove from the premises specified, any dispensing device, package or commodity con3-18-03 0-18-03

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.ry to the terms of any order issued by the secretary; and

(11) represent that diesel fuel is or contains biodiesel fuel blend or otherwise to represent that diesel fuel is made from renewable resources, unless not less than 2% of the diesel fuel mixture is mono-alkyl esters derived from vegetable oil or animal fat. Biodiesel fuel used in biodiesel fuel blends shall conform with specification D6751-02, issued March 2002, by the American society of testing and materials, and

- (12) violate any order issued by the secretary pursuant to chapter 83 of the Kansas Statutes Annotated, and amendments thereto.
- (b) Any person who violates any provision of the petroleum products inspection law or any applicable provisions of chapter 83 of the Kansas Statutes Annotated, or amendments thereto, or any rules and regulations adopted thereunder, in addition to any other penalty provided by law, may incur a civil penalty imposed under subsection (c) in an amount, fixed by rules and regulations of the secretary, of not less than \$100 nor more than \$5,000 for each such violation and, in the case of a continuing violation, every day such violation continues shall be deemed a separate violation.
- (c) In determining the amount of the civil penalty, the following shall be taken into consideration: (1) The extent of harm caused by the violation; (2) the nature and persistence of the violation; (3) the length of time over which the violation occurs; (4) any corrective actions taken; and (5) any and all relevant circumstances.
- (d) All civil penalties assessed shall be due and payable within 10 days after written notice of assessment is served on the person, unless a longer period of time is granted by the secretary. If a civil penalty is not paid within the applicable time period, the secretary may file a certified copy of the notice of assessment with the clerk of the district court in the county where the weighing and measuring device or dispensing device is located. The notice of assessment shall be enforced in the same manner as a judgment of the district court.
- (e) No civil penalty shall be imposed pursuant to this section except upon the written order of the duly authorized agent of the secretary to the person who committed the violation or to the person whose agent or employee committed the violation. Such order shall state the violation, the penalty to be imposed and the right of the person to appeal to the secretary. Any such person, within 20 days after notification, may make written request to the secretary for a hearing in accordance with the provisions of the Kansas administrative procedure act. The secretary shall "irm, reverse or modify the order and shall specify the reasons therefor.
- f) Any person aggrieved by an order of the secretary made under this section may appeal such order to the district court in the manner provided by the act for judicial review and civil enforcement of agency

. If a petroleum distributor is alleged to have violated the provisions of this subsection, it shall be a defense, that the petroleum distributor relied in good faith upon the bill of lading

cions.

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(g) An appeal to the district court or to an appellate court shall not stay the payment of the civil penalty.

- (h) Any civil penalty recovered pursuant to the provisions of this section or any penalty recovered under the consumer protection act for violations of this section, and amendments thereto, or any rules and regulations adopted thereunder, shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the weights and measures fee fund.
- (i) This section shall be part of and supplemental to the petroleum products inspection act, article 4 of chapter 55 of the Kansas Statutes Annotated, and amendments thereto.
 - Sec. 2. K.S.A. 2002 Supp. 55-443 is hereby repealed.
- Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

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STATE OF KANSAS

JOE SHRIVER
REPRESENTATIVE, 79TH DISTRICT
COWLEY COUNTY
P. O. BOX 1324

ARKANSAS CITY, KANSAS 67005-7324
(620) 442-6522

STATE CAPITOL, ROOM 273-W TOPEKA, KS 66612-1504 (785) 296-7648 1-800-432-3924



TOPEKA

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KANSAS SECURITY COMMITTEE
JOINT COMMITTEE ON PENSIONS
AND INVESTMENTS
NCSL FISCAL AFFAIRS

March 17, 2003

TO:

Senator Derek Schmidt

Chairman, Senate Agriculture Committee

RE:

HB 2038

Mr. Chairman and members of the Senate Agriculture Committee. I wish to offer my support for HB 2038. I am Representative Joe Shriver from Arkansas City. My new district includes the southern border counties of Chautauqua, Cowley and Sumner counties.

Kansans use over 192 million gallons of propane in residential, commercial, farming and ranching applications and for recreational and industrial uses. Safe use of propane provides a reliable use of a petroleum product that helps Kansan's everyday lives. Propane is a clean, safe and economical alternative fuel.

HB 2038 sets out to start a Propane Education and Research Council modeled from a national and state program now in thirty states. The Kansas PERC (Propane Education and Research Council) could enhance propane safety, education and training for propane consumers and employees, improve propane technology and develop programs to educate the public about safety, environmental aspects and uses of propane.

Programs also could be set up to encourage consumers to update or replace outdated equipment or equipment which has been found to cause problems. Attached to my testimony are news articles of events that happened in my legislative district.

As a former firefighter/paramedic from the Arkansas City Fire Department, I have seen many of the problems propane can cause if it is not handled, stored or released properly. In January of this year, the lives of three families changed forever in Hunnewell, Kansas. Two mothers died after a propane explosion destroyed a family home. It was thought to be from a release of propane from a newly installed propane line that was ignited by an electric heater.

I ask you to help protect the lives of Kansans and the emergency responders of Kansas by passing HB 2038.

Thank you, Chairman Schmidt and members of the Committee.

Joe Shriver State Representative District #79

Senak Agriculture Attachment 2 3-18-03 #2

Wellington Daily News

Online archives from The Wellington Daily News

January 23, 2003

Explosion hurts two critically in Hunnewell

Three people were burned, two critically, following a gas explosion at a home in Hunnewell.

According the Sumner County Sheriff's Office, a 23-year old female and a 74-year old bedridden female were flown by EagleMED helicopter to the Via Christi-St. Francis Burn Center in critical condition with third degree burns. Two other people escaped without injury.

A 48-year old male suffered burns to his hands from putting out the fire on the 23-year old victim and while pulling the 74-year old victim out of a window. He was treated at Caldwell Hospital.

Authorities said that one of the occupants of the home had turned on a propane line which was being installed and was not hooked up to an appliance. An electric heater ignited the propane, causing the explosion and fire.

Seven people lived at the home, including a 44-year old man, a 20-year old woman, and two small girls ages four and two. Five of the residents were home at the time of the explosion.

The Wellington and South Haven fire departments are continuing to investigate.

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Wellington Daily News

Online archives from The Wellington Daily News

January 27, 2003

Woman burned in fire dies

A woman critically injured in a Tuesday fire in Hunnewell has died from her injuries.

Norma Creed, 74, died Thursday at Via Christi Regional Medical Center-St. Francis Campus in Wichita. She suffered third degree burns in an explosion and fire caused when, according to investigators, gas from a newly installed propane line was ignited by an electric heater.

Creed was pulled out of her bedroom window by her son, Doug Moore, who owned the home. Moore is also credited with saving the life of his daughter, Wanda Fay Moore. She remains hospitalized in critical condition with third degree burns.

Moore suffered burns to his hands and has been released from the hospital. Authorities said Moore also helped two other family members escape the burning home.

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2nd victim in Hunnewell explosion dies

WICHITA (AP) – A second person has died of burns suffered last month in an explosion and fire at a home in Hunnewell, a Sumner County community near the Oklahoma border.

Wanda Faye Moore, 23, died Saturday at Via Christi-St. Francis hospital in Wichita. Norma Creed, 72, died a few days after the fire.

Investigators said the fire on Jan. 21 was caused by a propane gas explosion.

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Wellington Daily News

Online archives from The Wellington Daily News

February 04, 2003

Hunnewell explosion claims a

second life

A second woman crtically injured in an explosion and fire in Hunnewell last month has died of injuries.

Wandy Fay Moore, 23, died Saturday at Via Christi Regional Medical Center-St. Francis Campus. She suffered third degree burns when the family home was destroyed by a propane gas explosion.

Moore's grandmother, Norma Creed, 74, died Jan. 23 from the injuries she sustained in the Jan. 21 tragedy. She also suffered third degree burns in the fire. Both women were airlifted to the hospital in Wichita.

Investigators said the fire was caused by a gas leak from a newly installed propane line. It appeared that an electric heater sparked the explosion.

Moore's obituary can be found on Page 2 of today's Daily News.

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Festival-goer hurt in explosion

Propane leak blamed for accident that left Wichita woman severely burned

By DAKOTAH M. DAVIS and SHANE T. FARLEY

A propane-fueled flash fire Saturday afternoon has left a Wichita woman – in town for the Walnut Valley Festival – in critical condition with burns over a large portion of her body, fire officials and witnesses said this morning.

Fifty-year-old Ann Meahen had only been awake for a little while and was outside visiting with friends before going back into her camper for a cup of coffee shortly before 1 p.m. While inside, Meahen's 20-foot trailer exploded into flames when she lit a cigarette, Fire Marshal Gary Bowker said today.

Meahen emerged from her camper in the Pecan Grove with her clothes ablaze following the explosion, according to Mike Byrne, also of Wichita, who witnessed the accident. Byrne said he has known Meahen, who is a nurse, since the early '90s when they began attending the festival. Both are members of the "Twin Peaks" camp, which includes among its members a number of doctors and nurses.

"She came out with her clothes on fire," Byrne said.

Friends surrounded Meahen and "helped her put her clothes out," Byrne said. The woman had reportedly been at the Cowley County Fairground since Thursday's land rush.

A sister of Meahen's was with her at the time of the accident. Estimates are the woman was burned over 40 to 55 percent of her body. She was transported to the Via Christi Regional Medical Center-St. Francis Campus' burn unit where she remains in critical condition.

A propane gas leak is the culprit in the explosion, said Bowker, who had the trailer impounded.

"I am in the process of trying to identify the source of the leak," he said. "The trailer is a total loss."

The value of the trailer was estimated at \$15,000.

Witnesses told Bowker either Meahen or other campers had detected a "slight" smell of gas around midnight, but no one tried to identify the source. Today the fire investigator warned against other campers becoming complacent about dangerous gas fumes and advised that propane systems be checked thoroughly for problems.

"Any time campers smell a gas odor they need to immediately shut their propane off and have it checked," Bowker said. "That's the safest thing to do to avoid this kind of tragedy. If you smell gas, you need to take it seriously."

Bowker said in the 1980s another festival camper exploded in a flash fire caused by a propane

leak. He did not know if any injuries were caused in the incident.

Campers in the area of Meahen's campsite erected and signed a makeshift tribute to the woman that was sitting in the Pecan Grove this morning.

"She's a really nice person," said Pam Vanwey, a camper set up near the site of the accident. "I've known her about four years."

The Winfield Fire Department will have two fire crew units on standby during the Walnut Valley Festival's peak operating hours, starting Thursday and ending Sunday.

One fire unit will be patroling camping areas and the fairground. Another will be stationed somewhere on the fairground.

Bowker said campers were given a list of fire safety precautions when they signed up to camp.

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Open gas burner to blame for explosion, official says

By DAKOTAH M. DAVIS

An open gas burner leaking propane is being blamed today for the explosion that sent a Walnut Valley Festival camper to a Wichita hospital Saturday with severe burns.

Officials and witnesses have said shortly after 50-year-old Ann Meahen of Wichita went into her trailer it exploded into flames. Meahen had been camped in the west portion of the Pecan Grove with friends. Around 1 p.m. Meahen went inside for a cup of coffee and lit a cigarette, igniting propane gas fumes which had built up in the trailer.

During the investigation of the 1991 model camper trailer, officials found that a stove burner was turned to a partially open position as if it had not been completely shut off, said Winfield Fire Marshal Gary Bowker. Bowker had the camper impounded after the accident and finished his investigation of the explosion Monday. Meahen's sister, who was also attending the event, had detected the smell of gas around midnight, but no one checked for a leak.

The fire marshal said the burner released a "very small amount of gas" but it was a "sufficient mixture" in the air, enough to cause the fire.

Meahen, who is a nurse, remains in critical condition at Via Christi Regional Medical Center-St. Francis Campus' burn unit. Medical personnel estimated the woman was burned over 50 percent of her body.

At the Winfield fairground where hundreds of campers await the beginning of the acoustic music event, one camper told the Courier Monday the explosion had caught the attention of festival-goers. News of the gas explosion had encouraged many other campers with propane units to double check gas lines for leaks.

or other problems.

According to the fire marshal, the trailer, which was valued at \$10,000 to \$15,000, was a total loss.

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Woman hurt in camper fire dies

By DAKOTAH M. DAVIS

A Wichita woman injured when her camper exploded into flames while parked at the Winfield Fairground earlier this month has died, officials said.

Ann Meahan, 50, died in the Via Christi Regional Medical Center-St. Francis Burn Unit in Wichita early Wednesday morning, according to an announcement by the Winfield Fire Department.

Meahan had been in the burn unit since Sept. 14 when she suffered burns in a propane-fueled flash fire that destroyed her 20-foot trailer. The explosion was caused when a gas leak from a cook stove ignited when Meahan tried to light a cigarette.

Officials estimated Meahan was burned over 50 percent of her body. One report indicated she died as a result of a heart attack related to her injuries.

The explosion caught the attention of thousands of other campers at the fairground who, like Meahan, were waiting for the start of the Walnut Valley Festival. Winfield Fire Marshal Gary Bowker said this morning awareness of the tragedy caused many campers to double check their own propane gas lines.

Bowker said increasing the public's knowledge about propane safety will be one more point the fire department will emphasize in the future.

"Before next year's event you'll probably see some additional safety guidelines put out to the public who use that venue down there," he said. "If we can save other lives by making people aware of the dangers of LP (liquid petroleum) gas, maybe Ann's death will not have been in vain."

Over the years, as more and more campers have packed into the Winfield Fairground for the festival, the fire department has increased its safety guidelines. For any event fire lanes must be kept open to allow emergency access to every part of the campgrounds, and campfire rings have been limited to a diameter of three feet. Campers are encouraged to have fire extinguishers at their campsites, and the fire department makes regular rounds to monitor camp safety.

Meahan's family wished to thank the fire department, emergency medical service and other law enforcement personnel who responded to the accident, the fire department report said.

The family will release an obituary with memorial information.

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03/13/2003



Propane Marketers Association of Kansas

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Vickie Woodbury Secretary/Administrative Assistant House Bill 2038
Senate Agriculture Committee
March 18, 2003
Presented By Justin Holstin
Propane Marketers Association of Kansas

Thank you Mr. Chairman, members of the committee. My name is Justin Holstin and I am the Executive Vice President of the Propane Marketers Association of Kansas or PMAK. The Propane Marketers Association of Kansas represents about 200 members in all aspects of the propane industry including retail, wholesale, transportation, production, and manufacturing of propane and propane related equipment. The propane industry serves more than 98,000 households in Kansas, not including barbeque grills, heaters, agricultural implements and application, and motor vehicles. Each year over 192 million gallons of propane are consumed in Kansas.

Today we are here to address the legislation before you, which has been requested by the propane industry in Kansas that creates the Kansas Propane Education and Research Council, or in short KanPERC. At this point, I would like to take a moment to introduce some propane industry members that have made the trip to Topeka to be here during their busiest season. Seated behind me are _____. Additionally, I would submit to you written testimony from members of the industry that were unable to join us today from _____.

Over ten years ago, the propane industry had the vision that is presented and embodied in this KanPERC legislation. As you will learn today, KanPERC can create great opportunities for education and the promotion of safety for the employees of the propane industry, those who work with propane, fire fighters, and the public. KanPERC allows us, as an industry, to gather resources to provide uniform safety education and information programs that would otherwise be unavailable for many businesses and consumers in the state. State propane education and research councils have proven to be highly effective in at least 30 other states including Nebraska, Missouri, Oklahoma, Colorado, and Texas.

Senate Agriculture Attachment 3 3-18-03 #3 In 1999, we presented similar legislation that, as now, did not use any state funds. However, now that other state perc programs are in place and working well and we are able to take an industry-wide look at how we would be able to apply a similar program in Kansas. We now have the answers, clear goals, and understanding that we can convey to you.

KanPERC is a council made up of members of the propane industry and a representative of the Fire Marshal who will oversee and direct programs related to the education and safety of the propane industry, propane users, and those who deal with propane. Each year, the council, which will be separate from the state association, and open to all who deal with propane, will make a short presentation about the activities of KanPERC and how the funds are being used.

As I said, thirty other states have a state perc, and all have proven to be highly successful at educating the public and industry members about the proper and safe use and application of propane. As you will see in the information packet that I have provided, the ability to have one centrally located educational council, such as KanPERC, will allow all companies' access, no matter what their size, to innovative information and classes including handouts, mailings, and seminars.

The propane industry in Kansas prides itself on being safety conscious and centered on protecting the public. However, accidents do happen, unfortunately. According to Fire Marshal, figures there were 1,800 propane related incidents in the past two years. Many of theses, if not all, were easily preventable. Some occur through common mis-understandings as simple as not recognizing the smell of gas (smell the brochure). By the way, ethyl mercapitan is the odorant in propane and holds the record for the smelliest substance in the Guinness Book of World Records. Others accidents are through misapplication or improper installation of appliances or systems of propane. If it were available, and with KanPERC all customers could receive safety information, these users could be made aware of simple things as notifying their propane supplier when a change has been made to a household system such as an addition or change in water heaters or other appliances. These sad occurrences should not happen, and the propane industry is proactive to stop these problems. In short, KanPERC would give the tools and resources to every company to increase the awareness and safety of propane users in Kansas, as have occurred in other states.

KanPERC will allow the propane industry in Kansas to create and distribute uniform safety information to the public, and increase the amount of propane related classes in Kansas for industry members, plumbers, and firefighters. Currently we are only able to offer two basic CETP (certified employee training programs) classes a year in Kasnas reaching about 100 people, however, talking with my counterparts in states that have a perc, we are at a distinct disadvantage educationally. These other states offer up to 12 classes per year that educate hundreds of employees. With KanPERC, we can offer more classes and provide refresher courses in local areas so that employees can have the latest information available.

Additionally, a large part of KanPERC is reaching out to the fire fighters in the state. Specifically, we would offer "Propane Emergencies" classes seen on page 5 of the handout. This will be a class offered around the state for rural fire departments to train them how to handle propane emergencies. As you may know many of the local departments don't have the financial

ability to attend classes, KanPERC would allow us to provide this school free of charge, letting them spend their money elsewhere but have the proper training to handle a propane situation.

KanPERC is different in many ways from other programs that would be traditionally considered "check-off" programs. Most importantly, these programs strive to promote an industry or product. Many of these "check-offs" have been challenged with mixed results in court. However, the emphasis and push for our program is not the promotion of propane, but rather the education and safety of propane.

From an assessment of 2/10 of a cent, which is capped in the bill at 3/10 of a cent, the KanPERC program will raise an estimated \$385,000 per year. KanPERC must be statutorily created in order to give the Council the power to capture funds from those transporters that work in Kansas. The assessment is collected at the point in which odorized propane is first offered for sale, such as when it is pulled from underground storage and transported to your local company. In order to create equity between members of the industry, everyone must take part, so that everyone reaps the benefits that KanPERC provides.

I realize that there is concern that this is a "hidden tax" or that it will be "passed through to consumers." However, after talking with many industry members, this is simply not the case. Instead, it will be treated merely as a business expense that, once the programs are fully established and operating, will replace another business expense. Moreover, with a tax you may not see what you just purchased, however with the KanPERC programs, industry members and the public will be able to see the direct results in classes, materials, and information.

KanPERC is an industry commitment to the safety of Kansans. This is the answer that we have seen work first hand in thirty-two other states. KanPERC is a proactive and reactive process of training those who work or use propane of how to safely utilize propane and those that have to deal with a propane emergency. Please give the industry the tools and resources to increase education, increase awareness, and increase safety in the public and industry and reduce property damage and personal injury. The 2/10 of a cent assessed per gallon pales in comparison to the value of one human life. Please act favorably on HB 2038

Thank you for allowing me to come before the committee and talk about such an important program. I would be glad to answer any questions you may have.



RON AND HELEN DAVIS OWNERS

BUS: 913-886-6420 HOME: 913-886-8471

House Bill 2038 Senate Agriculture Committee March 18, 2003 Presented By Ron Davis Ruralgas Co., Nortonville, KS

Mr. Chairman, and Members of the Committee:

Thank you Mr. Chairman, members of the committee. My name is Ron Davis. My wife, Helen, and I own Ruralgas Co. in Nortonville, a town with the population of 650. I am also currently serving as the Vice President of the Propane Marketers Association of Kansas. Of all of the people that you will hear today talk about KanPERC, I may be a little different because not only do I own a propane company but I also serve as a Jefferson Country Fire Chief.

I would like to tell you a little about my company. Ruralgas was founded in 1945, over 57 years ago, and we strive to continue that tradition as a small business. I have been in the propane business for 27 years. We purchased Ruralgas 11 years ago. We are a small mom and pop propane marketer. In fact, about 60% of the propane marketers in the state of Kansas are our size. We have around 850 customers and employ 4 people including ourselves. This bill would be by far the best legislation for the propane industry and the public who deal with propane since I started in 1976.

KanPERC would allow all marketers, regardless of size to enhance propane safety, educate customers, and train employees. By pooling our funds we can achieve a broader coverage and a more constant message throughout our state.

On average, I spend about \$800 on education, seminars, and classes. I also do mailings to customers with safety information which averages \$900 per year. Under the program these costs would be dropped because the same services would be offered through the KanPERC program which would cost us approximately \$1,400 a year. A saving of \$300 or more per year.

I won't be passing the cost through to customers because the cost is considered a part of doing business. Right now the money that we set aside for education would be replaced by the funds we pay to KanPERC. It's just a cost of business similar to giving an

Senate Agriculture Attachment 4 3-18-03 #4 employee a raise or buying a set of tires. There is hope that KanPERC will in time reduce insurance costs, thereby reducing overhead expenses and having no impact on passing costs of KanPERC onto customers. KanPERC will be a step in the right direction to accomplish this goal.

Besides being the owner of a propane business, I also serve as the Fire Chief of Jefferson County District 12 which includes Nortonville, 39 square miles of Jefferson County, and 39 square miles of Atchison County. We serve a population of about 1,200 with more than 50% being in the country and using propane.

KanPERC will provide training for those responding to propane emergencies statewide. Many other states already have these programs, but here in Kansas, we can not offer the Propane Emergencies program.

These programs could be wonderful training opportunities at reduced or no charge to rural volunteer departments in the state. This would be a great benefit to our ability to protect and serve, but at the same time keeping the limited resources that fire departments have for another use. The propane industry, through KanPERC, is committed to helping fire departments receive "Propane Emergencies" training. It has proven to be a very successful program in several other states that have created such an educational program, sponsored by the propane industry.

Thank you for taking time to listen to me speak about KanPERC, which we feel is important to the industry and public. KanPERC can educate and train Kansas citizens like thirty other state are already doing. Please give our industry the tools needed to make Kansas citizens safer! I ask you to support House Bill 2038. I would be glad to answer any questions.

Testimony of HB 2038 Senate Agriculture Committee March 18, 2003 Prepared by Diane Gruver, Kansas Cooperative Council

Mr. Chairman and members of the Committee. I'm Diane Gruver, Executive Assistant of the Kansas

Cooperative Council. I have worked at the Council for over 11 years and since the unfortunate death

of Joe Lieber, the board has asked me to appear before you today.

The Council has a membership of nearly 200 cooperative businesses who have a combined total of

nearly 200,000 Kansans. Many of our farm supply cooperatives sell propane and I'm here to ask you

to support HB 2038, which establishes the Kansas Propane Education and Research Council.

As you've heard from speakers before me, this program can be very beneficial. Last summer and fall.

Joe and Justin Holstin of the Propane Marketers Association of Kansas started discussing the ideas

that this legislation covers. Joe was very supportive and felt that KanPERC would be beneficial to the

cooperatives that are so important in the state of Kansas. As you know, the agriculture industry, and

cooperatives in particular, are facing hard economic times from drought, low prices, and the ever

increasing cost of insurance.

KanPERC can be a great resource to the cooperatives that have propane businesses. Many

insurance companies already require certain levels of training in the state, and although some

classes are offered to certify and train propane employees, much more could be made available with

KanPERC. This program, as proposed, would allow for increased training for many cooperatives and

their employees to better protect the public. The program would be a great benefit for the public as

well, through increased safety awareness for consumers, an increased level of education for anyone

who works with propane such as plumbers, and an increased understanding of propane

characteristics by fire fighters when dealing with emergencies.

Many cooperatives in other states are already benefiting from programs very similar to KanPERC,

and we feel that it is something that is necessary for the good of cooperatives, the farming

community, and the public in Kansas.

We would ask that you support HB 2038. Thank you.

Senate Agriculture Attachments #5 3-18-03



Joseph P. Odle

KANSAS STATE FIRE MARSHAL Kathleen Sebelius

Fire Marshal

700 SW JACKSON ST, SUITE 600, TOPEKA, KS 66603-3714 PHONE (785) 296-3401 / FAX (785) 296-0151

Governor

Testimony in support of House Bill 2038 Creating the Kansas Propane education and Research Council

Senate Committee on Agriculture

Date: March 18, 2003

By:

Karl W McNorton, Director Fire Prevention Division

Kansas State Fire Marshal's Office

The Kansas State Fire Marshal's Office supports House Bill 2038 as amended. As an agency we are tasked with the safeguarding of life and property from the hazards of fire and explosion. This includes the keeping, use, sale, handling, transportation or disposition of highly flammable materials. By regulation, we have adopted nationally recognized standards for the storage, dispensing, and transportation of Liquefied Petroleum Gas.

For many years our agency has maintained a close relationship with the Petroleum Marketers Association of Kansas and have supported the development of educational programs for members of their industry through our own Propane Advisory Board. We have also attended their organizational meetings and conferences and presented to their groups the design, plan submittal, and inspection criteria that we require.

Lacking the resources necessary to fulfill the needs of the industry, this bill will provide resources to educate not only members of their industry but also the consumers of propane and the fire service.

We anticipate that the PERC council will provide necessary educational and training materials to assist our agency and the fire service in the mitigation of any incidents or in providing quality inspection services. The state fire marshal's office urges the favorable passage of this bill.

Thank you for your time and attention.

"Where fire safety is a way of life."

Senate Agriculture

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3-18-73 #6

Testimony to the **Senate Agriculture Committee HB 2038**

Presented by Patrick T. Lehman For the Kansas Fire Service Alliance

March 18, 2003

Thank you Mr. Chairman, members of the committee. I am Pat Lehman and I represent

the Kansas Fire Service Alliance. The Alliance is made up of the Kansas State Firefighters

Association, the Kansas State Fire Chiefs Association, and the Kansas State Professional

Fire Chiefs Association. On behalf of the Alliance, I am speaking in favor of HB 2038.

In Section 3, subsection (i), the purpose of this bill is to enhance consumer and employee

safety and training programs to educate the public about the safety and environmental

aspects of propane. We have been told that one use of the money collected would be to

fund training for firefighters.

During the 2002 Legislative session, HB 2991 was passed and signed by the Governor.

The bill established a 12-member Kansas Fire Service Training Commission to provide

training and instruction for firefighters throughout the state through the fire service-

training program currently operated by the University of Kansas (KU). It allows the

Kansas Fire Service Training Program to receive any grants, gifts, contributions, or

bequests to support and expand the training. Having the Kansas Fire Service Training

Commission already established, it would appear that the requirements in HB 2038 would

work well to further training for firefighters in Kansas.

The Kansas Fire Service Alliance endorses HB 2038 and we urge the committee to pass

the bill favorably.

Thank you, Mr. Chairman, and I would be glad to stand for any questions.

Pat Lehman

Senate Agriculture Attachment 7 3.18-03 #7