

SESSION OF 2007

SUPPLEMENTAL NOTE ON SENATE BILL NO. 262

As Amended by Senate Committee on
Agriculture

Brief*

SB 262 would require state agencies, when purchasing a motor vehicle, to purchase a motor vehicle which utilizes E85 fuel unless, the manufacturer of the vehicle model to be purchased does not offer the model with an engine that utilizes E85 fuels or the cost of the vehicle is \$250 or more than the cost of the vehicle model that does not utilize E85. This provision would not apply to the purchase of diesel fueled vehicles, vehicles purchased in conformity with federal requirements, or vehicles purchased for the Kansas Highway Patrol. With the approval of the head of the state agency, a state agency may purchase a motor vehicle which utilizes E85 fuels even though the cost is \$250 or more than the cost of a vehicle that does not utilize E85.

The bill also would require that when a state agency leases a motor vehicle, it should lease one that utilizes E85 fuels unless no suitable vehicle that utilizes E85 fuels is available.

Background

At the hearing on the bill, proponents included representatives of the Kansas Association of Ethanol Processors and the Kansas Corn Growers and Grain Sorghum Producers Association. Also appearing on the bill were representatives of the Kansas Department of Transportation who expressed some concern with the bill and the Kansas

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Department of Administration who answered questions regarding the Department's position of the purchase of certain types of vehicles.

The Senate Committee on Agriculture amended the bill to exempt certain vehicles from the general requirement to purchase E85 vehicles when the price differential is \$250 or less; to add language which would require a state agency when leasing a vehicle to lease one which utilizes E85 unless no suitable E85 vehicle is available; and to allow the purchase of E85 vehicles even if the price is greater than \$250 more than a comparable vehicle if the agency head approves the purchase.

The fiscal note on the original bill states that according to the Department of Administration, only minor adjustments to bid documents would be needed if SB 262 was enacted. As a result, the bill would have no fiscal effect on state operations in regard to the procurement process. However, there is a potential fiscal effect of up to \$250 each time a state agency would be required to purchase an E-85 vehicle under SB 262. However, an estimate cannot be made of the number of vehicles affected under this bill. Any fiscal result from the enactment of SB 262 has not been included in *The FY 2008 Governor's Budget Report*.