

SESSION OF 2008

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2892**

As Agreed to April 2, 2008

Brief*

HB 2892 would require the Secretary of Health and Environment to adopt rules and regulations governing underground crude oil storage not later than January 1, 2009. The Secretary also would be required to appoint an advisory committee to assist with the promulgation of such rules and regulations. The committee would consist of five members knowledgeable in areas related to crude oil storage.

In addition, the bill would expand the membership of the Advisory Committee on Regulation of Oil and Gas Activities from ten members to 12. One of the new members would be appointed jointly by the Kansas Farm Bureau and the Kansas Livestock Association and would be an owner of a surface interest. The other new member would be appointed jointly by the Southwest Kansas Royalty Owners Association and the Eastern Kansas Royalty Owners Association and would be an owner of a mineral interest.

Conference Committee Action

The Conference Committee agreed to specify in the bill that the Farm Bureau and Livestock Association designated member of the Advisory Committee be an owner of a surface interest only and that the designee of the royalty owners associations be an owner of a mineral interest only.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/klrd>

Background

At the House Committee on Energy and Utilities hearing on HB 2892, the bill was supported by Karl Mueldener from the Kansas Department of Health and Environment. No opponents to the bill presented testimony to the House Committee.

At the Senate Committee hearing on the bill, the only conferee was a proponent representing the Kansas Department of Health and Environment.

The Senate Committee on Natural Resources amended the bill to expand the membership of the Advisory Committee of Oil and Gas Activities.

The fiscal note on the original bill states that the Department of Health and Environment is unable to estimate the fiscal effect of HB 2892 because it is not known how many advisory committee meetings would be necessary. The Division of the Budget assumes the drafting of rules and regulations could be accomplished within existing resources. Any fiscal effect associated with HB 2892 is not reflected in *The FY 2009 Governor's Budget Report*.

underground crude oil storage