

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

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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

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

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 (Attachment #2). There were no questions of Representative Shriver.

Chairman Schmidt introduced Justin Holstin, Executive Vice President, Propane Marketers Association of Kansas (Attachment #3). 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 (Attachment #6). There were no questions of Mr. McNorton.

Chairman Schmidt introduced Pat Lehman, Kansas Fire Service Alliance (Attachment #7). 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".

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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.