

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on January 27, 2003, in Room 423-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department
 Amy VanHouse, Legislative Research Department
 Gordon Self, Revisor of Statutes Office
 Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Ed Mader, Chairman, Kansas Soybean Commission
Ron Westerveldt, Past President, Kansas Soybean Association
Kenlon Johannes, Administrator, Kansas Soybean Commission, and CEO, Kansas Soybean Assn.
Leslie Kaufman, State Director, Governmental Relations, Kansas Farm Bureau
Justin Holstin, Executive Vice President, Propane Marketers Association of Kansas
Representative Joe Shriver
Greg Noll, District Manager, Ferrellgas, Topeka
Stanley Odle, Safety Compliance Director, Farmway Coop, Inc., Beloit
Ron Davis, Owner, Ruralgas Co., Inc., Nortonville
Donald Sutton, President, Tri State Tank, L.L.C., Kansas City, Kansas
Diane Gruver, Executive Assistant, Kansas Cooperative Council
Karl McNorton, Director, Fire Prevention Division, Kansas State Fire Marshal's Office
Pat Lehman, Kansas Fire Service Alliance
Chris McVey, General Manager, Kanoma Co-op Association, Coffeyville (written only)
Rick Payne, Operations Manager, Propane Central, L.L.C. (written only)

Others attending: See attached list

Chairman Johnson called for introduction of committee bill requests. Representative Powell requested introduction of a committee bill that would make leases for wind generators a matter of public record. Seconded by Representative Dahl, the motion carried.

Representative Thimesch requested introduction of a committee bill concerning permitting of water structures. Seconded by Representative Faber, the motion carried.

Minutes of the January 22 meeting were distributed. Members were asked to notify the committee secretary of any corrections or additions prior to 5:00 p.m. January 29, or the minutes will be considered approved as presented.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE at 3:30 p.m. on January 27, 2003, in Room 423-S of the Capitol.

Hearing on HB 2036 - Motor fuel labeled as bio-diesel required to contain at least 2% esters derived from vegetable oil or animal fat.

Chairman Johnson opened the hearing on **HB 2036**. Raney Gilliland explained that this bill would amend the Kansas Consumer Protection Act to make it a deceptive act or practice for a supplier to represent that diesel fuel is or contains soydiesel or biodiesel unless at least 2% of the mixture is mono-alkyl esters derived from vegetable oil or animal fat as determined by the American Society of Testing and Materials.

Ed Mader, Chairman, Kansas Soybean Commission, appeared in support of **HB 2036** discussing the performance, economic, energy security, and environmental benefits of biodiesel. ([Attachment 1](#))

Ron Westerveldt, Past President, Kansas Soybean Association, testified in support of **HB 2036** explaining the role farmers and farm fuel distributors play in building biodeisel demand and availability. ([Attachment2](#))

Kenlon Johannes, Administrator, Kansas Soybean Commission, and CEO, Kansas Soybean Association, testified in support of **HB 2036** further defining biodiesel and its benefits. ([Attachment 3](#))

Leslie Kaufman, State Director, Governmental Relations, Kansas Farm Bureau, appeared in support of **HB 2036**. She stated that the provision of the bill establishing a 2% ester threshold for diesel fuel to be marketed as biodiesel, soydiesel, or renewable fuel is compatible with KFB policy positions, but noted that KFB resolutions do not speak to whether this should be accomplished through the Kansas Consumer Protection Act or some other avenue. ([Attachment 4](#))

Staff reported that violation of this provision of the Kansas Consumer Protection Act would result in civil penalties of not more than \$10,000 for each violation. It was noted that this bill would have no discernible fiscal effect.

There were no opponents. The hearing on **HB 2036** was closed.

Hearing on HB 2038 - Creating the Kansas propane education and research council.

Chairman Johnson opened the hearing on **HB 2038**. Raney Gilliland explained that this bill would establish a nine-member Propane Education and Research Council charged with developing programs and projects concerning the enhancement of safety, research and development, efficiency of use, and environmental aspects of propane. The council would be funded by monies collected through an assessment on odorized propane that is to be no greater initially than 0.2 cent per gallon. The assessment could not be raised more than 0.1 cent per gallon in any one year, with a cap of 0.5 cent per gallon. It was noted that this bill would have no direct fiscal tie to state government and would not be considered a state agency.

Justin Holstin, Executive Vice President, Propane Marketers Association of Kansas, testified in support of **HB 2038** that would create the Kansas Propane Education and Research Council (KanPERC) to provide uniform safety education for employees of the propane industry, those who work with propane, fire fighters, and the public which will help reduce property damage and personal injury. He reported that such councils have proven to be highly effective in at least 30 other states including Nebraska, Missouri, Oklahoma,

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Colorado, and Texas. ([Attachment 5](#))

Representative Joe Shriver, a former firefighter/paramedic with the Arkansas City Fire Department, appeared in support of **HB 2038**. He believes KanPERC would 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. ([Attachment 6](#))

Greg Noll, District Manager, Ferrellgas, Topeka, testified in support of **HB 2038** to implement a 0.2 cent per gallon assessment on odorized propane to fund a safety and education program. Mr. Noll served as chairman of the Propane Marketers Association of Kansas' Kansas Propane Education and Research Council Committee. ([Attachment 7](#))

Stanley Odle, Safety Compliance Director, Farmway Coop, Inc., Beloit, appeared in support of **HB 2038** to provide extra funding to assist propane marketers with safety education of their employees, customers, and communities. ([Attachment 8](#))

Ron Davis, Owner, Ruralgas Co., Inc., Nortonville, and Vice President of the Propane Marketers Association of Kansas, testified in support of **HB 2038** that would allow all marketers, regardless of size, to enhance propane safety, educate customers, and train employees. By pooling funds, he believes a broader coverage and more constant message can be delivered throughout the state. ([Attachment 9](#))

Donald Sutton, President, Tri State Tank, L.L.C., Kansas City, Kansas, and President of the Propane Marketers Association of Kansas appeared in support of **HB 2038**. As a builder of propane delivery units, refined fuel delivery units, and vacuum tank units marketed in every state and exported to countries around the world, he said this bill will benefit Kansans throughout the state because he has seen it work in neighboring states. ([Attachment 10](#))

Diane Gruver, Executive Assistant, Kansas Cooperative Council, appeared in support of **HB 2038**. The Council believes that KanPERC would be a great resource to the cooperatives that have propane businesses in Kansas. ([Attachment 11](#))

Karl McNorton, Director, Fire Prevention Division, Kansas State Fire Marshal's Office, testified in support of **HB 2038** to create the Kansas Propane Education and Research Council. The state fire marshal's office asked that the bill be amended in Section 3 to make the state fire marshal or his/her designee a permanent member of this council. ([Attachment 12](#))

Pat Lehman, Kansas Fire Service Alliance, endorsed **HB 2038**. He believes the Kansas Propane Education and Research Council will work well with the Kansas Fire Service Training Commission to further training for firefighters in Kansas. ([Attachment 13](#))

Chris McVey, General Manager, Kanoma Co-op Association, Coffeyville, submitted written testimony in support of **HB 2038**. ([Attachment 14](#))

Rick Payne, Operations Manager, Propane Central, L.L.C., provided written testimony in support of **HB 2038**.

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(Attachment 15)

There were no opponents. The hearing on **HB 2038** was closed.

The meeting adjourned at 5:55 p.m. The next meeting is scheduled for January 29, 2003.