

## MINUTES OF THE SENATE AGRICULTURE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on February 15, 2006 in Room 423-S of the Capitol.

All members were present except:

Steve Morris- excused  
Derek Schmidt- excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research  
Lisa Montgomery, Office of Revisor of Statutes  
Judy Seitz, Committee Secretary

Conferees appearing before the Committee:

Duane Simpson, Kansas Association of Ethanol Processors  
Leslie Kaufman, Kansas Cooperative Council  
Brad Harrelson, Kansas Farm Bureau  
Jere White, Kansas Corn Growers Association/Kansas Grain Sorghum Producers Association

Others attending:

See attached list.

Hearings on **SB 543--Creation of the Kansas ethanol council** opened. Mr. Gilliland reviewed the membership representation, terms and election of officers. He also reviewed the powers, duties and function of the council. July 1, 2007 and every quarter the state treasurer will credit \$.0025 per gallon of ethanol produced in Kansas from the economic development initiative fund to the ethanol council. The Council and the fund are abolished on July 1, 2009.

Mr. Gilliland stood for questions.

Duane Simpson spoke in favor of **SB 543 (Attachment 1)**. The focus of the Council will be:

- ethanol production and industry support;
- market development;
- research and technology and
- public policy development.

The estimated annual budget will be \$500,000.

Chairman Taddiken requested that questions be held until all conferees have testified.

Leslie Kaufman offered testimony in support of **SB 543 (Attachment 2)**. She stated that the Kansas Cooperative Council supports initiatives which promote the use of renewable fuel sources such as ethanol, bio-diesel and e-diesel.

Brad Harrelson spoke as a proponent for **SB 543 (Attachment 3)**.

Conferees stood for questions.

No opponents spoke concerning **SB 543**.

Mr. Gilliland noted a redundancy on page 3, lines 5-8 and lines 13-15. The Chairman said there are several technical aspects of the bill which will need to be addressed.

Chairman Taddiken closed the hearing on **SB 543**.

Hearings were opened on **SB 544--Motor-vehicle fuel taxation, rates, ethanol blends**.

CONTINUATION SHEET

MINUTES OF THE Senate Agriculture at 8:30 a.m. on February 15, 2006 in Room 423-S of the Capitol.

Mr. Gilliland reviewed **SB 544** which amends a section of the law dealing with motor vehicle fuel tax. The bill also has a definition of E85 fuel.

Jere White spoke as a proponent for **SB 544** (Attachment 4), stating that the E85 user is being unfairly penalized. He offered a change in the definition of E85 fuels on page 4(w).

Chairman Taddiken said that written testimony in favor of **SB 544** was submitted by Brad Harrelson, Leslie Kaufman and Duane Simpson (Attachments 5, 6 & 7).

He also noted that a fiscal note on **SB 544** was handed out to the Committee. David Corbin and Edie Martin from the Kansas Department of Revenue (KDOR) took questions from the Committee.

Hearings on **SB 544** were closed.

Discussions were held on **SB 544**. Senator Pine made a motion to delete the current paragraph (w) line 15 on page 4 and insert, "E85 fuels means an alternative fuel that is a blend of denatured ethanol and hydrocarbon that typically contains 85% ethanol by volume, but at a minimum must contain 70% ethanol by volume and complies with ASTM specification D5798-99." Seconded by Senator Huelskamp. There was discussion on the motion. Motion carried.

Senator Francisco moved to change the \$11 per gallon on page 4, line 38, paragraph 4, to \$.11 per gallon. Seconded by Senator Bruce. Motion carried.

Senator Francisco made a motion to change the date on page 4, line 25 from July 1, 2006 to January 1, 2007. Senator Bruce seconded the motion. Motion passed.

Senator Huelskamp made a motion to report **SB 544** be passed as amended. Senator Bruce seconded the motion. Motion passed.

Meeting adjourned at 9:30 a.m.

The next meeting will be Monday, February 20, 2006.