

MINUTES OF THE SENATE AGRICULTURE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on February 13, 2007 in Room 423-S of the Capitol.

All members were present except:

Janis Lee- excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research

Art Griggs, Office of Revisor of Statutes

Judy Seitz, Committee Assistant

Conferees appearing before the Committee:

Duane Simpson, Vice President of Governmental Affairs, Kansas Association of Ethanol Processors (KAEP)

Jere White, Kansas Corn Growers Association,/Kansas Grain Sorghum Producers Association

Jesse Romo, Assistant Office Chief, Planning and Research, Kansas Department of Transportation

Gavin Young, Director of Public Affairs, Department of Administration

Chris Howe, Director, Division of Purchases, Department of Administration

Others attending:

See attached list.

Chairman Taddiken opened the hearing on **SB 262 - Motor vehicle purchases by state agencies; E85 fuel.**

Raney Gilliland, Legislative Research, reviewed **SB 262.** This bill would require state agencies to purchase vehicles using E85 fuel. There are two exceptions: the manufacturer of the vehicle model to be purchased does not offer that vehicle in an E85 model or if the cost of the vehicle is \$250 or more than the cost of the vehicle which does not use E85 fuels.

Mr. Gilliland offered to stand for questions.

Duane Simpson, Vice President of Governmental Affairs, Kansas Association of Ethanol Processors (KAEP), appeared in support of **SB 262 (Attachment 1).** He said that by creating a demand for E85 through state vehicle purchases, motor fuel retailers will have more of an incentive to install E85 pumps which will make it more beneficial for private consumers to purchase flexible fuel vehicles (FFV)s. He also suggested future legislation which would require state employees to purchase E85 fuel when driving a state owned vehicle.

Mr. Simpson took questions from the Committee.

Jere White, Executive Director, Kansas Corn Growers Association/Kansas Grain Sorghum Producers Association, offered testimony in support of **SB 262 (Attachment 2).** He said there are more than 6 million flexible fuel vehicles on the road today. The availability of E85 fuel is on the increase. A list of E85 stations in Kansas (see Attachment 2-2) was in his handout. He also said that with the growing availability of E85 fuel, those vehicles in the state fleet can operate on a Kansas-made, high octane and clean burning fuel.

Mr. White answered questions from the Committee.

Jesse Romo, Assistant Office Chief, Planning and Research, Kansas Department of Transportation (KDOT) spoke in opposition to **SB 262.** He did not provide written testimony. He said that KDOT has a couple of concerns with the bill. There is no definition of a motor vehicle in the bill. Another concern is that the flexible fuel vehicles cost up to more than \$2,000 per vehicle. KDOT also has some heavy duty and maintenance vehicles which use diesel fuel.

Mr. Romo stood for questions. He said he will get a definition for motor vehicles as used by the Department of Energy for the Committee.

CONTINUATION SHEET

MINUTES OF THE Senate Agriculture at 8:30 a.m. on February 13, 2007 in Room 423-S of the Capitol.

Gavin Young, Director of Public Affairs, Department of Administration, spoke regarding the purchase of state vehicles with a listing of current vehicle contract prices (Attachment 3). He suggested language in the bill that the Department of Administration could use discretion above \$250 for the purchase of a FFV.

Mr. Young answered questions from the Committee.

Chris Howe, Director, Division of Purchasing, Department of Administration, also took questions from the Committee regarding the purchase of state vehicles.

Committee requested the staff to look at the Governor's Executive Directive regarding the purchasing of state vehicles.

The hearing on **SB 262** was closed.

Meeting was adjourned at 9:20 a.m.