

Approved February 20, 1992  
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE

The meeting was called to order by Sen. Don Montgomery at  
Chairperson

10:00 a.m./p.m. on February 19, 1992 in room 423-S of the Capitol.

All members were present except:

Senators Daniels, Harder, Lee and McClure

Committee staff present:

Raney Gilliland, Legislative Research  
Lynne Holt, Legislative Research  
Jill Wolters, Revisor of Statutes  
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

DeVern Phillips, State Sealer and Administrator of Weights & Measures Program  
Rebecca Rice, AMOCO Products  
Charles Nicolay, Kansas Oil Marketers  
Larry Woods, Board of Agriculture

SB 675 - Concerning the oil inspection law; renaming such law the petroleum products inspection law.

DeVern Phillips, State Sealer and Administrator of the Weights and Measures Program of the Division of Inspections, testified in support of the bill. (Attachment 1).

The chairman questioned Mr. Phillips regarding the 21% of samples taken showing violations. Mr. Phillips said that this high of a percent is due to the fact that inspections are targeted where they think a violation is occurring. He informed the chairman that there are 2,986 places to inspect, but there are no funds to inspect them all.

The chairman stated that on page two of the bill, Section (b), the language is broad and questioned if any other than the Attorney General has this authority. Mr. Phillips said they have had no objections to entering for inspection, and they have always had this authority.

Sen. Francisco had questions regarding the labeling of gasoline. Mr. Phillips explained that the contents of a particular type of gasoline depends on the brand name. Rebecca Rice, AMOCO Products, stood to clarify. She said that New Sec. 10 on page six of the bill allows the Board of Agriculture to control the labeling of products. However, additives do change and there is a variance in quality control. The only control is with regard to a required range. It is impossible to tell everything that is in the gasoline.

At this time, Ms. Rice informed the committee that a compressed natural gas bill was requested in the House Agriculture Committee yesterday which is similar to SB 675. Perhaps this bill could be incorporated into SB 675.

Charles Nicolay, Kansas Oil Marketers, stood in support of SB 675, noting that he would hope that violations could be stopped through the education process.

Larry Woods of the Board of Agriculture stood to clarify that the high percentage of violations found is not from random sampling but rather from those targeted which makes an artificially high percentage.

Sen. Webb made a motion to report SB 675 favorable for passage, Sen. Doyen seconded, and the motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE,  
room 423-S, Statehouse, at 10:00 a.m. ~~PM~~ on February 19, 1922.

SB 676 - Concerning weights and measures; relating to the standards used.

Mr. Phillips testified in support of SB 676. (Attachment 2).

The chairman asked for a definition of "any" on page 2, line 25 of the bill. Mr. Phillips said it refers to previous wording, "recognized standards". The chairman maintained that he feels "any publication" sounds too broad. Charles Nicolay of the Kansas Oil Marketers stated that he sees no reason for concern about this language. Mr. Phillips added there are only about twelve publications which are approved for their use.

Sen. Webb made a motion to report SB 676 favorable for passage, Sen. Brady seconded, and the motion carried.

The minutes of February 18, were approved.

The meeting was adjourned at 10:37 a.m.



**SENATE AGRICULTURE COMMITTEE**

**TESTIMONY - SENATE BILL 675**

February 19, 1992

Mr. Chairman, Members of the Committee. My name is DeVern H. Phillips. I am the State Sealer and Administrator of the Weights and Measures Program of the Division of Inspections. Senate Bill 675 modifies the current Oil Inspection Law, K.S.A. 55-434 et al.

The responsibilities for the enforcement duties of this law were transferred from the Department of Revenue to the Kansas State Board of Agriculture in July of 1989.

This law primarily establishes the authority to test refined fuels. The existing act was written in 1935. Some of the technical data and specifications referred to in the existing bill relates to fuels available in 1935, not the multitude of fuels and blends available to the consumer today.

The activities of the staff involved in enforcement of this law are funded through a 1 cent per 50 gallon barrel of fuel sold in Kansas (.02 cents per gallon) which is collected by the Department of Revenue and is paid into State General Funds. The Kansas State Board of Agriculture utilizes 6 full-time employees in this program. The Department of Revenue utilized 11 full-time employees for enforcement activities under this law. Reduction in staffing resulted in \$135,000 in the first year (1989) savings to the State. Accuracy of refined fuel devices has risen also from 60% to nearly 90% under our current enforcement program.

*Senate Agriculture  
2/19/92  
Attachment 1*

There are currently 2,986 retail facilities selling refined fuels in Kansas through more than 23,000 pumps. According to the National Petroleum News, 1,629,000,000 gallons of refined fuels were sold in Kansas during 1990. The changes requested in Senate Bill 675 permits the Board of Agriculture to establish necessary rules and regulations for fuel quality paralleling those of the testing as prescribed by American Society of Testing and Materials (ASTM). This will bring Kansas into closer compliance with neighboring States who have already adopted ASTM standards for fuel quality.

Senate Bill 675 will also incorporate utilization of civil penalties for violations of any portion of this act. Previously only criminal penalties could be invoked.

In the activities of the enforcement of the existing Oil Inspection Law, minimal fuel quality testing is being performed. This is due to lack of funding of fuel quality testing. 21% of the gasoline samples taken in Kansas to date have shown violations of the Kansas Consumer Protection Act (under the current law this is the only enforcement tool we have to prevent misrepresentation of products). The violations have ranged from misrepresentation of product (unleaded fuel as leaded; lower octane product being sold as a higher grade) alcohol present in fuels (without notification to consumers) to 25% diesel blended with gasoline.

Adoption of the proposed changes in Senate Bill 675 will no longer necessitate the involvement of the Attorney General's office nor County Attorney offices for enforcement purposes. The changes as requested will provide for a better program and will parallel other Kansas State Board of Agriculture enforcement activities.

It is anticipated that the staff attorney currently assigned to the Division of Inspections will handle any and all enforcement activities of this program. No additional administrative or field staff is requested.

No adverse fiscal impact upon industries regulated through this act is anticipated.

No increase in revenues are requested nor are costs of enforcement expected to rise, other than normal costs of printing and distribution, which is anticipated to be less than five hundred dollars (\$500.00).

We would request the adoption of the proposed changes to the Oil Inspection Law and will entertain questions at the Committee's pleasure.

<u>REV.</u>	<u>IMPACT BY FUND</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
TOTAL REVENUE		\$ 0 0	\$ 0 0	\$ 0 0
<u>EXPENDITURE IMPACT BY FUND</u>				
TOTAL EXPENDITURES		\$ 0 0	\$ 0 0	\$ 0 0
<u>EXPENDITURE IMPACT BY OBJECT</u>				
SALARIES & WAGES		\$ 0 0	\$ 0 0	\$ 0 0
Communications				
Printing		500.00		
Rents				
Repair				
Travel				
Other Contractual				
TOTAL CONTRACTUAL		\$ 500.00	\$ 0 0	\$ 0 0
Clothing				
Maint. Supplies				
Prof. Supplies				
Office Supplies				
Other Supplies				
TOTAL COMMODITIES		\$ 0 0	\$ 0 0	\$ 0 0
CAPITAL OUTLAY		\$ 0 0	\$ 0 0	\$ 0 0
TOTAL OPERATING EXPENDITURES		\$ 500.00	\$ 0 0	\$ 0 0

SALARIES AND WAGES SUMMARY

<u>Classification</u>	<u>Salary Range</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
Total Benefits							
TOTAL SALARIES & WAGES		0	0 0 0	0	0 0 0	0	0 0

CAPITAL OUTLAY

<u>Item</u>	<u>Unit No.</u>	<u>Cost</u>
TOTAL CAPITAL OUTLAY		\$ 0 0

FISCAL SUMMARY INFORMATION

KANSAS STATE BOARD OF AGRICULTURE  
901 Kansas Avenue  
Topeka, Kansas 66612  
(913) 296-3556

Bill Number: SB 675

DeVern H. Phillips  
Prepared By

State Sealer  
Title

February 17, 1992  
Date

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Agency Explanation of Estimated Fiscal Impact

Senate Bill 675 updates the Oil Inspection Law of 1935. The proposed modifications change official fuel quality standards from those established in 1935 to those standards currently utilized by the fuel industry.

The changes proposed in this bill also permits enforcement activity to be provided by the Kansas State Board of Agriculture. Under the current law, legal action is initiated by the Attorney General's office or appropriate county attorney at the request of the State Sealer.

No additional funds are requested nor anticipated to be necessary, by the Kansas State Board of Agriculture due to the activities proposed in SB 675. Current funding and staffing levels are sufficient to adequately enforce this law. Cost of printing and distribution (not to exceed \$500.00) will be covered through savings in the current budget.

No fiscal impact is anticipated to the industry regulated through this law.



## SENATE AGRICULTURE COMMITTEE

## TESTIMONY - SENATE BILL 676

February 19, 1992

Mr. Chairman, Members of the Committee. My name is DeVern H. Phillips. I am the State Sealer and Administrator of the Weights and Measures Program of the Division of Inspections. Senate Bill 676 deals primarily with changing nomenclature concerning name changes of what was formerly the National Bureau of Standards and is now called the National Institute for Standards and Technology.

This act also establishes a 10 day period during which service companies licensed under this act must provide to our office, a written report of their device testing or repairing activities. Current law in some places require a 5 day and in others, a 15 day time period in which to submit these reports to our office.

The current Weights and Measures program requires annualized testing of all commercial weighing and measuring devices as part of their privatized enforcement program. This privatized enforcement program has shown increases in accuracy of devices from 50-60% when only the State provided inspections to now nearly 90% accuracy in all programs.

The Weights and Measures program licenses 186 service companies whose 500 technicians test, service and repair devices throughout Kansas. Privatized Weights and Measures enforcement activities provides the work equivalency of an additional 31 field staff. Our office monitors over 40,000 weights and measures reports annually. This includes the monitoring of the activities of those companies involved in privatized testing of weighing and measuring devices.

There will be no fiscal impact upon industry nor to the administration due to these changes requested, other than the cost

Senate Agriculture  
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Attachment 2

to administration for printing and distribution, which is anticipated to be less than five hundred dollars (\$500.00).

<u>REVENUE IMPACT BY FUND</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
TOTAL REVENUE	\$ 0 0	\$ 0 0	\$ 0 0

<u>EXPENDITURE IMPACT BY FUND</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
TOTAL EXPENDITURES	\$ 0 0	\$ 0 0	\$ 0 0

<u>EXPENDITURE IMPACT BY OBJECT</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
SALARIES & WAGES	\$ 0 0	\$ 0 0	\$ 0 0

Communications			
Printing	500.00		
Rents			
Repair			
Travel			
Other Contractual			

TOTAL CONTRACTUAL	\$ 500.00	\$ 0 0	\$ 0 0
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Clothing			
Maint. Supplies			
Prof. Supplies			
Office Supplies			
Other Supplies			

TOTAL COMMODITIES	\$ 0 0	\$ 0 0	\$ 0 0
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CAPITAL OUTLAY	\$ 0 0	\$ 0 0	\$ 0 0
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TOTAL OPERATING EXPENDITURES	\$ 500.00	\$ 0 0	\$ 0 0
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SALARIES AND WAGES SUMMARY

<u>Classification</u>	<u>Salary Range</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
Total Benefits							
TOTAL SALARIES & WAGES		0	0 0 0	0	0 0 0	0	0 0

<u>CAPITAL OUTLAY</u>	<u>Unit</u>	<u>No.</u>	<u>Cost</u>	<u>No.</u>	<u>Cost</u>	<u>No.</u>	<u>Cost</u>
TOTAL CAPITAL OUTLAY							
			\$ 0 0		\$ 0 0		\$ 0 0

FISCAL SUMMARY INFORMATION

KANSAS STATE BOARD OF AGRICULTURE  
901 Kansas Avenue  
Topeka, Kansas 66612  
(913) 296-3556

Bill Number: SB 676

DeVern H. Phillips  
Prepared By

State Sealer  
Title

February 17, 1992  
Date

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Agency Explanation of Estimated Fiscal Impact

Senate Bill 676 changes nomenclature to mirror name changes of the National Bureau of Standards to its current title of National Institute for Standards and Technologies.

The bill also standardizes the period of time during which service companies licensed by the Kansas State Board of Agriculture performing testing, servicing, and repairing of commercial weighing and measuring devices must submit test reports.

No additional funds are requested nor anticipated to be necessary, by the Kansas State Board of Agriculture due to the activities proposed in SB 676. Current funding and staffing levels are sufficient to adequately enforce this law. Cost of printing and distribution (not to exceed \$500.00) will be covered through savings in the current budget.

No fiscal impact is anticipated to the industry regulated through this law.