

Approved: 3-5-98  
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Steve Morris at 10:00 a.m. on March 4, 1998 in Room 423-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department  
Jill Wolters, Revisor of Statutes  
Nancy Kippes, Committee Secretary

Conferees appearing before the committee:

Lee Eisenhauer, Executive Vice-President, Propane Marketers Association of Kansas  
Greg Noll, District Manager, Ferrellgas

Others attending: See attached list

Hearing on:

**HB 2738**                      **Purchaser's credit in exchange of liquefied petroleum containers**

Lee Eisenhauer, Executive Vice-President, Propane Marketers Association of Kansas, testified as a proponent of **HB 2738**. Ms. Eisenhauer stated it is necessary to update the requirements enacted in 1951, wherein propane dealers were required by the Weights and Measures Division of the Kansas Department of Agriculture to allow customers credit for any propane remaining in the cylinder at the time they picked it up at their home in exchange for a new full cylinder (Attachment 1). When this was enacted, customers were using primarily 100-pound cylinders for rural heating, cooking, etc. Now, however, 20-pound cylinders are primarily used by individuals grilling.

Greg Noll, District Manager, Ferrellgas, appeared before the Committee in support of **HB 2738**. He stated most of their business is now propane for gas BBQ grills (Attachment 2). Mr. Noll said there are numerous exchange locations at convenience stores, hardware stores and discount stores that are open longer hours, which makes it much easier for customers to get their propane. Therefore, there is a need to update the present law of refunding customers for the propane remaining in the returned cylinder.

Senator Biggs made a motion to place **HB 2738** on the Consent Calendar. Senator Clark seconded. The motion carried.

The next meeting is scheduled for March 5, 1998.





# *Propane Marketers Association of Kansas*

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**Lee Eisenhauer**  
**Executive Vice-President**

## STATEMENT

By

Lee Eisenhauer

### **Concerning House Bill 2738**

Presented Wednesday, March 4, 1998

to the

Senate Agriculture Committee

Senator Stephen Morris, Chairman

Mister Chairman and Members of the Committee:

My name is Lee Eisenhauer and I serve the propane marketers in the state of Kansas as executive vice-president of their association.

We thank you for your consideration of House Bill 2738, and for giving us the opportunity of being here today.

We support the bill's proposed change to K.S.A. 83-148 regarding the exchange of propane cylinders, because it is necessary to update the requirements enacted in 1951.

I'm sure that the majority, if not all, of you have a barbeque grill on your patio or in your backyard, with a 20-pound propane cylinder (or bottle, you might call it) attached. And, when that cylinder is empty, or almost empty, you take it to your propane marketer's place of business to have it refilled.

Or, if you find it is empty when you're ready to grill one evening or on Sunday when their business is not open, you might take that cylinder to one of the exchange racks now located at convenience stores and other businesses, and just exchange it yourself for a full one. This exchange service has become quite common in Kansas, and throughout the country, just in the past few years, offering we customers a convenient and safe service; and this is the reason K.S.A. 83-148 needs to be updated.

-more-

*Senate Agriculture*  
*March 4, 1998*  
*Attachment 1*

Back in 1951 when this statute was enacted by the Weights and Measures Division of the Kansas Department of Agriculture, 'exchanged' containers were primarily 100-pound cylinders used by rural homes for heating, cooking, etc. The propane dealer came to the home and exchanged the customer's cylinder for a full one, and allowed the customer credit for any propane remaining in the cylinder that was picked up.

That is not a common practice today. Instead, the 'exchanged' cylinder is primarily the 20-pounder that we, the customers, have the option and opportunity of exchanging ourselves; and, if we choose to exchange one that has any propane left in it, that's, of course, our choice.

House Bill 2738 simply removes the requirement of having to give credit for any propane that may be left in a cylinder that you, I, or any customer may exchange ourselves for a full one.

We have worked with the Kansas Department of Agriculture, Weights and Measures Division, and the Consumer Protection Division of the Kansas Attorney General's Office, regarding the necessity of this change, and they are in agreement.

Thank you, again, for your consideration. I would be happy to try to answer any questions you may have.

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MR. CHAIRMAN AND COMMITTEE MEMBERS:

MY NAME IS GREG NOLL. I AM A DISTRICT MANAGER FOR FERRELLGAS. FERRELLGAS HAS BEEN IN PROPANE BUSINESS FOR OVER 60 YEARS. I HAVE WORKED IN THIS BUSINESS FOR 20 YEARS.

I AM HERE TODAY BECAUSE OF HOUSE BILL 2738. THANK YOU FOR GIVING ME THIS OPPORTUNITY TO VISIT WITH YOU ABOUT THIS ISSUE.

ACCORDING TO THE BARBECUE INDUSTRY ASSOCIATION (BIA), MORE GAS BBQ GRILLS THAN CHARCOAL GRILLS WERE SOLD IN 1995 AND 1996 FOR THE FIRST TIME EVER. SOME RETAILERS CLAIM GAS GRILLS OUTSELL CHARCOAL FOUR TO ONE. THE PRIMARY REASON FOR THIS IS CONVENIENCE. ACCORDING TO THE BIA, EVEN THOUGH GAS GRILLS COST MORE, CUSTOMERS PREFER THEM BECAUSE THEY ARE READY TO USE IN FIVE MINUTES AND ARE CLEANER THAN CHARCOAL.

THE CONVENIENCE OF GETTING GAS FOR THEIR GRILLS IS AS IMPORTANT TO CUSTOMERS AS THE CONVENIENCE OF COOKING ON GAS GRILLS. ONE OPTION IS A PROPANE COMPANY FILLING THE CYLINDER FOR THE CUSTOMER OR A DISPENSER WHO SELLS TO THE CUSTOMERS AS WELL. MANY CUSTOMERS FIND THESE OPTIONS INCONVENIENT TO THEM BECAUSE OF THE HOURS KEPT AND HAVING TO MAKE SPECIAL EFFORTS TO GET THEIR CYLINDERS FILLED DURING WORKING HOURS. BEING ABLE TO CATCH SOMEONE AT THE PROPANE PLANT TO HAVE THE CYLINDER FILLED CAN BE A PROBLEM AS WELL.

A MORE CONVENIENT OPTION IS TAKING THE GRILL CYLINDER TO AN EXCHANGE LOCATION. HERE, THE CUSTOMER TURNS THEIR CYLINDER IN FOR A NEW OR LIKE NEW, SAFETY INSPECTED, FULL CYLINDER. THESE EXCHANGE SITES ARE GENERALLY AT LOCAL CONVENIENCE STORES, HARDWARE STORES OR DISCOUNT STORES. THESE STORES ARE USUALLY OPEN LONGER HOURS, SOME 24 HOURS A

*Senate Agriculture  
March 5, 1998  
Attachment 2*



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DAY, WHICH MAKES IT MUCH EASIER FOR THE CUSTOMER TO GET THEIR PROPANE THAN EVER BEFORE.

K.S.A. 83-148 NEEDS TO BE UPDATED DUE TO THE NATURE OF THE BUSINESS TODAY. WHEN THIS LAW WAS ENACTED, IT WAS INTENDED TO BE USED FOR 100 POUND CYLINDER EXCHANGES WHICH WAS DONE BY PROPANE COMPANIES AT THE CUSTOMERS HOME.

HOUSE BILL 2738 WILL ALLOW OUR EXCHANGE LOCATIONS TO EXCHANGE CUSTOMERS CYLINDERS WHEN THE CUSTOMERS CHOOSE TO DO SO AND WOULD NOT REQUIRE A REFUND FOR THOSE CYLINDERS WHICH MAY HAVE SMALL AMOUNTS OF GAS IN THEM AT THE TIME OF EXCHANGE. WITHOUT KNOWING WHICH CUSTOMER BROUGHT IN THE CYLINDER WITH ONE OR TWO POUNDS LEFT, IT WOULD BE IMPOSSIBLE TO MAKE A REFUND PROPERLY.

WE BELIEVE HOUSE BILL 2738 IS A NECESSARY CHANGE. IT WILL STILL ALLOW REFUNDS TO CUSTOMERS EXCEPT FOR THE LOCATIONS WHERE THE CUSTOMER CHOOSES TO EXCHANGE THEIR CYLINDER.

THANK YOU FOR YOUR TIME. I WILL BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.