

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman John Faber at 3:30 P.M. on January 29, 2007 in Room 423-S of the Capitol.

All members were present.

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department
Emalene Correll, Kansas Legislative Research Department
Jason Thompson, Revisor of Statutes
Florence Deeter, Committee Assistant

Conferees appearing before the committee:

Others attending:

See attached list.

Bill Introductions

The Chairman recognized Woody Moses, who introduced a bill regarding the amending of the levy law. There being no objections, the bill will be introduced.

It was noted that committee minutes from January 16, 17 and 18, 2007, were sent electronically and, by consensus, were approved as written on January 29, 2007.

Hearing on HB 2145, - Redefining "dispensing device" to include vehicle tank meters.

The Chairman opened the hearing on **HB2145** introducing Constantine Cotsoradis, Deputy Secretary of the Kansas Department of Agriculture to testify in support of the bill (Attachment 1). He said annual tests of vehicle tank meters used to deliver fuel to farms is important to guarantee the correct measure of fuel for the amount of money paid by the consumer. At present only two service companies are available in Kansas limiting the number of meters tested on an annual basis. The bill requests the current petroleum inspection fee fund to pay for existing staff to conduct the tests. Mr. Cotsoradis indicated the number of meter tests conducted could be significantly increased up to 1,300 by the year 2009.

The Chairman recommended committee members speak with staff from the Department of Agriculture, or to Tom Palace, Petroleum Marketers Association for further information and answers to questions.

Vice-Chairman Knox requested the remaining time be given to the sub-committee for work on the pesticide licensure issue.

The meeting was adjourned at 4:05 p.m. The next meeting is scheduled for January 30, 2007.

Testimony on HB 2145
to
House Agriculture and Natural Resources Committee

by Constantine V. Cotsoradis
Deputy Secretary
Kansas Department of Agriculture

January 29, 2007

Good afternoon, Mr. Chairman and members of the committee. I am Constantine Cotsoradis, deputy secretary of agriculture, and I am here to testify in support of House Bill 2145.

HB 2145 amends the definition of a dispensing device to allow petroleum inspection fee funds (PIFF) to be used for inspecting and testing vehicle tank meters. Vehicle tank meters are mounted on trucks that deliver fuel to farms and homes. An annual test of these meters is important to ensure that consumers receive the amount of product for which they have paid.

Currently, because there are only two service companies available to conduct tests and we have limited resources for tests, many vehicle tank meters are not being tested annually. This bill will correct that problem and improve the accuracy of vehicle tank meters without significantly increasing costs or staff.

Following is a summary of what the bill does and does not do:

- It does not increase fees.
- It does not significantly increase expenditures from the fee fund.
 - There are one-time costs of approximately \$20,000 to purchase test equipment and ongoing salary and other operating expenses of \$16,000.
- It does increase the number of vehicle tank meters tested annually.
 - 35 tests were done in fiscal year 2006.
 - 330 tests are anticipated in fiscal year 2007.
 - 950 tests are projected (if PIFF funding is approved) for fiscal year 2008.
 - 1,300 tests are projected for fiscal year 2009.
- It does reduce expenses for businesses that use vehicle tank meters. When private service companies perform the test, it can cost between \$100 and \$200 per meter or about \$200 to \$400 per truck.
 - The cost for the test, if this bill passes, will be covered by the fees vehicle tank meter owners already pay, so it results in a savings for the business.

This bill is unique in that it will allow us to use existing resources and staff to provide additional consumer protection while reducing costs for the regulated industry.

I will answer questions at the appropriate time.