

MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on February 28, 2007 in Room 423-S of the Capitol.

All members were present except:
Steve Morris- 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:
Representative Elaine Bowers
Richard Cram, Director of Policy & Research, Kansas Department of Revenue
Tom Palace, Executive Director, Petroleum Marketers and Convenience Store Association of Kansas (PMCA)

Others attending:
See attached list.

Chairman Taddiken noted that copies of the minutes for the February 21 meeting were distributed and would be acted on later in the meeting.

The hearing on **HB 2208 - Cloud county fair board** was opened.

Raney Gilliland, Legislative Research, reviewed **HB 2208**. He said this bill amends one section of a statute dealing with the Cloud County Fair Board. It would change the manner in which the Fair Board is selected. Currently the Fair Board is selected in conjunction with the annual meeting of the County Extension of Cloud County. Cloud County has joined together with other counties to form a multi-county extension council; and there is no longer a Cloud County Extension meeting. This bill proposes the selection of the county fair board by the county commissioners.

Mr. Gilliland took questions from the Committee.

Elaine Bowers, Representative from District 107, appeared as a proponent for **HB 2208 (Attachment 1)**. She said that this bill would change K.S.A. 19-2699 by allowing the Cloud County Fair Board members to be appointed by the Cloud County Commissioners.

Representative Bowers stood for questions.

There were no opponents for **HB 2208**.

The hearing on **HB 2208** was closed.

Chairman Taddiken opened the hearing on **HB 2013 - Motor-vehicle fuel, licenses, blending fuels, exception**.

Richard Cram, Director of Policy and Research, Kansas Department of Revenue presented testimony in support of **HB 2013 (Attachment 2)**. He said that adding language to K.S.A. 79-3403 will clarify in statute that a consumer purchasing biodiesel, blending it with regular diesel and consuming it for the individual's own use would not need to be licensed and bonded as a manufacturer.

Mr. Cram stood for questions.

Tom Palace, Executive Director, Petroleum Marketers and Convenience Store Association of Kansas, spoke in favor of **HB 2013**. There was no written testimony. The PMCA worked with the Department of Revenue in the changes to K.S.A. 79-3403.

CONTINUATION SHEET

MINUTES OF THE Senate Agriculture Committee at 8:30 a.m. on February 28, 2007 in Room 423-S of the Capitol.

Mr. Palace offered to stand for questions.

There were no opponents to **HB 2013**.

Hearing was closed on **HB 2013**.

Senator Francisco moved that **HB 2013** be passed out of committee favorably and placed on the consent calendar. Seconded by Senator Ostmeyer. Motion passed.

Senator Bruce made a motion to approve the minutes of February 21. Seconded by Senator Schmidt. Motion passed.

Discussion continued on **HB 2208**.

Senator Francisco moved the deletion of the sentence in line 22 :Any person of legal voting age and residing in the county shall be eligible for membership from that district on the board.” and on line 25 strike “at large”and add “for” in front of membership. Seconded by Senator Schmidt. Motion carried. Amendment was adopted.

The consensus of the Committee was that the revisors make the necessary changes to the bill to clarify length of terms and effective dates of terms for the Cloud County Fair Board members and other technical changes as needed.

Senator Schmidt moved that **HB 2208** be passed favorably as amended. Seconded by Senator Pine. Motion carried.

Meeting was adjourned.

Senate Agriculture Committee
February 28, 2007
House Bill 2208
Re: Cloud County Fair

Good Morning Chairman Taddiken and Committee. I was asked to address a problem with the election process of the Cloud County Fair by the Cloud County Fair Board members and with permission from the Cloud County Commission. KS Statute 19-2699 was written for the Cloud County Fair in 1987 and provides for an annual election conducted with the county extension council in Cloud County. Just this year, the county extension council merged with three other counties to form the River Valley Extension Council and will no longer hold an annual election. Due to this change, the Cloud County Fair Board would like to have the members appointed from each of the commissioner's districts in the county and approved each year in December by the three member county commission.

I would respectfully ask for your positive consideration and placement on the consent calendar if possible. And again, thank you for your time.

Elaine Bowers

Representative Elaine Bowers
District 107
Cloud, Ottawa, Lincoln and a portion of Dickenson County

*Senate Agriculture Committee
2-28-07
Attachment 1*

Testimony to the Senate Agriculture Committee
Richard Cram

February 28, 2007

House Bill 2013

Senator Taddiken, Chair, and Members of the Committee:

The Department supports House Bill 2013, which was introduced by the Special Committee on Agriculture and Natural Resources and has passed the House. This bill would make a change recommended by the Department to K.S.A. 79-3403, the motor-vehicle fuels licensing statute, adding the following language:

No motor-vehicle fuels or special fuels manufacturer's license shall be required for any consumer who is blending motor-vehicle fuel or special fuel purchased for such consumer's own use, and not for resale, from a distributor or retailer who is the holder of a valid, unsuspended and unrevoked motor-vehicle fuels or special fuels distributor's or retailer's license.

The definition of "manufacturer" in K.S.A. 79-3401(j) also includes any person who is blending motor-vehicle fuels or special fuels, for the person's own use, sale or delivery. Inserting the above language in K.S.A. 79-3403 will clarify in statute that a consumer purchasing biodiesel, blending it with regular diesel, and consuming it for the individual's own use would not need to be licensed and bonded as a manufacturer. This change is also consistent with the policy stated in our recently published Notice 06-06, which provides that dyed biodiesel sold to a consumer for off-road use would not be subject to motor fuel tax, and we are not requiring the consumer to be licensed as a biodiesel manufacturer, even though technically, the consumer will probably be blending the biodiesel with regular diesel fuel before use, and that activity falls within the statutory definition of "manufacturing." If the biodiesel is sold clear in the above circumstances, it will be subject to motor fuel tax.

With me today are Edie Martin, manager of our motor fuel tax section, and Cindy Mongold, administrator in the motor fuel tax section, to assist in answering questions.

Senate Agriculture Committee
2-28-07
Attachment 2