

Approved: 5.2.08
Date

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Carolyn McGinn at 8:30 a.m. on March 6, 2008 in Room 423-S of the Capitol.

All members were present except:
Carolyn McGinn- excused

Committee staff present:
Raney Gilliland, Kansas Legislative Research Department
Jason Thompson, Revisor of Statutes
Matt Todd, Revisor of Statutes
Adrienne Halpin, Committee Assistant

Conferees appearing before the committee:
John Peterson, Anheuser Busch
Chris Tymeson, Kansas Department of Wild Life and Parks
Karl Mueldener, Kansas Department of Health

Others attending:
See attached list.

Vice Chairman Ostmeyer commenced the meeting by opening the hearing on **HB 2692**, including stainless steel as a regulated scrap metal.

Raney Gilliland gave an explanation of the bill stating that it would add stainless steel to the metals listed as "regulated scrap metal" in K.S.A. 2007 Supp. 50-6,109. Issues involved include record maintenance of sales for scrap metal dealers.

John Peterson, Anheuser Busch, testified in support of **HB 2692** (Attachment 1). Mr. Peterson stated that the bill adds stainless steel to the original statute and that its addition to written records would help curb the theft of stainless steel containers.

Senator Taddiken stated that similar legislation was being passed in the neighboring states of Nebraska, Missouri, and Oklahoma. Because of a constituent's concern, Senator Wysong asked if there are any known loopholes in the current legislation. The consensus was that there were none.

Vice Chairman Ostmeyer closed the hearing on **HB 2692** and opened the hearing on **HB 2748**, tagging of big game and wild turkey.

Chris Tymeson, Kansas Department of Wild Life and Parks (KDWP), testified in favor of the bill (Attachment 2). KDWP requested the introduction of the bill which seeks to amend two statutes concerning wild turkeys. The bill gives the Secretary of KDWP the authority to determine tagging procedures for wild turkeys and gives the KDWP the future option of transitioning to a tagless season. Mr. Tymeson stood for questions during which time Jim Pitman, Small Game Coordinator, KDWP, also commented.

Vice Chairman Ostmeyer requested that the Committee review the written testimony from Steve Swaffar, Kansas Farm Bureau (Attachment 3) and closed the hearing on **HB 2692**. He then opened the hearing on **HB 2892**, rules and regulations for underground crude oil storage.

Karl Mueldener, Kansas Department of Health and Environment (KDHE), Bureau of Water testified in support of **HB 2892** which would allow the Secretary of KDHE to adopt rules and regulations for the underground storage of crude oil as well as to appoint an advisory committee to aid in the process (Attachment 4). Although existing legislation addresses the storage of higher pressure products—such as propane—crude oil has not yet been addressed. Mr Mueldener stood for questions during which time Senator Huelskamp requested that the Committee speak with the party who originally introduced the bill.

CONTINUATION SHEET

MINUTES OF THE Senate Natural Resources Committee at 8:30 a.m. on March 6, 2008 in Room 423-S of the Capitol.

Vice Chair Ostmeyer closed the hearing on **HB 2892**.

Senator Bruce motioned to place **HB 2692** on the consent calendar, seconded by Senator Francisco. The motioned passed.

Senator Wysong motioned to pass **HB 2748** favorably out of Committee, seconded by Senator Francisco. The motion carried.

The Committee agreed to wait to address **HB 2892** until they could speak with the party who had introduced it.

Vice Chairman Ostmeyer announced the conclusion of the meeting.

The meeting adjourned at 9:30.

**TESTIMONY OF JOHN PETERSON
ANHEUSER-BUSCH COMPANIES
SENATE NATURAL RESOURCES COMMITTEE**

HB 2692

March 6, 2008

Madam Chairwoman. My name is John Peterson. I appreciate the opportunity you have given me to testify in support of HB 2692 on behalf of Anheuser-Busch.

Many entities face increased costs due to metal thefts, including utility companies, home builders, brewers and state and local governments. For brewers, the problem is stolen kegs. The scrap value of a beer keg has gone from approximately \$5 per keg to over \$40 per keg over the past three years. Keg loss is a major financial burden for brewers and importers, costing the industry tens of millions of dollars each year. New kegs cost more than \$130, and every year, the beer industry loses over 300,000 kegs. As an example, Anheuser-Busch lost nearly \$40,000 or approximately 300 kegs in Kansas from 2004 to 2006. These losses will only escalate due to rising metals prices unless action is taken.

Kegs are the property of a brewery or importer – not the distributor, retailer, or consumer. All kegs are marked very clearly, by permanent stamping in the metal, as being the property of the brewer or importer. Nonetheless, people continue to steal kegs and attempt to sell them to scrap metal dealers. While most states have stolen property laws already, this type of specific scrap metal legislation is a tool that can combat metal theft. Many state legislatures are interested in keg/scrap metal loss prevention efforts. In 2007 alone numerous states passed keg/scrap metal loss laws including California, Colorado, Louisiana, New York, and Texas among others. While Kansas passed a strong new law in 2007, stainless steel was not included in the list of metals covered by this new legislation. We ask that Kansas join this list of states attempting to combat theft by passing HB 2692 and adding stainless steel to the metals covered by Kansas law.

Thank you very much for this opportunity to testify.

*Senate Natural Resources
March 6, 2008
Attachment 1*

**Testimony on HB 2748 regarding the Possession of Wildlife
To
The Senate Committee on Natural Resources**

**By Christopher J. Tymeson
Chief Legal Counsel
Kansas Department of Wildlife and Parks**

6 March 2008

HB 2748 seeks to amend two statutes related to the possession and tagging of wild turkeys. The provisions of the bill would be effective on publication in the statute book. **The Department supports the provisions contained in HB 2748 and requested introduction of the bill.**

HB 2748 would amend K.S.A. 32-969 and K.S.A. 32-1004 to allow the secretary authority to determine the necessity of tagging wild turkeys on harvest by regulation. With the enactment of this bill, the Department can begin exploring options for a fall season that would not require tagging of carcasses.

Wild turkeys are one of the great stories of conservation success in Kansas. Wild turkey populations exist today such that huntable populations exist in every county of the state. The first modern spring turkey season began in 1974 with a nine day firearms season and the first modern fall season began in 1979 with a sixteen day archery season. Since that time, season lengths and bag limits have dramatically expanded to meet turkey populations. The current spring turkey season begins April 1 and runs through May 31. The current fall turkey season begins October 1 and runs through January 31, closing only during the firearms deer seasons. Kansas has some of the longest wild turkey seasons in the country. Bag limits have also expanded to allow 2 bird harvests in the spring and 4 bird harvests in the fall in certain management units.

The Department appreciates the opportunity to address the bill and the support of the Committee in making these modifications to the statutes as we determine the next phase of wild turkey management.

Kansas Farm Bureau
WRITTEN POLICY STATEMENT

Senate Natural Resources Committee

HB 2748; an act concerning possession of wildlife

March 6, 2008
Submitted by:
Steve M. Swaffar
Director of Natural Resources

Chairperson McGinn and members of the committee, thank you for this opportunity to offer comments on House Bill 2748, providing an opportunity for the Department of Wildlife and Parks to remove the requirement for a carcass tag on turkeys. Kansas Farm Bureau (KFB) is the state's largest general farm organization representing more than 40,000 farm and ranch families through our 105 county Farm Bureau Associations.

Although KFB does not have direct policy on the tagging system, we believe this may be an opportunity to relax the regulations on turkey seasons, including the bag limit. Many of our members are concerned about the perceived and real damage caused by turkeys to crops. KFB does have policy which supports adequate control of wildlife to minimize property and crop damage from wildlife. If revising this statute loosens the tagging regulations and results in thinning turkey flocks our members will benefit from it. Thank you for this opportunity to provide these comments.

Kansas Farm Bureau represents grassroots agriculture. Established in 1919, this non-profit advocacy organization supports farm families who earn their living in a changing industry.

Senate Natural Resources
March 6
Attachment 3



Kathleen Sebelius, Governor
Roderick L. Bremby, Secretary

DEPARTMENT OF HEALTH
AND ENVIRONMENT

www.kdheks.gov

Division of Environment

Testimony on House Bill 2892

Presented to
Senate Natural Resources Committee
By
Karl Mueldener
Director, Bureau of Water

March 6, 2008

Chairperson McGinn and members of the Committee, I am Karl Mueldener, Director of KDHE's Bureau of Water. I appear before you today in support of House Bill 2892, addressing underground storage of crude oil. New Section 1 instructs the Secretary of KDHE to adopt regulations governing underground storage of crude oil and to appoint an advisory committee to assist in this task.

Underground storage of various fuels in Kansas's salt formations has occurred since the 1950's. Products stored in salt caverns have included propane, butane, ethane, methane, gasoline, and jet fuel. Storing crude oil would be very similar and perhaps could be accomplished in the same facilities in a safe and secure manner.

New Section 1 instructs the Secretary of KDHE to adopt regulations governing underground storage of crude oil. Although existing regulations found at K.A.R. 28-45-1 et seq., "Hydrocarbon Storage Wells and Associated Brine Ponds," address hydrocarbon storage in salt caverns, the regulations were designed primarily to address liquefied petroleum gas storage and may require revision to ensure they adequately address crude oil storage.

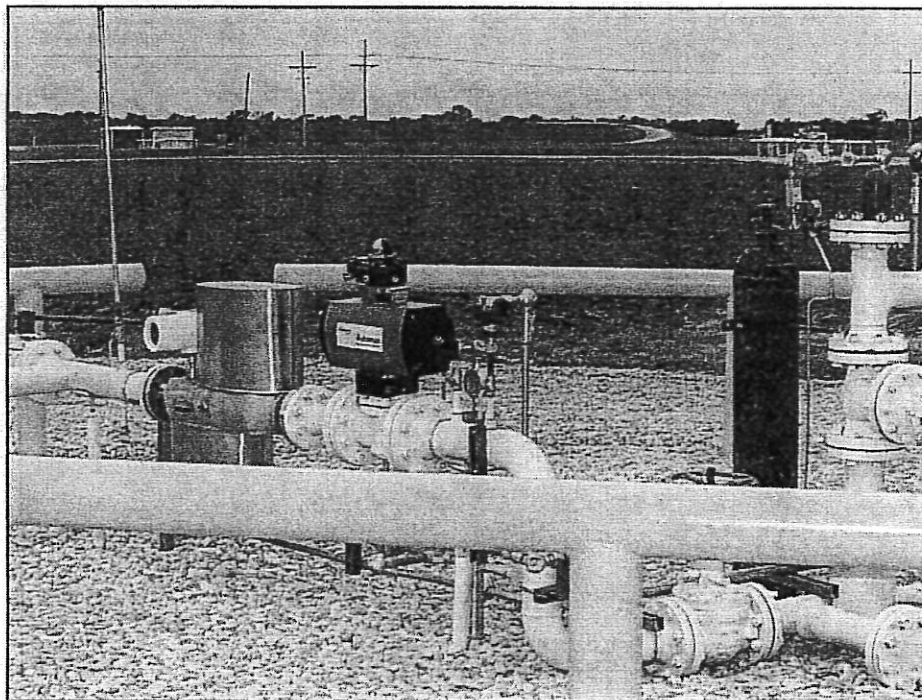
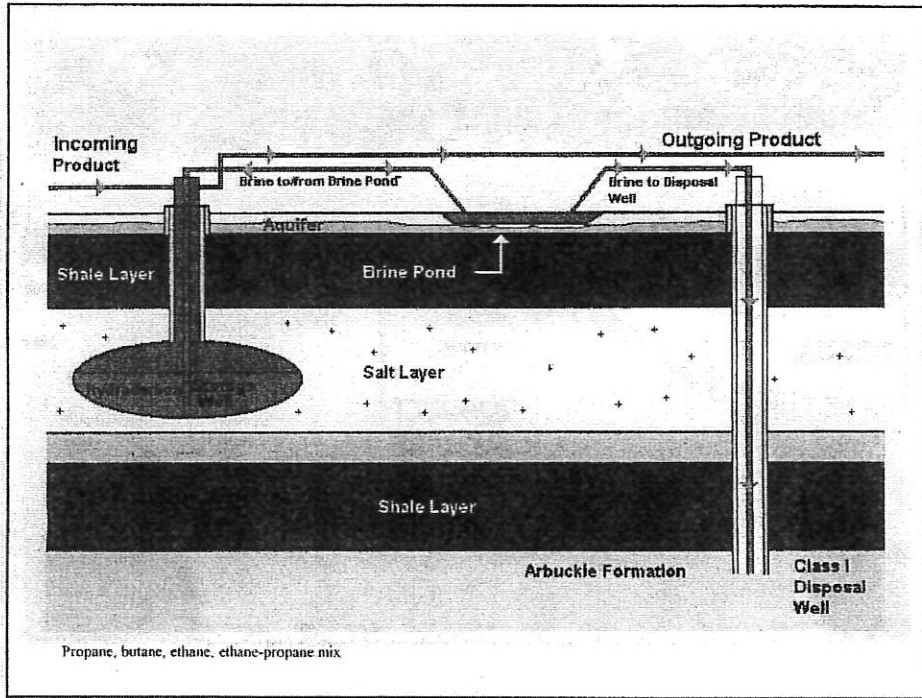
The Federal Safe Drinking Water Act defines crude oil storage wells as Class II Underground Injection Control (UIC) wells. There are five classes of UIC wells for regulatory purposes. Class II wells are primarily those associated with oil production and the Kansas Corporation Commission (KCC) is authorized to regulate oil field Class II activities in Kansas. KDHE has authority from EPA to administer the other four classes of injection wells. In the instance of crude oil storage in salt formations, regulatory oversight appears to fit better with KDHE than KCC. KDHE and KCC personnel discussed the topic last year and KCC then indicated agreement. An interagency agreement with EPA, KDHE, and KCC should be able to address the appropriate agency roles for crude oil storage.

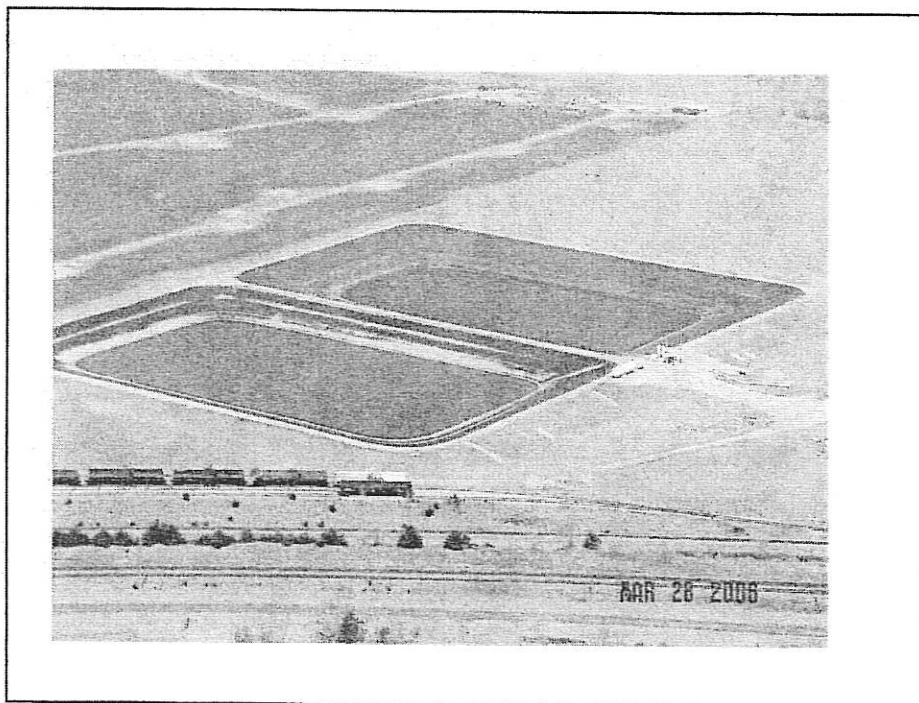
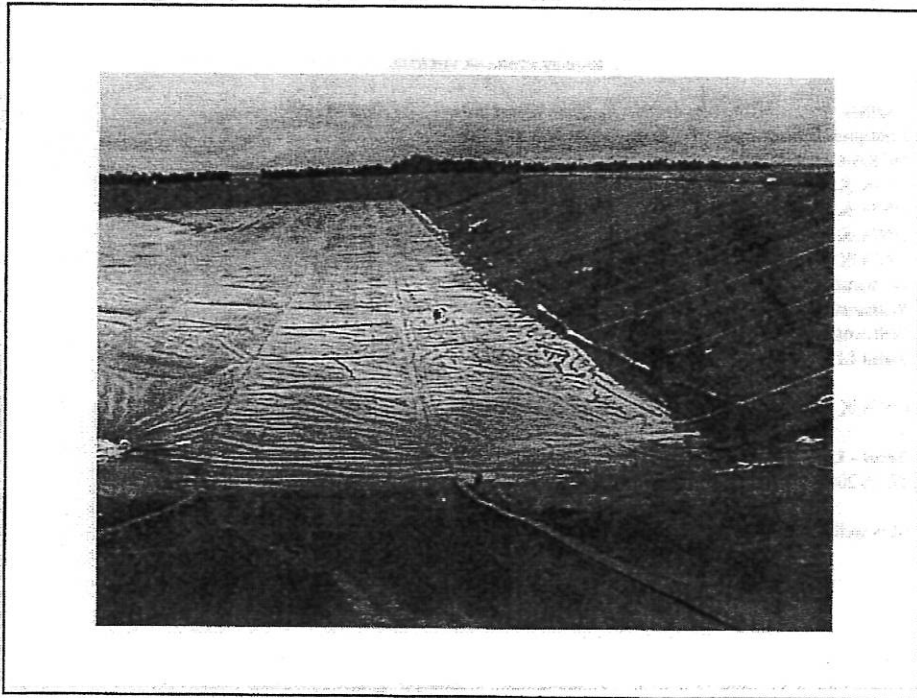
Attachments for informational purposes are sketches and pictures regarding storage of liquid in salt.

*Senate Natural Resources
March 6, 2008
Attachment 4*

BUREAU OF WATER – GEOLOGY SECTION
CURTIS STATE OFFICE BUILDING, 1000 SW JACKSON ST., STE. 420, TOPEKA, KS 66612-1367

Voice 785-296-5524 Fax 785-296-5509 Web <http://kdheks.gov/geo>





KANSAS STORAGE VOLUME

Facility	Total bbls	# Wells
Enterprise-Hutchinson	3,732,738	17
NCRA-Conway	5,470,580	78
ONEOK Bushton	15,160,716	88
ONEOK Conway	4,175,024	43
ONEOK Hillside-Hutchinson	2,514,683	21
ONEOK Fractionation-Hutchinson	9,047,290	58
Williams CUE-Conway	11,586,469	89
Williams West-Conway	12,537,944	59
Williams Mitchell	5,474,427	23
Total LPG	69,699,871	476
ONEOK Yaggy	16,529,620	98
Total - LPG & Natural Gas	86,229,491	574

12/18/2006
M is wells in monitoring status- filled with brine